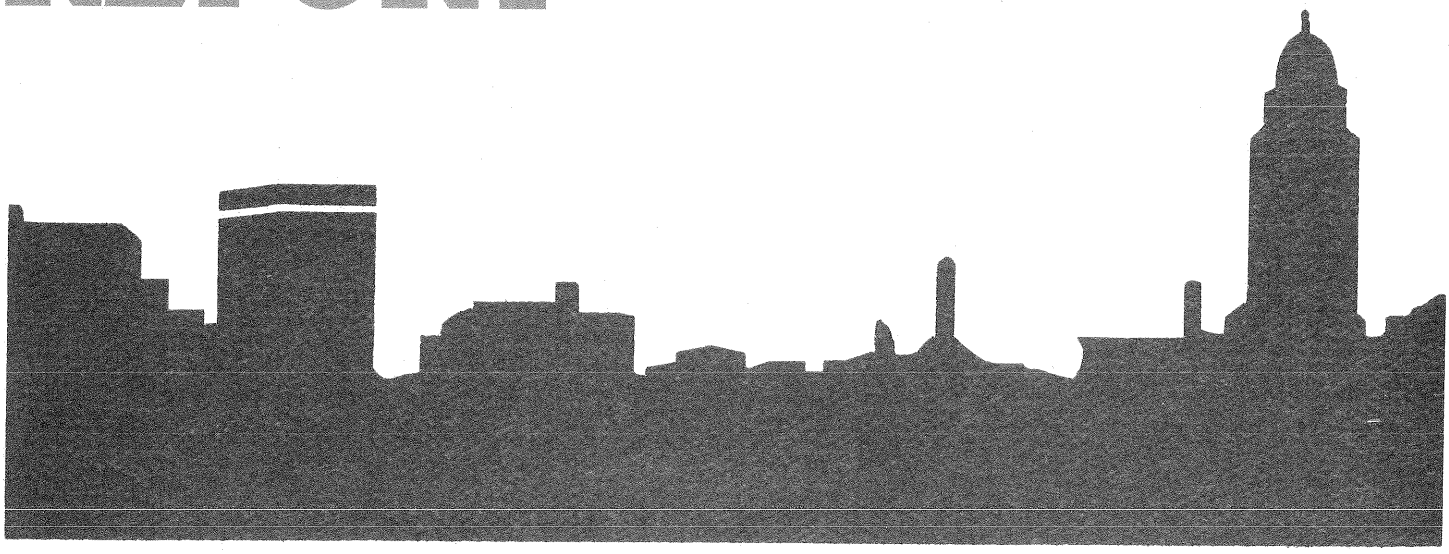
COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF LINCOLN, NEBRASKA

For the Fiscal Year Ended August 31, 1989

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

OF THE

CITY OF LINCOLN, NEBRASKA

FOR THE YEAR ENDED AUGUST 31, 1989

Prepared by:

The Auditing Division/Finance Department

OFFICIALS OF THE CITY OF LINCOLN

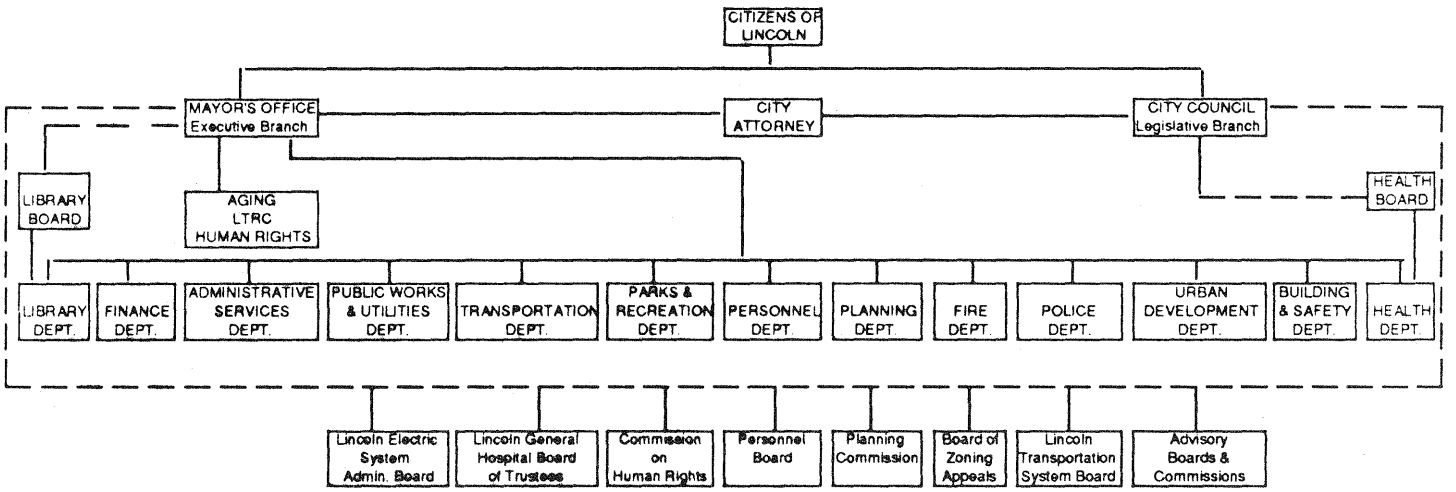
L. William Harris ..... Mayor
J. Gates Minnick ..... Chairman, City Council
Linda W. Wilson ..... Vice Chairman, City Council
Jo B. Gutgsell ..... Council Member
Ken Haar ..... Council Member
Theodore V. Hempel ..... Council Member
Mike Johanns ..... Council Member
Coleen J. Seng ..... Council Member

* * * * * *

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
..... and Acting Building & Safety Director
M. Jane Ford ..... Health Director
Arlan Stromberg ..... Hospital Administrator
George Williamson ..... Transportation Director
Ron Todd ..... Personnel Director
William F. Austin ..... City Attorney
Allen Curtis ..... Police Chief
Mike Merwick ..... Fire Chief

* * * * * *

CITY OF LINCOLN ORGANIZATION CHART



CITY OF LINCOLN, NEBRASKA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED AUGUST 31, 1989

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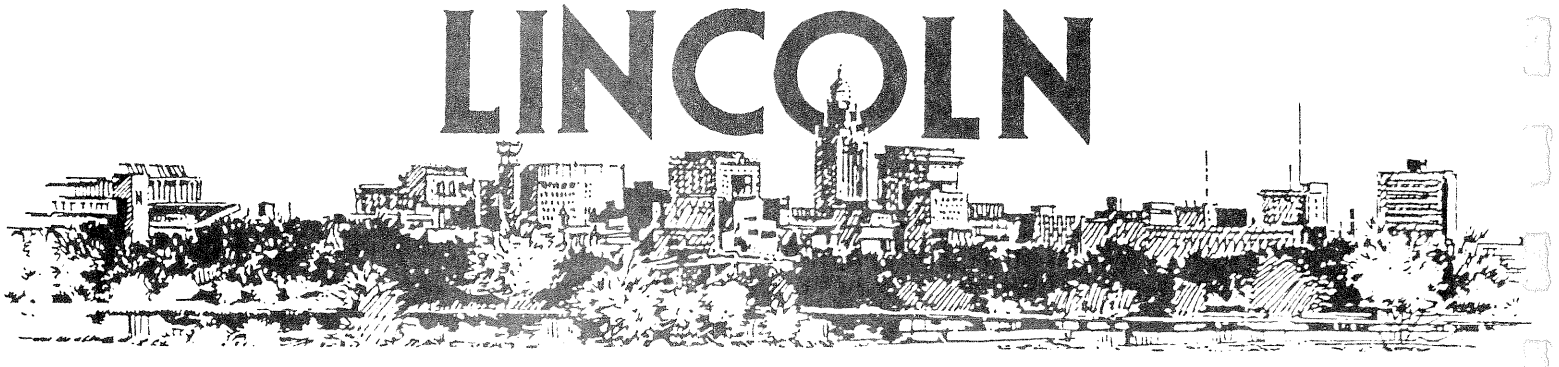

DEPARTMENT OF FINANCE
& ADMINISTRATIVE SERVICES
JACK VAVRA, Director

NEBRASKA'S CAPITAL CITY

BILL HARRIS, MAYOR

February 16, 1990

To The Citizens Of The City Of Lincoln:

The Comprehensive Annual Financial Report (CAFR) of the City of Lincoln, Nebraska for the fiscal year ended August 31, 1989 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the government. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the governments. All disclosures necessary to enable the reader to gain an understanding of the governments' financial activities including all currently effective statements of the Governmental Accounting Standards Board have been included.

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

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

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

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

- The Single Audit Section contains an Independent Auditors' Report on the Schedule of Federal Financial Assistance, a Schedule of Federal Financial Assistance, Independent Auditors' Reports on Compliance at the General Purpose Financial Statement Level, Compliance with General Requirements, and on Compliance with Specific Requirements Applicable to Major and Nonmajor Federal Financial Assistance Programs, a Schedule of Findings and Questioned Costs, and Independent Auditors' Reports on Internal Accounting Controls at the General Purpose Financial Statement Level and on Internal Accounting and Administrative Controls at the Federal Financial Assistance Program Level.

This report includes all component units, functions, programs, and activities in which the City exercises oversight authority. City oversight authority is determined on the basis of budget adoption, funding and selection of governing authority. Services are provided to residents in many areas, including public safety (police - fire), highways and streets, health, planning and zoning, parks, recreation, urban development, mass transportation, electric utility, water utility, wastewater 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), and Lincoln General Hospital (LGH), all of which are included in this report. The Lincoln Water System, Lincoln Wastewater System, StarTran, parking lots, parking facilities, golf courses and Pershing Municipal Auditorium are all part of administrative departments under the direction of the Mayor and are included in this report. The following entities are not included in this report because the City does not exercise oversight authority:

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

Separate audited financial statements are available from these organizations.

Economic Condition And Outlook

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

The Lincoln metropolitan area population base continues to demonstrate a pattern of sustained growth. According to the U.S. Census figures, the Lincoln metropolitan area population grew by over 11.5% between 1980 and 1989, adding over 2,000 people to the community each year. The 1980 population of 192,884 had reached an estimated 215,050 persons at the end of 1989.

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

Since the national recession of the early 1980's Lincoln's employment has averaged an annual growth of nearly 2.7%. Unemployment at August 31, 1989 was 2.5%, well below the national average. This has been led by expansion in the service sector, as well as noteworthy growth in manufacturing. Lincoln was strongest in the categories of construction, services and wholesale and retail trade.

Lincoln's construction activity continues to demonstrate sustained growth. Permits for all forms of new construction have risen by 7.42% over the past 5 years with an increase in the value of construction permits of over $60 million. Estimates from the F.W. Dodge Division of McGraw-Hill indicate that Lincoln's construction market should remain strong.

Sales tax revenue was up 5.43% for 1988-89.

Major Initiatives

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

The City is continuing the development of the new Sanitary Landfill and continued closure of the old site. This includes a $524,000 appropriation in the 1989-90 and $550,000 in the 1990-91 Capital Improvements budget for continued development of the leachate collection system, interior roads, site maintenance, drainage improvements, etc., and an appropriation in 1989-90 of $162,000 for closure projects on the old site involving earthwork, grading, drainage and establishing vegetation. The project effort is anticipated beyond 1994.

During August 1989, the City issued General Obligation Bonds in the amount of $7,985,000 for the purposes of acquiring and developing a recreational trail system in the amount of $3,600,000, developing/redeveloping the Antelope Park Triangle Area in the amount of $1,700,000, acquiring Fire Department apparatus and equipment and constructing two additional Fire Stations in the amount of $1,125,000, and improvements to the City's Pershing Municipal Auditorium in the amount of $1,560,000.

During August, 1989, the City also issued Parking Revenue Bonds of $1,685,000 to be used together with Community Improvement Financing Funds, Private Sector contributions and other City Funds to construct a five level, 450 space parking facility on the east half of the block bounded by "O" Street, "P" Street, 13th Street and 14th Streets. Total cost of the project is estimated at $4,448,000. The parking facility will serve retail, banking and housing located on the same block and theaters, restaurants, public library, and retail in adjacent blocks.

The City is currently performing a final feasibility study in conjunction with a Downtown District Heating and Cooling System. Following the completion of the feasibility study, initial design work would begin in 1989-90 at an estimated cost of $25,000 with construction work anticipated in 1990-91 at a cost of $3,375,000.

The current Lincoln Center Redevelopment Plan reflects, through numerous projects, the mixed use revitalization/redevelopment of the Lincoln Center Business District, in particular, three core area projects; Centerstone, Block 35 Redevelopment, and Six Block Area:

Centerstone Project - This project included housing, retail and office development, sidewalks, and pedestrian amenities in prior years of $2,163,200, and includes 1989-90 appropriations of $877,800 for new retail development and skywalks.

Block 35 Project - This project included prior year expenditures of $2,720,000 for property acquisition, demolition, construction of a parking lot and other costs.

Six Block Project - This project, bounded by 11th to 13th and "N" to "Q" Streets, relates to a change in the development concept from a regional retail mall shopping center to a revitalization/redevelopment retail center approach. The project provides public financing through a variety of sources to carry out the downtown Master Plan. Proposed public involvement includes land assembly, rehabilitation/renovation financial assistance, entertainment development, parking facility with pedestrian bridge, Centrum redevelopment, plaza development, and, streetscape and lighting renovation. Funds of $7,663,650 have been appropriated for 1989-90 with $3,566,485 anticipated in subsequent years through 1992-93.

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately $18,629,700 over the 6 year period of 1989-90 through 1994-95. Of that total, approximately $14,000,000 of those improvements will be financed through revenue bonds with the balance of the dollars coming from charges for services. The major portion of those dollars will be needed for sludge processing and disposal improvements at the Theresa Street plant, an odor control project at the Theresa Street facility, general replacement of primary clarifier mechanisms, replacement of electrical equipment and controls at the Theresa Street Plant, and general replacement of sanitary sewer lines.

The Lincoln Water System is projecting a capital improvements program in the amount of $113,191,400 over the 9 year period of 1989-90 through 1997-98. Of those dollars, approximately $55,000,000 of those improvements will be financed through revenue bonds with the balance of the dollars coming from charges for services. The major projects contributing to these total dollars include the installation of new wells, collector lines, and wellfield improvements in the Ashland area; construction of a new water treatment plant in Ashland; construction of a new water transmission main between Lincoln and Ashland; additional ground storage reservoirs; and replacement mains.

Internal Accounting Controls

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

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

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

Accounting System And Budgetary Control

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

Budgetary control is maintained at the department level by the encumbrance of balances with purchase orders prior to their release to vendors. Purchase orders which result in an overrun of department balances are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at August 31, 1989. Except for Capital Projects Funds, budgets for Governmental Type Funds are adopted annually. Capital Project Funds are budgeted by project and appropriations are continuing appropriations through completion of the project. Enterprise and Pension Trust Fund budgets are adopted annually.

Self-Insurance

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

General Governmental Functions

General Governmental Revenues (General, Special Revenue and Debt Service Funds) on the GAAP basis totaled $82,405,589 in 1988-89, an increase of 11.47% from 1987-88. General property taxes produced 27.48% of General Governmental Revenues compared to 28.31% 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 1987-88	Percent Of Increase (Decrease)
Taxes	$ 52,780,348	64.1%	$4,787,745	10.0%
Intergovernmental	19,853,034	24.1	3,495,630	21.4
Permits and Fees	1,701,082	2.1	97,924	6.1
Reimbursement for Services	1,004,843	1.2	(43,295)	(4.1)
Court Fees	109,806	0.1	(7,053)	(6.0)
Recreational Receipts	593,461	0.7	2,652	.4
Interest	2,838,448	3.4	(749,965)	(20.9)
Other	3,524,567	4.3	893,339	33.9
	$ 82,405,589	100.0%	$8,476,977	

Assessed real property valuations at market value for 1988-89, totaled $4,549,045,196.

As of August 31, 1989, current tax collections by the County Treasurer were 95.18% of the tax levy, up 0.97% from last year. Allocations of property tax levy by purpose for 1988-89, and the preceding two fiscal years are as follows:

City Tax Levy By Purpose

	1988-89	1987-88	1986-87
General Fund	.3243	.2992	.3072
Library	.0647	.0529	.0584
Social Security	.0167	.0141	.0152
Police and Fire Pension	.0117	.0141	.0299
General Obligation Debt	.0627	.0804	.0796
	.4801	.4607	.4903

General governmental expenditures on the GAAP basis of accounting totaled $66,382,030 in 1988-89, a net increase of 6.4% over 1987-88. 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 1987-88	Percent Of Increase (Decrease)
General Government	$11,972,664	18.0%	$ 745,102	6.6%
Public Safety	21,415,917	32.2	198,255	.9
Streets and Highways	5,878,224	8.9	(109,288)	(1.8)
Culture - Recreation	8,200,666	12.4	146,015	1.8
Economic Opportunity	8,293,286	12.5	2,091,864	33.7
Health and Welfare	3,972,901	6.0	355,937	9.8
Debt Service	6,648,372	10.0	(160,806)	(2.4)
	$66,382,030	100.0%	$3,267,079	

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. On May 30, 1989, the City of Lincoln entered into an agreement for the development of a City-owned parking facility, located in University Square, to serve the private industry in this area. The agreement includes right of first refusal on 301 parking spaces for monthly leases to Centerstone, NebHelp and Commercial Federal Savings and Loan. Long-term debt for these facilities is covered under the same bond ordinance. Revenue generated by these 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:

	1988-89	1987-88
Operating Revenue	$883,782	943,764
Operating Income Before Depreciation	490,091	576,286
On-Street Parking Meter Revenue	306,963	316,984
Revenue Available for Debt Service	797,054	893,270
Debt Service	405,500	405,500
Debt Service Coverage Ratio	1.97	2.20

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, 1989, was $21,905,000. (See Note 9 to the Financial Statements.)

Lincoln Electric System (LES)

The City owns and operates its own electric utility system which, like LGH, is managed by an administrative board. Actions of the board with regard to rates, budgets, and long-term financing are subject to final review and approval by the City Council. In

accordance with Section 2.55.090 of the Lincoln Municipal Code, LES operates on a January 1 - December 31, fiscal year. Audited financial information as of and for LES' fiscal year ended December 31, 1988 is included in the City's August 31, 1989 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, 1989 were as follows:

	Outstanding Aug. 31, 1989	Sinking Funds Aug. 31, 1989	Net Bonded Debt	Net Bonded Debt Per Capita
General Obligation:				
General Bonds	$30,960,000	3,169,739	27,790,261	147.29
Tax Allocation Bonds and Notes	4,527,200	1,094,763	3,432,437	18.19
Total General Bonds Including Tax Allocation Bonds and Notes	35,487,200	4,264,502	31,222,698	165.48
Special Assessment Bonds	13,645,000	7,551,172	6,093,828	32.30
	$49,132,200	11,815,674	37,316,526	197.78

In addition to the general obligation bonded debt, the City recognizes a long-term liability for compensated absences of $994,877. 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, 1989:

Date Issued	Issue	Average Interest Rate	When Due	Amount
General Obligation Bonds:				
8/15/89	Various Purpose	6.52380	Ser. '90 to '09	7,985,000
1/1/89	Gold's Galleria Redevelopment	7.06100	Ser. '89 to '98	620,000
Revenue Bonds:				
10/1/88	Hospital Revenue	6.99490	Ser. '89 to '03	7,415,000
10/1/88	Hospital Revenue	7.60000	Term 2008	5,165,000
10/1/88	Hospital Revenue	7.75000	Term 2014	9,325,000
8/15/89	Parking Revenue - Series A	6.81550	Ser. '90 to '04	3,165,000
8/15/89	Parking Revenue - Series B, Taxable	9.45000	Ser. '90 to '99	1,685,000

The 1989 various purpose bonds were issued August 15, 1989 to:

1) Provide funds to pay the costs of providing improvements to the parks and recreation facilities in the City including, but not limited to, the acquisition and/or development of a recreational trail system and the development of City park property and the Folsom Children's Zoo facilities;

2) Acquire Fire Department apparatus and equipment and construct two additional fire stations; and
3) Reconstruct, improve, equip, and furnish the City's Pershing Municipal Auditorium.

The remaining new bonds issued were all refunding bonds. (See Note 3.)

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. 1988)		AAA

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, 98.81% of available funds were invested in interest-bearing deposits or government securities. Note 4 to the Combined Financial Statements discloses the City's investment policies and the manner in which these investments are held. The average yield on investments was 8.62% and the amount of interest earned was $15,071,034.

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, 1989 the general fixed assets consisted of

approximately 16,600 items totaling $60,589,475, a net increase of $3,731,158 over the prior year.

Water And Wastewater System

The City's Water and Wastewater 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	1988-89	1987-88
Operating Revenue	$15,466,583	13,710,471
Operating Income	8,041,340	6,708,243
Revenue Available for Debt Service	11,134,074	9,237,540
Debt Service	1,732,231	1,735,249
Debt Service Coverage Ratio	6.43	5.32

Wastewater System	1988-89	1987-88
Operating Revenue	$9,551,882	8,439,525
Operating Income	2,709,076	1,930,055
Revenue Available for Debt Service	5,160,746	4,312,330
Debt Service	1,269,102	1,048,587
Debt Service Coverage Ratio	4.07	4.11

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, 1988, 1987, 1986, 1985, 1984 and 1983.

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

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

Acknowledgements

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

Respectfully submitted,

Jack Vavra
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lincoln, Nebraska

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
August 31, 1988

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

President

Executive Director

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FINANCIAL SECTION

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KPMG Peat Marwick

Certified Public Accountants

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

Independent Auditors' Report

The Honorable Members of City Council
City of Lincoln, Nebraska:

We have audited the general purpose financial statements of the City of Lincoln, Nebraska, as of and for the year ended August 31, 1989, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of Lincoln General Hospital, which statements reflect totals assets and revenues consisting of 6.9 percent and 23.7 percent, respectively, of the related enterprise fund totals. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lincoln General Hospital is based solely upon the report of the other auditors.

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

In our opinion, based upon our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lincoln, Nebraska, at August 31, 1989, and the results of its operations and the cash flows of its proprietary and similar trust fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Lincoln, Nebraska. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

KPMG Peat Marwick

January 31, 1990

Exhibit 1

CITY OF LINCOLN, NE
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AUGUST 31, 1989
With Comparative Totals For August 31, 1988

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise (Note 1)	Internal Service	Trust And Agency	General Fixed Assets	General Long-Term Liability	1989	1988
ASSETS AND OTHER DEBITS											
Cash Held By City Treasurer (Note 4)	$ 4,531,335	3,987,136	3,205,460	656,472	5,356,872	4,013,706	8,991,587			30,742,568	30,350,786
Cash On Hand And In Other Accounts (Note 4)		84,923			393,095		4,215			482,233	105,592
Investments (At Cost Or Amortized Cost) (Note 4)		6,208,072	10,643,503	23,799,624	62,039,197	2,334,236	60,749,997			165,774,629	159,304,097
Receivables (Notes 2, 5 And 8)	2,993,302	1,431,451	8,220,460	297,950	27,399,666	395,411	1,447,458			42,185,698	40,885,991
Due From Other Funds (Note 17)	2,181,426	708,674	532,957	2,460,919	321,268	902,708	154,860			7,262,812	5,584,274
Due From Other Governments (Note 6)	2,075,165	2,305,238	29,752	15,330	132,382	335,863	5,552			4,899,282	3,514,145
Inventories	338,097	9,114			4,139,432	301,590				4,788,233	4,097,421
Plant Operation Assets					5,160,000					5,160,000	3,783,328
Prepaid Expenses	152,203				1,018,842					1,171,045	1,265,696
Reimbursements From Third Party Payors					599,000					599,000	
Contractor Retainage							922,380			922,380	905,635
Unamortized Bond Issuance Expense					339,619					339,619	319,210
Deferred Charges And Other Assets (Note 15)					21,880,000					21,880,000	20,421,044
Advance Payments For Nuclear Fuel					2,993,000					2,993,000	4,017,284
Restricted Assets:											
Cash (Note 4)					3,899,349					3,899,349	4,607,285
Cash On Hand And In Other Accounts (Note 4)					1,541					1,541	932
Investments At Cost Or Amortized Cost (Note 4)					63,592,561					63,592,561	52,110,742
Accrued Interest Receivable (Note 5)					687,249					687,249	452,913
Due From Other Funds (Note 17)					4,646					4,646	8,726
Property, Plant, And Equipment (Net Of Accumulated Depreciation) (Note 7)					473,913,870	5,663,202		60,589,475		540,166,547	529,286,209
Installment Purchase Agreement		57,268								57,268	90,309
Insurance Contract (Note 15)							2,031,207			2,031,207	1,757,803
Amount Available In Debt Service Funds									11,815,674	11,815,674	12,268,405
Amount To Be Provided For Retirement Of General Long-Term Liabilities									38,977,203	38,977,203	33,615,742
Total Assets And Other Debits	$ 12,271,528	14,791,876	22,632,132	27,230,295	673,871,589	13,946,716	74,307,256	60,589,475	50,792,877	950,433,744	908,753,569
LIABILITIES											
Warrants Payable							2,826,089			2,826,089	3,640,505
Vouchers Payable	51,278	103,118		345,435	44,348	78,840	8,021			631,040	76,778
Contracts Payable				1,623,318						1,623,318	2,430,981
Accounts Payable	263,546	172,292		110,343	8,901,942	262,511	11,706			9,722,340	8,381,244
Accrued Liabilities	108,121	30,355			8,204,297	15,772	436,150			8,794,695	9,702,218
Accrued Compensated Absences	1,299,102	394,951			739,178	338,398	3,100		994,877	3,769,606	3,954,209
Payable From Restricted Assets:											
Construction Contracts					1,051,507					1,051,507	1,042,646
Accrued Interest					6,493,691					6,493,691	6,669,562
Fuel Credit Obligation Notes (Note 9)					590,000					590,000	590,000
Revenue Bonds (Note 9)					8,025,000					8,025,000	7,410,000
Due To Other Funds					42,226					42,226	
Accreted Interest On Capital Appreciation Bonds					2,573,000					2,573,000	1,274,756
Due To Other Governments	133,440						1,239,218			1,372,658	1,126,154
Due To Contractor							965,160			965,160	969,825

(Continued)

(Exhibit 1, Continued)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise (Note 1)	Internal Service	Trust And Agency	General Fixed Assets	General Long-Term Liability	1989	1988
(LIABILITIES, Continued)											
Due To Plan Members (Note 15)					1,091,000		2,121,545			3,212,545	2,757,051
Due To Other Funds (Note 17)	369,166	2,222,293		54,666	695,030	10,497	3,873,580			7,225,232	5,593,000
Unearned Advances											804
Deferred Revenues	1,087,892	273,974	6,311,518	12,950			68,106			7,754,440	8,722,829
Claims (Note 20)						2,873,664				2,873,664	2,974,420
Special Assessments Debt With Governmental Commitment									13,645,000	13,645,000	15,540,000
General Obligation Bonds Payable (Note 9)									34,740,000	34,740,000	28,635,000
Revenue Bonds And Notes (Notes 9 And 12)					344,472,000					344,472,000	347,506,723
Tax Allocation Bond Anticipation Notes (Note 9)									747,200	747,200	
Fuel Credit Obligation Notes (Note 9)					775,000					775,000	1,365,000
Bond Principal Payable			15,000							15,000	15,000
Bond Interest Payable			35,432							35,432	20,157
Deferred Credits And Other					173,000					173,000	144,163
Obligations Under Capital Leases (Note 9)					23,666	8,606			303,300	335,572	456,566
Obligations Under Land Contracts (Note 9)									362,500	362,500	725,000
Amounts Held Under State Lease Agreement (Note 12)							739,356			739,356	1,255,249
Other					3,345,951					3,345,951	2,037,187
Total Liabilities	3,312,545	3,196,983	6,361,950	2,146,712	387,240,836	3,588,288	12,292,031		50,792,877	468,932,222	465,017,027
FUND EQUITY											
Contributed Capital					64,514,709	1,338,509				65,853,218	65,118,246
Investment In General Fixed Assets								60,589,475		60,589,475	56,858,317
Retained Earnings:											
Reserved For:											
Debt Service					17,781,328					17,781,328	14,802,195
Improvements					10,294,950					10,294,950	5,080,468
Restricted Funds					15,874,000					15,874,000	17,341,522
Unreserved:											
Undesignated					156,905,339	9,019,919				165,925,258	153,063,626
Fund Balances:											
Reserved For:											
Encumbrances	753,082	3,421,937		953,087			15,530			5,143,636	5,579,604
Improvements					3,104,000					3,104,000	3,209,000
Inventories	338,097	9,114								347,211	195,443
Debt Service			11,815,674							11,815,674	12,268,405
Restricted Funds					136,000					136,000	148,000
Employee Retirement							61,313,213			61,313,213	55,989,665
Unreserved:											
Designated For Supsequent Years' Expenditures	4,442,377	1,020,964		8,226,382						13,689,723	7,363,285
Undesignated	3,425,427	7,142,878	4,454,508	15,904,114	18,020,427		686,482			49,633,836	46,718,766
Total Retained Earnings/Fund Balances	8,958,983	11,594,893	16,270,182	25,083,583	222,116,044	9,019,919	62,015,225			355,058,829	321,759,979
Total Fund Equity	8,958,983	11,594,893	16,270,182	25,083,583	286,630,753	10,358,428	62,015,225	60,589,475		481,501,522	443,736,542
Committments And Contingent Liabilities (Notes 9, 13, and 14)											
Total Liabilities And Fund Equity	$ 12,271,528	14,791,876	22,632,132	27,230,295	673,871,589	13,946,716	74,307,256	60,589,475	50,792,877	950,433,744	908,753,569

