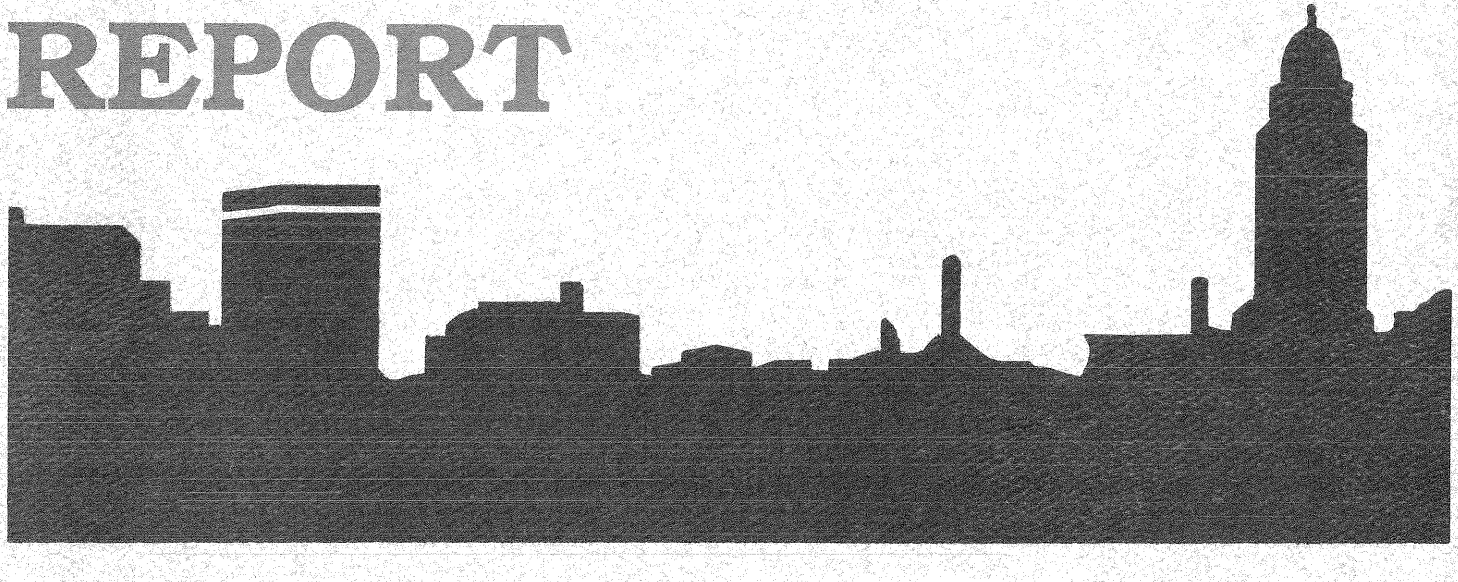
COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF LINCOLN, NEBRASKA

For the Fiscal Year Ended August 31, 1990

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

OF THE

CITY OF LINCOLN, NEBRASKA

FOR THE YEAR ENDED AUGUST 31, 1990

Prepared by:

The Auditing Division/Finance Department

OFFICIALS OF THE CITY OF LINCOLN

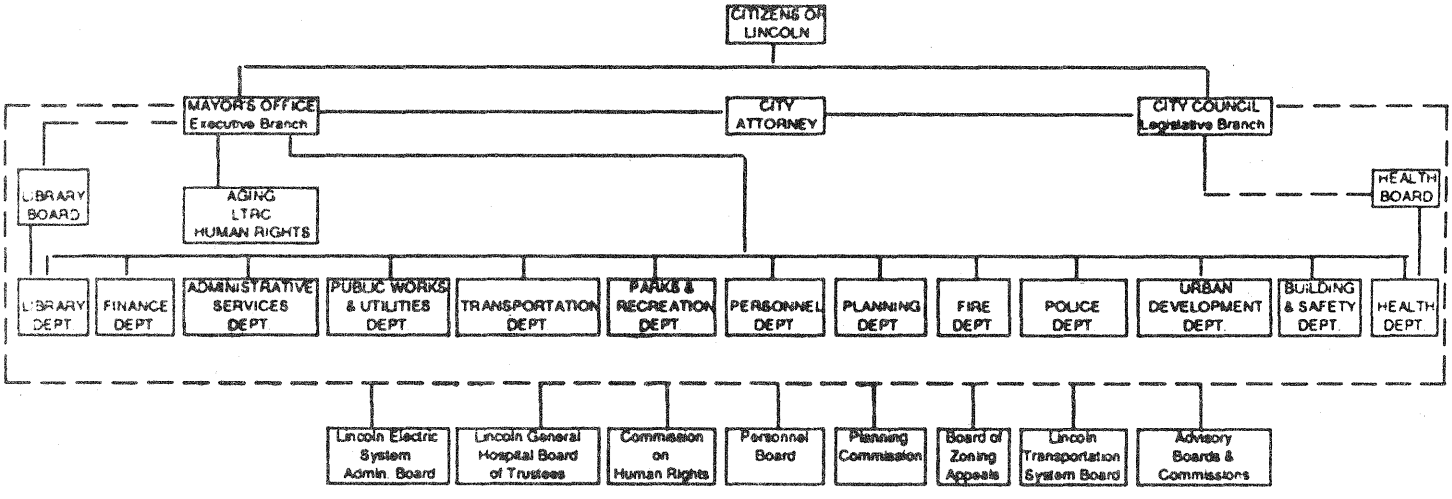
L. William Harris ..... Mayor
J. Gates Minnick ..... Chairman, City Council
Linda W. Wilson ..... Vice Chairman, City Council
Jo Gutgsell ..... Council Member
Ken Haar ..... Council Member
Theodore V. Hempel ..... Council Member
Mike Johanns ..... Council Member
Coleen J. Seng ..... Council Member