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, 1989
With Comparative Totals For Fiscal Year Ended August 31, 1988

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	1989	1988
Revenues:							
Taxes & Special Assessments (Note 2)	$ 42,115,719	4,103,631	6,560,998	2,573,868		55,354,216	50,327,887
Intergovernmental	2,661,555	17,191,479		136,595		19,989,629	16,803,536
Permits And Fees	1,097,247	603,835				1,701,082	1,603,158
Reimbursement For Services	972,102	32,741				1,004,843	1,048,138
Court Fees	109,806					109,806	116,859
Recreation	593,461					593,461	590,809
Interest	694,544	1,085,570	1,058,334	1,194,379	58,705	4,091,532	4,713,800
Donations And Gifts					522,213	522,213	341,130
Miscellaneous	757,241	2,767,326		453,005	4,345	3,981,917	3,883,299
Total Revenues	49,001,675	25,784,582	7,619,332	4,357,847	585,263	87,348,699	79,428,616
Expenditures:							
Current:							
General Government	10,601,824	1,370,840				11,972,664	11,227,562
Public Safety	21,004,925	410,992				21,415,917	21,217,662
Streets And Highways	3,720,005	2,158,219				5,878,224	5,987,512
Culture--Recreation	5,237,804	2,962,862			154,983	8,355,649	8,179,583
Economic Opportunity		8,293,286			385,140	8,678,426	6,303,803
Health And Welfare		3,972,901				3,972,901	3,616,964
Debt Service:							
Principal Retirement			3,670,000			3,670,000	3,600,000
Interest And Fiscal Charges			2,973,413			2,973,413	3,209,178
Miscellaneous			4,959			4,959	
Capital Outlay				19,190,569		19,190,569	16,842,241
Total Expenditures	40,564,558	19,169,100	6,648,372	19,190,569	540,123	86,112,722	80,184,505
Excess (Deficiency) Of Revenues Over Expenditures	8,437,117	6,615,482	970,960	(14,832,722)	45,140	1,235,977	(755,889)
Other Financing Sources (Uses):							
Operating Transfers In		3,652,211		14,357,580		18,009,791	15,042,660
Operating Transfers Out	(6,980,201)	(12,785,274)		(23,169)		(19,788,644)	(16,510,488)
Bond Anticipation Note Proceeds				747,200		747,200	
Proceeds Of Refunding Bonds			620,000			620,000	
Payment To Refunded Bond Escrow Agent			(778,133)			(778,133)	
Non-Operating Transfers In (Out) (Note 8)	(534,457)	(283,487)		1,774,903		956,959	
General Obligation Bond Proceeds				7,985,000		7,985,000	
Total Other Financing Sources (Uses)	(7,514,658)	(9,416,550)	(158,133)	24,841,514		7,752,173	(1,467,828)
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	922,459	(2,801,068)	812,827	10,008,792	45,140	8,988,150	(2,223,717)
Fund Balances Beginning Of Year	8,021,953	14,260,377	14,976,828	15,705,318	657,027	53,621,503	55,845,220
Residual Equity Transfers In	14,571	720,243	480,527	191,297		1,406,638	91,228
Residual Equity Transfers Out		(584,659)		(821,824)	(155)	(1,406,638)	(91,228)
Fund Balances End Of Year (Note 16)	$ 8,958,983	11,594,893	16,270,182	25,083,583	702,012	62,609,653	53,621,503

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, 1989

	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	$ 39,623,298	42,094,492	2,471,194	3,743,202	4,055,181	311,979	3,281,767	4,169,759	887,992	46,648,267	50,319,432	3,671,165
Intergovernmental	2,639,070	2,661,555	22,485	15,866,972	16,087,860	220,888				18,506,042	18,749,415	243,373
Permits And Fees	880,000	1,096,302	216,302	542,249	603,418	61,169				1,422,249	1,699,720	277,471
Reimbursements For Services	1,051,912	963,153	(88,759)							1,051,912	963,153	(88,759)
Court Fees	118,000	110,274	(7,726)							118,000	110,274	(7,726)
Recreation Receipts	601,000	590,730	(10,270)							601,000	590,730	(10,270)
Interest	745,000	732,860	(12,140)	752,817	986,647	233,830	848,043	1,009,964	161,921	2,345,860	2,729,471	383,611
Special Assessments							2,034,144	2,034,144		2,034,144	2,034,144	
Special Assessments Interest							1,202,442	1,202,442		1,202,442	1,202,442	
Miscellaneous	690,435	738,226	47,791	1,379,635	2,488,059	1,108,424				2,070,070	3,226,285	1,156,215
Total Revenues	46,348,715	48,987,592	2,638,877	22,284,875	24,221,165	1,936,290	7,366,396	8,416,309	1,049,913	75,999,986	81,625,066	5,625,080
Expenditures:												
General Government	11,614,300	10,790,583	823,717	1,510,827	1,450,818	60,009				13,125,127	12,241,401	883,726
Public Safety	22,092,218	21,891,019	201,199	396,059	390,200	5,859				22,488,277	22,281,219	207,058
Streets And Highways	4,042,738	3,748,760	293,978	2,257,641	2,233,668	23,973				6,300,379	5,982,428	317,951
Culture-Recreation	5,450,843	5,359,457	91,386	3,096,459	3,020,470	75,989				8,547,302	8,379,927	167,375
Economic Opportunity				8,543,814	8,129,224	414,590				8,543,814	8,129,224	414,590
Health And Welfare				4,151,552	4,110,381	41,171				4,151,552	4,110,381	41,171
Debt Service							6,745,127	6,653,903	91,224	6,745,127	6,653,903	91,224
Total Expenditures	43,200,099	41,789,819	1,410,280	19,956,352	19,334,761	621,591	6,745,127	6,653,903	91,224	69,901,578	67,778,483	2,123,095
Excess (Deficiency) Of Revenues Over Expenditures	3,148,616	7,197,773	4,049,157	2,328,523	4,886,404	2,557,881	621,269	1,762,406	1,141,137	6,098,408	13,846,583	7,748,175
Other Financing Sources (Uses):												
Operating Transfers In				3,652,211	3,652,211					3,652,211	3,652,211	
Operating Transfers Out	(8,187,118)	(7,293,790)	893,328	(11,909,201)	(11,569,152)	340,049				(20,096,319)	(18,862,942)	1,233,377
Non-Operating Transfers Out	(534,457)	(534,457)		(283,487)	(283,487)					(817,944)	(817,944)	
Proceeds Of Refunding Bonds							620,000	620,000		620,000	620,000	
Payment To Refunded Bond Escrow Agent							(778,133)	(778,133)		(778,133)	(778,133)	
Total	(8,721,575)	(7,828,247)	893,328	(8,540,477)	(8,200,428)	340,049	(158,133)	(158,133)		(17,420,185)	(16,186,808)	1,233,377
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(5,572,959)	(630,474)	4,942,485	(6,211,954)	(3,314,024)	2,897,930	463,136	1,604,273	1,141,137	(11,321,777)	(2,340,225)	8,981,552
Fund Balances Beginning Of Year	6,190,356	6,190,356		12,016,474	12,016,474		15,150,220	15,150,220		33,357,050	33,357,050	
Residual Equity Transfer In	14,571	14,571		509,157	720,243	211,086		480,527	480,527	523,728	1,215,341	691,613
Residual Equity Transfer Out				(584,659)	(584,659)					(584,659)	(584,659)	
Fund Balances End Of Year (Note 16)	$ 631,968	5,574,453	4,942,485	5,729,018	8,838,034	3,109,016	15,613,356	17,235,020	1,621,664	21,974,342	31,647,507	9,673,165

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, 1989

With Comparative Totals For Fiscal Year Ended August 31, 1988

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise (Note 1)	Internal Service	Pension Trust	1989	1988
Operating Revenues:					
Charges For Services	$ 127,456,260	14,395,531		141,851,791	171,458,082
Taxes			546,160	546,160	649,735
Interest			5,501,279	5,501,279	4,996,923
Employee Contributions			984,248	984,248	950,426
Other Operating Revenues	47,458,454		5,748	47,464,202	6,955,343
Total Operating Revenues	174,914,714	14,395,531	7,037,435	196,347,680	185,010,509
Operating Expenses:					
Personal Services	26,670,115	4,661,146		31,331,261	28,205,386
Contractual Services	1,367,298			1,367,298	1,474,946
Operation and Maintenance	33,321,214	7,405,582		40,726,796	37,483,267
Purchased Power	55,691,247			55,691,247	49,581,374
Refunds			459,522	459,522	257,633
Depreciation	17,848,440	1,479,879		19,328,319	18,640,887
Benefit Payments			1,227,322	1,227,322	1,155,693
Payments In Lieu Of Taxes (Note 2)	4,260,000			4,260,000	4,194,062
Administrative	9,463,177		27,043	9,490,220	8,953,198
Total Operating Expenses	148,621,491	13,546,607	1,713,887	163,881,985	149,946,446
Net Operating Income	26,293,223	848,924	5,323,548	32,465,695	35,064,063
Non-Operating Revenue (Expense):					
Interest Revenue	10,390,129	589,373		10,979,502	8,995,416
Gain (Loss) On Disposal Of Assets	9,231			9,231	(42,181)
Operating Grants	1,965,530			1,965,530	1,612,576
Amortization Of Deferred Charges	(2,218,705)			(2,218,705)	(2,164,456)
Donations	166,000			166,000	71,000
Interest Expense And Fiscal Charges (Note 10)	(21,995,255)	(11,473)		(22,006,728)	(22,815,660)
Miscellaneous	1,614,487	74,831		1,689,318	85,869
Total Non-Operating Revenue (Expense)	(10,068,583)	652,731		(9,415,852)	(14,257,436)
Net Income Before Operating Transfers	16,224,640	1,501,655	5,323,548	23,049,843	20,806,627
Operating Transfers In	1,828,853			1,828,853	1,795,458
Operating Transfers Out	(50,000)			(50,000)	
Net Income Before Extraordinary Items	18,003,493	1,501,655	5,323,548	24,828,696	22,602,085
Extraordinary Item -- Loss From Early Extinguishment Of Debt (Note 3)	(2,796,738)			(2,796,738)	
Net Income	15,206,755	1,501,655	5,323,548	22,031,958	22,602,085
Depreciation Transfer On Contributed Capital	1,938,259	340,483		2,278,742	2,170,945
Increase In Retained Earnings/Fund Balance	17,145,014	1,842,138	5,323,548	24,310,700	24,773,030
Retained Earnings/Fund Balance Beginning Of Year	204,971,030	7,177,781	55,989,665	268,138,476	243,365,446
Retained Earnings/Fund Balance End Of Year	$ 222,116,044	9,019,919	61,313,213	292,449,176	268,138,476

See Accompanying Notes to Combined Financial Statements

Exhibit 5

CITY OF LINCOLN, NE
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FISCAL YEAR ENDED AUGUST 31, 1989
With Comparative Totals For Fiscal Year Ended August 31, 1988

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise (Note 1)	Internal Service	Pension Trust	1989	1988
CASH FLOWS FROM OPERATING ACTIVITIES:					
Excess Of Revenues Over Expenses	$ 18,003,493	1,501,655	5,323,548	24,828,696	22,602,085
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities:					
Loss (Gain) On Sale Of Equipment	(9,231)	(21,014)		(30,245)	25,959
Depreciation And Amortization	20,322,397	1,479,879		21,802,276	20,805,343
Allowance For Funds Used	(100,958)			(100,958)	(121,923)
Premium And Discount Amortization	181,672			181,672	597,265
Write Off Of Deferred Financing Charges	600,000			600,000	
(Increase) Decrease In Current Assets:					
Accounts Receivable	(2,913,699)	(18,039)		(2,931,738)	(1,330,185)
Unbilled Revenues	(193,286)			(193,286)	740,882
Accrued Interest Receivable	13,518	(29,797)	(33,434)	(49,713)	(107,045)
Taxes Receivable			41,219	41,219	37,306
Other Receivables					(112,000)
Due From Other Funds	(171,816)	76,109	7,020	(88,687)	(168,527)
Other Assets					(1,923,897)
Inventories	(529,397)	(9,590)		(538,987)	116,554
Plant Operation Assets	(1,376,672)			(1,376,672)	916,445
Increase In Due To Hospital General Fund	1,685,000			1,685,000	
Due From Other Governments	29,489	(94,653)	547	(64,617)	148,168
Assets Whose Use Is Restricted By Board	(958,000)			(958,000)	(171,553)
Prepaid Expenses	85,554			85,554	(31,102)
Reimbursement From Third Party Payors					57,000
Deferred Charges And Other	(1,973,007)			(1,973,007)	
Increase In Assets Whose Use Is Limited And That Are Required For Current Liabilities	74,000			74,000	
Increase (Decrease) In Current Liabilities:					
Vouchers Payable	44,348	78,722		123,070	(37,586)
Accounts Payable	880,636	80,249		960,885	(1,711,686)
Accrued Interest	(97,615)			(97,615)	747,217
Accrued Liabilities	230,406	(145,095)		85,311	587,222
Due To Other Funds	675,597	(24,017)		651,580	(61,388)
Accrued Compensated Absences	7,121	(50,953)		(43,832)	67,656
Deferred Revenues			(10,518)	(10,518)	(17,308)
Accrual In Lieu Of Tax					75,024
Contracts Payable					297,738
Overpayment From Third Party Payors	85,000			85,000	241,000
Claims		(100,756)		(100,756)	940,073
Other	1,223,764			1,223,764	1,485,400
Deferred Credits And Other Liabilities	1,471,949			1,471,949	
Obligations Under Capital Leases	(112,401)			(112,401)	
(Increase) In Restricted Assets	(1,607,462)			(1,607,462)	(164,133)
Total Adjustments	17,566,907	1,221,045	4,834	18,792,786	21,927,919
Net Cash Provided From Operating Activities, Before Extraordinary Items	35,570,400	2,722,700	5,328,382	43,621,482	44,530,004
Extraordinary Items:					
Loss On Advance Refundings Of Long Term Debt	(2,796,738)			(2,796,738)	
Related Deferred Third-Party Reimbursment Effect	(802,000)			(802,000)	
Net Cash Provided From Operating Activities	31,971,662	2,722,700	5,328,382	40,022,744	44,530,004

(Continued)

(EXHIBIT 5, Continued)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise (Note 1)	Internal Service	Pension Trust	1989	1988
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payments On Contract Used To Purchase Equipment	$ (582,000)			(582,000)	
Proceeds From Contract Used To Purchase Equipment	73,000			73,000	562,000
Proceeds From Sale Of Investments	244,614,440	3,744,261	11,048,973	259,407,674	203,227,879
Proceeds From Sale Of Fixed Assets	24,125	295,995		320,120	(343,463)
Payment For Purchase Of Investments	(227,965,200)	(4,110,432)	(16,349,676)	(248,425,308)	(210,580,054)
Increase In Claims					1,224,699
Additions To Fixed Assets	(45,385,262)	(2,302,516)		(47,687,778)	(26,609,891)
Additions To Contributed Capital	880,856	112,913		993,769	3,264,559
Decrease To Current Liabilities Payable From Restricted Assets	324,863			324,863	592,616
Increase In Restricted Investments	1,912,249			1,912,249	
Net Expenditures For Retiring Plant	(593,000)			(593,000)	
Net Cash (Used In) Investing Activities	(26,695,929)	(2,259,779)	(5,300,703)	(34,256,411)	(28,661,655)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Payments For Financing Costs	(1,042,244)			(1,042,244)	
Payment For Redemption Of Long-Term Debt	(1,385,000)			(1,385,000)	
Proceeds From Long-Term Debt	26,755,000			26,755,000	
Defeasance Of Long-Term Debt	(20,525,000)			(20,525,000)	
Repayment Of Long-Term Debt	(7,855,000)			(7,855,000)	(13,915,000)
Installment Payments On Capital Leases	(23,666)	(288,227)		(311,893)	(581,594)
Net Cash Used In Financing Activities	(4,075,910)	(288,227)		(4,364,137)	(14,496,594)
Net Increase In Cash	1,199,823	174,694	27,679	1,402,196	1,371,755
Cash Beginning Of Year	10,363,285	3,839,012	129,425	14,331,722	12,959,967
Cash End Of Year	$ 11,563,108	4,013,706	157,104	15,733,918	14,331,722

See Accompanying Notes to Combined Financial Statements

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

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

Lincoln General Hospital

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

Lincoln Electric System

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

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

The Housing Authority of the City of Lincoln

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

Lincoln Public Schools

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

Airport Authority

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

property. The City Council shall levy and collect the taxes so certified at the same time and in the same manner as other City taxes are levied and collected, and the proceeds of such levy shall be deposited in a special account. The proceeds are then transferred to the Airport Authority. This power is also granted for debt service purposes. The Airport Authority has the ability to issue its own debt, which is not an obligation of the City, but general obligation debt is disclosed in a note to the City's financial statements as overlapping debt. It should be specifically noted that the real property of the Airport Authority is held in the name of the City and would revert to the City if the Airport Authority's corporate existence ceases, which would occur when all liabilities incurred by the Airport Authority have been met and all its bonds have been paid in full.

Lincoln Hospital Association

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

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

FISCAL YEAR END

All fund types and account groups of the City, with the exception of Lincoln Electric System (LES), are reported as of and for the year ended August 31, 1989, with memorandum totals as of and for the year ended August 31, 1988. December 31st is the fiscal year end of LES as established by the City Charter, and the last separate audit was as of and for the year ended December 31, 1988. The amounts included in the City's August 31, 1989 financial statements for LES are audited figures as of and for the year ended December 31, 1988. The 1988 memorandum totals include the December 31, 1987 audited financial statements of LES.

BASIS OF PRESENTATION - FUND ACCOUNTING

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

Governmental Fund Types

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

The following are the City's governmental fund types:

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

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

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

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

Proprietary Fund Types

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

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

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

Fiduciary Fund Types

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

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

Account Groups

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

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

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

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

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

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

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

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

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

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

In proprietary funds, grants, entitlements, or shared revenues received for operations and/or for either operations or capital acquisitions or construction are reported as "nonoperating" revenues. Such resources externally restricted for capital acquisitions or construction are reported as contributed capital. Operating expenses include depreciation on all depreciable fixed assets. Depreciation recognized on assets acquired or constructed through such resources externally restricted for capital acquisitions is transferred to the appropriate contributed capital account and reported in the operating statement. The net income (loss) is

adjusted by the amount of depreciation on fixed assets acquired or constructed through such resources externally restricted for this purpose and closed to Retained Earnings. Contributed capital at August 31, 1989 and 1988 is net of accumulated depreciation.

BASIS OF ACCOUNTING

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

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

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

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

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

BUDGETARY DATA

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

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

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

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

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

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

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

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

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

(8) Budgets are adopted by resolution for the following fund types: general, special revenue, debt service, enterprise, pension trusts, and capital projects funds. Capital project funds are not budgeted on an

annual basis and, therefore, a budget to actual comparison has not been presented.

ENCUMBRANCES

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are reported as reservations of fund balances, since they do not constitute liabilities. As explained in the budget footnote above, August 31, 1989 encumbrances have been reported as expenditures on the budget basis statements.

CASH HELD BY CITY TREASURER

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

INVESTMENTS

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

The Deferred Compensation Insurance contract is carried at market value.

INVENTORIES

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

VACATION AND SICK LEAVE

City employees generally earn vacation days at specific rates during the periods of the first 5 years of service, from 5 to 15 years of service, and over 15 years of service. In the event of termination, an employee is reimbursed for accumulated vacation time up to a maximum allowed accumulation which is in no case longer than 28 days. Employees earn sick leave at the rate of one day per month with a total accumulation of 200-216 days depending upon the employees bargaining unit. Upon retirement, an employee is reimbursed for accumulated sick leave to a maximum of 35 days. LES and LGH are covered by separate personnel plans regarding

vacation and sick leave. The liabilities for these benefits for LES and LGH are recorded in Accrued Liabilities.

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

COMPARATIVE DATA

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

TOTAL COLUMNS ON COMBINED STATEMENTS

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

CAPITALIZATION OF INTEREST COST

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

UTILITY REVENUES

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

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

(2) PROPERTY TAXES

The Home Rule Charter of the City imposes a tax ceiling for general revenue purposes. The City tax ceiling was established by using the September 1, 1966 City dollar tax limit as an initial tax limit, and increasing

that tax limit each year following 1966 by 7% so that in each fiscal year thereafter, the amount of the City tax limit shall be the amount of the City tax limit for the previous year plus 7% thereof. In addition, the City also has the power to levy taxes each year sufficient to pay any judgment existing against the City and the interest on the bonded debt and the principal on any bonded debt maturing during the fiscal year or within 6 months thereafter, as well as taxes authorized by state law. The 1988 tax levy, for the 1988-89 fiscal year, was $10,019,017 below the legal limit, a tax rate per $100 valuation of .4801. The assessed value upon which the 1988 levy was based was $4,549,045,196.

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

Property taxes levied for 1988-89 are recorded as revenue when due or past due and when expected to be collected within 60 days after August 31, 1989. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred revenue on the balance sheet.

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

(3) REDEEMED AND DEFEASED DEBT

LINCOLN GENERAL HOSPITAL

On October 1, 1988 the City of Lincoln, Nebraska, by Ordinance #15014, authorized the issuance of the Lincoln General Hospital Revenue Refunding Bonds, Series 1988 aggregating $21,905,000 par value with interest rates ranging from 5.7% to 7.75%, to advance refund Lincoln General Hospital Revenue Bonds, Series 1982 with interest rates ranging from 7.5% to 11.25% and a par value of $18,730,000. The 1982 revenue bonds mature in various amounts from December 1, 1997 to 2014 and are callable on December 1, 1992. The 1988 revenue refunding bonds were issued at par and after paying issuance costs of $1,123,000, the net proceeds were $20,782,000. The net proceeds from the issuance of the revenue refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 1982 revenue bonds are called on December 1, 1992. The advance refunding met the requirements of an in-substance debt defeasance and the 1982 revenue bonds were removed from the Hospital's financial statements. The extinguishment of this debt

resulted in an extraordinary loss of $2,505,000, which was net of a deferred third-party reimbursement effect of $802,000.

As a result of the advance refunding, the Hospital reduced its total debt service requirements by approximately $7,700,000, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately $2,800,000.

PARKING REVENUE BONDS

On May 30, 1989, the City of Lincoln, Nebraska, by ordinance #15199 authorized the issuance of $3,165,000 of Parking Revenue Refunding Bonds, Series 1989A with interest rates ranging from 6.0% to 7.0% and $1,685,000 Taxable Parking Revenue Bonds, Series 1989B with interest rates of 9.45% on each maturity. The net proceeds of the 1989A issue were to:

(1) Refund and provide for payment on September 15, 1989 for all of the City's Parking Revenue Bonds, 1978 Series dated January 1, 1978 totalling $1,385,000 of principal with an average interest rate of 6.57450%;
(2) Provide for the payment of the principal and interest on $1,795,000 aggregate principal amount of the City's Parking Revenue Bond, Series 1983, dated June 1, 1983 and to redeem and retire on June 1, 1993 all of the then outstanding 1983 bonds with an average interest rate of 9.902% on serial and 10.0% on term bonds at a redemption price of 102% of the principal amount plus accrued interest on the date of redemption.

As a result the 1978 and 1983 bonds are considered to be defeased and the liability for those bonds has been removed from the Enterprise fund financial statements. The 1989A and 1989B bonds were issued at par and the proceeds, along with other monies, less $89,472 in issuance costs, resulted in $3,446,878 being placed in irrevocable trust accounts for the redemption and defeasance of the 1978 and 1983 bonds, respectively. The remainder of the proceeds are available for construction of the University Square Parking Facility. The 1978 and 1983 bonds were redeemed and defeased primarily to meet legal requirements before issuance of new debt for construction of the University Square Parking Facility (the Project). The advance refunding resulted in the recognition of an extraordinary accounting loss of $291,738 for the year ended August 31, 1989. The debt service payments on the 1989A bonds over the life of the bonds will be $5,892,760, whereas the debt service payments on the old bonds was $5,636,719. The 1989A and 1989B bonds are secured by a pledge of: 1) the gross on-street parking meter revenues of the City; 2) the net revenues (gross revenues less operating expenses) of the Project, the Cornhusker Parking Facility and the Centrum Parking Facility (together the "revenues"). In addition, the City has covenanted and agreed that to the extent the revenues, the Bond Fund and the Reserve Fund created under the Ordinance are insufficient to pay the principal of and interest in the Series 1989 Bonds, it will pay the same from

available money in the Street Construction Fund of the City or the Surplus Fund and the Repair and Replacement fund held by the Trustee pursuant to the ordinance. The economic gain (difference between the present value of the debt service payments on the old and new debt) was $474,874.

GENERAL OBLIGATION BONDS

On December 12, 1988, the City by Ordinance #15073 authorized the issuance of $620,000 of Gold's Galleria Redevelopment Project No. 1 Tax Allocation Refunding Bonds, Series 1989, with interest rates from 6.25% to 7.25%, for the purpose of providing a portion of the funds necessary to redeem and retire $715,000 in aggregate principal amount of the City's Gold's Galleria Redevelopment Project #1 Tax Allocation Bonds, Series 1984, with interest rates from 8.50% to 10.75%. Proceeds of the Series 1989 Bonds, net of issuance costs of $19,100, along with other monies were used to purchase $778,133 of U.S. government securities which were deposited in irrevocable trust accounts for the defeasance of the 1984 Bonds. The total debt service on the 1989 Bonds is $1,078,213 compared to $1,252,325 for the 1984 Bonds. The economic gain (difference between the present value of the debt service payments on the old and new debt) was $284,875.

At August 31, 1989, there were $22,590,000 of general obligation and revenue bonds defeased by the City which were still outstanding.

(4) DEPOSITS AND INVESTMENTS

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

DEPOSITS

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

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

The collateralization of the City's deposits with banks at August 31, 1989 is as follows:

Bank Deposits per Banks	$ 3,216,780
Time Deposits per Banks	41,258,000
Total Deposits	44,474,780
Less FDIC Coverage (Category 1)	(1,043,722)
Remaining Deposits (Category 2)	$43,431,058
Pledged Securities at Market Value	$49,764,113

INVESTMENTS

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, 1989 and are as follows (See Note 13):

	Fire Pension		Police & Fire Pension	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Government Securities	$1,735,771	1,773,439	56,063,419	59,259,374
Government Agencies	144,767	136,359	1,593,346	1,528,172
Wash. Metro. Transit Bonds			497,684	427,500
	1,880,538	1,909,798	58,154,449	61,215,046

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

Lincoln General Hospital (LGH)

At August 31, 1989 LGH had investments, carried at cost or amortized cost, as follows:

	Securities Held By The Bank's Trust Department Or Agent, In The City's Name	Securities Held By The Bank's Trust Department Or Agent, Not In The City's Name	Carrying Amount	Market Value
Government Securities	$3,099,000	3,614,000	6,713,000	8,496,000
Repurchase Agreements		790,000	790,000	790,000
Municipal Securities		299,000	299,000	299,000
	$3,099,000	4,703,000	7,802,000	9,585,000

Lincoln Electric System (LES)

At December 31, 1988 LES had investments, carried at cost or amortized cost, as follows:

	Securities Held By The Bank's Trust Department Or Agent, In The City's Name	Securities Held By The Bank's Trust Department Or Agent, Not In The City's Name	Carrying Amount	Market Value
Government Securities	$	86,677,000	86,677,000	87,091,000
Repurchase Agreements	500,000		500,000	500,000
	500,000	86,677,000	87,177,000	87,591,000

Lincoln Wastewater System

At August 31, 1989 Lincoln Wastewater System had investments, carried at amortized cost, as shown below:

	Securities Held By The Bank's Trust Department Or Agent, Not In The City's Name	
	Carrying Amount	Market Value
Government Securities	$5,161,450	5,173,556

Lincoln Water System

At August 31, 1989 Lincoln Water System had investments, carried at amortized cost, as follows:

	Securities Held By The Bank's Trust Department Or Agent, Not In The City's Name	
	Carrying Amount	Market Value
Government Securities	$12,820,575	12,822,426

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, 1989 were as follows:

	Investment Held By City In City's Name	Securities Held By Bank's Trust Dept. Or Agent, In City's Name	Securities Held By Bank's Trust Dept. Or Agent, Not In City's Name	Carrying Amount	Market Value
Government Securities	$		23,142,696	23,142,696	23,375,926
Government Agencies			16,728,282	16,728,282	17,436,189
Repurchase Agreements		5,855,000		5,855,000	5,855,000
Interfund Investments	747,200			747,200	747,200
	747,200	5,855,000	39,870,978	46,473,178	47,414,315

Reconciliation to Exhibit 1

As of August 31, 1989, the deposits and investments of the City consisted of:

Fund	Carrying Amount
Investments:	
Fire Pension	$ 1,880,538
Police & Fire Pension	58,154,449
Lincoln General Hospital	7,802,000
Lincoln Electric System	87,177,000
Lincoln Wastewater System	5,161,450
Lincoln Water System	12,820,575
All Other Funds	46,473,178
Total Investments	219,469,190
Deposits and Cash:	
Certificates of Deposit	41,258,000
Bank Accounts	2,037,384
Cash On Hand And In Other Accounts	1,728,307
	$264,492,881
These assets are reflected on Exhibit 1 as follows:	
Cash Held By City Treasurer	30,742,568
Cash On Hand And In Other Accounts	482,233
Investments	165,774,629
Restricted Assets:	
Cash	3,899,349
Cash On Hand And In Other Accounts	1,541
Investments	63,592,561
	$264,492,881

There were no investments that resulted in significantly greater credit risk during the period than that existing at August 31, 1989, the balance sheet date.

(5) RECEIVABLES

Receivables at August 31, 1989 consist of the following (in thousands):

Fund	Taxes	Accounts	Special Assessments Current	Special Assessments Deferred	Accrued Interest	Gross Receivables	Allowance For Uncollectibles	Net
General	$ 2,821	140			32	2,993		2,993
Special Revenue	819	431			181	1,431		1,431
Debt Service	635		1,788	6,094	295	8,812	591	8,221
Capital Projects		283			15	298		298
Enterprise		30,014			880	30,894	2,807	28,087
Internal Service		270			125	395		395
Trust and Agency	122	416			910	1,448		1,448
	$ 4,397	31,554	1,788	6,094	2,438	46,271	3,398	42,873

Enterprise customer accounts receivable include unbilled charges for services.

Delinquent Special Assessment Receivables at August 31, 1989 were $1,256,901.

(6) DUE FROM OTHER GOVERNMENTS

The total of Due from Other Governments of $4,899,282 includes the following significant items:

Fund/Fund Type	Amount	Service
General	$1,919,780	State of Nebr., July Sales and Use Tax
	153,885	August Motor Vehicle Taxes Collected by Lancaster County
Street Const./Special Revenue	572,244	State of Nebr., July Highway User Fees
	969,051	State of Nebr., Contract Reimbursements
JTPA/Special Revenue	141,616	Federal Government, Cost Reimbursements
Lincoln/Lancaster Co. Health/Special Revenue	185,939	Lancaster County, Cost Reimbursements
StarTran/Enterprise	11,437	Federal Government, Cost Reimbursements
	120,945	State of Nebr., Contract Reimbursements
Data Processing/Internal Service	327,530	Lancaster County Billings
Library/Special Revenue	83,396	August Motor Vehicle Taxes Collected by Lancaster County
Grants-In-Aid/Special Revenue	195,771	Federal Government, Cost Reimbursements
CDBG/Special Revenue	115,119	Federal Government, Cost Reimbursements

(7) FIXED ASSETS

GENERAL FIXED ASSETS

The City of Lincoln established a general fixed assets account group during the year ended August 31, 1982. All items are valued at historical cost, or, if donated, estimated value at time of donation. The City has elected not to

record infrastructure assets or to depreciate general fixed assets. Approximately 16,600 items comprise the general fixed assets. A summary of changes in general fixed assets since September 1, 1988 is as shown below:

	Balance Sept. 1, 1988	Additions	Deletions	Balance August 31, 1989
Land	$12,409,987	1,057,897	139,851	13,328,033
Buildings	19,246,539	1,074,299	387,420	19,933,418
Improvements Other Than Buildings	10,761,197	1,048,063	44,546	11,764,714
Equipment	14,440,594	1,498,440	375,724	15,563,310
	$56,858,317	4,678,699	947,541	60,589,475

PROPRIETARY FUND TYPES - PROPERTY, PLANT AND EQUIPMENT

A summary of Proprietary Fund Type property, plant, and equipment at August 31, 1989 follows:

	Enterprise	Internal Service
Land	$ 11,031,446	48,250
Buildings	89,040,945	346,594
Improvements Other Than Buildings	63,057,788	516,478
Equipment	90,481,151	12,205,958
Utility Plant	356,177,000	
Construction in Progress	25,759,049	
Total	635,547,379	13,117,280
Less Accumulated Depreciation	(161,633,509)	(7,454,078)
	$473,913,870	5,663,202

Construction in Progress at August 31, 1989 is as follows:

Lincoln General Hospital	$ 166,000
Parking Facilities	1,181,197
Lincoln Wastewater System	3,230,631
Lincoln Water System	3,669,221
Lincoln Electric System	17,512,000
	$25,759,049

(8) NON-OPERATING TRANSFERS

The following is a summary and description of non-operating transfers:

$ (534,457) Transfer from General Fund to Capital Projects for the acquisition and cost associated with the University Square Parking Facility. This amount is recorded as contributed capital in the Enterprise Funds.

(283,487) Transfer from Special revenue Fund to Capital Projects for the land acquisition cost associated with the University Square Parking Facility. This amount is recorded as contributed capital in the Enterprise Funds.

$1,774,903	Transfer from Enterprise fund to Capital Projects Fund. This amount constitutes reimbursement for Capital Outlay expended on behalf of the Enterprise Fund.
$ 956,959	

(9) LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended August 31, 1989 (in thousands of dollars):

	General Obligation							
	General Long-Term Liability Account Group	Special Assessment Debt With Governmental Commitment	Revenue Bonds	Revenue Notes	Capital Leases	Accrued Compensated Absences	Obligations Under Land Contracts	Total
Balances At August 31, 1988	$ 28,635	15,540	354,917	1,955	457	984	725	403,213
Additions:								
New Accrued Compensated Absence Obligations						53		53
New Capital Leases					303			303
New Tax Allocation Bond Anticipation Notes	747							747
8-15-89 Various Purpose	7,985							7,985
8-15-89 Parking Revenue			4,850					4,850
8-1-89 Gold's Galleria	620							620
10-1-88 Hospital Revenue			21,905					21,905
Deductions:								
Defeasance Of Bonds	715		21,910					22,625
Serial Bonds	1,785	1,895	7,265					10,945
Accrued Compensated Absences						42		42
Electric Revenue Fuel Credit Obligation Notes				590				590
Payments on Land Contracts							363	363
Capital Lease Payments					424			424
Balances At August 31, 1989	$ 35,487	13,645	352,497	1,365	336	995	362	404,687

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

ORIGINAL AMOUNT	ISSUED	ISSUE	INTEREST RATE	WHEN DUE	DATE CALLABLE	INTEREST DATE	OUTSTANDING
General Obligation Bonds And Notes:							
General Bonds:							
2,350	01/01/71	Various Purpose	4.77292	Ser. '72 to '90	1981	Semiannually	$ 190
3,400	03/01/78	Storm Sewer	4.88214	Ser. '79 to '98	1988	"	1,975
262	09/01/79	Swimming Pool	5.34496	Ser. '80 to '89	None	"	35
3,455	07/01/80	Storm Sewer	6.44007	Ser. '81 to '95	1988	"	1,385
600	08/01/81	Transit Sys. Improvements	8.90000	Ser. '82 to '92	1987	"	75
985	05/01/83	Auditorium & Fire Department	7.02416	Ser. '84 to '93	1988	"	400
2,550	06/15/83	Storm Sewer	8.17875	Ser. '84 to '98	1991	"	1,530
6,815	05/01/86	Various Purpose	6.67888	Ser. '87 to '06	1991	"	5,795
12,000	06/15/87	Downtown Redevelopment	7.15058	Ser. '87 to '02	1990	"	11,590
7,985	08/15/89	Various Purpose	6.52380	Ser. '90 to '09	1999	"	7,985
	TOTAL GENERAL BONDS						30,960
Tax Allocation Bonds:							
3,970	04/01/85	Cornhusker Square	9.85770	Ser. '86 to '97	1990	"	3,170
620	01/01/89	Gold's Galleria Redevelop.	7.06100	Ser. '89 to '98	1993	Semiannually	610
	TOTAL TAX ALLOCATION BONDS						3,780
Tax Allocation Bond Anticipation Notes:							
747	08/01/89	Tax Allocation Bond Anticipation Notes	8.30000	Aug. '90 & '91	Anytime	Annually	747
	TOTAL GENERAL BONDS INCLUDING TAX ALLOCATION						$ 35,487

ORIGINAL AMOUNT	ISSUED	ISSUE	AVERAGE INTEREST RATE	WHEN DUE	DATE CALLABLE	INTEREST DATE	OUTSTANDING
Special Assessment Bonds:							
3,000	01/01/71	Special Assessment Revolv.	4.70642	Ser. '72 to '91	1981	Semiannually	300
6,000	11/15/75	Special Assessment Revolv.	5.72240	Ser. '76 to '90	1985	"	800
4,000	11/15/76	Special Assessment Revolv.	4.89073	Ser. '77 to '91	1986	"	795
6,000	03/01/78	Special Assessment Revolv.	4.82530	Ser. '79 to '98	1988	"	2,700
6,000	09/01/79	Special Assessment Revolv.	5.48328	Ser. '80 to '99	1989	"	3,300
3,500	08/01/81	Special Assessment Revolv.	9.82290	Ser. '82 to '99	1992	"	1,950
3,200	05/01/83	Special Assessment Revolv.	7.71430	Ser. '84 to '01	1993	"	2,150
2,200	04/04/84	Special Assessment Revolv.	8.99820	Ser. '85 to '04	1991	"	1,650
	TOTAL SPECIAL ASSESSMENT BONDS						13,645
	TOTAL GENERAL OBLIGATION BONDS						$ 13,645
Revenue Bonds:							
3,500	04/01/65	Water	3.24258	Ser. '80 to '95	1987	"	1,170
6,500	02/01/77	Water	5.20000	Ser. '80 to '95	1987	"	4,525
3,000	08/15/80	Water	8.09290	Ser. '83 to '97	1991	"	2,640
3,500	04/01/84	Water	9.29779	Ser. '87 to '99	1991	"	3,320
	TOTAL WATER REVENUE BONDS						11,655
4,000	08/15/77	Wastewater	5.19335	Ser. '80 to '95	1987	"	3,315
4,000	08/15/80	Wastewater	7.88890	Ser. '83 to '97	1991	"	3,055
2,750	05/01/86	Wastewater	6.58180	Ser. '89 to '99	1991	"	2,715
	TOTAL WASTEWATER BONDS						9,085
7,415	10/01/88	Hospital Revenue	6.99490	Ser. '89 to '03	1998	Semiannually	$ 7,415
5,165	10/01/88	Hospital Revenue	7.60000	Term 2008	1998	"	5,165
9,325	10/01/88	Hospital Revenue	7.75000	Term 2014	1998	"	9,325
	TOTAL HOSPITAL BONDS						21,905
3,165	08/15/89	Parking Revenue Series A	6.81550	Ser. '90 to '04	1994	Semiannually	3,165
1,685	08/15/89	Parking Rev. Series B Taxable	9.45000	Ser. '90 to '99	1994	"	1,685
	TOTAL PARKING BONDS						4,850
24,410	03/30/77	Electric Power Supply '77 Series A	5.55041	Ser. '78 to '98	1987	Semiannually	16,755
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	"	6,100
44,685	03/01/78	"	5.90000	Term 2014	1988	"	44,685
47,000	12/01/79	Electric Power Supply '79 Series A	7.72640	Ser. '80 to '99	1989	"	8,360
		"	7.60000	Term 2004	1989	"	6,460
		"	7.75000	Term 2015	1989	"	24,885
10,995	10/01/80	Electric Power Supply	8.26000	Ser. '84 to '95	1990	"	4,225
34,455	11/15/86	Electric Power Supply '86 Series A - Current Interest	6.08901	Ser. '87 to '99	1996	"	29,775
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	12,510
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	"	3,365
		"	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	"	1,090
		"	7.87500	Term 2013	1989	"	3,450
	TOTAL ELECTRIC BONDS						305,002
	TOTAL REVENUE BONDS						$ 352,497
Revenue Notes:							
11,430	Various	Electric Fuel Credit Obligation Note (Non-Demand Notes)	Lesser of 8% or 62.5% of Prime	Various	Any Time	Quarterly	1,365

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

Year Ending August 31	General Obligations				Revenue Bonds And Notes		Capital Leases And Land Contracts	
	General Bonds		Special Assessments					
	Bonds	Interest	Bonds	Interest	Bonds & Notes	Interest	Principal	Interest
1990	$ 1,876	2,239	1,895	881	9,115	21,991	493	48
1991	2,711	2,283	1,895	767	9,290	21,520	100	10
1992	2,440	2,085	1,350	668	9,000	21,008	105	3
1993	2,535	1,926	1,085	589	9,530	20,441		
1994	2,520	1,757	1,085	517	10,115	19,874		
1995-1999	11,825	6,078	5,125	1,471	58,970	89,086		
2000 & Thereafter	11,580	2,944	1,210	205	247,842	224,959		
	$ 35,487	19,312	13,645	5,098	353,862	418,879	698	61

Funds of $3,169,739, $1,094,763 and $7,551,172 are available in the debt service funds to service the General Obligation Bonds, Tax Allocation Bonds, and Special Assessment Bonds respectively.

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

The general obligation debt of all local governmental units which provide services within the City's boundaries and which debt must be borne by properties in the City (commonly called overlapping debt) as of August 31, 1989, is summarized below (unaudited):

Units	Net Debt Outstanding	Percentage Applicable To the City	Direct and Overlapping Debt
City	$37,316,526	100.0%	37,316,526
School District #1	9,280,000	97.2	9,020,160
Airport Authority	640,695	100.0	640,695
Lancaster County	None		None
Southeast Community College	None	35.9	None

(1)Does not include Special Obligation Bonds of $689,819 payable from lease rentals.

The City has no direct liability for the School District, Lancaster County, Airport Authority, or Southeast Community College debt summarized above. This results in a per capita direct City debt of $197.78, a per capita direct and overlapping debt of $248.98, a ratio of direct City debt to 1989 actual valuation of .729 percent, and a ratio of direct and overlapping debt to 1989 actual valuation of .918 percent.

(10) INTEREST COST

Total interest cost incurred in the Enterprise funds during the year ended August 31, 1989 was $21,995,255. This amount 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, wastewater, water, landfill, electricity, and a city auditorium.

	Lincoln General Hospital	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other	Total
Operating Revenues	$ 41,452,000	9,551,882	15,466,583	101,725,000	6,719,249	174,914,714
Operating Expenses:						
Depreciation	2,403,000	1,643,183	1,623,155	10,719,000	1,460,102	17,848,440
Other	38,432,000	5,199,623	5,802,088	72,968,247	8,371,093	130,773,051
	40,835,000	6,842,806	7,425,243	83,687,247	9,831,195	148,621,491
Operating Income (Loss)$	617,000	2,709,076	8,041,340	18,037,753	(3,111,946)	26,293,223
Operating Grants, Operating Transfers In, Donations	$ 166,000				3,794,383	3,960,383
Net Income (Loss)	$ (2,771,000)	2,890,264	8,691,180	5,678,753	717,558	15,206,755
Net Working Capital	$ 13,355,000	1,705,999	3,725,012	63,244,000	3,831,950	85,861,961
Total Assets	$ 46,812,000	76,073,514	97,155,374	421,915,000	31,915,701	673,871,589
Bonds And Notes Payable	$ 21,905,000	9,085,000	11,655,000	306,367,000	4,850,000	353,862,000
Current Capital Contributions	$ (2,018,000)	709,968	607,925		1,580,963	880,856
Contributed Capital	$	32,910,650	18,444,921		13,159,138	64,514,709
Fund Equity	$ 19,090,000	66,211,332	84,297,673	92,725,000	24,306,748	286,630,753
Acquisition Of Property, Plant, & Equipment	$ 23,279,000	2,677,512	2,733,646	12,738,000	3,957,104	45,385,262

The operating loss of $3,111,946 in the "Other" column is primarily attributable to StarTran which incurred an operating loss of $4,237,761, but received federal and state grants and local subsidies of $3,467,890, which are included in non-operating revenues and operating transfers. The net loss of $2,771,000 in the Lincoln General Hospital column is primarily attributable to an extraordinary loss of $2,505,000 recognized due to the early extinguishment of debt.

(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, 1989 related to these projects are as follows:

State ETV Refunding	$ 125,000
State Game and Parks Commission Refunding	70,000
	$ 195,000

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. Total payroll for the City for the year ended December 31, 1988, was $72,368,244. Covered payroll for the following pension plans was $54,542,806. A summary of the plans follow:

FIRE AND POLICE DEPARTMENT

Commissioned employees of the Police and Fire Departments were covered by a state-imposed, single employer, City administered retirement system through August 31, 1987. Beginning September 1, 1987, control of the plan transferred from the State legislature to the City Council. The Police and Fire Pension Fund and Fire Pension Fund are carried in the Fiduciary Fund type on the City's financial statements. The latest actuarial study for the plan was as of December 31, 1988. Police officers and firefighters employed prior to May, 1984, contribute either 7% or 7.6% of their base salary based on a one time determination made by the employee in May, 1984. Those employed subsequent to May, 1984, contribute 7.6% of their base salary. The percentage of base salary paid upon retirement is dependent on the percentage of withholding selected by the employee. At December 31, 1988 there were 483 active members and 110 retirants and beneficiaries.

Police officers and firefighters are eligible for regular retirement benefits when they: (a) have first served in the paid fire or police department for a period of 21 years; (b) have attained the age of 55 years; and (c) elect to retire from active service and go on the retired list. The pension shall be a

straight life pension of either 54% or 58% of the regular pay for such firefighter or police officer, paid monthly. The pension of a police officer or firefighter who elects to remain on active duty after becoming eligible for retirement shall be increased by 2% of his or her regular pay for each year of additional service, subject to a maximum increase of 10%. Any firefighter or police officer who retires on or after his or her 50th birthday, but prior to his or her 55th birthday and who has completed at least 21 years of service shall receive the actuarial equivalent of the benefit which would otherwise be provided at age 55. The plan also has provisions for disability, death benefits and early retirement. Vesting occurs after 10 years of service. Of the 483 active members at December 31, 1988, 325 were vested and 158 were not vested. The plan has 54 age and service retirants, 28 disability retirants, 28 survivor beneficiaries and 19 vested terminated members as of the December 31, 1988 actuarial valuation.

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, 1988 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, 1988, the assets in excess of the pension benefit obligation were $3,092,250 determined as follows:

Pension Benefit Obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$10,929,324
Current employees:	
Accumulated employee contributions excluding allocated investment income	16,152,539
Employer financed - Vested	22,110,748
Employer financed - Non-vested	3,407,960
Total Pension Benefit Obligation	$52,600,571
Net assets available for benefits, at cost	55,692,821
Assets in excess of the Pension Benefit Obligation	$ 3,092,250

During the year ended December 31, 1988, the plan experienced a net increase of $7,585,282 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, 1988 were determined using an entry age actuarial funding method. The entry age actuarial funding method in which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). Normal costs and the allocation of actuarial present values between service rendered before and after the valuation date were determined using an individual entry-age actuarial cost method having the following characteristics:

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

During the year ended August 31, 1988 contributions totalling $1,496,271 -- $534,342 employer and $961,929 employee -- were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 1986. Payroll covered by the plan during the year ended December 31, 1988 was approximately $12,937,000. Unfunded actuarial accrued liabilities were amortized as a level percent of payroll over a period of 18 years. The employer contributions consisted of $1,529,986 for normal cost and $(995,644) for amortization of the unfunded actuarial accrued liability. Active member payroll was assumed to increase 5% a year for the purpose of determining the level percent contributions. Employer contributions represented 4.54% of projected covered payroll (projected covered payroll is equal to 1.0847 times December 31, 1986 valuation payroll). There were no changes in actuarial assumptions or methods or changes in benefit provisions affecting the December 31, 1986 actuarial valuation.

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

Computed Contribution Comparative Schedule

Fiscal Year Ended August 31	Valuation Date December 31	Computed Contribution Rates As Percents Of Valuation Payroll	Valuation Payroll	Dollar Contribution For Fiscal Year Computed*	Dollar Contribution For Fiscal Year Actual	Employer Actual Contributions As A Percentage Of Valuation Payroll
1981	1979	9.79 %	$ 7,816,991	$ 830,103	$	
1981	1979@	9.96	7,816,991	844,517	839,306	10.73 %
1982	1980	9.77	8,257,426	875,082	1,448,697	17.54
1983	1981#	14.03	9,038,920	1,375,574	1,573,311	17.41
1984	1982	13.72	10,407,029	1,548,783	1,539,900	14.80
1985	1983#	13.53	10,435,738	1,531,548	1,427,884	13.68
1986	1984	12.13	10,841,626	1,426,477	677,197	6.25
1987	1985	11.04	11,265,219	1,349,020	887,985	7.88
1988	1986	10.65	11,737,859	1,355,964	534,342	4.54

@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
1987	50,417	45,015	112	-	12,949	N/A
1988	55,693	52,601	106	-	12,937	N/A

Asset Information Reported For Valuation
Comparative Statement
(Dollar Amounts in Thousands)

Year Ended December 31	Assets Beginning of Year	Revenues: Employee Contributions	Revenues: Employer Contributions	Revenues: Investment Income	Expenses: Retirement Benefits	Expenses: Contribution Refunds	Expenses: Administrative Expenses	Assets Year-End
1979	$ 13,402	563	1,030	1,162	307	113	2	15,735
1980	15,735	611	876	1,366	333	162	2	18,091
1981+	18,091	647	935	1,676	356	197	4	20,792
1982+	21,671	728	1,171	2,306	446	120	3	25,307
1983	25,307	764	1,527	2,673	489	62	2	29,718
1984*	29,718	784	1,465	3,319	539	124	305	34,318
1985*	34,318	842	1,560	3,798	633	118	(128)	39,895
1986	39,895	905	699	4,027	709	135	11	44,671
1987	44,671	922	1,040	4,774	800	184	6	50,417
1988	50,417	962	534	4,927	888	253	6	55,693

*Reflects special transactions resulting from court case.
+Ending balance 1981 does not agree to beginning balance 1982 due to the City changing from a cash basis to an accrual basis.

Further trend information is available in the December 31, 1988 Annual Actuarial Valuation, which provides information about progress that has been made in funding the plan's obligation.

FIRE PENSION PLAN (OLD)

The City is funding retirements under a single employer plan for firemen hired under "old" State laws and employed prior to 1947. A funding analysis as of December 31, 1988, the date of the latest valuation, follows.

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)
1988	$2,098	$2,379	88 %	$ 281	$41	680 %
1986	1,988	2,717	73	729	35	2,082
1984	1,718	2,900	59	1,182	32	3,694
1982	1,535	3,275	47	1,740	30	5,800

*Valuations are done semiannually.

Plan assets are carried at amortized cost. There were 58 retirants and survivor beneficiaries at December 31, 1988, all of which are fully vested. The interest rate used in making the valuation was 6%, per annum, compounded annually. For the year ended December 31, 1988, covered and total payroll was $41,290 and included one active employee. The computed contribution for the year was $134,482, $36,795 for unfunded accrued liabilities for the one active member and $97,687 for unfunded accrued liabilities for retired members. The unfunded liability of $281,204 was funded in two parts:

(1) Unfunded retirant and beneficiary liabilities of $94,895 were amortized as a level dollar amount over a period of one year.
(2) Unfunded accrued active member liabilities of $186,309 were amortized as a level dollar amount over a period of six 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 2 years. The plan is a straight money purchase plan. LES's contribution is equal to 200% of the employees' contributions which range from 2-5% of gross wages. Vesting of LES contributions occurs over a 10-year period. Employee

forfeitures are used to reduce employer contributions. Vested benefits are fully funded. Payroll and contribution information is as follows:

			Employer Contribution		Employee Contribution	
Year	Total Payroll Expense	Covered Payroll	Amount	Percent Of Covered Payroll	Amount	Percent Of Covered Payroll
1988	$12,103,000	11,401,000	1,069,000	9.38%	$544,000	4.77%
1987	11,608,000	10,886,000	995,000	9.14	511,000	4.69

General Hospital

The Hospital has a non-contributory pension plan which covers substantially all full-time employees. Under the terms of the plan an employee shall become eligible for inclusion in the plan upon reaching the age of 30 and completion of 1 year of service or age 40 with no service requirement. Pension benefits vest after 10 years of full-time employment. Upon retirement at age 65 a plan participant will receive 50% of the average monthly earnings less 50% of the Social Security primary insurance amount, reduced by 1/25 for each year of credited service less than 25. Also the pension plan provides early retirement benefits at age 55 and 5 years of service, death benefits at age 45 and 5 years of service, and disability benefits at age 55 and 10 years of service or age 60 with no service requirement. All early retirement, death and disability benefits are based on a percentage of the vested accrued benefit at the applicable date. At July 1, 1989 (the date of the actuarial valuation) the Hospital's total payroll for covered employees was $10,002,000. At July 1, 1989, there were 476 active employees, 81 retirees and beneficiaries and 43 vested and terminated employees.

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

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

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

(1) The present value of future pension payments was computed by using a discount rate of 8%.
(2) Future pension payments reflect an assumption of a 6% (compounded annually) salary increase as a result of inflation.
(3) Future pension payments reflect no salary increase as a result of seniority and/or merit adjustments or post-retirement benefit increases, which is consistent with the terms of the pension agreement.

The assets in excess of pension benefit obligation at July 1, 1989 (the date of actuarial valuation) was as follows:

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 1,403,000
Current employees:	
Employer-financed vested retirement, disability and pre-retirement death benefits	3,183,000
Employer-financed nonvested	250,000
Total pension benefit obligation	4,836,000
Net assets available for benefits at market	5,608,000
Assets in excess of pension benefit obligation	$ 772,000

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

The Hospital's funding policy is to annually contribute the normal cost plus a 20 year amortization of the unfunded (or assets in excess of) pension benefit obligation both of which are determined on an actuarial basis using the projected unit credit method described above. Total Hospital contributions to the pension plan for the years ended August 31, 1989, 1988 and 1987 were actuarially determined as described above and were based on an actuarial valuation as of July 1, 1989, 1988 and 1987 as follows:

	1989	1988	1987
Normal cost	$282,000	231,000	207,000
Amortization of unfunded pension benefit obligation (assets in excess of pension benefit obligation)	(40,000)	(51,000)	(28,000)
Total contribution	$242,000	180,000	179,000

The computation of the pension contribution requirements for 1989 was based on the same (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method, and (d) other significant factors as used to determine pension contribution requirements in previous years.