* * * * * *

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
Jerry McGinn ..... 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, 1990

TABLE OF CONTENTS

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

	Statement	Page
Notes to General Purpose Financial Statements		13
Combining, Individual Fund and Account Group Statements and Schedules		55
Governmental Funds:		
General Fund:		57
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis)	A-1	58
Schedule of Expenditures Compared to Budget	A-2	59
Special Revenue Funds:		63
Combining Balance Sheet	B-1	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	67
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budget Basis):		
Advance Acquisition Fund	B-3	68
Athletic Field and Facilities Improvement Fund	B-4	69
Aviation Promotion Fund	B-5	70
Civil Defense Fund	B-6	71
Cable Access Television Fund	B-7	72
Lincoln City Libraries Fund	B-8	73
Lincoln Area Agency on Aging Fund	B-9	74
Tax Sales Revolving Fund	B-10	75
Lincoln/Lancaster County Health Fund	B-11	76
Northeast Radial Fund	B-12	77
Social Security Fund	B-13	78

	Statement	Page
Street Construction Fund	B-14	79
Unemployment Compensation Fund	B-15	81
Federal Grants	B-16	82
Special Assessment Fund	B-17	84
Debt Service Funds:		85
Combining Balance Sheet	C-1	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .	C-2	87
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budget Basis)	C-3	88
Capital Projects Funds:		89
Combining Balance Sheet	D-1	91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D-2	92
Proprietary Funds:		
Enterprise Funds:		95
Combining Balance Sheet	E-1	96
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	E-2	99
Combining Statement of Cash Flows	E-3	100
Internal Service Funds:		103
Combining Balance Sheet	F-1	104
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	F-2	105
Combining Statement of Cash Flows	F-3	106

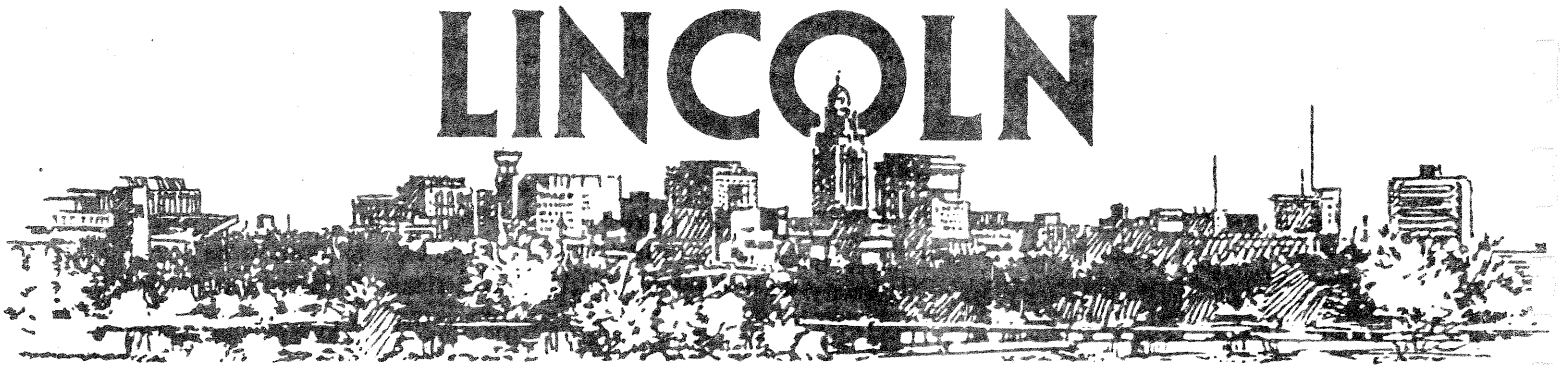
	Statement	Page
Fiduciary Funds:		107
Combining Balance Sheet	G-1	109
Pension Trust Funds - Combining Statement of Revenues, Expenses, and Changes in Fund Balances	G-2	111
Pension Trust Funds - Combining Statement of Cash Flows	G-3	112
Expendable Trust Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-4	113
Agency Funds - Combining Statement of Changes in Assets and Liabilities	G-5	114
General Fixed Assets Account Group:		117
Schedule of General Fixed Assets Additions by Sources	H-1	118
Schedule of General Fixed Assets by Function and Activity	H-2	119
Schedule of Changes in General Fixed Assets by Function and Activity	H-3	120