Historical trend information for the Hospital is as follows:

	July 1		
	1989	1988	1987
Net assets available for benefits as a percentage of the pension benefit obligation applicable to the Hospital's employees	116.0%	123.7%	142.4%
Assets in excess of pension benefit obligation as a percentage of the Hospital's annual covered payroll	7.7%	10.0%	17.9%
Hospital's contributions to the pension plan as a percentage of annual covered payroll	3.4%	2.6%	2.3%

Ten year historical trend information is disclosed in the Lincoln General Hospital separate report of supplementary information as of August 31, 1989, 1988 and 1987. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

DEPARTMENT DIRECTORS

Directors of City departments are eligible the first of the month following the date employed to be covered by the Director's Money Purchase Plan administered by Ameritas Financial Services. The plan is established by City Ordinance. It is a defined contribution plan requiring the City to contribute 6% of the first $4,800 of earned income in any one calendar year, plus 12% of earned income over $4,800 in one calendar year. Employees covered by the plan may make voluntary contributions. At December 31, 1988 the account balance was $1,022,342. Covered payroll for the year ended December 31, 1988 was approximately $817,700. During the year ended December 31, 1988, City contributions totalled $71,973 or 8.8% of covered payroll. There were no unfunded liabilities.

ALL OTHER CITY EMPLOYEES

All other City employees are eligible after 6 months' service and age 21 to be covered under the City's Money Purchase Pension Plan, established by City Ordinance, and administered by Ameritas Financial Services. Enrollment in the program is mandatory at age 40 with 5 years service. There are no unfunded liabilities. The plan is a defined contribution plan requiring employees to contribute 3% of earnings on the first $4,800 and 6%

on the balance of earnings. Currently, the City contributes 200% of the employees' contribution. During the year ended December 31, 1988, City contributions totalled $2,055,434. Vesting occurs in increments between 5 and 10 years of enrollment in the plan. Covered payroll was approximately $19,343,816. The total plan account balance as of December 31, 1988 was $37,267,245.

(14) COMMITMENTS AND CONTINGENCIES

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

The Hospital has an agreement with Radiology Associates, P.C. for the provision of diagnostic and therapeutic radiological services. As part of the agreement, each party may take unilateral action to initiate the sale to the Hospital of part or all of the radiological equipment in the Hospital, which is owned by Radiology Associates, P.C., upon giving 240 days notice. The estimated market value of such equipment at August 31, 1989 was approximately $7,971,000.

The Hospital has a similar agreement with Clinical Laboratories of Lincoln, Inc. for the provision of pathological laboratory management services. Conditions of the agreement provide for sale of all or part of the pathological laboratory 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, 1989 was approximately $192,000.

The Hospital is currently insured for professional liability on a claims-made basis and total limits of coverage for malpractice claims under all policies is $11,000,000. At August 31, 1989, there is no known unasserted or asserted claims in excess of insurance coverage.

The Lincoln Wastewater System has commitments under major construction contracts in progress of approximately $580,000 at August 31, 1989, which will be financed primarily through operations and surplus funds.

The Lincoln Water System has commitments under major construction contracts of approximately $4,200,000 at August 31, 1989, 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 City Attorney is of the opinion that there is a reasonable possibility that the City will incur immaterial losses on such lawsuits. 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. However, no estimate of the potential loss can be made. The plaintiff is seeking approximately $970,000 for damages. Any potential judgement that would have to be satisfied would be funded through contributions made by all City departments to a City-wide self-insurance fund.

The Data Processing Division has the following commitment:

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

Fiscal Year Ending August 31	Amount
1990	642,800

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

LES has the following commitments:

Power Sales Contract

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

The contract continues through September 22, 2003 and may be extended if NPPD intends to continue operating the facility after that date. The nuclear plant's operating license issued by the Nuclear Regulatory Commission has been extended to 2008. Upon expiration of the contract, if the facility is no longer operated, LES is also liable for 12.5 percent of the costs of decommissioning the plant. Preliminary studies indicate the total cost of decommissioning the facility would approximate $118,100,000 in 1987 dollars. The 1987 estimated decommissioning costs have been escalated at a rate of six percent per year to the year 2004, the year the facility is estimated to be decommissioned. The available cash balances of various NPPD funds at that time will be used to offset the total cost of decommissioning the facility. The additional funds required for decommissioning will be billed to the participants and discounted at a rate of seven percent to the year of collection. Billing to the participants for required decommissioning funds began in 1984 with LES incurring associated costs of $293,000 in 1988.

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 total cost of $54,000,000. NPPD is also installing a new plant management information system at an estimated cost of $14,000,000. Billings from NPPD for the pressure piping system, multi-purpose facility, and plant management information system costs are scheduled to extend through 1991. LES is also responsible for 12.5% of certain other capital additions and improvements. These projects are also financed by NPPD and billed to LES over a six-year period. Other capital additions and improvements through December 31, 1988 total approximately $89,000,000. LES's share of the total of these costs was $3,287,000 in 1988.

Internal financial statements of the nuclear facility reflect $349,665,000 in revenue bonds outstanding at December 31, 1988. Fixed cost payments of LES include the debt service payments necessary to retire 12.5 percent of the principal and pay 12.5 percent of the interest on bonds issued by NPPD for the facility. LES's share of debt service payments was $4,530,000 in 1988.

Expected fixed cost payments to NPPD under this contract including debt service payments, payments for decommissioning costs, other related fixed costs, and other costs as noted above, aggregate $15,039,000 $17,441,000, $15,975,000, $14,032,000 and $14,358,000, respectively, in each of the five years subsequent to December 31, 1988.

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

Participation Agreements

LES has participating interests in the output of two existing NPPD power plants, a thirty percent (approximately 68 MW) and eight percent (approximately 102 MW) entitlement to the output of the Sheldon Station Power Plant (nominally rated 225 MW coal plant) and Gerald Gentleman Station Power plant (nominally rated 1,268 MW coal plant), respectively. The participation agreements continue until the facilities are removed from commercial operation or the final maturity occurs on the related debt incurred by NPPD to finance the facilities, whichever occurs last. Fixed cost payments under the agreements are on a participation basis whether or not such plants are operating or operable. LES's share of the total fixed costs incurred, was $10,600,000 in 1988. The expected fixed cost requirements aggregate $10,131,000, $11,365,000, $11,052,000, $10,954,000, and $11,099,000, respectively, in each of the five years subsequent to December 31, 1988.

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, 1988, the date of the last audit:

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

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

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

The project consists of the Laramie River Electric Generating Station which includes three 550 megawatt coal-fired steam generation units in eastern Wyoming and associated transmission facilities and the Grayrocks Dam and Reservoir. Unit 1, Unit 2, and Unit 3 began commercial operations on July 1, 1980 and 1981, and November 1, 1982, respectively. Costs associated with LRS of approximately $170,000,000 are reflected in utility plant at December 31, 1988.

Some significant information from the project's December 31, 1988 audited financial statements follows:

Total Electric Plant	$1,244,256,954
Total Assets	1,370,280,747
Total Liabilities	16,708,767
Total Owner's Investment	1,353,571,980
LES Investment	174,315,067
Total Operating Costs, Net of Investment Income	127,800,672
LES Share of Operating Costs, Net of Investment Income	17,287,384

During 1986, LES reached an agreement with Basin Electric Power Cooperative (Basin Electric) which resulted in LES selling 24 MW (1.46%) of equity interest in LRS which was previously committed to Basin Electric under a participation power sales contract. This agreement also provided for LES to receive from Basin Electric $1,300,000 plus accrued interest at March 31, 1988. This amount is included in interest and other revenues in the Statement of Revenues and Expenses in 1988.

Effective July 1, 1987, LES entered into a participation power sales agreement with the County of Los Alamos, New Mexico (the County) whereby the County purchases from LES 10 MW of LES's capacity interest in LRS. The agreement provides for the County to pay LES approximately $110,000 per month through July 1, 1989 for demand charges. The amount is subject to change each July 1 until termination of the agreement. The agreement remains in effect until either the final maturity occurs on any LRS related debt, LRS is removed from commercial operation or the County gives LES notice to terminate the agreement. During 1988, LES billed the County $2,190,000 for demand and energy charges.

(15) DEFERRED COMPENSATION PLAN

ALL CITY EMPLOYEES (EXCEPT LGH)

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

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

It is the opinion of the City's legal counsel that the City has no liability for losses which may arise under any legally permitted investment of funds under the plans, but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. The LES plan assets were approximately $1,091,000 at December 31, 1988

and are included in the balance sheet with deferred charges and other assets. The balance in the City plan at August 31, 1989 was $2,031,207.

(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, 1989, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the Budgetary Basis, is presented on the following page:

	General Fund	Special Revenue Funds	Debt Service Funds
Revenues and Other Sources:			
GAAP Basis	$49,016,246	30,157,036	8,719,859
Add: Prior Year Accrual Adjustments[1]	5,732,336	2,750,163	3,271,076
Less: Current Year Accrual Adjustments1	(5,746,419)	(4,313,580)	(2,474,099)
Budget Basis	$49,002,163	28,593,619	9,516,836
Expenditures and Other Uses:			
GAAP Basis	$48,079,216	32,822,520	7,426,505
Add: Prior Year Accrual Adjustments[1]	3,251,241	1,819,031	35,158
Current Year Encumbrances[2]	753,082	3,421,938	
Less: Current Year Accrual Adjustments[1]	(1,835,278)	(2,395,195)	(29,627)
Prior Year Encumbrances2	(630,195)	(3,896,235)	
Budget Basis	$49,618,066	31,772,059	7,432,036

[1]Timing Difference
[2]Basis Difference

(17) INTERFUND RECEIVABLES AND PAYABLES BALANCES

Interfund receivables and payables balances at August 31, 1989 were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$2,181,426	369,166
Special Revenue Funds:		
Advance Acquisition Fund	69,167	
Athletic Field & Facility Improvement Fund	6,163	
Aviation Promotion Fund	45	
Civil Defense Fund		9,874
Cable Access Television Fund	4,405	
Lincoln City Libraries Fund	307,797	397

(continued)

Interfund Receivables and Payables Balances (Continued)

Fund	Interfund Receivables	Interfund Payables
Lincoln Area Agency on Aging Fund		16,798
Tax Sales Revolving	50,221	
Lincoln/Lancaster County Health Fund	25,830	22,981
Northeast Radial Fund	66,769	57
Social Security Fund	114,047	1,967
Street Construction Fund	1,816	1,576,695
Unemployment Compensation Fund	46,816	
Community Development Block Grant Fund		251,060
Grants-In-Aid Fund		92,565
Revenue Sharing Fund	4,092	
Job Training Programs Funds		106,241
Special Assessments	11,506	143,658
Total Special Revenue Funds	708,674	2,222,293
Debt Service Funds:		
Tax Allocation Projects Debt Service	18,027	
Bond Interest & Redemption Fund	461,603	
Special Assessments	53,327	
Total Debt Service Funds	532,957	
Capital Projects Funds:		
Storm Sewer Construction Fund	492	
Street Construction Fund	1,476,572	
Vehicle Tax Fund	3,824	4,959
Sanitary Landfill Purchase & Const. Fund	678,014	
Downtown Redevelopment Fund		21,942
1989 G.O. Various Purpose Bonds	2,556	
Other Capital Projects Fund	157,547	8,803
Special Assessments	141,914	18,962
Total Capital Projects Funds	2,460,919	54,666
Enterprise Funds:		
Parking Lot Revolving Fund	13,835	
Golf Fund	27,002	13,755
Parking Facilities Fund	36,202	42,226
Sanitary Landfill Fund	248,875	681,275
Total Enterprise Funds	325,914	737,256

(continued)

Interfund Receivables and Payables Balances (Continued)

Fund	Interfund Receivables	Interfund Payables
Internal Service Funds:		
Data Processing Fund	165,409	1,553
Engineering Revolving Fund	190,530	6,917
Insurance Revolving Fund	71,324	1,291
Public Works Equipment Management Fund	321,689	357
Police Garage Fund	129,597	214
Print Services Revolving	15,108	131
Stores Revolving Fund	9,051	34
Total Internal Service Funds	902,708	10,497
Fiduciary Funds:		
Pension Trust Funds:		
Fire Pension Fund	4,181	
Police and Fire Pension Funds	60,691	
Total Pension Trust Funds	64,872	
Expendable Trust Funds:		
Parks & Recreation Special Projects Fund	13,203	
Commission on Aging Gift Trust Fund	11,001	
Library Special Trust Funds	33,752	
Total Expendable Trust Funds	57,956	
Agency Funds:		
Collections Due to Other Governments Fund	12,875	
Payroll Revolving Fund	1,967	
Earnings on Pooled Investments Fund		1,873,580
Utilities and Telephone Suspense Fund	8,948	
Public Office Building Revenue Bonds (State of Nebraska Lessee) Fund	8,242	
Undistributed Property Tax Fund		2,000,000
Total Agency Funds	32,032	3,873,580
Total Fiduciary Funds	154,860	3,873,580
TOTAL ALL FUNDS	$7,267,458	7,267,458

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

The Cable Access Television Fund had expenditures of $24,881 for which there were no appropriations. The Tax Sales Revolving Fund had expenditures of $129,000 for which there were no appropriations. The Advance Acquisition Fund had expenditures of $53,827, exceeding appropriations of $43,250 by $10,577. Per Budget Resolution, Cable Access Television, Tax Sales Revolving and Advance Acquisition are among the funds allowed to spend any available monies without further Council action.

(19) RECLASSIFICATIONS

Certain reclassifications have been made in the 1988 totals columns to conform to the 1989 financial statement presentation.

(20) SELF-INSURANCE

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The City has self-insured its workers' compensation for over 25 years and began self-insuring its general liability and public transportation liability in October, 1985, and February, 1986, respectively. The auto liability risk continues to be insured on a guaranteed cost basis through an A+ rated insurance company. The self-insurance programs are administered through the Risk Management Division. The City is self-insured for workers' compensation risks up to $300,000 per individual, $500,000 per occurrence, other property risks up to $25,000 per occurrence, and employee long-term disability under the Insurance Revolving Fund, which is included in the internal service funds. Workers' compensation is covered by a policy which provides $2,000,000 limits above the City's retention of $300,000 per individual and $500,000 per occurrence. The Nebraska Political Tort Claims Act limits the City's liability for tort claims to $1,000,000 per individual and $5,000,000 for all individuals per occurrence. The governmental and proprietary funds pay budgeted premium amounts to the Insurance Revolving Funds.

The City retained the services of an actuary during 1989 to prepare an analysis of the self-insured workers' compensation, general liability, and public transportation liability risks. The analysis will be used to assist the City with its financial planning and management of the self-insurance program. Included in the specific objectives of the study were to:

- Estimate the outstanding liabilities for the fiscal year ended August 31, 1989.

- Forecast ultimate incurred losses and incurred but not reported (IBNR) losses for fiscal years ended August 31, 1990 through August 31, 1991.

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

Beginning with Fiscal Year 1988-89, the City funds its self-insurance program on an "incurred loss" basis. Annual premiums charged to the funds are based on past experience of incurred losses. Claims liabilities of $2,873,664 were recorded at August 31, 1989. This is the actuarially estimated amount of both workers' compensation and liability claims based on an estimate of ultimate incurred losses as of that date.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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GENERAL FUND

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

CITY OF LINCOLN, NE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$ 13,277,298	15,010,945	1,733,647
Taxes Collected By Others	22,605,000	23,531,497	926,497
Sundry Taxes And In Lieu	926,000	813,631	(112,369)
Occupation Taxes	2,815,000	2,738,419	(76,581)
Intergovernmental	2,639,070	2,661,555	22,485
Permits And Fees	880,000	1,096,302	216,302
Reimbursement For Services	1,051,912	963,153	(88,759)
Court Fees	118,000	110,274	(7,726)
Recreation Receipts	601,000	590,730	(10,270)
Interest	745,000	732,860	(12,140)
Parking Meter	300,000	306,963	6,963
Miscellaneous	390,435	431,263	40,828
Total Revenues	46,348,715	48,987,592	2,638,877
Expenditures:			
General Government	11,614,300	10,790,583	823,717
Public Safety	22,092,218	21,891,019	201,199
Streets And Highways	4,042,738	3,748,760	293,978
Culture -- Recreation	5,450,843	5,359,457	91,386
Total Expenditures	43,200,099	41,789,819	1,410,280
Excess Of Revenues Over Expenditures	3,148,616	7,197,773	4,049,157
Other Financing Uses:			
Operating Transfers Out	(8,187,118)	(7,293,790)	893,328
Non-Operating Transfers Out	(534,457)	(534,457)	
Total Other Financing Uses	(8,721,575)	(7,828,247)	893,328
Excess Of Expenditures And Other Financing Uses Over Revenues And Other Financing Sources	(5,572,959)	(630,474)	4,942,485
Fund Balance Beginning Of Year	6,190,356	6,190,356	
Residual Equity Transfers In	14,571	14,571	
Fund Balance End Of Year	$ 631,968	5,574,453	4,942,485

CITY OF LINCOLN, NE
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FISCAL YEAR ENDED AUGUST 31, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT:			
Legislative:			
Personal Services	$ 80,424	80,592	(168)
Supplies	1,350	820	530
Other Services And Charges	48,499	35,867	12,632
Total Legislative	130,273	117,279	12,994
Executive:			
Personal Services	540,160	542,811	(2,651)
Supplies	18,819	16,821	1,998
Other Services And Charges	62,189	59,937	2,252
Capital Outlay	3,534	4,021	(487)
Total Executive	624,702	623,590	1,112
Financial Administration:			
Personal Services	854,750	859,523	(4,773)
Supplies	32,420	28,355	4,065
Other Services And Charges	327,694	311,936	15,758
Capital Outlay	1,000	1,512	(512)
Total Financial Administration	1,215,864	1,201,326	14,538
Law:			
Personal Services	756,588	758,739	(2,151)
Supplies	29,500	27,082	2,418
Other Services And Charges	44,420	31,535	12,885
Capital Outlay	815	682	133
Total Law	831,323	818,038	13,285
Personnel Administration:			
Personal Services	368,557	364,283	4,274
Supplies	11,350	10,389	961
Other Services And Charges	68,094	69,552	(1,458)
Capital Outlay		3,102	(3,102)
Total Personnel Administration	448,001	447,326	675

(Continued)

Planning And Zoning:			
Personal Services	629,466	611,477	17,989
Supplies	12,450	13,679	(1,229)
Other Services And Charges	98,980	92,744	6,236
Capital Outlay	6,000	4,440	1,560
Total Planning And Zoning	746,896	722,340	24,556
Buildings And Plant:			
Personal Services	295,899	284,913	10,986
Supplies	52,295	59,679	(7,384)
Other Services And Charges	591,551	585,091	6,460
Capital Outlay		15,728	(15,728)
Total Buildings And Plant	939,745	945,411	(5,666)
Urban Development:			
Personal Services	362,550	368,059	(5,509)
Supplies	10,685	6,513	4,172
Other Services And Charges	243,794	216,022	27,772
Capital Outlay	83,731	82,523	1,208
Total Urban Development	700,760	673,117	27,643
Miscellaneous:			
Personal Services	2,532,449	2,541,523	(9,074)
Other Services And Charges	3,033,938	2,570,715	463,223
Capital Outlay	410,349	129,918	280,431
Total Miscellaneous	5,976,736	5,242,156	734,580
Total General Government	11,614,300	10,790,583	823,717
PUBLIC SAFETY:			
Police:			
Personal Services	8,582,506	8,667,615	(85,109)
Supplies	146,592	163,559	(16,967)
Other Services And Charges	1,654,159	1,527,701	126,458
Capital Outlay	28,776	38,614	(9,838)
Total Police	10,412,033	10,397,489	14,544
Fire:			
Personal Services	7,162,760	7,153,187	9,573
Supplies	282,884	285,055	(2,171)
Other Services And Charges	399,176	362,005	37,171
Capital Outlay	194,768	188,479	6,289
Total Fire	8,039,588	7,988,726	50,862
Codes Administration:			
Personal Services	1,323,875	1,307,003	16,872
Supplies	41,227	38,834	2,393
Other Services And Charges	158,888	165,882	(6,994)
Capital Outlay	6,615	8,309	(1,694)
Total Codes Administration	1,530,605	1,520,028	10,577

(Continued)

Communications:			
Personal Services	713,897	691,577	22,320
Supplies	11,901	12,122	(221)
Other Services And Charges	101,573	78,884	22,689
Capital Outlay	1,440		1,440
Total Communications	828,811	782,583	46,228
Transportation:			
Personal Services	801,439	763,101	38,338
Supplies	185,060	158,494	26,566
Other Services And Charges	255,082	239,832	15,250
Capital Outlay	39,600	40,766	(1,166)
Total Transportation	1,281,181	1,202,193	78,988
Total Public Safety	22,092,218	21,891,019	201,199
STREETS AND HIGHWAYS:			
Street Maintenance:			
Personal Services	1,173,160	1,111,760	61,400
Supplies	191,556	104,917	86,639
Other Services And Charges	1,084,740	961,891	122,849
Capital Outlay	50,014	42,906	7,108
Total Street Maintenance	2,499,470	2,221,474	277,996
Street Lighting:			
Other Services And Charges	1,543,268	1,527,286	15,982
Total Streets And Highways	4,042,738	3,748,760	293,978
CULTURE -- RECREATION --			
Parks And Recreation:			
Personal Services	3,504,841	3,412,523	92,318
Supplies	389,079	386,384	2,695
Other Services And Charges	1,442,870	1,443,317	(447)
Capital Outlay	114,053	117,233	(3,180)
Total Culture -- Recreation	5,450,843	5,359,457	91,386
TOTAL EXPENDITURES	$ 43,200,099	41,789,819	1,410,280

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SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

Tax Sales Revolving Fund - To provide working funds to acquire lots sold at tax sale for which any part of the taxes included in the decree of foreclosure is due to the City. To account for expenditures from this fund to purchase such lots and associated expenses, and to account for monies received from the sale of such lots. Financing is provided by a transfer from the Advance Acquisition Fund and monies received from the sale of lots.

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

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

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

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

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

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

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

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

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

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

CITY OF LINCOLN, NE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1989
With Comparative Totals For August 31, 1988

	Advance Acquisition	Athletic Field & Facilities Improvement	Aviation Promotion	Civil Defense	Cable Access Television	Lincoln City Libraries	Lincoln Area Agency On Aging	Tax Sales Revolving	Lincoln/ Lancaster Co Health	Northeast Radial	Social Security	Street Construction	Unemployment Compensation	Community Development Block Grant	Grants In Aid	Revenue Sharing	Job Training Programs	Special Assessments	Totals 1989	Totals 1988
ASSETS																				
Cash Held By City Treasurer	$ 365,680	50,463	486		48,797	656,521	193,256	697,852	202,603	526,536	325,637	243,328	490,390			43,941		141,646	3,987,136	3,906,217
Cash On Hand And In Other Accounts						6,147								78,776					84,923	32,518
Investments (At Cost)		95,451			377,738							5,841,168						193,715	6,208,072	9,496,038
Receivables:																				
Taxes			6,261			556,281				106,589	149,879		399						819,489	777,854
Accounts		8,173					4,712	16,033	6,450	2,833		267,394		75,436	6,851			45,111	430,993	173,594
Accrued Interest	2,140	5,088	3		16,340	3,432		3,845	1,771	4,659	2,357	132,574	2,974			262		5,524	180,969	220,663
Due From Other Funds	89,167	8,163	45		4,405	307,797		50,221	25,830	66,769	114,047	1,816	46,816			4,092		11,506	708,674	554,707
Due From Other Governments				32,268		83,397	1,909		185,939		7,924	1,541,296		115,119	195,771		141,616		2,305,238	1,187,837
Inventories												9,114							9,114	20,280
Installment Purchase Agreement																				
With Lancaster County	57,268																		57,268	90,309
Total Assets	$ 494,255	163,338	6,795	32,268	447,280	1,613,575	199,877	767,951	422,593	707,466	599,844	7,736,589	540,579	269,331	202,622	48,295	141,616	397,502	14,791,876	16,461,017
LIABILITIES AND FUND BALANCE																				
Liabilities:																				
Vouchers Payable						57,078	2,566		2,485			4,043			19,181			17,765	103,118	71,179
Accounts Payable				1,322		8,343	41,632	142	29,269	1,538		19,057		2,266	43,203		25,520		172,292	156,907
Accrued Liabilities				334		6,159	3,673		8,904	443	93	4,749		1,395	3,579		839	187	30,355	298,312
Due To Other Funds				9,874		397	16,798		22,981	57	1,967	1,576,695		251,060	92,565		106,241	143,658	2,222,293	946,715
Due To Other Governments																				30
Deferred Revenues	21,839					194,991					57,144								273,974	289,321
Unearned Advance																				804
Accrued Compensated Absences				4,394		87,810	45,580		112,627	4,606	4,240	66,271		14,610	44,094		9,016	1,993	394,951	437,272
Total Liabilities	21,839			15,834		354,578	110,249	142	176,266	6,644	63,444	1,670,815		269,331	202,622		141,616	163,603	3,196,963	2,200,640
Fund Balances:																				
Reserved For:																				
Encumbrances				3,000		67,219	13,427		71,867	4,778		2,806,439		84,151	14,256			356,800	3,421,937	3,896,235
Inventories												9,114							9,114	20,280
Unreserved:																				
Designated For Subsequent Year's Expenditures		75,000		1,668		34,803	18,363		56,320	2,215	201,284	536,311	95,000						1,020,964	2,115,570
Undesignated	472,416	88,338	6,795	11,766	447,280	1,156,975	57,838	767,809	118,140	693,829	335,116	2,714,010	445,579	(84,151)	(14,256)	48,295		(122,901)	7,142,878	8,228,292
Total Fund Balances	472,416	163,338	6,795	16,434	447,280	1,258,997	89,628	767,809	246,327	700,822	536,400	6,066,874	540,579			48,295		233,899	11,594,893	14,260,377
Total Liabilities & Fund Balances	$ 494,255	163,338	6,795	32,268	447,280	1,613,575	199,877	767,951	422,593	707,466	599,844	7,736,589	540,579	269,331	202,622	48,295	141,616	397,502	14,791,876	16,461,017

CITY OF LINCOLN, NE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1989
With Comparative Totals For August 31, 1988

	Advance Acquisition	Athletic Field & Facilities Improvement	Aviation Promotion	Civil Defense	Cable Access Television	Lincoln City Libraries	Lincoln Area Agency On Aging	Tax Sales Revolving	Lincoln/ Lancaster Co. Health	Northeast Radial	Social Security	Street Construction	Unemployment Compensation	Community Development Block Grant	Grants-In Aid	Revenue Sharing	Job Training Programs	Special Assessments	Totals 1989	Totals 1988
Revenues:																				
Real Estate And Personal Property Tax	$					2,628,069				397,621	680,990								3,706,680	3,114,142
Motor Vehicle Tax						315,571					81,380								396,951	308,429
Intergovernmental				106,237		271,588	759,250		1,100,896			8,649,138		1,932,026	3,690,768		681,676		17,191,479	13,870,566
Permits And Fees									480,283			123,552							603,835	609,331
Interest	70,564	15,162	42		27,966	38,846		54,066	26,367	71,656	43,100	577,410	47,064			4,007		109,301	1,085,570	932,944
Client Contributions							180,883								143,339				324,222	328,478
Rental Income										32,741									32,741	39,802
Program Income														311,965					311,965	163,730
Miscellaneous	68,413	76,954		402	100,000	67,523	36,137	334,028	74,897	64,392		878,452		350,664	53,299		1,100	21,613	2,126,874	1,345,042
Developers Share Of Districts																		4,265	4,265	6,000
Total Revenues	138,997	92,116	42	106,639	127,965	3,321,597	975,270	388,094	1,682,443	566,410	805,470	10,228,562	47,064	2,594,655	3,887,406	4,007	682,676	135,179	25,784,582	20,718,464
Expenditures:																				
General Government	53,827				25,322			129,142		125,975	911,081		13,558		42,782			69,153	1,370,840	1,417,963
Public Safety				175,230											235,762				410,992	286,016
Streets And Highways												1,940,296			217,923				2,158,219	2,303,732
Culture-Recreation						2,953,367									9,505				2,962,862	2,891,421
Economic Opportunity							2,036,604							2,562,812	3,011,194		682,676		8,293,286	6,201,422
Health And Welfare									3,516,163						456,738				3,972,901	3,616,964
Total Expenditures	53,827			175,230	25,322	2,953,367	2,036,604	129,142	3,516,163	125,975	911,081	1,940,296	13,558	2,562,812	3,973,904		682,676	69,153	19,169,100	16,717,518
Excess (Deficiency) Of Revenues Over Expenditures	85,170	92,116	42	(68,591)	102,643	368,240	(1,061,334)	258,952	(1,833,720)	440,435	(105,611)	8,288,256	33,506	31,843	(86,498)	4,007		66,026	6,615,482	4,000,946
Other Financing Sources (Uses):																				
Operating Transfers In				46,035			1,026,057		1,996,926	145,634		13,200			89,182			335,177	3,652,211	3,773,478
Operating Transfers Out	(8,291)	(85,012)				(29,105)				(500,686)		(9,943,950)		(31,843)				(2,186,387)	(12,786,274)	(8,038,732)
Non-Operating Transfers Out	(283,487)																		(283,487)	
Total Other Financing Sources (Uses)	(291,778)	(85,012)		46,035		(29,105)	1,026,057		1,996,926	(355,052)		(9,930,750)		(31,843)	89,182			(1,851,210)	(9,416,550)	(4,265,254)
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(206,608)	7,104	42	(22,556)	102,643	339,135	(35,277)	258,952	163,206	85,383	(105,611)	(1,642,494)	33,506		2,684	4,007		(1,785,184)	(2,801,068)	(264,308)
Fund Balance Beginning Of Year	1,199,913	156,234	6,753	38,990	344,637	919,862	124,905		83,121	676,225	642,011	7,497,282	507,073			44,288		2,019,083	14,260,377	14,444,343
Residual Equity Transfers In								508,857		300		211,086							720,243	80,342
Residual Equity Transfers Out	(520,889)									(61,086)					(2,684)				(584,659)	
Fund Balances End Of Year	$ 472,416	163,338	6,795	16,434	447,280	1,258,997	89,628	767,809	246,327	700,822	536,400	8,066,874	540,579			48,295		233,899	11,594,893	14,260,377

CITY OF LINCOLN, NE
ADVANCE ACQUISITION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	72,648	72,648
Miscellaneous	250,000	67,901	(182,099)
Total Revenues	250,000	140,549	(109,451)
Expenditures -- General Government:			
Other Services And Charges		877	(877)
Capital Outlay	43,250	52,950	(9,700)
Total Expenditures	43,250	53,827	(10,577)
Excess Of Revenues Over Expenditures	206,750	86,722	(120,028)
Other Financing Uses --			
Operating Transfers Out	(110,701)	(8,291)	102,410
Non-Operating Transfers Out	(283,487)	(283,487)	
Total Other Financing Uses	(394,188)	(291,778)	102,410
Excess Of Expenditures And Other Financing Uses Over Revenues	(187,438)	(205,056)	(17,618)
Fund Balance Beginning Of Year	1,003,257	1,003,257	
Residual Equity Transfer Out	(520,889)	(520,889)	
Fund Balance End Of Year	$ 294,930	277,312	(17,618)

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	9,155	9,155
Miscellaneous	70,000	70,781	781
Total Revenues	70,000	79,936	9,936
Other Financing Uses --			
Operating Transfers Out	(93,202)	(85,209)	7,993
Excess Of Other Financing Uses Over Revenues	(23,202)	(5,273)	17,929
Fund Balance Beginning Of Year	155,659	155,659	
Fund Balance End Of Year	$ 132,457	150,386	17,929

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Tax	$	15	15
Interest	1,600	59	(1,541)
Total Revenues	1,600	74	(1,526)
Expenditures -- General Government -- Other Services And Charges	1,600		1,600
Excess Of Revenues Over Expenditures		74	74
Fund Balance Beginning Of Year	16,134	16,134	
Fund Balance End Of Year	$ 16,134	16,208	74

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 104,574	96,860	(7,714)
Miscellaneous		467	467
Interest		645	645
Total Revenues	104,574	97,972	(6,602)
Expenditures -- Public Safety:			
Personal Services	104,381	102,418	1,963
Materials And Supplies	3,500	2,968	532
Other Services And Charges	31,228	27,498	3,730
Capital Outlay	18,000	18,366	(366)
Total Expenditures	157,109	151,250	5,859
Excess Of Expenditures Over Revenues	(52,535)	(53,278)	(743)
Other Financing Sources --			
Operating Transfers In	46,035	46,035	
Excess Of Expenditures Over Revenues And Other Financing Sources	(6,500)	(7,243)	(743)
Fund Balance Beginning Of Year	2,445	2,445	
Fund Balance End Of Year	$ (4,055)	(4,798)	(743)

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues --			
Interest	$	24,617	24,617
Miscellaneous		100,000	100,000
Total Revenues		124,617	124,617
Expenditures -- General Government:			
Materials And Supplies		269	(269)
Other Services And Charges		24,612	(24,612)
Total Expenditures		24,881	(24,881)
Excess Of Revenues Over Expenditures		99,736	99,736
Fund Balance Beginning Of Year	326,799	326,799	
Fund Balance End Of Year	$ 326,799	426,535	99,736

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Real Estate And Personal Property	$ 2,406,136	2,582,671	176,535
Motor Vehicle	242,773	307,475	64,702
Intergovernmental	258,691	271,588	12,897
Interest	38,000	32,166	(5,834)
Miscellaneous	52,882	73,153	20,271
Total Revenues	2,998,482	3,267,053	268,571
Expenditures -- Culture And Recreation:			
Personal Services	1,972,491	1,889,242	83,249
Materials And Supplies	77,705	87,256	(9,551)
Other Services And Charges	437,090	452,298	(15,208)
Capital Outlay	598,837	581,338	17,499
Total Expenditures	3,086,123	3,010,134	75,989
Excess (Deficiency) Of Revenues Over Expenditures	(87,641)	256,919	344,560
Other Financing Uses -- Operating Transfers Out	(45,139)	(29,105)	16,034
Excess (Deficiency) Of Revenues Over Expenditures And Other Financing Uses	(132,780)	227,814	360,594
Fund Balance Beginning Of Year	581,033	581,033	
Fund Balance End Of Year	$ 448,253	808,847	360,594

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 766,450	757,366	(9,084)
Client Contributions	252,565	183,252	(69,313)
Miscellaneous		35,006	35,006
Total Revenues	1,019,015	975,624	(43,391)
Expenditures -- Economic Opportunity:			
Personal Services	1,111,568	1,088,691	22,877
Materials And Supplies	314,527	319,215	(4,688)
Other Services And Charges	614,972	593,425	21,547
Capital Outlay	37,580	28,890	8,690
Total Expenditures	2,078,647	2,030,221	48,426
Excess Of Expenditures Over Revenues	(1,059,632)	(1,054,597)	5,035
Other Financing Sources -- Operating Transfers In	1,026,057	1,026,057	
Excess Of Expenditures Over Revenues And Other Financing Sources	(33,575)	(28,540)	5,035
Fund Balance Beginning Of Year	192,951	192,951	
Fund Balance End Of Year	$ 159,376	164,411	5,035

CITY OF LINCOLN, NE
TAX SALES REVOLVING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues -- Miscellaneous		317,995	317,995
Expenditures -- General Government:			
Other Services And Charges		66,796	(66,796)
Capital Outlay		62,204	(62,204)
Total Expenditures		129,000	(129,000)
Excess Of Revenues Over Expenditures		188,995	188,995
Fund Balance Beginning Of Year			
Residual Equity Transfer In	508,857	508,857	
Fund Balance End Of Year	$ 508,857	697,852	188,995

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 1,109,271	1,089,179	(20,092)
Permits And Fees	542,249	478,552	(63,697)
Interest		14,600	14,600
Miscellaneous	504	74,893	74,389
Total Revenues	1,652,024	1,657,224	5,200
Expenditures -- Health And Welfare:			
Personal Services	2,723,718	2,678,816	44,902
Materials And Supplies	176,875	190,037	(13,162)
Other Services And Charges	720,223	711,072	9,151
Capital Outlay	61,191	60,911	280
Total Expenditures	3,682,007	3,640,836	41,171
Excess Of Expenditures Over Revenues	(2,029,983)	(1,983,612)	46,371
Other Financing Sources (Uses):			
Operating Transfers In	1,996,926	1,996,926	
Operating Transfers Out	(25,550)		25,550
Total Other Financing Sources (Uses)	1,971,376	1,996,926	25,550
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(58,607)	13,314	71,921
Fund Balance Beginning Of Year	107,050	107,050	
Fund Balance End Of Year	$ 48,443	120,364	71,921

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$ 410,572	410,572	
Interest	31,123	31,123	
Rentals	32,741	32,741	
Miscellaneous	64,492	64,492	
Total Revenues	538,928	538,928	
Expenditures -- General Government:			
Personal Services	67,068	67,068	
Materials And Supplies	5,708	5,708	
Other Services And Charges	68,726	68,726	
Capital Outlay	279	279	
Total Expenditures	141,781	141,781	
Excess Of Revenues Over Expenditures	397,147	397,147	
Other Financing Sources (Uses):			
Operating Transfers In	145,634	145,634	
Operating Transfers Out	(500,686)	(500,686)	
Total Other Financing Sources (Uses)	(355,052)	(355,052)	
Excess Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	42,095	42,095	
Fund Balance Beginning Of Year	494,332	494,332	
Residual Equity Transfer In	300	300	
Residual Equity Transfer Out	(61,086)	(61,086)	
Fund Balance End Of Year	$ 475,641	475,641	

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Real Estate And Personal Property	$ 621,058	674,892	53,834
Motor Vehicle	62,663	79,555	16,892
Interest	40,000	42,220	2,220
Total Revenues	723,721	796,667	72,946
Expenditures -- General Government:			
Personal Services	27,249	22,822	4,427
Employer's Share Social Security	1,094,853	957,855	136,998
Total Expenditures	1,122,102	980,677	141,425
Excess Of Expenditures Over Revenues	(398,381)	(184,010)	214,371
Fund Balance Beginning Of Year	580,956	580,956	
Fund Balance End Of Year	$ 182,575	396,946	214,371

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 6,300,000	7,910,198	1,610,198
Permits And Fees		124,866	124,866
Miscellaneous	350,000	707,357	357,357
Interest	512,000	593,969	81,969
Total Revenues	7,162,000	9,336,390	2,174,390
Expenditures -- Streets And Highways:			
Personal Services	1,337,597	1,399,038	(61,441)
Materials And Supplies	252,895	174,882	78,013
Other Services And Charges	439,535	427,257	12,278
Capital Outlay	2,670	7,547	(4,877)
Total Expenditures	2,032,697	2,008,724	23,973
Excess Of Revenues Over Expenditures	5,129,303	7,327,666	2,198,363
Other Financing Sources (Uses):			
Operating Transfers In	13,200	13,200	
Operating Transfers Out	(8,525,690)	(8,525,690)	
Total Other Financing Sources (Uses)	(8,512,490)	(8,512,490)	
Excess Of Expenditures And Other Financing Uses Over Revenues And Other Financing Sources	(3,383,187)	(1,184,824)	2,198,363
Fund Balance Beginning Of Year	7,054,627	7,054,627	
Residual Equity Transfer In		211,086	211,086
Fund Balance End Of Year	$ 3,671,440	6,080,889	2,409,449

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$	1	1
Interest		31,486	31,486
Total Revenues		31,487	31,487
Expenditures -- General Government -- Unemployment Compensation Payments	95,000	13,558	81,442
Excess (Deficiency) Of Revenues Over Expenditures	(95,000)	17,929	112,929
Fund Balance Beginning Of Year	474,769	474,769	
Fund Balance End Of Year	$ 379,769	492,698	112,929

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 3,182,224	1,816,907	(1,365,317)
Program Income	100,000	311,965	211,965
Miscellaneous		241,592	241,592
Total Revenues	3,282,224	2,370,464	(911,760)
Expenditures -- Economic Opportunity:			
Personal Services	473,296	460,480	12,816
Materials And Supplies	9,900	7,479	2,421
Other Services And Charges	405,365	419,259	(13,894)
Loans And Grants	1,510,926	1,155,263	355,663
Capital Outlay	524,936	515,778	9,158
Total Expenditures	2,924,423	2,558,259	366,164
Excess (Deficiency) Of Revenues Over Expenditures	357,801	(187,795)	(545,596)
Other Financing Uses -- Operating Transfers Out	(219,905)	(31,843)	188,062
Excess Of Expenditures And Other Financing Uses Over Revenues	137,896	(219,638)	(357,534)
Fund Balance Beginning Of Year	(478,803)	(478,803)	
Fund Balance End Of Year	$ (340,907)	(698,441)	(357,534)

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 3,543,357	3,543,357	
Client Contributions	144,095	144,095	
Miscellaneous	53,472	53,472	
Total Revenues	3,740,924	3,740,924	
Expenditures:			
General Government:			
Materials And Supplies	7,080	7,080	
Other Services And Charges	28,352	28,352	
Total General Government	35,432	35,432	
Public Safety:			
Personal Services	119,088	119,088	
Materials And Supplies	480	480	
Other Services And Charges	117,735	117,735	
Capital Outlay	1,647	1,647	
Total Public Safety	238,950	238,950	
Streets And Highways:			
Personal Services	71,169	71,169	
Materials And Supplies	3,234	3,234	
Other Services And Charges	150,541	150,541	
Total Streets And Highways	224,944	224,944	
Culture And Recreation:			
Personal Services	9,740	9,740	
Materials And Supplies	585	585	
Other Services And Charges	11	11	
Total Culture And Recreation	10,336	10,336	

(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Economic Opportunity:	$		
Personal Services	582,525	582,525	
Materials And Supplies	102,667	102,667	
Other Services And Charges	1,624,451	1,624,451	
Capital Outlay	521,531	521,531	
Total Economic Opportunity	2,831,174	2,831,174	
Health And Welfare:			
Personal Services	271,886	271,886	
Materials And Supplies	27,339	27,339	
Other Services And Charges	99,481	99,481	
Capital Outlay	70,839	70,839	
Total Health And Welfare	469,545	469,545	
Total Expenditures	3,810,381	3,810,381	
Excess Of Expenditures Over Revenues	(69,457)	(69,457)	
Other Financing Sources -- Operating Transfers In	89,182	89,182	
Excess Of Revenues And Other Financing Sources Over Expenditures	19,725	19,725	
Fund Balance Beginning Of Year	(607,341)	(607,341)	
Residual Equity Transfer Out	(2,684)	(2,684)	
Fund Balance End Of Year	$ (590,300)	(590,300)	

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues -- Interest	$	3,808	3,808
Excess Of Revenues Over Expenditures		3,808	3,808
Fund Balance Beginning Of Year	57,238	57,238	
Fund Balance End Of Year	$ 57,238	61,046	3,808

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, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 602,405	602,405	
Miscellaneous	1,100	1,100	
Total Revenues	603,505	603,505	
Expenditures -- Economic Opportunity:			
Personal Services	385,703	385,703	
Materials And Supplies	9,058	9,058	
Other Services And Charges	314,764	314,764	
Capital Outlay	45	45	
Total Expenditures	709,570	709,570	
Excess Of Expenditures Over Revenues	(106,065)	(106,065)	
Fund Balance Beginning Of Year	(36,706)	(36,706)	
Fund Balance End Of Year	$ (142,771)	(142,771)	

CITY OF LINCOLN, NE
SPECIAL ASSESSMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest On Investments	$ 130,094	130,151	57
Miscellaneous	3,519	3,532	13
Developers Share Of Districts	4,265	4,265	
Total Revenues	137,878	137,948	70
Expenditures -- General Government --			
Administrative Costs	71,662	71,662	
Excess Of Revenues Over Expenditures	66,216	66,286	70
Other Financing Sources (Uses):			
Operating Transfers In	335,177	335,177	
Operating Transfers Out	(2,388,328)	(2,388,328)	
Total Other Financing Sources (Uses)	(2,053,151)	(2,053,151)	
Excess Of Expenditures And Other Financing Uses Over Expenditures And Other Financing Sources	(1,986,935)	(1,986,865)	70
Fund Balance Beginning Of Year	2,092,074	2,092,074	
Fund Balance End Of Year	$ 105,139	105,209	70

DEBT SERVICE FUNDS

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

Tax Allocation Projects Debt Service Fund - To accumulate resources for payment of principal and interest on the 1985 Cornhusker Square tax allocation bonds and the 1989 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
1989	Various Purpose Bonds

Resources are derived from an annual tax levy.

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

CITY OF LINCOLN, NE
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1989
With Comparative Totals For August 31, 1988

	Tax Allocation Projects Debt Service	Bond Interest And Redemption	Special Assessments	Total 1989	Total 1988
ASSETS					
Cash Held By City Treasurer	$ 484,232	2,350,358	370,870	3,205,460	2,033,772
Investments (At Amortized Cost)	504,367		10,139,136	10,643,503	9,707,139
Receivables:					
Taxes	62,584	572,075		634,659	1,087,231
Accrued Interest	31,978	12,865	249,688	294,531	337,981
Due From Other Funds	18,027	461,603	53,327	532,957	566,287
Due From Other Governments		29,752		29,752	34,780
Special Assessments Receivable			7,291,270	7,291,270	8,527,352
Total Assets	$ 1,101,188	3,426,653	18,104,291	22,632,132	22,294,542
LIABILITIES AND FUND BALANCES					
Liabilities:					
Bond Principal Payable	5,000	10,000		15,000	15,000
Bond Interest Payable	1,425	29,224	4,783	35,432	20,157
Deferred Revenues		217,690	6,093,828	6,311,518	7,282,557
Total Liabilities	6,425	256,914	6,098,611	6,361,950	7,317,714
Fund Balances:					
Reserved For Debt Service	1,094,763	3,169,739	7,551,172	11,815,674	12,268,405
Undesignated			4,454,508	4,454,508	2,708,423
Total Fund Balance	1,094,763	3,169,739	12,005,680	16,270,182	14,976,828
Total Liabilities And Fund Balances	$ 1,101,188	3,426,653	18,104,291	22,632,132	22,294,542

CITY OF LINCOLN, NE
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
AUGUST 31, 1989
With Comparative Totals For August 31, 1988

	Tax Allocation Projects Debt Service	Bond Interest And Redemption	Special Assessments	Total 1989	Total 1988
Revenues:					
Real Estate And Personal Property Tax	$ 717,903	2,870,439		3,588,342	3,855,273
Taxes Collected By Others		21,755		21,755	369,188
Intergovernmental					1,476
Interest	113,963	203,650	740,721	1,058,334	837,458
Special Assessments			1,748,459	1,748,459	1,356,218
Special Assessment Interest			1,202,442	1,202,442	1,079,095
Total Revenues	831,866	3,095,844	3,691,622	7,619,332	7,498,708
Expenditures:					
Principal Retirement	255,000	1,520,000	1,895,000	3,670,000	3,600,000
Interest	362,218	1,585,690	994,418	2,942,326	3,199,184
Miscellaneous	4,959			4,959	
Fiscal Charges	27,605	2,760	722	31,087	9,994
Total Expenditures	649,782	3,108,450	2,890,140	6,648,372	6,809,178
Excess (Deficiency) Of Revenues Over Expenditures	182,084	(12,606)	801,482	970,960	689,530
Other Financing Sources (Uses) --					
Proceeds Of Refunding Bonds	620,000			620,000	
Payment To Refunded Bond Escrow Agent	(778,133)			(778,133)	
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	23,951	(12,606)	801,482	812,827	689,530
Fund Balance Beginning Of Year	1,070,812	2,701,818	11,204,198	14,976,828	14,276,412
Residual Equity Transfers In		480,527		480,527	10,886
Fund Balance End Of Year	$ 1,094,763	3,169,739	12,005,680	16,270,182	14,976,828

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, 1989

	Tax Allocation Projects Debt Service			Bond Interest And Redemption			Special Assessments			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:												
Real Estate And Personal Property Tax	$ 714,741	998,370	283,629	2,567,026	3,170,276	603,250				3,281,767	4,168,646	886,879
Taxes Collected By Others					1,113	1,113					1,113	1,113
Intergovernmental												
Interest		90,600	90,600	40,000	111,321	71,321	808,043	808,043		848,043	1,009,964	161,921
Special Assessments							2,034,144	2,034,144		2,034,144	2,034,144	
Special Assessment Interest							1,202,442	1,202,442		1,202,442	1,202,442	
Total Revenues	714,741	1,088,970	374,229	2,607,026	3,282,710	675,684	4,044,629	4,044,629		7,366,396	8,416,309	1,049,913
Expenditures:												
Principal Retirement	280,000	255,000	25,000	1,530,000	1,520,000	10,000	1,895,000	1,895,000		3,705,000	3,670,000	35,000
Interest	417,742	362,218	55,524	1,596,092	1,587,673	8,419	997,966	997,966		3,011,800	2,947,857	63,943
Fiscal Charges	27,605	27,605			2,760	(2,760)	722	722		28,327	31,087	(2,760)
Miscellaneous		4,959	(4,959)								4,959	(4,959)
Total Expenditures	725,347	649,782	75,565	3,126,092	3,110,433	15,659	2,893,688	2,893,688		6,745,127	6,653,903	91,224
Excess (Deficiency) Of Revenues Over Expenditures	(10,606)	439,188	449,794	(519,066)	172,277	691,343	1,150,941	1,150,941		621,269	1,762,406	1,141,137
Other Financing Sources --												
Proceeds Of Refunding Bonds	620,000	620,000								620,000	620,000	
Payment To Refunded Bond Escrow Agent	(778,133)	(778,133)								(778,133)	(778,133)	
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	(168,739)	281,055	449,794	(519,066)	172,277	691,343	1,150,941	1,150,941		463,136	1,604,273	1,141,137
Fund Balance Beginning Of Year	688,923	688,923		2,262,441	2,262,441		12,198,856	12,198,856		15,150,220	15,150,220	
Residual Equity Transfer In					480,527	480,527					480,527	480,527
Fund Balance End Of Year	$ 520,184	969,978	449,794	1,743,375	2,915,245	1,171,870	13,349,797	13,349,797		15,613,356	17,235,020	1,621,664

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

General Obligation Various Purpose Bonds - To account for the cost of providing improvements to the parks and recreation facilities in the City, including, the acquisition and/or development of a recreational trail system and the development and redevelopment of city park property and the Folsom Children's Zoo; acquiring Fire Department apparatus and equipment and constructing two additional fire stations for the Fire Department; reconstructive, improving, equipping and furnishing the City's Pershing Municipal Auditorium. Financing is provided by General Obligation Bonds.

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

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

CITY OF LINCOLN, NE
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
FISCAL YEAR ENDED AUGUST 31, 1989
With Comparative Totals For August 31, 1988

	Storm Sewer Bond Construction	Storm Sewer Construction	Street Construction	Vehicle Tax	Sanitary Landfill Purchase & Construction	Downtown Redevelopment	1989 G.O. Various Purpose Bonds	Other Capital Projects	Special Assessments	Totals 1989	Totals 1988
ASSETS											
Cash Held By City Treasurer	$	6,993		19,822	11,053	5,151	46,797	566,656		656,472	465,870
Investments (At Cost)		95,000		1,678,841		14,219,300	7,806,483			23,799,624	15,673,895
Receivables:											
Accounts	24,425			258,445						282,870	318,513
Accrued Interest		43		3,356	482	8,116	2,540	543		15,080	304,484
Due From Other Funds		492	1,476,572	3,824	678,014		2,556	157,547	141,914	2,460,919	1,133,927
Due From Other Governments				15,330						15,330	24,444
Total Assets	$ 24,425	102,528	1,476,572	1,979,618	689,549	14,232,567	7,858,376	724,746	141,914	27,230,295	17,921,133
LIABILITIES & FUND BALANCES											
Liabilities:											
Vouchers Payable			200,188		143,089			2,158		345,435	
Contracts Payable			1,241,847	157,233	38,040		20,812	59,492	105,894	1,623,318	1,868,981
Accounts Payable			34,537	538	164		29,424	28,622	17,058	110,343	40,665
Due To Other Funds				4,959		21,942		8,803	18,962	54,666	286,744
Deferred Revenues	12,950									12,950	19,425
Total Liabilities	12,950		1,476,572	162,730	181,293	21,942	50,236	99,075	141,914	2,146,712	2,215,815
Fund Balances:											
Reserved For Encumbrances				122,076	508,256		217,688	105,067		953,087	1,031,443
Unreserved:											
Designated For Subsequent Year's Expenditures		102,528		424,698		108,704	7,590,452			8,226,382	441,230
Undesignated	11,475			1,270,114		14,101,921		520,604		15,904,114	14,232,645
Total Fund Balances	11,475	102,528		1,816,888	508,256	14,210,625	7,808,140	625,671		25,083,583	15,705,318
Total Liabilities And Fund Balances	$ 24,425	102,528	1,476,572	1,979,618	689,549	14,232,567	7,858,376	724,746	141,914	27,230,295	17,921,133

CITY OF LINCOLN, NE
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1989
With Comparative Totals For August 31, 1988

	Storm Sewer Bond Construction	Storm Sewer Construction	Street Construction	Vehicle Tax	Sanitary Landfill Purchase & Construction	Downtown Redevelopment	1989 G.O. Various Purpose Bonds	Other Capital Projects	Special Assessments	Totals 1989	Totals 1988
Revenues:											
Wheel Tax	$			2,573,868						2,573,868	2,335,284
Intergovernmental				136,595						136,595	444,470
Interest	33,795	9,428		157,336	11,164	969,334	5,097	8,225		1,194,379	1,090,047
Miscellaneous	7,263			15,348	3,300			427,094		453,005	1,247,371
Total Revenues	41,058	9,428		2,883,147	14,464	969,334	5,097	435,319		4,357,847	5,117,172
Expenditures -- Capital Outlay:											
Construction Contracts	105,967	121,745	7,382,393	1,725,722	1,721,847		20,812	3,121,947	2,186,387	16,386,820	14,061,431
Engineering And Other	9,035	270	1,882,189	230,790	71,922		161,145	448,398		2,803,749	2,780,810
Total Expenditures	115,002	122,015	9,264,582	1,956,512	1,793,769		181,957	3,570,345	2,186,387	19,190,569	16,842,241
Excess (Deficiency) Of Revenues Over Expenditures	(73,944)	(112,587)	(9,264,582)	926,635	(1,779,305)	969,334	(176,860)	(3,135,026)	(2,186,387)	(14,832,722)	(11,725,069)
Other Financing Sources (Uses):											
Operating Transfers In		87,900	9,264,582	24,772				2,793,939	2,186,387	14,357,580	11,269,182
Operating Transfers Out		(1,227)				(21,942)				(23,169)	(56,759)
Non-Operating Transfers In (Out)					1,774,903					1,774,903	
General Obligation Bond Proceeds							7,985,000			7,985,000	
Bond Anticipation Note Proceeds								747,200		747,200	
Total Other Financing Sources (Uses)		86,673	9,264,582	24,772	1,774,903	(21,942)	7,985,000	3,541,139	2,186,387	24,841,514	11,212,423
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(73,944)	(25,914)		951,407	(4,402)	947,392	7,808,140	406,113		10,008,792	(512,646)
Fund Balances Beginning Of Year	565,946	128,442		1,015,481	512,658	13,454,530		28,261		15,705,318	16,309,192
Residual Equity Transfers In								191,297		191,297	
Residual Equity Transfers Out	(480,527)			(150,000)		(191,297)				(821,824)	(91,228)
Fund Balances End Of Year	$ 11,475	102,528		1,816,888	508,256	14,210,625	7,808,140	625,671		25,083,583	15,705,318

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PROPRIETARY FUNDS

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ENTERPRISE FUNDS

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

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

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

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

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

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

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

StarTran Fund - To account for the revenues and expenses of the City-owned transit system.