STATISTICAL SECTION

	Table	Page
General Governmental Expenditures by Function Last Ten Fiscal Years	1	122
General Revenues by Source Last Ten Fiscal Years	2	122
Property Tax Levied and Collected Last Ten Years	3	122

	Table	Page
Taxable Assessed and Estimated Actual Valuation Last Ten Years	4	123
Total Property Tax Levies All Overlapping Governments Last Ten Years	5	123
Special Assessment Collections Last Ten Years	6	123
City Sales Tax Information	7	124
Schedule of General Obligation Debt in Relation to per Capita Total Assessed Valuation, True Value of Real Estate and to Per Capita Income Last Ten Years	8	124
Computation of Direct and Overlapping Debt - August 31, 1990	9	124
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures Last Ten Fiscal Years	10	125
Revenue Bond Coverage Last Ten Fiscal Years	11	125
Demographic Statistics Last Ten Years	12	126
Property Value, Construction, and Bank Deposits Last Ten years	13	126
Ten Largest Taxpayers	14	127
Miscellaneous Statistics, August 31, 1990	15	127
SINGLE AUDIT SECTION		
Independent Auditors' Report on the Schedule of Federal Financial Assistance		130
Schedule of Federal Financial Assistance	I-1	131
Independent Auditors' Report on Compliance at the General Purpose Financial Statement Level		137
Independent Auditors' Report on Compliance With General Requirements		138

	Table	Page
Independent Auditors' Report on Compliance with Specific Requirements Applicable to Major and Nonmajor Federal Financial Assistance Programs		139
Schedule of Findings and Questioned Costs		141
Independent Auditors' Report on Internal Accounting Controls at the General Purpose Financial Statement Level		142
Independent Auditors' Report on Internal Accounting and Administrative Controls at the Federal Financial Assistance Program Level		144



DEPARTMENT OF FINANCE
& ADMINISTRATIVE SERVICES
JACK VAVRA, Director

BILL HARRIS, MAYOR

February 8, 1991

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, 1990 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. The 1990 Census figures were not available at time of report.

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, 1990 was 1.9%, well below the national average of 5.6%. 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 13.4% over the past 5 years with an increase in the value of construction permits of over $50 million.

Sales tax revenue was up 1.9% for 1989-90.

Major Initiatives

On December 14, 1989, the City of Lincoln annexed Sanitary Improvement District #7 "The Highlands" which added in excess of $44,000,000 to the City's total valuation. The annexation added approximately 600 acres to the City's total area.

The City has negotiated a contract with a Golf Course architect in anticipation of constructing an 18 hole golf course, with an additional 9 holes possible, in the Highlands area, to be completed in 1992 at an estimated cost of $3,000,000.

The current Lincoln Center Redevelopment Plan reflects, through numerous projects, the mixed use revitalization/redevelopment of the Lincoln Center Business District, in particular, two core area projects; 12th Street Revitalization Area Project and Balance of Community Development Area/Design Advancement Project.

12th Street Revitalization Area 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 $2,487,319 have been appropriated for 1990-91 with $2,683,479 anticipated in subsequent years through 1992-93.

Balance of Community Development Area/Design Advancement Project - This project includes study of a proposed Downtown Convention Center, Public Improvements-Streetscape/Lighting and Rehabilitation Program. Funds of $600,000 have been appropriated for 1990-91 with $5,123,910 anticipated in subsequent years through 1992-93.

During August 1989, the City issued General Obligation Bonds with $3,600,000 of the proceeds to be used for the purpose of acquiring and developing a recreational trail system and $1,700,000 for the purpose of developing/redeveloping the Antelope Park Triangle Area. As of August 31, 1990, $748,000 has been expended for the purpose of acquiring and developing the trail system and $970,000 has been expended for the purpose of developing the Antelope Park Triangle Area. Both projects are ongoing.

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately $15,637,360 over the 6 year period of 1990-91 through 1995-96. Of that total, approximately $8,505,440 of those improvements will be financed through revenue bonds and State revolving fund dollars, 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 $96,395,800 over the 6 year period of 1990-91 through 1995-96. Of those dollars, approximately $52,243,000 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. The City Auditor's office has a full-time Internal Auditor. The Internal Auditor reviews internal controls and conducts audits of all departments; reporting to the City Council. 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, 1990. 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.