Lincoln Wastewater 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, 1989
With Comparative Totals For August 31, 1988

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals 1989	Totals 1988
ASSETS:												
Current Assets:												
Cash Held By City Treasurer	$ 110,316	396,701	379,554	33,163	2,138,303	153,000	690,835	465,000	530,000	460,000	5,356,872	5,686,029
Cash On Hand And In Other Accounts		13,025	4,177	8,900	2,304	351,000	11,589		2,100		393,095	69,037
Investments (At Cost or Amortized Cost)	92,401	602,796				4,613,000				56,731,000	62,039,197	66,453,350
Receivables:												
Accounts	760	4,559		2,386	364,758	10,776,000	37,647	856,000	1,684,072	9,050,000	22,776,182	19,642,785
Accrued Interest	6,932	12,200	3,220		18,504	107,000	45,578				193,434	250,952
Unbilled Accounts								688,559	1,397,491	2,344,000	4,430,050	4,456,094
Due From Other Funds	13,835	22,356	36,202		248,875						321,268	149,452
Due From Other Governments							132,382				132,382	161,871
Inventory (At Cost)		44,649		8,393		930,000	364,993	85,644	728,753	1,977,000	4,139,432	3,609,978
Plant Operation Assets										5,160,000	5,160,000	3,783,328
Prepaid Expenses				156		673,000	10,632	6,981	17,073	311,000	1,018,842	1,104,396
Reimbursements From Third Party Payors						599,000					599,000	
Unamortized Bond Issuance Expense			89,472					109,344	140,803		339,619	319,210
Deferred Charges						917,000					917,000	601,000
Total Current Assets	224,244	1,096,286	512,625	52,998	2,772,744	19,119,000	1,293,656	2,211,528	4,500,292	76,033,000	107,816,373	106,287,482
Other Assets:												
Deferred Charges And Other Assets										20,963,000	20,963,000	19,820,044
Advance Payments On Nuclear Fuel										2,993,000	2,993,000	4,017,284
Total Other Assets										23,956,000	23,956,000	23,837,328
Restricted Assets:												
Cash		108,870	(7,542)			46,000		1,141,290	2,592,731	18,000	3,899,349	4,607,285
Cash On Hand And In Other Accounts		1,541									1,541	932
Investments (At Cost or Amortized Cost)			3,375,536			3,189,000		8,251,450	17,700,575	31,076,000	63,592,561	52,110,742
Accrued Interest Receivable		480				58,000		234,867	393,902		687,249	452,913
Due From Other Funds		4,646									4,646	8,726
Total Restricted Assets		115,537	3,367,994			3,293,000		9,627,607	20,687,208	31,094,000	68,185,346	57,180,598
Property, Plant, And Equipment:												
Land	12,472	670,800	1,530,217	46,500	1,249,175	1,679,000	102,020	2,138,362	3,602,900		11,031,446	10,260,114
Buildings		742,215	7,418,898	2,933,427	627,129	27,494,000	1,913,775	23,655,897	24,255,604		89,040,945	85,432,012
Improvements Other Than Buildings	277,917	1,777,298		39,256	2,751,419	1,969,000	301,835	55,941,063			63,057,788	59,137,900
Machinery And Equipment	31,980	582,333	158,536	699,068	1,257,142	10,730,000	7,090,846	2,918,215	67,013,031		90,481,151	87,894,109
Utility Plant										356,177,000	356,177,000	350,435,246
Construction In Progress			1,181,197			166,000		3,230,631	3,669,221	17,512,000	25,759,049	21,493,823
Total	322,369	3,772,646	10,288,848	3,718,251	5,884,865	42,038,000	9,408,476	87,884,168	98,540,756	373,689,000	635,547,379	614,653,204
Less Accumulated Depreciation	(60,471)	(899,439)	(1,859,639)	(2,479,904)	(916,914)	(17,638,000)	(4,699,471)	(23,649,789)	(26,572,882)	(82,857,000)	(161,633,509)	(147,343,726)
Net Property, Plant, And Equipment	261,898	2,873,207	8,429,209	1,238,347	4,967,951	24,400,000	4,709,005	64,234,379	71,967,874	290,832,000	473,913,870	467,309,478
Total Assets	$ 486,142	4,085,030	12,309,828	1,291,345	7,740,695	46,812,000	6,002,661	76,073,514	97,155,374	421,915,000	673,871,589	654,614,886

(continued)

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals 1989	Totals 1988
LIABILITIES AND FUND BALANCES:												
Liabilities:												
Current Liabilities (Payable From Current Assets):												
Vouchers Payable	$	160	13		44,175						44,348	
Accounts Payable	1,250	41,308	26,303	15,608	26,147	1,764,000	745,436	152,552	293,338	5,836,000	8,901,942	7,694,285
Accrued Liabilities		1,629		20,200	1,710	3,350,000	99,709	163,314	206,735	4,361,000	8,204,297	7,940,880
Due To Other Funds		13,755			681,275						695,030	19,433
Accrued Compensated Absences		36,109		22,452	31,183		184,564	189,663	275,207		739,178	732,057
Obligations Under Capital Leases					23,666						23,666	136,067
Contracts												562,000
Other				5,391		650,000	98,560			2,592,000	3,345,951	2,037,187
Total Current Liabilities (Payable From Current Assets)	1,250	92,961	26,316	63,651	808,156	5,764,000	1,128,269	505,529	775,280	12,789,000	21,954,412	19,121,909
Current Liabilities (Payable From Restricted Assets):												
Construction Contracts			580,620			53,000		172,770	245,117		1,051,507	1,042,646
Accrued Interest			15,504					98,883	182,304	6,197,000	6,493,691	6,669,562
Fuel Credit Obligation Notes										590,000	590,000	590,000
Current Portion Of Revenue Bonds			175,000			335,000		690,000	965,000	5,860,000	8,025,000	7,410,000
Accreted Interest On Capital Appreciation Bonds										2,573,000	2,573,000	1,274,756
Due To Other Funds			42,226								42,226	
Total Current Liabilities (Payable From Restricted Assets)			813,350			388,000		961,653	1,392,421	15,220,000	18,775,424	16,986,964
Long Term Liabilities:												
Due To Plan Members										1,091,000	1,091,000	946,132
Deferred Credits And Other										173,000	173,000	144,163
Fuel Credit Obligation Notes (Net Of Current Portion)										775,000	775,000	1,365,000
Revenue Bonds (Net Of Current Portion)			4,675,000			21,570,000		8,395,000	10,690,000	299,142,000	344,472,000	347,506,723
Obligations Under Capital Leases												23,666
Total Long Term Liabilities			4,675,000			21,570,000		8,395,000	10,690,000	301,181,000	346,511,000	349,985,684
Total Liabilities	1,250	92,961	5,514,666	63,651	808,156	27,722,000	1,128,269	9,862,182	12,857,701	329,190,000	387,240,836	386,094,557
Fund Equity:												
Contributed Capital	2,400	222,183	4,624,735	1,207,898	2,227,530		4,874,392	32,910,650	18,444,921		64,514,709	63,549,299
Retained Earnings:												
Reserved For:												
Debt Service								5,924,616	11,856,712		17,781,328	14,802,195
Improvements		115,537						2,741,338	7,438,075		10,294,950	5,080,468
Restricted Funds										15,874,000	15,874,000	17,341,522
Unreserved	482,492	3,654,349		19,796	4,705,009			24,634,728	46,557,965	76,851,000	156,905,339	145,885,845
Fund Balances:												
Reserved For:												
Improvements						3,104,000					3,104,000	3,209,000
Restricted Funds						136,000					136,000	148,000
Unreserved			2,170,427			15,850,000					18,020,427	18,504,000
Total Retained Earnings/ Fund Balances	482,492	3,769,886	2,170,427	19,796	4,705,009	19,090,000		33,300,682	65,852,752	92,725,000	222,116,044	204,971,030
Total Fund Equity	484,892	3,992,069	6,795,162	1,227,694	6,932,539	19,090,000	4,874,392	66,211,332	84,297,673	92,725,000	286,630,753	268,520,329
Total Liabilities And Fund Equity	$ 486,142	4,085,030	12,309,828	1,291,345	7,740,695	46,812,000	6,002,661	76,073,514	97,155,374	421,915,000	673,871,589	654,614,886

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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, 1989
With Comparative Totals For August 31, 1988

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals 1989	Totals 1988
Operating Revenues:												
Charges For Services	$						912,398	9,551,882	15,266,980	101,725,000	127,456,260	159,536,827
Fees		1,137,598			2,500,230	40,293,000					43,930,828	3,433,116
Parking Facility Revenue	80,576		883,782								964,358	1,017,181
Performance Revenue				944,909							944,909	1,075,146
Other Operating Revenue				259,756		1,159,000			199,603		1,618,359	1,429,642
Total Operating Revenue	80,576	1,137,598	883,782	1,204,665	2,500,230	41,452,000	912,398	9,551,882	15,466,583	101,725,000	174,914,714	166,491,912
Operating Expenses:												
Personal Services	272	433,959		496,284	469,029	22,361,000	2,909,571				26,670,115	23,501,697
Contractual Services			393,691	671,363			302,244				1,367,298	1,474,946
Operation And Maintenance	54,714	527,106		375,558	509,008	16,071,000	1,228,294	4,173,307	4,261,227	6,121,000	33,321,214	30,002,386
Purchased Power										55,691,247	55,691,247	49,581,374
Depreciation	31,016	88,245	204,059	144,009	282,723	2,403,000	710,050	1,643,183	1,623,155	10,719,000	17,848,440	17,353,924
Payments In Lieu Of Taxes										4,260,000	4,260,000	4,194,062
Administrative								1,026,316	1,540,861	6,896,000	9,463,177	8,947,397
Total Operating Expenses	86,002	1,049,310	597,750	1,687,214	1,260,760	40,835,000	5,150,159	6,842,806	7,425,243	83,687,247	148,621,491	135,055,786
Operating Income (Loss)	(5,426)	88,288	286,032	(482,549)	1,239,470	617,000	(4,237,761)	2,709,076	8,041,340	18,037,753	26,293,223	31,436,126
Non-Operating Revenues (Expenses):												
Interest	20,859	79,725	205,336		258,202	778,000	22,329	791,758	1,415,920	6,818,000	10,390,129	8,572,548
Gain (Loss) On Disposal Of Assets		(6,022)		(140)		(12,000)	14,125	5,002	8,266		9,231	(42,181)
Operating Grants							1,965,530				1,965,530	1,612,576
Amortization Of Deferred Charges						(237,000)		(13,197)	(12,508)	(1,956,000)	(2,218,705)	(2,164,456)
Donations						166,000					166,000	71,000
Interest And Fiscal Charges			(233,560)		(7,362)	(1,578,000)		(614,102)	(807,231)	(18,755,000)	(21,995,255)	(22,766,604)
Miscellaneous							23,367	11,727	45,393	1,534,000	1,614,487	69,647
Total Non-Operating Revenues (Expenses)	20,859	73,703	(28,224)	(140)	250,840	(883,000)	2,025,351	181,188	649,840	(12,359,000)	(10,068,583)	(14,647,470)
Net Income (Loss) Before Operating Transfers	15,433	161,991	257,808	(482,689)	1,490,310	(266,000)	(2,212,410)	2,890,264	8,691,180	5,678,753	16,224,640	16,788,656
Other Financing Sources:												
Operating Transfers In				326,493			1,502,360				1,828,853	
Operating Transfers Out	(50,000)										(50,000)	1,795,458
Net Income (Loss) Before Extraordinary Items	(34,567)	161,991	257,808	(156,196)	1,490,310	(266,000)	(710,050)	2,890,264	8,691,180	5,678,753	18,003,493	18,584,114
Extraordinary Item -- Loss From Early Extinguishment Of Debt			(291,738)			(2,505,000)					(2,796,738)	
Net Income (Loss)	(34,567)	161,991	(33,930)	(156,196)	1,490,310	(2,771,000)	(710,050)	2,890,264	8,691,180	5,678,753	15,206,755	18,584,114
Depreciation Transfer On Contributed Capital		1,307	111,015	133,993	57,219		710,050	625,958	298,717		1,938,259	1,824,118
Increase (Decrease) In Retained Earnings	(34,567)	163,298	77,085	(22,203)	1,547,529	(2,771,000)		3,516,222	8,989,897	5,678,753	17,145,014	20,408,232
Retained Earnings/Fund Balance Beginning Of Year	517,059	3,606,588	2,093,342	41,999	3,157,480	21,861,000		29,784,460	56,862,855	87,046,247	204,971,030	184,562,798
Retained Earnings/Fund Balance End Of Year	$ 482,492	3,769,886	2,170,427	19,796	4,705,009	19,090,000		33,300,682	65,852,752	92,725,000	222,116,044	204,971,030

CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED AUGUST 31, 1989
With Comparative Totals For Fiscal Year Ended August 31, 1988

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals 1989	Totals 1988
CASH FLOWS FROM OPERATING ACTIVITIES:												
Excess (Deficiency) Of Revenues Over Expenses	$ (34,567)	161,991	257,808	(156,196)	1,490,310	(266,000)	(710,050)	2,890,264	8,691,180	5,678,753	18,003,493	18,584,114
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities:												
Loss (Gain) On Sale Of Equipment		6,022		140		12,000	(14,125)	(5,002)	(8,266)		(9,231)	42,181
Depreciation And Amortization	31,016	88,245	204,059	144,009	282,723	2,640,000	710,050	1,805,466	1,741,829	12,675,000	20,322,397	19,518,380
Allowance For Funds Used										(100,958)	(100,958)	(121,923)
Premium And Discount Amortization										181,672	181,672	597,265
Write Off Of Deferred Financing Charges						600,000					600,000	
(Increase) Decrease In Current Assets:												
Accounts Receivable	39	(4,513)		29,826	1,092	(2,122,000)	(8,492)	(112,447)	469,391	(1,166,595)	(2,913,699)	(1,255,952)
Unbilled Revenues										(193,286)	(193,286)	740,882
Accrued Interest Receivable	(1,510)	121	(1,883)		(9,327)	33,000	(6,883)				13,518	12,682
Other Receivables												(112,000)
Due From Other Funds	(6,401)	(4,758)	(21,777)		(138,880)						(171,816)	(79,152)
Other Assets												(1,923,897)
Inventories		27,040		781		(100,000)	2,786	(22,220)	(37,846)	(399,938)	(529,397)	119,304
Plant Operation Assets										(1,376,672)	(1,376,672)	916,445
Increase In Due To Hospital General Fund						1,685,000					1,685,000	
Due From Other Governments							29,489				29,489	156,388
Assets Whose Use Is Restricted By Board						(958,000)					(958,000)	(171,553)
Prepaid Expenses				(84)		120,000	1,194	648	2,647	(38,851)	85,554	(31,102)
Reimbursement From Third Party Payors												57,000
Deferred Charges And Other										(1,973,007)	(1,973,007)	
Increase In Assets Whose Use Is Limited And That Are Required For Current Liabilities						74,000					74,000	
Increase (Decrease) In Current Liabilities:												
Vouchers Payable		160	13		44,175						44,348	(3,265)
Accounts Payable	22	(5,061)	15,335	(12,891)	15,324	466,000	(745,805)	(147,636)	(49,044)	1,344,392	880,636	(1,630,191)
Accrued Interest										(97,615)	(97,615)	708,583
Accrued Liabilities		(14,929)		(8,011)	(10,827)	259,000	(1,992)	2,484	(20,091)	24,772	230,406	587,222
Due To Other Funds		8,868			666,729						675,597	11,272
Accrued Compensated Absences		(2,177)		1,212	1,078		46,028	(23,501)	(15,519)		7,121	40,151
Accrual In Lieu Of Tax												75,024
Contracts Payable												297,738
Overpayment From Third Party Payors						85,000					85,000	241,000
Other				2,612			11,531			1,209,621	1,223,764	1,485,400
Deferred Credits And Other Liabilities										1,471,949	1,471,949	
Obligations Under Capital Leases					(112,401)						(112,401)	
Decrease (Increase) In Restricted Assets		4,326	(1,662,788)			51,000					(1,607,462)	(164,133)
Total Adjustments	23,166	103,344	(1,467,041)	157,594	739,686	2,845,000	23,781	1,497,792	2,083,101	11,560,484	17,566,907	20,113,749
Net Cash Provided From (Used In) Operating Activities, Before Extraordinary Items	(11,401)	265,335	(1,209,233)	1,398	2,229,996	2,579,000	(686,269)	4,388,056	10,774,281	17,239,237	35,570,400	38,697,863
Extraordinary Items:												
Loss On Advance Refundings Of Long Term Debt			(291,738)			(2,505,000)					(2,796,738)	
Related Deferred Third-Party Reimbursment Effect						(802,000)					(802,000)	
Net Cash Provided From (Used In) Operating Activities	(11,401)	265,335	(1,500,971)	1,398	2,229,996	(728,000)	(686,269)	4,388,056	10,774,281	17,239,237	31,971,662	38,697,863

(continued)

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals 1989	Totals 1988
CASH FLOWS FROM INVESTING ACTIVITIES:												
Payments On Contract Used To Purchase Equipment						(582,000)					(582,000)	
Proceeds From Contract Used To Purchase Equipment						73,000					73,000	562,000
Proceeds From Sale Of Investments	93,400	2,022,696				24,600,000	309,219	10,537,133	12,349,992	194,702,000	244,614,440	187,041,975
Proceeds From Sale Of Fixed Assets						10,000	14,125				24,125	(395,918)
Payments For Purchase Of Investments	(92,401)	(2,087,796)					(212,386)	(12,449,382)	(20,537,235)	(192,586,000)	(227,965,200)	(188,741,190)
Additions To Fixed Assets	(800)	(99,376)	(1,494,447)	(10,878)	(2,157,868)	(23,279,000)	(193,735)	(2,677,512)	(2,733,646)	(12,738,000)	(45,385,262)	(24,684,756)
Additions To Contributed Capital			1,110,621		236,705	(2,018,000)	233,637	709,968	607,925		880,856	2,919,923
Increase (Decrease) To Current Liabilities Payable From Restricted Assets		(297,738)	622,601								324,863	592,616
Increase In Restricted Investments								1,912,249			1,912,249	
Net Expenditures For Retiring Plant										(593,000)	(593,000)	
Net Cash Provided By (Used In) Investing Activities	199	(462,214)	238,775	(10,878)	(1,921,163)	(1,196,000)	150,860	(1,967,544)	(10,312,964)	(11,215,000)	(26,695,929)	(22,705,350)
CASH FLOWS FROM FINANCING ACTIVITIES:												
Payments For Financing Costs			(92,244)			(950,000)					(1,042,244)	
Payment for Redemption Of Long-Term Debt			(1,385,000)								(1,385,000)	
Proceeds From Long-Term Debt			4,850,000			21,905,000					26,755,000	
Repayments Of Long Term Debt			(130,000)					(655,000)	(925,000)	(6,145,000)	(7,855,000)	(13,915,000)
Defeasance Of Long-Term Debt			(1,795,000)			(18,730,000)					(20,525,000)	
Installment Payments On Capital Leases					(23,666)						(23,666)	(126,387)
Net Cash Used In Financing Activities			1,447,756		(23,666)	2,225,000		(655,000)	(925,000)	(6,145,000)	(4,075,910)	(14,041,387)
Net Increase (Decrease) In Cash	(11,202)	(196,879)	185,560	(9,480)	285,167	301,000	(535,409)	1,765,512	(463,683)	(120,763)	1,199,823	1,951,126
Cash Beginning Of Year	121,518	717,016	190,629	51,545	1,855,440	249,000	1,237,833	1,753,027	3,588,514	598,763	10,363,285	8,412,159
Cash End Of Year	$ 110,316	520,137	376,189	42,065	2,140,607	550,000	702,424	3,518,539	3,124,831	478,000	11,563,108	10,363,285

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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 workers' compensation, liability, property insurance, and Blue Cross/Blue Shield Health Insurance Plan. 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
FISCAL YEAR ENDED AUGUST 31, 1989
With Comparative Totals For August 31, 1988

	Data Processing	Engineering Revolving	Insurance Revolving	Public Works Equipment Management	Police Garage	Print Services Revolving	Stores Revolving System	Totals 1989	Totals 1988
ASSETS									
Current Assets:									
Cash Held By City Treasurer	$ 663,103	43,301	848,261	1,826,986	509,698	58,123	64,234	4,013,706	3,839,012
Investments (At Cost)			2,334,236					2,334,236	1,968,065
Receivables:									
Accounts	119,484	112,559	990	30,565	480	5,834	113	270,025	251,986
Accrued Interest	4,614		106,384	10,842	2,565	174	807	125,386	95,589
Due From Other Funds	165,409	190,530	71,324	321,689	129,597	15,108	9,051	902,708	978,817
Due From Other Governments	327,530	2,165			1,289	3,871	1,008	335,863	241,210
Inventories		310		210,325	67,278	19,541	4,136	301,590	292,000
Total Current Assets	$ 1,280,140	348,865	3,361,195	2,400,407	710,907	102,651	79,349	8,283,514	7,666,679
Fixed Assets	2,210,254	503,862	16,440	7,783,847	2,367,088	235,789		13,117,280	13,022,496
Less Accumulated Depreciation	(1,370,831)	(243,853)	(13,734)	(4,332,947)	(1,342,679)	(150,034)		(7,454,078)	(7,904,082)
Net Fixed Assets	839,423	260,009	2,706	3,450,900	1,024,409	85,755		5,663,202	5,118,414
Total Assets	2,119,563	608,874	3,363,901	5,851,307	1,735,316	188,406	79,349	13,946,716	12,785,093
LIABILITIES AND FUND EQUITY									
Current Liabilities:									
Vouchers Payable	49,248	2,864	996	25,732				78,840	118
Accounts Payable	71,412	52,429	55,477	60,238	11,519	7,898	3,538	262,511	182,262
Accrued Liabilities	3,019	7,762	388	2,942	1,088	538	35	15,772	160,867
Due To Other Funds	1,553	6,917	1,291	357	214	131	34	10,497	34,514
Accrued Compensated Absences	33,278	186,905	4,751	69,031	41,243	2,697	493	338,398	389,351
Claims			656,480					656,480	1,180,705
Obligations Under Capital Leases	8,606							8,606	288,227
Total Current Liabilities	167,116	256,877	719,383	158,300	54,064	11,264	4,100	1,371,104	2,236,044
Long Term Liabilities:									
Claims			2,217,184					2,217,184	1,793,715
Obligations Under Capital Leases									8,606
Total Liabilities	167,116	256,877	2,936,567	158,300	54,064	11,264	4,100	3,588,288	4,038,365
Fund Equity:									
Contributed Capital	86,607			1,165,132	86,770			1,338,509	1,568,947
Retained Earnings/Unreserved	1,865,840	351,997	427,334	4,527,875	1,594,482	177,142	75,249	9,019,919	7,177,781
Total Fund Equity	1,952,447	351,997	427,334	5,693,007	1,681,252	177,142	75,249	10,358,428	8,746,728
Total Liabilities And Fund Equity	$ 2,119,563	608,874	3,363,901	5,851,307	1,735,316	188,406	79,349	13,946,716	12,785,093

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FISCAL YEAR ENDED AUGUST 31, 1989
With Comparative Totals For August 31, 1988

	Data Processing	Engineering Revolving	Insurance Revolving	Public Works Equipment Management	Police Garage	Print Services Revolving	Stores Revolving System	Totals 1989	Totals 1988
Operating Revenues:									
Charges For Services	$ 3,395,488	3,158,678	4,253,883	2,108,328	968,320	371,605	139,229	14,395,531	11,921,255
Operating Expenses:									
Personal Services	909,112	2,316,614	105,973	853,955	323,456	140,199	11,837	4,661,146	4,703,689
Supplies And Materials	111,821	43,235	26,270	777,265	206,595	126,173	34,940	1,326,299	1,321,154
Other Services And Charges	1,415,481	840,103	3,193,693	363,683	85,107	74,348	106,868	6,079,283	6,159,727
Depreciation	462,543	43,299	1,330	621,597	322,962	28,148		1,479,879	1,286,963
Total Operating Expenses	2,898,957	3,243,251	3,327,266	2,616,500	938,120	368,868	153,645	13,546,607	13,471,533
Operating Income (Loss)	496,531	(84,573)	926,617	(508,172)	30,200	2,737	(14,416)	848,924	(1,550,278)
Non-Operating Revenues (Expenses):									
Interest	56,801	11,817	272,517	187,151	49,948	2,827	8,312	589,373	422,868
Interest And Fiscal Charges	(11,473)							(11,473)	(49,056)
Miscellaneous	(37,066)	2,848	(15)	118,232	(8,229)	(939)		74,831	16,222
Total Non-Operating Revenues (Expenses)	8,262	14,665	272,502	305,383	41,719	1,888	8,312	652,731	390,034
Net Income (Loss)	504,793	(69,908)	1,199,119	(202,789)	71,919	4,625	(6,104)	1,501,655	(1,160,244)
Depreciation Transfer On Contributed Capital	39,649			290,024	10,810			340,483	346,827
Increase (Decrease) In Retained Earnings	544,442	(69,908)	1,199,119	87,235	82,729	4,625	(6,104)	1,842,138	(813,417)
Retained Earnings Beginning Of Year	1,321,398	421,905	(771,785)	4,440,640	1,511,753	172,517	81,353	7,177,781	7,991,198
Retained Earnings End Of Year	$ 1,865,840	351,997	427,334	4,527,875	1,594,482	177,142	75,249	9,019,919	7,177,781

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 1989
With Comparative Totals For Fiscal Year Ended August 31, 1988

	Data Processing	Engineering Revolving	Insurance Revolving	Public Works Equipment Management	Police Garage	Print Services Revolving	Stores Revolving System	Totals 1989	Totals 1988
Cash Flows From Operating Activities:									
Excess (Deficiency) Of Revenues Over Expenses	504,793	(69,908)	1,199,119	(202,789)	71,919	4,625	(6,104)	1,501,655	(1,160,244)
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities:									
Loss (Gain) On Sale Of Equipment	90,883	(2,848)	15	(118,232)	8,229	939		(21,014)	(16,222)
Depreciation	462,543	43,299	1,330	621,597	322,962	28,148		1,479,879	1,286,963
(Increase) Decrease In Current Assets:									
Accounts Receivable	(22,696)	(21,231)	6,350	10,720	5,344	3,430	44	(18,039)	(74,233)
Accrued Interest Receivable	(3,883)	1,856	(33,831)	4,775	1,575	60	(349)	(29,797)	(43,908)
Due From Other Funds	(74,788)	74,223	(29,955)	94,126	(7,176)	22,059	(2,380)	76,109	(216,282)
Inventories		(310)		20,642	(26,333)	(8,451)	4,862	(9,590)	(2,750)
Due From Other Governments	(92,257)	(2,165)			(1,289)	754	304	(94,653)	(12,995)
Increase (Decrease) In Current Liabilities:									
Vouchers Payable	49,248	2,864	996	25,614				78,722	(34,321)
Accounts Payable	40,164	32,655	20,328	(7,588)	(5,559)	(1,670)	1,919	80,249	(81,495)
Accrued Liabilities	(29,491)	(72,294)	(3,359)	(25,286)	(9,594)	(4,770)	(301)	(145,095)	38,634
Due To Other Funds	(4,082)	(14,932)	674	(3,664)	(1,431)	(527)	(55)	(24,017)	(72,660)
Accrued Compensated Absences	(20,215)	(14,730)	(11)	(11,492)	(3,817)	(349)	(339)	(50,953)	27,505
Claims			(100,756)					(100,756)	940,073
Total Adjustments	395,426	26,387	(138,219)	611,212	282,911	39,623	3,705	1,221,045	1,738,309
Net Cash Provided From (Used In) Operating Activities, Carried Forward	900,219	(43,521)	1,060,900	408,423	354,830	44,248	(2,399)	2,722,700	578,065
Cash Flows From Investing Activities:									
Proceeds From Sale Of Investments			3,744,261					3,744,261	2,504,414
Proceeds From Sale Of Fixed Assets	140,917	3,071		119,253	32,754			295,995	52,455
Payments For Purchase Of Investments			(4,110,432)					(4,110,432)	(2,988,485)
Additions To Fixed Assets	(610,825)	(152,534)	(887)	(947,356)	(563,144)	(27,770)		(2,302,516)	(1,925,135)
Additions To Contributed Capital	29,109			83,804				112,913	344,636
Increase In Claims									1,224,699
Net Cash Provided By (Used In) Investing Activities	(440,799)	(149,463)	(367,058)	(744,299)	(530,390)	(27,770)		(2,259,779)	(787,416)
Cash Flows From Financing Activities:									
Installment Payments On Capital Leases	(288,227)							(288,227)	(455,207)
Net Increase (Decrease) In Cash	171,193	(192,984)	693,842	(335,876)	(175,560)	16,478	(2,399)	174,694	(664,558)
Cash Beginning Of Year	491,910	236,285	154,419	2,162,862	685,258	41,645	66,633	3,839,012	4,503,570
Cash End Of Year	$ 663,103	43,301	848,261	1,826,986	509,698	58,123	64,234	4,013,706	3,839,012

FIDUCIARY FUNDS

Pension Trust Funds

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

Expendable Trust Funds

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

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

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

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

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

Agency Funds

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

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

Airport Authority -	taxes collected on its behalf.
State of Nebraska -	sales tax collections on sales made by the City of Lincoln and to be remitted to the State.
Lincoln Public Schools -	fines, fees, licenses and permits collected on its behalf.