Risk Management

The City's Risk Management Division is responsible for the administration of insurance and self-insurance programs, self-insured claims programs and the collecting of damages to City property. Responsibilities include researching insurance markets, preparing bid specifications and cost effectively purchasing coverage, reviewing coverage, budgeting annual costs and maintaining actuarial soundness of self-insured claims funds, administering self-insured claims programs cost effectively and increasing the effectiveness in subrogation claims. The City is self-insured for workers' compensation risk, other property risks and employee long-term disability. 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 $83,806,623 in 1989-90, an increase of 1.70% from 1988-89. General property taxes produced 31.15% of General Governmental

Revenues compared to 27.42% 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	$ 56,156,855	67.0%	$3,376,507	6.4%
Intergovernmental	17,375,366	20.7	(2,477,668)	(12.5)
Permits and Fees	1,988,001	2.4	286,919	16.9
Reimbursement for Services	985,677	1.2	(19,166)	(1.9)
Court Fees	115,813	0.1	6,007	5.5
Recreational Receipts	655,981	0.8	62,520	10.5
Interest	2,622,889	3.1	(215,559)	(7.6)
Other	3,906,041	4.7	381,474	10.8
	$ 83,806,623	100.0%	$1,401,034	1.7

Assessed real property valuations at market value for 1989-90, totaled $4,167,361,438.

As of August 31, 1990, current tax collections by the County Treasurer were 95.58% of the tax levy, up 0.40% from last year. Allocations of property tax levy by purpose for 1989-90, and the preceding two fiscal years are as follows:

City Tax Levy By Purpose

	1989-90	1988-89	1987-88
General Fund	.3335	.3243	.2992
Library	.0603	.0647	.0529
Social Security	.0165	.0167	.0141
Police and Fire Pension	.0110	.0117	.0141
General Obligation Debt	.0655	.0627	.0804
	.4868	.4801	.4607

General governmental expenditures on the GAAP basis of accounting totaled $72,956,845 in 1989-90, a net increase of 9.9% over 1988-89. 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	$14,216,069	19.5%	$2,243,405	18.7%
Public Safety	25,267,865	34.6	3,851,948	18.0
Streets and Highways	6,324,609	8.7	446,385	7.6
Culture - Recreation	9,169,606	12.6	968,940	11.8
Economic Opportunity	5,942,691	8.1	(2,350,595)	(28.3)
Health and Welfare	4,716,120	6.5	743,219	18.7
Debt Service	7,319,885	10.0	671,513	10.1
	$72,956,845	100.0%	$6,574,815	9.9

Parking Facilities

The City of Lincoln operates the 1,048 stall Centrum Parking Garage, which opened in November, 1978, the 405 stall Cornhusker Square Parking Garage, which opened in December, 1983 and the 430 stall University Square, which opened in April 1990. The University Square was built 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:

	1989-90	1988-89
Operating Revenue	$1,005,687	883,782
Operating Income Before Depreciation	608,962	490,091
On-Street Parking Meter Revenue	353,035	306,963
Revenue Available for Debt Service	961,997	797,054
Debt Service	547,093	405,500
Debt Service Coverage Ratio	1.76	1.97

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, 1990, was $21,570,000. (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, 1989 is included in the City's August 31, 1990 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, 1990 were as follows:

	Outstanding Aug. 31, 1990	Sinking Funds Aug. 31, 1990	Net Bonded Debt	Net Bonded Debt Per Capita
General Obligation:				
General Bonds	$33,311,000	3,846,354	29,464,646	152.98
Tax Allocation Bonds and Notes	7,725,000	1,660,133	6,064,867	31.49
Total General Bonds Including Tax Allocation Bonds and Notes	41,036,000	5,506,487	35,529,513	184.47
Special Assessment Bonds	12,315,000	6,815,738	5,499,262	28.55
	$53,351,000	12,322,225	41,028,775	213.02

In addition to the general obligation bonded debt, the City recognizes a long-term liability for compensated absences of $1,103,435. 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, 1990:

Date Issued	Issue	Average Interest Rate	When Due	Amount
General Obligation Bonds:				
9/15/89	Sanitary Improvement District #7	5.00000	Ser. '91 to '10	5,193,000
3/15/90	Northeast Radial Reuse Area Project	6.49529	Ser. '90 to '98	2,670,000
11/15/89	Special Assessment Revolving	6.47384	Ser. '90 to '04	3,860,000
Revenue Bonds:				
11/15/89	Water	6.49460	Ser. '90 to '99	6,300,000

The 1990 Northeast Radial Reuse Area Project Bonds were issued to provide the City with funds to pay the costs of acquiring real property and/or acquiring, constructing, reconstructing, improving, extending, equipping or furnishing any improvements within the area included in the City's Northeast Radial Reuse Area Redevelopment Plan. Approximately 194 blocks of varying size are contained within the Redevelopment Area.

The Sanitary Improvement District #7 Bonds were issued as part of the annexation agreement of Sanitary Improvement District #7 (See Note 21).

The Water Bonds and the Special Assessment Revolving Bonds were both refunding bonds (See Note 3 - Redeemed and Defeased Debt).

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, 98.9% 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 8.03% and the amount of interest earned was $16,511,169.

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, 1990 the general fixed assets consisted of approximately 16,750 items totaling $65,478,796, a net increase of $4,889,321 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	1989-90	1988-89
Operating Revenue	$15,866,865	15,466,583
Operating Income	8,377,266	8,041,340
Revenue Available for Debt Service	12,162,102	11,134,074
Debt Service	1,508,814	1,732,231
Debt Service Coverage Ratio	8.06	6.43

Wastewater System	1989-90	1988-89
Operating Revenue	$10,719,263	9,551,882
Operating Income	3,284,872	2,709,076
Revenue Available for Debt Service	6,182,782	5,160,746
Debt Service	1,275,728	1,269,102
Debt Service Coverage Ratio	4.85	4.07

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, Urban Development, 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, 1989, 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, 1989

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

(THIS PAGE LEFT BLANK INTENTIONALLY)

FINANCIAL SECTION

(THIS PAGE LEFT BLANK INTENTIONALLY)

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, 1990, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the management of the City. 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 7.1 percent and 26.1 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, as of August 31, 1990, 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 11, 1991

Exhibit 1

CITY OF LINCOLN, NE
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AUGUST 31, 1990
With Comparative Totals For August 31, 1989

	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	1990	1989
ASSETS AND OTHER DEBITS											
Cash Held By City Treasurer (Note 4)	$ 3,695,570	4,091,920	4,119,238	1,536,804	2,985,433	3,527,624	8,071,951			28,028,540	30,742,568
Cash On Hand And In Other Accounts (Note 4)	951	49,578			512,542		533,547			1,096,618	482,233
Investments (At Cost Or Amortized Cost) (Note 4)		7,973,802	7,908,176	19,805,029	54,635,720	4,127,174	65,659,370			160,109,271	165,774,629
Receivables (Notes 2, 5 And 8)	2,496,689	1,391,870	7,622,393	614,593	29,063,050	492,234	1,584,278			43,265,107	42,185,698
Due From Other Funds (Note 17)	2,983,192	810,904	733,592	937,068	53,021	1,316,191	167,831			7,001,799	7,262,812
Due From Other Governments (Note 6)	2,243,474	1,581,134	33,767	8,912	91,484	393,819	5,671			4,358,261	4,899,282
Inventories	412,516	17,305			4,521,688	307,851				5,259,360	4,788,233
Plant Operation Assets					4,052,000					4,052,000	5,160,000
Prepaid Expenses	151,716				838,786					990,502	1,171,045
Reimbursements From Third Party Payors					439,000					439,000	599,000
Contractor Retainage							833,299			833,299	922,380
Unamortized Bond Issuance Expense					307,110					307,110	339,619
Deferred Charges And Other Assets (Note 15)					25,740,000					25,740,000	21,880,000
Advance Payments For Nuclear Fuel					1,853,000					1,853,000	2,993,000
Restricted Assets:											
Cash (Note 4)					4,467,114					4,467,114	3,899,349
Cash On Hand And In Other Accounts (Note 4)					4,236					4,236	1,541
Investments At Cost Or Amortized Cost (Note 4)					70,316,536					70,316,536	63,592,561
Accrued Interest Receivable (Note 5)					564,407					564,407	687,249
Due From Other Funds (Note 17)					8,319					8,319	4,646
Property, Plant, And Equipment (Net Of Accumulated Depreciation) (Note 7)					490,106,455	6,288,872		65,478,796		561,874,123	540,166,547
Installment Purchase Agreement		21,839								21,839	57,268
Insurance Contract (Note 15)							2,282,717			2,282,717	2,031,207
Amount Available In Debt Service Funds									12,322,225	12,322,225	11,815,674
Amount To Be Provided For Retirement Of General Long-Term Liabilities									42,337,410	42,337,410	38,977,203
Total Assets And Other Debits	$ 11,984,108	15,938,352	20,417,166	22,902,406	690,559,901	16,453,765	79,138,664	65,478,796	54,659,635	977,532,793	950,433,744
LIABILITIES											
Warrants Payable							2,124,290			2,124,290	2,826,089
Vouchers Payable	58,111	81,351		16,104	2,009	47,655	1,385			206,615	631,040
Contracts Payable				1,089,284						1,089,284	1,623,318
Accounts Payable	420,469	242,637	5,174	527,817	9,150,886	462,650	15,108			10,824,741	9,722,340
Accrued Liabilities	1,334,049	408,231			8,645,887	224,786	462,094			11,075,047	8,794,695
Accrued Compensated Absences	1,547,436	469,400			828,310	410,124	2,879		1,103,435	4,361,584	3,769,606
Payable From Restricted Assets:											
Construction Contracts					1,416,395					1,416,395	1,051,507
Accrued Interest					6,400,616					6,400,616	6,493,691
Fuel Credit Obligation Notes (Note 9)					475,000					475,000	590,000
Other					128,000					128,000	
Revenue Bonds (Note 9)					8,495,000					8,495,000	8,025,000
Due To Other Funds											42,226
Accreted Interest On Capital Appreciation Bonds					3,970,000					3,970,000	2,573,000
Due To Other Governments	2,721				11,805	9,552	1,148,171			1,172,249	1,372,658
Due To Contractor							895,839			895,839	965,160