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

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

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

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

Utilities and Telephone Suspense - To account for receipts from water and wastewater billings pending distribution to the Water and Wastewater 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, 1989
With Comparative Totals For August 31, 1988

	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	1989	1988
ASSETS																
Cash Held By City Treasurer	$ 23,636	133,468	190,892	53,247	407,759	23,927	42,780	873,447	2,826,089	2,309,524		106,818	2,000,000		8,991,587	9,108,604
Cash In Other Accounts								4,215							4,215	4,037
Investments (At Cost Or Amortized Cost)	1,980,538	58,154,449										615,010			60,749,997	56,005,610
Receivables:																
Taxes	19,166	102,583													121,749	162,968
Accrued Interest	29,148	867,907	1,116	368	2,194							9,286			910,019	882,333
Other			172	1,091		842		412,789			796				415,690	344,649
Due From Other Funds	4,181	60,691	13,203	11,001	33,752	12,875		1,967			8,948	8,242			154,860	249,563
Due From Other Governments		5,552													5,552	6,099
Insurance Contract														2,031,207	2,031,207	1,757,803
Contractor Retainage							922,380								922,380	905,635
Total Assets	$ 2,056,669	59,324,650	205,383	65,707	443,705	37,644	965,160	1,292,418	2,826,089	2,309,524	9,744	739,356	2,000,000	2,031,207	74,307,256	69,427,301
LIABILITIES AND FUND BALANCE																
Liabilities:																
Accounts Payable			152	1,442	368						9,744				11,706	4,960
Warrants Payable									2,826,089						2,826,089	3,640,505
Vouchers Payable					7,515			506							8,021	2,522
Accrued Compensated Absences					3,100										3,100	2,560
Accrued Liabilities					206					435,944					436,150	307,018
Due To Other Funds										1,873,580			2,000,000		3,873,580	3,585,220
Due To Other Governments						37,644		1,201,574							1,239,218	1,123,207
Due To Contractor							965,160								965,160	969,825
Due To Plan Members								90,338						2,031,207	2,121,545	1,810,919
Deferred Revenues	8,779	59,327													68,106	78,624
Amount Held Under State Lease Agreement												739,356			739,356	1,255,249
Total Liabilities	8,779	59,327	152	1,442	11,189	37,644	965,160	1,292,418	2,826,089	2,309,524	9,744	739,356	2,000,000	2,031,207	12,292,031	12,780,609
Fund Balances:																
Reserved For:																
Employee Retirement	2,047,890	59,265,323													61,313,213	55,989,665
Encumbrances			13,685	116	1,729										15,530	21,731
Trust Donations			191,546	64,149	430,787										686,482	635,296
Total Fund Balances	2,047,890	59,265,323	205,231	64,265	432,516										62,015,225	56,646,692
Total Liabilities And Fund Balances	$ 2,056,669	59,324,650	205,383	65,707	443,705	37,644	965,160	1,292,418	2,826,089	2,309,524	9,744	739,356	2,000,000	2,031,207	74,307,256	69,427,301

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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, 1989
With Comparative Totals For Fiscal Year Ended August 31, 1988

	Fire Pension	Police And Fire Pension	Totals 1989	Totals 1988
Operating Revenues:				
Employee Contributions	$	984,248	984,248	950,426
Taxes:				
Real Estate And Personal Property	5,147	483,997	489,144	579,285
Motor Vehicle		57,016	57,016	70,450
Interest	187,697	5,313,582	5,501,279	4,996,923
Intergovernmental		208	208	258
Employer's Other Contributions		5,540	5,540	
Total Operating Revenues	192,844	6,844,591	7,037,435	6,597,342
Operating Expenses:				
Benefit Payments	284,591	942,731	1,227,322	1,155,693
Refunds		459,522	459,522	257,633
Administrative Costs		27,043	27,043	5,801
Total Operating Expenses	284,591	1,429,296	1,713,887	1,419,127
Net Income (Loss)	(91,747)	5,415,295	5,323,548	5,178,215
Fund Balance Beginning Of Year	2,139,637	53,850,028	55,989,665	50,811,450
Fund Balance End Of Year	$ 2,047,890	59,265,323	61,313,213	55,989,665

CITY OF LINCOLN, NE
PENSION TRUST FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 1989
With Comparative Totals For Fiscal Year Ended August 31, 1988

	Fire Pension	Police And Fire Pension	Totals 1989	Totals 1988
Cash Flows From Operating Activities:				
Excess (Deficiency) Of Revenues Over Expenses	$ (91,747)	5,415,295	5,323,548	5,178,215
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities:				
(Increase) Decrease In Current Assets:				
Taxes Receivable	23,450	17,769	41,219	37,306
Accrued Interest Receivable	3,811	(37,245)	(33,434)	(75,819)
Due From Other Funds	9,641	(2,621)	7,020	126,907
Due From Other Governments	1,140	(593)	547	4,775
Increase (Decrease) In Current Liabilities:				
Deferred Revenues	(5,146)	(5,372)	(10,518)	(17,308)
Total Adjustments	32,896	(28,062)	4,834	75,861
Net Cash Provided From (Used In) Operating Activities, Carried Forward	(58,851)	5,387,233	5,328,382	5,254,076
Cash Flows From Investing Activities:				
Proceeds From Sale Of Investments	529,372	10,519,601	11,048,973	13,681,490
Payments For Purchase Of Investments	(505,297)	(15,844,379)	(16,349,676)	(18,850,379)
Net Cash Provided By (Used In) Investing Activities	24,075	(5,324,778)	(5,300,703)	(5,168,889)
Net Increase (Decrease) In Cash	(34,776)	62,455	27,679	85,187
Cash Beginning Of Year	58,412	71,013	129,425	44,238
Cash End Of Year	$ 23,636	133,468	157,104	129,425

CITY OF LINCOLN, NE
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1989
With Comparative Totals For Fiscal Year Ended August 31, 1988

	Parks And Recreation Special Projects	Commission On Aging Gift Trust	Library Special Trust	Totals 1989	Totals 1988
Revenues:					
Intergovernmental	$				1,662
Donations And Gifts	139,362	272,695	110,156	522,213	341,130
Interest	13,894	10,723	34,088	58,705	35,340
Miscellaneous	2,145	2,200		4,345	4,700
Total Revenues	155,401	285,618	144,244	585,263	382,832
Expenditures:					
Culture And Recreation:					
Personal Services			53,888	53,888	57,765
Supplies And Materials	13,510		474	13,984	9,530
Other Services And Charges	19,617		8,358	27,975	16,707
Construction Contracts	23,005			23,005	16,148
Equipment	426		35,705	36,131	24,782
Economic Opportunity:					
Supplies And Materials		4,487		4,487	7,086
Other Services And Charges		377,406		377,406	83,683
Equipment		3,247		3,247	11,612
Total Expenditures	56,558	385,140	98,425	540,123	227,313
Excess (Deficiency) Of Revenues Over Expenditures	98,843	(99,522)	45,819	45,140	155,519
Fund Balance Beginning Of Year	106,543	163,787	386,697	657,027	501,508
Residual Equity Transfer Out	(155)			(155)	
Fund Balance End Of Year	$ 205,231	64,265	432,516	702,012	657,027

CITY OF LINCOLN, NE
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FISCAL YEAR ENDED AUGUST 31, 1989

	Balance Sept. 1, 1988	Additions	Deductions	Balance Aug. 31, 1989
COLLECTIONS DUE OTHER GOVERNMENTS:				
Assets:				
Cash	$ 25,639	433,789	435,501	23,927
Receivables	9,401	842	9,401	842
Due From Other Funds	2,917	12,875	2,917	12,875
	$ 37,957	447,506	447,819	37,644
Liabilities:				
Due To Other Governments	$ 37,957	435,188	435,501	37,644
CONTRACTOR DEPOSITS:				
Assets:				
Cash And Investments	$ 64,190	10,752	32,162	42,780
Contractor Retainage	905,635	254,816	238,071	922,380
	$ 969,825	265,568	270,233	965,160
Liabilities:				
Due To Contractor	$ 969,825	265,568	270,233	965,160
PAYROLL REVOLVING:				
Assets:				
Cash	$ 674,847	35,712,618	35,509,803	877,662
Receivables	333,680	412,789	333,680	412,789
Due From Other Funds	129,839	35,525,982	35,653,854	1,967
	$ 1,138,366	71,651,389	71,497,337	1,292,418
Liabilities:				
Vouchers Payable		31,318,319	31,317,813	506
Due To Other Governments	1,085,250	34,989,031	34,872,707	1,201,574
Due To Plan Members	53,116	674,824	637,602	90,338
	$ 1,138,366	66,982,174	66,828,122	1,292,418
OUTSTANDING WARRANTS:				
Assets:				
Cash	$ 3,640,505	294,618,884	295,433,300	2,826,089
Liabilities:				
Warrants Payable	$ 3,640,505	294,618,884	295,433,300	2,826,089
EARNINGS ON POOLED INVESTMENTS:				
Assets:				
Cash	$ 1,681,027	2,309,524	1,681,027	2,309,524
Liabilities:				
Accrued Liabilities	303,619	435,944	303,619	435,944
Due To Other Funds	1,377,408	1,873,580	1,377,408	1,873,580
	$ 1,681,027	2,309,524	1,681,027	2,309,524

(continued)

	Balance Sept. 1, 1988	Additions	Deductions	Balance Aug. 31, 1989
UTILITIES AND TELEPHONE SUSPENSE:				
Assets:				
Cash	$ 1,570	27,399,322	27,400,892	
Receivables	761	796	761	796
Due From Other Funds	2,965	27,406,875	27,400,892	8,948
	$ 5,296	54,806,993	54,802,545	9,744
Liabilities:				
Accounts Payable	3,726	323,044	317,026	9,744
Accrued Liabilities	1,570	27,082,296	27,083,866	
	$ 5,296	27,405,340	27,400,892	9,744
PUBLIC OFFICE BUILDING REVENUE BONDS (STATE OF NEBRASKA, LESSEE):				
Assets:				
Cash And Investments	$ 1,239,688	1,883,524	2,401,384	721,828
Accrued Interest	15,781	9,286	15,781	9,286
Due From Other Funds	7,561	8,242	7,561	8,242
	$ 1,263,030	1,901,052	2,424,726	739,356
Liabilities:				
Amount Held Under State Lease Agreement	1,255,249	1,901,052	2,416,945	739,356
Due To Other Funds	7,781		7,781	
	$ 1,263,030	1,901,052	2,424,726	739,356
UNDISTRIBUTED PROPERTY TAX:				
Assets:				
Cash	$ 2,200,000	26,657,415	26,857,415	2,000,000
Liabilities:				
Due To Other Funds	$ 2,200,000	26,657,415	26,857,415	2,000,000
DEFERRED COMPENSATION PLAN:				
Assets:				
Insurance Contract	$ 1,757,803	596,472	323,068	2,031,207
Liabilities:				
Due To Plan Members	$ 1,757,803	596,472	323,068	2,031,207
AGENCY FUND TOTALS:				
Total Assets	$ 12,693,809	453,254,803	453,737,470	12,211,142
Total Liabilities	$ 12,693,809	421,171,617	421,654,284	12,211,142

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GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF LINCOLN, NE
SCHEDULE OF GENERAL FIXED ASSETS ADDITIONS
BY SOURCES
FOR THE YEAR ENDED AUGUST 31, 1989

General Fixed Assets August 31, 1982*	$ 46,978,145
Additions To General Fixed Assets By Source -- September 1, 1982 Through August 31, 1988	
General Fund Revenues	6,056,684
Federal Funds	264,118
Capital Projects Funds	7,148,959
Special Revenue Funds	1,465,189
Donations	495,886
	15,430,836
Deletions	(5,550,664)
General Fixed Assets August 31, 1988	$ 56,858,317
Additions To General Fixed Assets By Source -- September 1, 1988 Through August 31, 1989	
General Fund Revenues	981,824
Federal Funds	646,753
Capital Projects Funds	2,788,737
Special Revenue Funds	257,220
Donations	4,165
	4,678,699
Deletions	(947,541)
General Fixed Assets August 31, 1989	$ 60,589,475

*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, 1989

	Total	Land	Buildings	Improvements Other Than Buildings	Machinery And Equipment
GENERAL GOVERNMENT					
Legislative	$ 13,187				13,187
Executive, Including Human Rights, Economic Development, Word Processing, CIRC, And Admin. Services	714,517				714,517
Financial Administration	242,278				242,278
Law	185,501				185,501
Personnel Administration	41,461				41,461
Planning And Zoning	38,522				38,522
Buildings And Plant	7,230,155	941,178	6,125,261	163,716	
Urban Development	3,787,879	3,687,258			100,621
Total General Government	12,253,500	4,628,436	6,125,261	163,716	1,336,087
PUBLIC SAFETY					
Police	718,578				718,578
Fire	4,338,018	463,578	1,207,326	88,966	2,578,148
Building And Safety	327,042				327,042
Communications	170,068				170,068
Civil Defense	84,167				84,167
Transportation	1,647,204	60,066	436,677	64,202	1,086,259
Total Public Safety	7,285,077	523,644	1,644,003	153,168	4,964,262
STREETS AND HIGHWAYS					
Street Maintenance	5,735,835	2,359,635	1,969,262	505,992	900,946
CULTURE -- RECREATION					
Parks And Recreation	22,533,242	5,225,728	5,805,782	10,801,323	700,409
Libraries	9,133,070	144,554	2,140,395	140,515	6,707,606
Cornhusker Convention Center	2,871,688	446,036	2,248,715		176,937
Total Culture -- Recreation	34,538,000	5,816,318	10,194,892	10,941,838	7,584,952
ECONOMIC OPPORTUNITY					
Lincoln Area Agency On Aging	256,026				256,026
Job Programs	28,565				28,565
Total Economic Opportunity	284,591				284,591
HEALTH AND WELFARE					
Lincoln Lancaster Co. Health	492,472				492,472
Total General Fixed Assets	$ 60,589,475	13,328,033	19,933,418	11,764,714	15,563,310

CITY OF LINCOLN, NE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
Year Ended August 31, 1989

Function And Activity	General Fixed Assets Sept. 1, 1988	Additions*	Deductions	General Fixed Assets Aug. 31, 1989
GENERAL GOVERNMENT				
Legislative	$ 13,187			13,187
Executive, Including Human Rights, Economic Development, Word Processing, CIRC, And Admin. Services	692,520	142,837	120,840	714,517
Financial Administration	173,700	105,347	36,769	242,278
Law	177,671	11,391	3,561	185,501
Personnel Administration	41,461			41,461
Planning And Zoning	38,522			38,522
Buildings And Plant	7,219,279	10,876		7,230,155
Urban Development	3,294,934	646,690	153,745	3,787,879
Total General Government	11,651,274	917,141	314,915	12,253,500
PUBLIC SAFETY				
Police	625,331	111,686	18,439	718,578
Fire	4,058,325	305,273	25,580	4,338,018
Building And Safety	224,597	124,217	21,772	327,042
Communications	170,068			170,068
Civil Defense	84,167			84,167
Transportation	1,463,071	211,771	27,638	1,647,204
Total Public Safety	6,625,559	752,947	93,429	7,285,077
STREETS AND HIGHWAYS				
Street Maintenance	5,706,385	48,589	19,139	5,735,835
CULTURE -- RECREATION				
Parks And Recreation	20,278,436	2,702,739	447,933	22,533,242
Libraries	8,952,252	180,818		9,133,070
Cornhusker Convention Center	2,871,688			2,871,688
Total Culture -- Recreation	32,102,376	2,883,557	447,933	34,538,000
ECONOMIC OPPORTUNITY				
Lincoln Area Agency On Aging	223,872	33,666	1,512	256,026
Job Programs	28,762	63	260	28,565
Total Economic Opportunity	252,634	33,729	1,772	284,591
HEALTH AND WELFARE				
Lincoln Lancaster Co. Health	520,089	42,736	70,353	492,472
Total General Fixed Assets	$ 56,858,317	4,678,699	947,541	60,589,475

*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.

STATISTICAL SECTION

CITY OF LINCOLN, NE
GENERAL INFORMATION

Table 1

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

Fiscal[2] Year	General Government	Public Safety	Streets And Highways	Culture-Recreation	Economic Opportunity	Health And Welfare	Sanitation[3]	Debt[4] Service	Totals
1989	$ 11,972,664	21,415,917	5,878,224	8,200,666	8,293,286	3,972,901		6,648,372	66,382,030
1988	11,227,562	21,217,662	5,987,512	8,054,651	6,201,422	3,616,964		6,809,178	63,114,951
1987	10,511,274	20,041,053	5,455,931	7,842,716	5,319,400	3,504,832		15,969,066	68,644,272
1986	10,868,367	19,493,668	5,520,065	7,576,486	5,033,019	3,444,554	525,967	2,077,869	54,539,995
1985	11,603,702	17,940,665	5,317,458	7,234,289	5,157,817	3,112,818	543,104	6,158,216	57,068,069
1984	11,193,643	17,595,508	6,114,230	7,146,990	6,165,295	2,934,664	381,221	2,208,098	53,739,649
1983	9,960,617	18,368,526	5,211,782	6,857,185	5,345,982	2,839,462	699,871	1,823,062	51,106,487
1982	8,331,599	16,547,254	5,046,850	6,247,068	5,441,512	2,383,232	497,522	1,305,398	45,800,435
1981	7,789,748	15,648,019	3,732,062	6,198,121	5,981,318	2,486,461	600,378	1,300,819	43,736,926

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

Table 2

GENERAL REVENUES BY SOURCE[1]
LAST NINE FISCAL YEARS

Fiscal[2] Year	Taxes[3]	Inter-Governmental	Permits And Fees	Reimbursement For Services	Court Fees	Recreation Receipts	Interest[3]	Other	Totals
1989	$ 52,780,348	19,853,034	1,701,082	1,004,843	109,806	593,461	2,838,448	3,524,567	82,405,589
1988	47,992,603	16,357,404	1,603,158	1,048,138	116,859	590,809	3,588,413	2,631,228	73,928,612
1987	43,360,446	15,733,000	1,496,422	1,270,069	119,721	526,598	1,657,124	2,386,740	66,550,120
1986	39,051,866	16,577,869	1,375,019	950,162	125,824	498,394	1,898,364	2,558,538	63,036,036
1985	37,676,840	16,501,967	1,083,962	850,177	560,695	456,720	1,970,901	2,545,547	61,646,809
1984	36,866,028	18,575,500	1,026,175	734,807	757,051	490,091	2,078,631	2,909,561	63,437,844
1983	34,928,715	17,073,128	882,565	744,948	788,002	489,893	1,915,578	1,629,508	58,452,337
1982	32,385,108	16,343,095	672,914	773,486	563,990	419,847	2,547,362	1,638,171	55,343,973
1981	27,815,767	17,084,833	752,488	1,219,596	406,099	380,631	1,731,412	1,335,369	50,726,195

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

Table 3

PROPERTY TAX LEVIED AND COLLECTED
LAST TEN YEARS

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

Tax Year	Taxes Levied	Collected As Of August 31 After Levy		Accumulated Collections As Of August 31, 1989	
		Amount	Percent	Amount	Percent
1988	$ 19,838,326	$ 18,892,824	95.23 %	$ 18,892,824	95.23 %
1987	18,547,425	17,483,064	94.26	18,327,479	98.81
1986	18,634,563	17,563,423	94.25	18,474,617	99.14
1985	14,820,947	13,930,925	93.99	14,830,288	100.06
1984	21,679,327	20,063,968	92.55	21,591,736	99.60
1983	21,154,814	19,448,543	91.93	21,352,803	100.94
1982	20,019,695	18,429,271	92.06	20,267,056	101.24
1981	18,851,556	17,479,454	92.72	19,005,884	100.82
1980	17,228,254	16,145,975	93.72	17,507,798	101.62
*1979	14,465,162	13,943,456	96.39	14,776,331	102.15

*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
1989	$ 4,058,299,999	4,058,299,999	613,031,929	613,031,929	444,477,863	444,477,863	5,115,809,791	5,115,809,711	100 %
1988	3,609,376,307	3,609,376,307	522,747,416	522,747,416	416,921,473	416,921,473	4,549,045,196	4,549,045,196	100
1987	3,526,918,806	3,526,918,806	499,004,211	499,004,211	397,669,695	397,669,695	4,423,592,712	4,423,592,712	100
1986	3,314,107,283	3,314,107,283	485,088,431	485,088,431	370,099,785	370,099,785	4,169,295,499	4,169,295,499	100
1985	3,258,644,926	3,258,644,926	408,998,541	408,998,541	341,007,685	341,007,685	4,008,651,152	4,008,651,152	100
1984	2,984,694,981	2,984,694,981	443,408,593	443,408,593	323,626,975	323,626,975	3,751,730,549	3,751,730,549	100
1983	2,934,191,285	2,934,191,285	388,380,465	388,380,465	273,406,700	273,406,700	3,595,978,450	3,595,978,450	100
1982	2,584,857,645	2,584,857,645	371,824,615	371,824,615	255,350,485	255,350,485	3,212,032,745	3,212,032,745	100
1981	2,548,392,720	2,548,392,720	334,108,160	334,108,160	222,107,655	222,107,655	3,104,608,535	3,104,608,535	100
1980	883,163,211	2,523,323,460	113,842,179	325,263,369	71,910,030	205,457,229	1,068,915,420	3,054,044,058	35

[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]

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
City of Lincoln	17.2800	0.6540	0.6771	0.6367	0.6324	0.4041	0.4903	0.4607	0.4801	0.4868
School District No. 1	35.7890	1.3186	1.3435	1.3234	1.4034	1.4069	1.4075	1.4038	1.4544	1.6898
Airport Authority	0.4260	0.0132	0.0128	0.0114	0.0109	0.0103	0.0000	0.0000	0.0000	0.0000
Lancaster County	9.2300	0.3387	0.3385	0.3134	0.2928	0.2928	0.3353	0.3353	0.3441	0.3221
Educational Service Unit #18	0.2170	0.0072	0.0076	0.0073	0.0075	0.0079	0.0076	0.0080	0.0080	0.0071
Community Technical College	1.6000	0.0617	0.0660	0.0660	0.0660	0.0660	0.0690	0.0690	0.0855	0.0785
Lower Platte South Natural Res. Dist.	0.6200	0.0227	0.0233	0.0227	0.0231	0.0319	0.0311	0.0314	0.0405	0.0350
Railroad Transportation Safety Dist.	0.4540	0.0165	0.0171	0.0165	0.0167	0.0176	0.0174	0.0164	0.0160	0.0140
Agricultural Society of Lancaster County	0.3220	0.0011	0.0046	0.0014	0.0011	0.0013	0.0011	0.0010	0.0010	0.0015
TOTAL	65.9380	2.4337	2.4905	2.3988	2.4539	2.2388	2.3593	2.3256	2.4296	2.6348

[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
1989	$3,236,586
1988	3,565,274
1987	4,759,761
1986	5,522,732
1985	3,992,243
1984	4,416,000
1983	3,402,508
1982	2,853,068
1981	3,075,172
1980	3,127,726

[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. Special assessment billings by year are not available.

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
1989	$22,765,376
1988	21,592,027
1987	19,381,135
1986	17,810,917
1985	11,773,664
1984	11,263,100
1983	11,111,390
1982	10,266,167
1981	9,992,849
1980	9,224,115

Table 8

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

Year	General Obligation Bonded Debt	Sinking Funds	Net General Obligation Bonded Debt	Population[1]	Net G.O. Bonded Debt Per Capita	Assessed Valuation Real And Personal	Ratio Of Net Debt To Assessed Valuation Real & Personal	Assessed Valuation Of Taxable Real Property	Ratio Of Net Debt To Estimated Valuation Of Taxable Real Property
1989	$ 49,132,200	$ 11,815,674	$ 37,316,526	188,680	$ 197.78	$ 5,115,809,791	0.73%	$ 4,058,299,999	0.92%
1988	44,175,000	12,268,405	31,906,595	185,620	171.89	4,549,045,196	0.70	3,609,376,307	0.88
1987	47,775,000	6,169,064	41,605,936	184,500	225.50	4,423,592,712	0.94	3,526,918,806	1.18
1986	51,280,000	6,385,834	44,894,166	184,500	243.33	4,188,657,680	1.07	3,314,107,283	1.35
1985	35,590,000	5,327,394	30,262,606	181,500	166.73	4,008,651,152	0.75	3,258,644,926	0.93
1984	38,595,000	5,363,715	33,231,285	180,200	184.41	3,751,730,549	0.89	2,984,694,981	1.11
1983	38,700,000	5,349,362	33,350,638	175,000	190.58	3,595,978,450	0.93	2,934,191,285	1.14
1982	37,216,000	5,576,237	31,639,763	175,000	180.80	3,212,032,745	0.99	2,584,857,645	1.22
1981	35,632,000	3,873,157	31,758,843	174,000	182.52	3,104,608,535	1.02	2,548,392,720	1.25
1980	34,082,000	4,225,000	29,857,000	172,000	173.59	1,068,915,420	2.79	2,523,323,460	1.18

[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, 1989

Units	Net Debt Outstanding	Percentage Applicable To The City	Direct And Overlapping Debt
City	$37,316,526	100.0%	$37,316,526
School District #1	9,280,000	97.2	9,020,160
Airport Authority[1]	640,695	100.0	640,695
Lancaster County	None		None
Southeast Community College	None	35.9	None
Total	$47,237,221		$46,977,381

[1]Does not include Special Obligation Bonds of $689,819 payable from lease rentals.

Table 10

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

Fiscal Year [2]	Principal	Interest [4]	Total Debt Service	Total General Expenditures [1]	Ratio Of Debt Service To Total General Expenditures
1989 [7]	$ 4,385,000	3,005,459	7,390,459	67,160,163	11.00%
1988 [6]	3,600,000	3,199,184	6,799,184	63,114,951	10.77
1987	13,480,000	2,438,712	15,918,712 [5]	68,478,194	23.25 [5]
1986	1,050,000	1,027,119	2,077,119	54,539,995	3.81
1985	4,870,000 [3]	1,165,805	6,035,805	57,068,069	10.58
1984	1,070,000	1,138,098	2,208,098	53,739,649	4.11
1983	895,000	928,062	1,823,062	51,106,487	3.57
1982	795,000	510,398	1,305,398	45,800,435	2.85
1981	777,000	523,819	1,300,819	43,736,926	2.97

[1] Includes: General, Special Revenue, and Debt Service Funds. (1989 expenditures includes Payment to Refunded Bond Escrow Agent.)
[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 and miscellaneous charges.
[5] Includes $12,000,000 bond defeasance.
[6] 1988 includes Special Assessment Bonds for the first time due to implementation of Statement 6 of the Governmental Accounting Standards Board.
[7] Includes principal and interest payment to Refunded Bond Escrow Agent.