(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	1990	1989
(LIABILITIES, Continued)											
Due To Plan Members (Note 15)					1,398,000		2,363,961			3,761,961	3,212,545
Due To Other Funds (Note 17)	601,860	978,145		184,212	102,342	621,657	4,521,902			7,010,118	7,225,232
Unearned Rental Proceeds		43,046								43,046	
Unearned Revenue	23,391									23,391	
Deferred Revenues	1,143,764	251,879	5,713,369	6,475			59,970			7,175,457	7,754,440
Claims (Note 20)						2,208,000				2,208,000	2,873,664
Special Assessments Debt With Governmental Commitment									12,315,000	12,315,000	13,645,000
General Obligation Bonds Payable (Note 9)									39,451,000	39,451,000	34,740,000
Revenue Bonds And Notes (Notes 9 And 12)					336,592,000					336,592,000	344,472,000
Tax Allocation Bond Anticipation Notes (Note 9)									705,000	705,000	747,200
Tax Allocation Bonds (Note 9)									880,000	880,000	
Fuel Credit Obligation Notes (Note 9)					300,000					300,000	775,000
Bond Principal Payable			35,000							35,000	15,000
Bond Interest Payable			54,474							54,474	35,432
Deferred Credits And Other					139,000					139,000	173,000
Obligations Under Capital Leases (Note 9)									205,200	205,200	335,572
Obligations Under Land Contracts (Note 9)											362,500
Amounts Held Under State Lease Agreement (Note 12)							131			131	739,356
Other					2,430,025					2,430,025	3,345,951
Total Liabilities	5,131,801	2,474,689	5,808,017	1,823,892	380,485,275	3,984,424	11,595,730		54,659,635	465,963,463	468,932,222
FUND EQUITY											
Contributed Capital					66,254,378	1,081,435				67,335,813	65,853,218
Investment In General Fixed Assets								65,478,796		65,478,796	60,589,475
Retained Earnings:											
Reserved For:											
Debt Service					20,016,102					20,016,102	17,781,328
Improvements					15,297,500					15,297,500	10,294,950
Restricted Funds					14,522,000					14,522,000	15,874,000
Unreserved:											
Undesignated					173,042,646	11,387,906				184,430,552	165,925,258
Fund Balances:											
Reserved For:											
Encumbrances	1,083,584	3,310,075		3,402,312						7,795,971	5,143,636
Improvements					3,726,000					3,726,000	3,104,000
Inventories	412,516	17,305								429,821	347,211
Debt Service			12,322,225							12,322,225	11,815,674
Restricted Funds					154,000					154,000	136,000
Employee Retirement							66,969,706			66,969,706	61,313,213
Unreserved:											
Designated For Supsequent Years' Expenditures	3,794,374	3,024,392		2,236,056						9,054,822	13,689,723
Undesignated	1,561,833	7,111,891	2,286,924	15,440,146	17,062,000		573,228			44,036,022	49,633,836
Total Retained Earnings/Fund Balances	6,852,307	13,463,663	14,609,149	21,078,514	243,820,248	11,387,906	67,542,934			378,754,721	355,058,829
Total Equity And Other Credits	6,852,307	13,463,663	14,609,149	21,078,514	310,074,626	12,469,341	67,542,934	65,478,796		511,569,330	481,501,522
Committments And Contingent Liabilities (Notes 9, 13, and 14)											
Total Liabilities And Fund Equity	$ 11,984,108	15,938,352	20,417,166	22,902,406	690,559,901	16,453,765	79,138,664	65,478,796	54,659,635	977,532,793	950,433,744

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, 1990
With Comparative Totals For Fiscal Year Ended August 31, 1989

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	1990	1989
Revenues:							
Taxes & Special Assessments (Note 2)	$ 44,807,982	3,935,324	7,413,549	2,774,535		58,931,390	55,354,216
Intergovernmental	3,274,323	13,717,962	383,081	689,164		18,064,530	19,989,629
Permits And Fees	1,212,806	775,195				1,988,001	1,701,082
Reimbursement For Services	960,038	25,639				985,677	1,004,843
Court Fees	115,813					115,813	109,806
Recreation	655,981					655,981	593,461
Interest	551,322	1,030,390	1,041,177	1,812,556	60,004	4,495,449	4,091,532
Donations And Gifts					167,060	167,060	522,213
Miscellaneous	937,064	2,581,317	387,660	612,518	22,574	4,541,133	3,981,917
Total Revenues	52,515,329	22,065,827	9,225,467	5,888,773	249,638	89,945,034	87,348,699
Expenditures:							
Current:							
General Government	12,229,134	1,986,935				14,216,069	11,972,664
Public Safety	24,924,039	343,826				25,267,865	21,415,917
Streets And Highways	3,902,809	2,421,800				6,324,609	5,878,224
Culture--Recreation	6,035,709	3,133,897			284,684	9,454,290	8,355,649
Economic Opportunity		5,942,691			66,735	6,009,426	8,678,426
Health And Welfare		4,716,120				4,716,120	3,972,901
Debt Service:							
Principal Retirement			3,793,637			3,793,637	3,670,000
Payment To Escrow Agent For Refunded Bonds			72,015			72,015	158,133
Interest And Fiscal Charges			3,340,632			3,340,632	2,973,413
Capital Lease Principal			98,100			98,100	
Capital Lease Interest			15,380			15,380	
Miscellaneous			121			121	4,959
Capital Outlay				22,531,809		22,531,809	19,190,569
Total Expenditures	47,091,691	18,545,269	7,319,885	22,531,809	351,419	95,840,073	86,270,855
Excess (Deficiency) Of Revenues Over Expenditures	5,423,638	3,520,558	1,905,582	(16,643,036)	(101,781)	(5,895,039)	1,077,844
Other Financing Sources (Uses):							
Operating Transfers In	69	4,338,612	195,444	13,272,754		17,806,879	18,009,791
Operating Transfers Out	(7,578,417)	(8,442,366)		(4,109,981)	(27,003)	(20,157,767)	(19,788,644)
Bond Anticipation Note Proceeds							747,200
Proceeds Of Refunding Bonds			3,805,960			3,805,960	620,000
Payment To Escrow Agent For Refunded Bonds			(3,805,960)			(3,805,960)	(620,000)
Payment To Annexation Trustee (Note 21)			(1,262,059)			(1,262,059)	
Tax Allocation Bond Proceeds			880,000			880,000	
General Obligation Bond Proceeds				2,632,620		2,632,620	7,985,000
Total Other Financing Sources (Uses)	(7,578,348)	(4,103,754)	(186,615)	11,795,393	(27,003)	(100,327)	6,953,347
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(2,154,710)	(583,196)	1,718,967	(4,847,643)	(128,784)	(5,995,366)	8,031,191
Fund Balances Beginning Of Year	8,958,983	11,594,893	16,270,182	25,083,583	702,012	62,609,653	53,621,503
Residual Equity Transfers In (Note 8)	48,034	2,575,000		887,574		3,510,608	3,181,541
Residual Equity Transfers Out (Note 8)		(123,034)	(3,380,000)	(45,000)		(3,548,034)	(2,224,582)
Fund Balances End Of Year (Note 16)	$ 6,852,307	13,463,663	14,609,149	21,078,514	573,228	56,576,861	62,609,653

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, 1990

	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	$ 43,289,903	44,488,680	1,198,777	3,725,340	4,060,989	335,649	3,698,508	4,354,712	656,204	50,713,751	52,904,381	2,190,630
Intergovernmental	2,643,000	3,258,340	615,340	14,040,811	14,525,320	484,509		383,081	383,081	16,683,811	18,166,741	1,482,930
Permits And Fees	1,020,000	1,210,939	190,939	699,115	762,191	63,076				1,719,115	1,973,130	254,015
Reimbursements For Services	1,092,401	962,231	(130,170)	25,639	25,639					1,118,040	987,870	(130,170)
Court Fees	117,000	112,385	(4,615)							117,000	112,385	(4,615)
Recreation Receipts	648,600	653,332	4,732							648,600	653,332	4,732
Interest	736,000	682,230	(53,770)	678,949	1,041,185	362,236	842,684	1,023,824	181,140	2,257,633	2,747,239	489,606
Special Assessments							2,019,887	2,019,887		2,019,887	2,019,887	
Special Assessments Interest							849,123	849,123		849,123	849,123	
Miscellaneous	638,700	940,182	301,482	1,601,679	2,367,956	766,277	387,660	387,660		2,628,039	3,695,798	1,067,759
Total Revenues	50,185,604	52,308,319	2,122,715	20,771,533	22,783,280	2,011,747	7,797,862	9,018,287	1,220,425	78,754,999	84,109,886	5,354,887
Expenditures:												
Current:												
General Government	12,680,038	12,040,138	639,900	1,583,112	1,937,935	(354,823)				14,263,150	13,978,073	285,077
Public Safety	24,132,365	24,093,838	38,527	345,484	334,654	10,830				24,477,849	24,428,492	49,357
Streets And Highways	3,995,739	3,807,873	187,866	2,301,372	2,276,937	24,435				6,297,111	6,084,810	212,301
Culture-Recreation	5,779,154	5,764,447	14,707	3,109,342	3,078,506	30,836				8,888,496	8,842,953	45,543
Economic Opportunity				6,850,155	6,137,895	712,260				6,850,155	6,137,895	712,260
Health And Welfare				4,543,544	4,534,040	9,504				4,543,544	4,534,040	9,504
Debt Service							7,723,031	7,275,669	447,362	7,723,031	7,275,669	447,362
Total Expenditures	46,587,296	45,706,296	881,000	18,733,009	18,299,967	433,042	7,723,031	7,275,669	447,362	73,043,336	71,281,932	1,761,404
Excess (Deficiency) Of Revenues Over Expenditures	3,598,308	6,602,023	3,003,715	2,038,524	4,483,313	2,444,789	74,831	1,742,618	1,667,787	5,711,663	12,827,954	7,116,291
Other Financing Sources (Uses):												
Operating Transfers In		69	69	3,963,734	4,338,612	374,878	195,444	195,444		4,159,178	4,534,125	374,947
Operating Transfers Out	(9,418,852)	(7,638,294)	1,780,558	(9,280,627)	(8,980,203)	300,424				(18,699,479)	(16,618,497)	2,080,982
General Obligation							3,805,960	3,805,960		3,805,960	3,805,960	
Tax Allocation Bond Proceeds							880,000	880,000		880,000	880,000	
Payment To Refunded Bond Escrow Agent							(3,805,960)	(3,805,960)		(3,805,960)	(3,805,960)	
Payment To Annexation Trustee							(1,262,059)	(1,262,059)		(1,262,059)	(1,262,059)	
Total Other Financing Sources (Uses)	(9,418,852)	(7,638,225)	1,780,627	(5,316,893)	(4,641,591)	675,302	(186,615)	(186,615)		(14,922,360)	(12,466,431)	2,455,929
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(5,820,544)	(1,036,202)	4,784,342	(3,278,369)	(158,278)	3,120,091	(111,784)	1,556,003	1,667,787	(9,210,697)	361,523	9,572,220
Fund Balances Beginning Of Year	5,574,453	5,574,453		8,838,034	8,838,034		17,235,020	17,235,020		31,647,507	31,647,507	
Residual Equity Transfer In		48,034	48,034	2,575,000	2,575,000					2,575,000	2,623,034	48,034
Residual Equity Transfer Out				(75,000)	(123,034)	(48,034)	(3,380,000)	(3,380,000)		(3,455,000)	(3,503,034)	(48,034)
Fund Balances End Of Year (Note 16)	$ (246,091)	4,586,285	4,832,376	8,059,665	11,131,722	3,072,057	13,743,236	15,411,023	1,667,787	21,556,810	31,129,030	9,572,220