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]
Wastewater System							
1989	$10,360,369	5,199,623	5,160,746	655,000	614,102	1,269,102	4.07
1988	9,054,861	4,742,531	4,312,330	605,000	443,587	1,048,587	4.11
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
Water System							
1989	16,936,162	5,802,088	11,134,074	925,000	807,231	1,732,231	6.43
1988	14,528,993	5,291,453	9,237,540	890,000	845,249	1,735,249	5.32
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
Parking Facilities							
1989	1,396,081 [2]	393,691	1,002,390	130,000	233,560	363,560	2.76
1988	1,386,144 [2]	367,478	1,018,666	120,000	279,149	399,149	2.55
1987	1,341,888 [2]	330,951	1,010,937	110,000	285,785	395,785	2.55
1986	1,274,710 [2]	287,755	986,955	110,000	292,568	402,568	2.20
1985	1,210,250 [2]	347,145	863,105	105,000	295,891	400,891	2.15
1984 [1]	1,155,292 [2]	362,755	792,537	90,000	169,469	259,469	3.05
1983	847,070 [2]	203,306	643,764	85,000	128,250	213,250	3.02
1982	749,876 [2]	174,635	575,241	80,000	132,944	212,944	2.70
1981	740,075 [2]	184,156	555,919	80,000	137,444	217,444	2.56

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

Table 12

DEMOGRAPHIC STATISTICS
LAST TEN YEARS

Year	Population	Per Capita[3] Income	School[4] Enrollment	Unemployment[5] Rate
1989	188,680 [1]	$	27,367	2.5%
1988	185,620 [1]		26,567	2.3
1987	184,500 [1]	14,373	25,982	3.4
1986	184,500 [1]	13,731	25,462	2.7
1985	181,500 [1]	13,113	25,209	3.2
1984	180,200 [1]	12,333	24,874	2.5
1983	175,000 [1]	11,745	24,675	3.3
1982	175,001 [1]	11,204	25,017	5.9
1981	174,000 [1]	10,776	25,489	4.0
1980	171,932 [2]	9,810	25,758	3.3

Sources:
[1]Lincoln/Lancaster Planning Department
[2]1980 Census
[3]University of Nebraska Bureau of Business Research. Per Capita Income for 1988 and 1989 is unavailable.
[4]Lincoln Public Schools
[5]State of Nebraska, Department of Labor

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

Table 13

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS

Fiscal Year	Commercial[2] Construction Number Of Permits	Commercial[2] Construction Value	Residential[2] Construction Number Of Permits	Residential[2] Construction Value	Bank[3] Deposits In Millions	Property[1 & 4] Value Commercial	Property[1 & 4] Value Residential	Totals
1989	1,051	$ 75,174,361	1,585	$ 100,097,540	1,761.2	1,099,799,300	2,958,500,699	$ 4,058,299,999
1988	863	59,063,356	1,759	78,047,673	1,670.8	977,003,150	2,632,373,157	3,609,376,307
1987	822	64,774,857	1,624	69,088,218	1,632.6	943,517,080	2,583,401,726	3,526,918,806
1986	832	57,681,113	1,759	68,144,887	1,592.8	789,751,765	2,524,355,518	3,314,107,283
1985	837	69,232,353	1,721	58,636,876	1,228.0	776,600,000	2,482,044,926	3,258,644,926
1984	720	56,310,073	1,734	56,474,850	1,244.0	664,955,718	2,319,739,263	2,984,694,981
1983	706	62,675,694	1,534	37,876,203	1,098.0	653,704,075	2,280,487,210	2,934,191,285
1982	625	45,746,743	1,202	13,653,142	1,025.1	629,089,057	1,955,768,588	2,584,857,645
1981	650	31,927,896	1,898	37,941,593	927.5	620,214,416	1,928,178,304	2,548,392,720
1980	552	37,932,834	2,088	38,862,945	999.6			2,523,323,460

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

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

Table 14

TEN LARGEST TAXPAYERS

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

Taxpayers	Type Of Business	1989 Assessed Valuations	Percentage Of Total Assessed Valuation
Lincoln Telephone & Telegraph	Telecommunications	$ 130,297,114	2.54%
Ameritas Financial Services	Insurance	41,511,930	.81
Goodyear Tire & Rubber Co.	Manufacturing	33,886,533	.66
Mid-America Webpress, Inc.	Printing	31,025,864	.60
Cornhusker Land Company	Developers	26,780,592	.52
Burlington Northern, Inc.	Railroad	25,726,806	.50
Jacobs, Visconsi & Jacobs Co.	Shopping Center	25,269,280	.49
National Bank of Commerce	Banking	24,212,118	.47
FirsTier	Banking	23,703,148	.46
Minnegasco	Natural Gas	17,391,016	.33
		$ 379,804,401	7.42%

Table 15

MISCELLANEOUS STATISTICS
AUGUST 31, 1989

Date of Incorporation: 1869
Form of Government: Mayor-Council, Home Rule Charter
Area: 63.27 square miles
Lane Miles of Streets: 1,854 miles
Number of Street Lights: 17,487

Recreation and Culture

Park System: 74 parks & playgrounds/5,000 acres
Libraries: 7
Recreation Centers: 6
Swimming Pools (Public): 9
Golf Courses (Public): 4

Fire Protection

Number of Stations: 11
Number of Firefighters: 241

Police Protection

Number of Stations: 1
Number of Police Officers: 228

Water Department

Number of Consumers: 56,071
Average Daily Consumption: 35,639,000 gallons
Miles of Water Mains: 888 miles

Sanitary Sewer

Number of Consumers: 55,802
Miles: 717

Education

Public Schools:
- Senior High Schools: 4
- Junior High Schools: 9
- Elementary Schools: 33
- Number of Students: 27,367

Private and Parochial Schools:
- Number of Schools: 21
- Number of Students: 4,456

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SINGLE AUDIT SECTION

KPMG Peat Marwick

Certified Public Accountants

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

Independent Auditors' Report on the Schedule of Federal Financial Assistance

The Honorable Members of City Council
City of Lincoln, Nebraska:

We have audited the general purpose financial statements of the City of Lincoln, Nebraska, for the year ended August 31, 1989, and have issued our report thereon dated January 31, 1990. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit and the report of other auditors.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements and whether management has complied with laws and regulations. An audit in accordance with those standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and compliance with laws and regulations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the City of Lincoln, Nebraska, taken as a whole. The supplementary information included in the accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

KPMG Peat Marwick

January 31, 1990

CITY OF LINCOLN, NE
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE (ALL FUNDS)
YEAR ENDED AUGUST 31, 1989

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1988	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1989
U.S. DEPARTMENT OF AGRICULTURE							
Direct Programs:							
Summer Food Service Program	10.559	6/89-8/89	$	8,351	1	20,639	12,287
Summer Food Service Program	10.559	6/88-8/88	4,119	7,233	15	3,129	
Summer Food Service Program	10.559	6/87-8/87	2,289			(2,289)	
Total Department Of Agriculture			$ 6,408	15,584	16	21,479	12,287
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Direct Programs:							
RSVP Aging	13.633	440-8621	$	46,874	75,526	122,400	
RSVP Aging	13.633	440-8621(06)	(1,687)	1,430	5,631	8,748	
Lifetime Health	13.633	07AMO321/02	1,303	4,448		3,145	
Pass-Through State Department Of Health:							
Aids - HERR	13.118	5/89		6,194		44,304	38,110
Aids - HERR	13.118	5/88	5,601	19,241		13,640	
Aids - HERR	13.118	5/87	4,318	3,620		(698)	
Aids - HERR	13.118	5/86 & Prior	1,671	698		(973)	
Aids - PRVS	13.118	9/87	8,842	8,842			
Aids - CTS	13.118	5/88	3,144	17,551		14,407	
Aids - CTS	13.118	9/87	8,232	8,232			
Aids - CTS	13.118	9/86	(4,345)			4,345	
Hypertension Grant 89/90	13.991	0990 BINEPRVS				295	295
Hypertension Grant 88/89	13.991	0989 BINEPRVS		11,760	25,559	36,997	(322)
Hypertension Grant 87/88	13.991	0988 BINEPRVS	(930)	8,362		9,292	
Cholesterol	13.991	1990			183	751	568
Cholesterol	13.991	1989		3,161	623	7,471	3,687
Cholesterol	13.991	88-P-18-C	2,376	4,116	285	2,025	
Cholesterol	13.991	88-P-17-C	(2,006)			2,006	
High Risk Newborn	13.991	89M-071C		10,832		14,622	3,790
High Risk Newborn	13.991	88M-22	4,018	6,987		2,969	
Rural Older Adults Wellness Program	13.991	89-P-17				181	181
Rural Older Adults Wellness Program	13.991	88-P-17	244	20,035	4,694	24,485	
Epidemiologist 89	13.994/13.991			12,591		12,591	
Epidemiologist 88	13.994/13.991		358	3,417		3,059	
Epidemiologist 87	13.994/13.991		11,419	11,419			
Epidemiologist 86	13.994/13.991		5,952	5,952			
Epidemiologist 85	13.994/13.991		(20,788)	(20,788)			
Pass-Through State Department Of Aging:							
Title IIIB	13.633	NGA-90-001			242,999	259,276	16,277
Title IIIB	13.633	NGA-89-125	17,036	315,500	1,276,945	1,583,699	8,290
Title IIIC(1)	13.635	NGA-90-002			97,319	114,146	16,827
Title IIIC(1)	13.635	NGA-89-126	19,269	281,000	445,843	713,651	6,077
Title IIIC(2)	13.635	NGA-90-003			16,593	20,705	4,112

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1988	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1989
Title IIIC(2)	13.635	NGA-89-127	6,599	55,500	334,383	388,650	5,366
Title IIID	13.641	NGA-90-004				1,148	1,148
Title IIID	13.641	NGA-89-038		2,661	2,180	9,160	4,319
Pass-Through State Department Of Institutions:							
CARE	13.992	88/89				1,230	1,230
CARE	13.992	87/88	1,658	20,878	17,646	34,756	(2,110)
Total Department Of Health And Human Services			$ 72,284	870,513	2,546,409	3,452,483	107,845
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Direct Programs:							
Fair Housing Assistance	14.146	HA-15345/ FF207K887013	$ 7,290	7,150		4,405	4,545
Community Development Block Grant	14.218	B-86 & 87-MC-31-0001	(42,999)	1,326,103	475,679	1,802,708	(42,073)
Community Development Block Grant, Sec. 108 - 3 Loan	14.218	B-85-MC-31-0001	5,114	490,000	6,097	760,733	269,750
Community Development Block Grant, Sec. 108 - 2 Loan	14.218	B-84-MC-31-0001	4,075			24,194	28,269
Secretary's Discretionary Fund	14.218	B-87-SP-31-0003		600,000		600,000	
Secretary's Discretionary Fund	14.218	B-87-SP-31-0001		52,200		51,940	(260)
Secretary's Discretionary Fund	14.218	B-86-SP-31-0004		100,000		100,000	
Housing Development Grant	14.218	NE-003H-G601		908,728		908,728	
Section 312 Rehabilitation Loan Program	14.220			217,937	19	217,956	
Rental Rehabilitation Loan Program	14.230	R-87/88-MC-31-0201		235,528	55,664	264,570	(26,622)
Pass-Through State Department Of Social Services:							
Emergency Shelter Grant Program	14.231			14,615		14,615	
Total Department Of Housing And Urban Development			$ (26,520)	3,952,261	537,459	4,749,849	233,609
U.S. DEPARTMENT OF INTERIOR							
Pass-Through State Historical Society:							
Historical Preservation Fund	15.904	88/89	$		4,191	10,911	6,720
Historical Preservation Fund	15.904	87/88	6,055	9,846	9,735	13,526	
Pass-Through State Game And Parks Commission:							
Playground Development Antelope Park	15.919	31-00780	24,444	23,694			750
Total U.S. Department Of Interior			$ 30,499	33,540	13,926	24,437	7,470
U.S. DEPARTMENT OF JUSTICE							
Pass-Through State Com. On Law Enforcement And Criminal Justice:							
Lincoln Police Dept. Excel Program	16.573	87-JA-121	$		3,381	4,268	887
Automate Fingerprint Identification Systems	16.573	87-JA-120		1,657	5,825	9,974	2,492
Victim Witness Unit	16.575	88-VA-208		30,732	13,667	51,188	6,789
Victim Witness Unit	16.575	86-213	6,531	6,531			

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1988	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1989
Linc./Lanc. Co. Coop. Street Drug Dealer Apprehension Program	16.579	88-DA-317		52,479	32,470	129,880	44,931
Linc./Lanc. Co. Coop. Street Drug Dealer Apprehension Program	16.579	87-DA-317	21,942	113,954	7,818	99,830	
Total Department of Justice			$ 28,473	205,353	63,161	295,140	55,099
U.S. DEPARTMENT OF LABOR							
Pass-Through State Department of Aging:							
Title V (SCSEP)	17.235	NGA-90-041	$		4,192	7,644	3,452
Title V (SCSEP)	17.235	NGA-89-129	6,374	39,000	30,241	70,258	7,391
JTPA	17.250	NGA-90-049				1,802	1,802
JTPA	17.250	NGA-90-044				3,895	3,895
JTPA For Older Workers	17.250	NGA-89-103	4,674	29,986		29,357	4,045
Pass-Through State Department Of Labor:							
JTPA Title III Dislocated Worker	17.246	31-31-12	166	50,530		52,765	2,401
JTPA Title 1 Administration	17.250		4,081	127,773		131,648	7,956
JTPA Title IIA Program	17.250		(2,317)	347,581		377,751	27,853
JTPA Title IIB Summer SYETP	17.250		(518)	76,521		138,251	61,212
Total Department Of Labor			$ 12,460	671,391	34,433	813,371	120,007
U.S. DEPARTMENT OF TRANSPORTATION							
Direct Programs:							
UMTA Section 9 Capital, Planning And Operating Assistance	20.507	NE-90-0002	$ 4,264	22,494	4,658	23,292	404
UMTA Section 9 Capital, Planning And Operating Assistance	20.507	NE-90-X007	27,954	62,389	8,769	43,843	639
UMTA Section 9 Capital, Planning And Operating Assistance	20.507	NE-90-X004	16,097	52,345	9,062	45,310	
UMTA Section 9 Capital And Operating Assistance	20.507	NE-90-X020		1,080,351	3,359,759	4,440,110	
UMTA Section 9 Capital And Operating Assistance	20.507	NE-90-X017		112,138	5,902	118,040	
UMTA Section 9 Capital And Operating Assistance	20.507	NE-90-X014	1,753	2,086	2,682	13,407	10,392
UMTA Transit Planning	20.507	NE-90-X020		1,903	871	4,356	1,582
UMTA Transit Planning	20.507	NE-08-0036		9,955	3,365	16,824	3,504
UMTA Transit Planning	20.507	NE-08-0032	6,485	14,010	3,052	10,577	
UMTA Transit Planning	20.507	NE-08-0034	2,427	21,433	5,567	24,573	
UMTA Transit Planning	20.507	NE-90-X009	8,021	15,118	2,551	12,754	3,106
UMTA Transit Planning	20.507	NE-90-X002	9,995	44,011	6,861	72,059	31,182
Pass-Through State Department Of Roads:							
Planning Grant	20.205	HPR-PL1(27)			1,960	13,065	11,105
Planning Grant	20.205	HPR-PL1(26)	11,198	63,792	9,281	61,875	
Lancaster County Rural Transit	20.205	RPT-C551(190)-1990			2,391	4,282	1,891
Lancaster County Rural Transit	20.205	RPT-C551(188)-1989	1,668	12,062	21,420	31,814	
State Administered Road Project	20.205	BRO-7055(70)		2,848	2,848	5,696	
State Administered Road Project	20.205	BRO-7055(71)		4,290	4,882	9,172	

(Federal Financial Assistance-Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1988	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1989
State Administered Road Project	20.205	F-77-2(134)		64,377	122,901	199,179	11,901
State Administered Road Project	20.205	HES-34-6(120)		538	78	777	161
State Administered Road Project	20.205	HES-5202(6)		27,024	3,007	30,067	36
State Administered Road Project	20.205	HES-5227(4)	(53)	15,507	1,611	17,171	
State Administered Road Project	20.205	M-8031(30)		8,533	8,552	17,134	49
State Administered Road Project	20.205	M-8031(31)		1,084	445	1,780	251
State Administered Road Project	20.205	M-8031(32)		4,363		4,363	
State Administered Road Project	20.205	QF-77-2(120)		3,659		3,659	
State Administered Road Project	20.205	HES-5228(3)		790	88	878	
State Administered Road Project	20.205	HES-5244(5)	87	4,611	503	5,027	
State Administered Road Project	20.205	HES-5244(6)		25,951	2,883	28,834	
State Administered Road Project	20.205	HPR-PL-1(P25)		99,533	17,555	117,088	
State Administered Road Project	20.205	HPR-PL-1(P26)		1,459,595	276,546	1,736,218	77
State Administered Road Project	20.205	HPR-PL-1(P27)		217,580	38,397	255,977	
State Administered Road Project	20.205	M-BRM-5231(2)		114,913	38,201	153,114	
State Administered Road Project	20.205	M-HES-5239(3)	2,842	2,842			
State Administered Road Project	20.205	IR-F-80-9(532)		522,764	310,537	833,301	
State Administered Road Project	20.205	M-5249(2)				394	394
State Administered Road Project	20.205	M-5212(4)		6,321	2,306	8,627	
State Administered Road Project	20.205	M-5231(3)		4,980	2,593	10,371	2,798
State Administered Road Project	20.205	M-8031(27)	471				471
State Administered Road Project	20.205	RR-6970(5)	77	77			
State Administered Road Project	20.205	RR-RRS-6970(7)	55,412	39,432	(861)	2,245	19,086
State Administered Road Project	20.205	RR-6970(8)		585,964	55,951	642,002	87
State Administered Road Project	20.205	RR-6970(11)		99,550	5,546	105,096	
State Administered Road Project	20.205	RR-6970(10)	110	2,136,551	353,480	2,489,921	
State Administered Road Project	20.205	RRP-5210(1)		36,048	4,005	40,053	
State Administered Road Project	20.205	RRP-5220(1)		13,941	1,549	15,490	
State Administered Road Project	20.205	RRP-5210(2)		2,555	284	2,839	
State Administered Road Project	20.205	RRP-55(90)		1,761	196	1,957	
State Administered Road Project	20.205	IR-80-9(603)		37,500	884	41,131	2,747
Pass-Through State Dept. Of Motor Vehicles:							
Seatbelt Safety Program	20.600	88-304	32,311	38,235		5,269	(655)
Seatbelt Safety Program	20.600	87-304	(689)			174	(515)
Seatbelt Safety Program	20.600	86-304	(1,373)	70,878		71,930	(321)
Seatbelt Safety Program	20.600	85-304	3,661	8,836			(5,175)
Youth Traffic Safety	20.600	1989		57,698	7,922	50,763	(14,857)
Total Department Of Transportation			$ 182,718	7,235,216	4,711,040	11,843,878	80,340
U.S. DEPARTMENT OF THE TREASURY							
Direct Programs:							
Revenue Sharing Trust Fund, Entitlements #16 & #17	21.300	28-2-0-055-007	$ (40,132)	3,809			(43,941)

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1988	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1989
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. ENVIRONMENTAL PROTECTION AGENCY							
Pass-Through State Department Of Environmental Control:							
Air Pollution	66.001	M-007056(89)	$	60,000	51,712	108,015	(3,697)
Air Pollution	66.001	M-007056(88)	17,688	37,127	1,535	20,974	
Total Environmental Protection Agency			$ 17,688	97,127	53,247	128,989	(3,697)
ACTION							
Direct Programs:							
Senior Companion	72.008		$	57,698	7,922	50,763	(14,857)
U.S. DEPARTMENT OF ENERGY							
Pass-Through State Department Of Energy:							
Yearround Energy Savings	81.041	89-508	$	313,949		315,257	1,308
FEMA							
Pass-Through State Civil Defense:							
Emergency Management Assistance	83.516	EMK-88-K-0146	$ 26,914	53,346	89,549	148,249	32,268
Maintenance And Service	83.504	EMK-88-K-0146	1,140	1,140			
Total FEMA			$ 28,054	54,486	89,549	148,249	32,268
U.S. DEPARTMENT OF EDUCATION							
Pass-Through State Library Commission:							
Urban Libraries Technology Grant	84.039	88/89	$	17,500		17,500	
Major Urban Library Resource Grant	84.039	87/88		13,729	15	9,414	(4,330)
Major Urban Library Resource Grant	84.039	86/87	(9,264)			9,264	
Net Lender Contract	84.167	88/89		1,968			(1,968)
Net Lender Contract	84.167	87/88	(4,891)	2,103		4,789	(2,205)
Net Lender Contract	84.167	86/87	(6,980)			6,980	
Net Lender Contract	84.167	85/86	(724)			724	
Total Department Of Education			$ (21,859)	35,300	15	48,671	(8,503)

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Accrued (Deferred) Grant Revenues Sept. 1, 1988	Grant Revenues Received	Grantee Matching Contributions & Misc. Revenues	Expenditures	Accrued (Deferred) Grant Revenues Aug. 31, 1989
OTHER FEDERAL ASSISTANCE							
Pass-Through State Department Of Aging:							
USDA Cash In Lieu of Commodities			$ 14,565	167,320		166,576	13,821
Title IV-A - Training NDOA/AAA				74		74	
Title IV-A - Staff Retreat				500	46	546	
Title IV-A - 1989 Governors Conference				312	108	420	
Title IV-A - 1988 Governors Conference			325	325			
Total Other Federal Assistance			$ 14,890	168,531	154	167,616	13,821
Total Federal Assistance			$ 304,421	13,714,758	8,057,331	22,060,724	593,056

(1) For purposes of this schedule expenditures are on a GAAP basis while revenues are on a cash basis.
(2) The City has 3 Section 108 loans, with outstanding principal balances at August 31, 1989 of $45,000, $366,690 and $1,680,000, respectively. These loans, through the Community Development Block Grant, are repaid by reductions in subsequent years entitlements equal to the necessary principal and interest payments. Loan 3 has drawdowns available at August 31, 1989 of $320,000.
(3) Federal Expenditures per this schedule are considered to be total expenditures less grantee matching contributions and miscellaneous revenues.
(4) Major programs of the City are:

Federal Agency	Federal CFDA Number
Department of Housing & Urban Development	14.218
Department of Labor	17.250
Department of Transportation	20.507
Department of Transportation	20.205

KPMG Peat Marwick

Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AT THE GENERAL PURPOSE FINANCIAL STATEMENT LEVEL

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

We have audited the general purpose financial statements of the City of Lincoln, Nebraska, as of and for the year ended August 31, 1989, and have issued our report thereon dated January 31, 1990.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the City of Lincoln, Nebraska is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Lincoln, Nebraska complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Lincoln, Nebraska had not complied, in all material respects, with those provisions.

This report is intended for the information of the City Council, management and the cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

January 31, 1990

KPMG Peat Marwick

Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH GENERAL REQUIREMENTS

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

We have applied procedures to test the City of Lincoln, Nebraska's compliance with the following requirements applicable to each of its major Federal financial assistance programs, which are identified in the schedule of Federal financial assistance, for the year ended August 31, 1989: political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property acquisition and Federal financial reports.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Lincoln, Nebraska's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Lincoln, Nebraska had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with these requirements, which are described in the accompanying schedule of findings and questioned costs.

This report is intended for the information of the City Council, management and the cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

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January 31, 1990

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR AND NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Members of the City Council
City of Lincoln, Nebraska;

We have audited the City of Lincoln, Nebraska's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort or earmarking; reporting; special requirements relating to charter and school bus operations, maintenance of uniform system of accounts, public hearings, asset disposal, transportation charges for the elderly and handicapped, "Buy America" provisions, fund obligation and expenditure, environmental reviews and program income, private sector participation, claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major Federal financial assistance programs, which are identified in the accompanying schedule of Federal financial assistance, for the year ended August 31, 1989. The management of the City of Lincoln, Nebraska is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and OMB Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings and questioned costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of Lincoln, Nebraska, complied in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort or earmarking; reporting; special requirements relating to charter and school bus operations, maintenance of uniform system of accounts, public hearings, asset disposal, transportation charges for the elderly and handicapped, "Buy America" provisions, fund obligation and expenditure, environmental reviews and program income, private sector participation for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major Federal Financial assistance programs for the year ended August 31, 1989.

In connection with our audit of the 1989 general purpose financial statements of the City of Lincoln, Nebraska, and with our study and evaluation of the City of Lincoln, Nebraska's internal control systems used to administer Federal financial assistance programs, as required by OMB Circular A-128, "Audits of State and Local Governments," we selected certain transactions

applicable to certain nonmajor Federal financial assistance programs for the year ended August 31, 1989.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Lincoln, Nebraska's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Lincoln, Nebraska had not complied with those requirements.

This report is intended for the information of City Council, management and the cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

January 31, 1990

CITY OF LINCOLN, NEBRASKA

Schedule of Findings and Questioned Costs

For the year ended August 31, 1989

Program	Findings/Noncompliance	Questioned Costs
Community Development Block Grant Entitlement Program	Of the 24 transactions selected for testing, one payment for relocation costs was $20 in excess of the allowable cost.	$20
Urban Mass Transportation Administration	Financial status reports filed by the City with UMTA contained several errors. The final report for project NE-08-X034 was mathematically incorrect and the report for project NE-90-X020 dated September 30, 1989 erroneously did not include $1,731,108 of expenditures for the period ended September 30, 1989.	

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INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROLS AT THE GENERAL PURPOSE FINANCIAL STATEMENT LEVEL

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

We have audited the general purpose financial statements of the City of Lincoln, Nebraska for the year ended August 31, 1989, and have issued our report thereon dated January 31, 1990. These financial statements are the responsibility of the City's Management. Our responsibility is to express an opinion on these financial statements based on our audit and the report of other auditors.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether management has complied with laws and regulations and has established and maintained a system of internal controls. An audit in accordance with those standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and compliance with laws and regulations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

Under the date of January 31, 1990, we reported separately on the results of our study and evaluation of internal accounting and administrative controls used in administering Federal financial assistance programs. The results of our study and evaluation of internal controls other than those used in administering Federal financial assistance programs are presented herein. For the purpose of this report, we have classified the significant internal accounting controls in the following categories: revenue and receipts cycle, purchases and disbursements cycle and payroll cycle. Our study and evaluation included all of the control categories listed above. The purpose of our study and evaluation was to determine the nature, timing and extent of auditing procedures necessary for expressing an opinion on the financial statements of the City of Lincoln, Nebraska. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of control identified above.

The management of the City of Lincoln, Nebraska, is responsible for establishing and maintaining a system of internal accounting control. 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 a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system 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.

Our study and evaluation made for the limited purpose described in the first three paragraphs would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the City of Lincoln, Nebraska, taken as a whole or on any of the categories of controls identified in the third paragraph. However, our study and evaluation and our audit disclosed no condition that we believe to be a material weakness. In our letter to management dated January 31, 1990, we have separately communicated our observations and recommendations regarding certain other matters, including those pertaining to nonmaterial internal control findings.

This report is intended solely for the information of City Council, management and the cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

January 31, 1990

KPMG Peat Marwick

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROLS AT THE FEDERAL FINANCIAL ASSISTANCE PROGRAM LEVEL

The Honorable Members of the City Council
City of Lincoln, Nebraska;

We have audited the general purpose financial statements of the City of Lincoln, Nebraska for the year ended August 31, 1989, and have issued our report thereon dated January 31, 1990. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit and the report of other auditors.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States; the Single Audit Act of 1984; and the provisions of OMB Circular A-128, Audits of State and Local Governments. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether management has complied with laws and regulations and has established and maintained a system of internal controls. An audit in accordance with those standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and compliance with laws and regulations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

Under the date of January 31, 1990, we reported separately on the results of our study and evaluation of internal accounting controls performed in connection with our audit of the financial statements. The results of our study and evaluation of internal accounting and administrative controls used in administering Federal financial assistance programs are presented herein.

For the purposes of this report, we have classified the significant internal accounting and administrative controls used in administering the major Federal financial assistance programs in the following categories:

Accounting Controls

- Revenue and receipts cycle
- Purchases and disbursements cycle
- Payroll cycle

Administrative Controls

- Political activity
- Davis-Bacon Act
- Civil Rights
- Cash Management
- Relocation assistance and real property acquisition

- Federal financial reports
- Types of services allowed or unallowed
- Eligibility
- Matching, level of effort or earmarking
- Reporting
- Special requirements relating to charter and school bus operations, maintenance of uniform system of accounts, public hearings, asset disposal, transportation charges for the elderly and handicapped, "Buy America" provisions, fund obligation and expenditure, environmental reviews and program income, and private sector participation.
- Claims for advances and reimbursement

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

The management of the City of Lincoln, Nebraska, is responsible for establishing and maintaining internal control systems used in administering Federal financial assistance programs. 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 used in administering Federal financial assistance programs are to provide management with reasonable, but not absolute, assurance that, with respect to Federal financial assistance programs, resource use is consistent with laws, regulations and policies; resources are safeguarded against waste, loss and misuse; and reliable data are obtained, maintained and fairly disclosed in reports.

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

During the year ended August 31, 1989, the City of Lincoln, Nebraska expended 81.9 percent of its total Federal financial assistance under major Federal financial assistance programs. With respect to internal control systems used in administering major Federal financial assistance programs, our study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether necessary procedures are prescribed and are being followed satisfactorily and evaluating any weaknesses.

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

Our study and evaluation described in the two preceding paragraphs was more limited than would be necessary to express an opinion on the internal control systems used in administering the major and nonmajor Federal financial assistance programs of the City of Lincoln, Nebraska. Accordingly, we do not express an opinion on the internal control systems used in administering the major and nonmajor Federal financial assistance programs of the City of Lincoln, Nebraska. However, our study and evaluation and our audit disclosed no condition that we believe to be a material weakness in relation to a Federal financial assistance program of the City of Lincoln, Nebraska. In our letter to management dated January 31, 1990, we have separately communicated our observations and recommendations regarding certain other matters, including those pertaining to nonmaterial internal control findings.

This report is intended solely for the information of City Council, management and the cognizant agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

KPMG Peat Marwick

January 31, 1990