See Accompanying Notes To Combined Financial Statements

(THIS PAGE LEFT BLANK INTENTIONALLY)

Exhibit 4

CITY OF LINCOLN, NE

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/ FUND BALANCE -- ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

FISCAL YEAR ENDED AUGUST 31, 1990

With Comparative Totals For Fiscal Year Ended August 31, 1989

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise (Note 1)	Internal Service	Pension Trust	1990	1989
Operating Revenues:					
Charges For Services	$ 129,381,651	15,660,242		145,041,893	141,851,791
Taxes			557,775	557,775	546,160
Interest			5,967,751	5,967,751	5,501,279
Employee Contributions			1,029,828	1,029,828	984,248
Other Operating Revenues	54,376,126		189	54,376,315	47,464,202
Total Operating Revenues	183,757,777	15,660,242	7,555,543	206,973,562	196,347,680
Operating Expenses:					
Personal Services	29,336,365	5,518,572		34,854,937	31,331,261
Contractual Services	1,535,644			1,535,644	1,367,298
Operation and Maintenance	35,827,272	7,440,545		43,267,817	40,726,796
Purchased Power	55,547,000			55,547,000	55,691,247
Refunds			521,021	521,021	459,522
Depreciation	18,801,054	1,433,546		20,234,600	19,328,319
Benefit Payments			1,332,204	1,332,204	1,227,322
Payments In Lieu Of Taxes (Note 2)	4,323,000			4,323,000	4,260,000
Administrative Cost	10,130,454		45,825	10,176,279	9,490,220
Total Operating Expenses	155,500,789	14,392,663	1,899,050	171,792,502	163,881,985
Net Operating Income	28,256,988	1,267,579	5,656,493	35,181,060	32,465,695
Non-Operating Revenue (Expense):					
Interest Revenue	11,331,492	684,228		12,015,720	10,979,502
Gain (loss) On Disposal Of Assets	(13,921)			(13,921)	9,231
Loss on Advance Refunding	(368,503)			(368,503)	
Operating Grants	1,478,504			1,478,504	1,965,530
Amortization Of Deferred Charges	(2,106,933)			(2,106,933)	(2,218,705)
Donations	108,000			108,000	166,000
Interest Expense And Fiscal Charges (Note 10)	(21,424,912)			(21,424,912)	(22,006,728)
Miscellaneous	115,984	119,797		235,781	1,689,318
Total Non-Operating Revenue (Expense)	(10,880,289)	804,025		(10,076,264)	(9,415,852)
Net Income Before Operating Transfers	17,376,699	2,071,604	5,656,493	25,104,796	23,049,843
Operating Transfers In	2,350,888			2,350,888	1,828,853
Operating Transfers Out					(50,000)
Net Income Before Extraordinary Items	19,727,587	2,071,604	5,656,493	27,455,684	24,828,696
Extraordinary Item -- Loss From Early Extinguishment Of Debt					(2,796,738)
Net Income	19,727,587	2,071,604	5,656,493	27,455,684	22,031,958
Depreciation Transfer On Contributed Capital	1,976,617	296,383		2,273,000	2,278,742
Increase In Retained Earnings/Fund Balance	21,704,204	2,367,987	5,656,493	29,728,684	24,310,700
Retained Earnings/Fund Balance Beginning Of Year	222,116,044	9,019,919	61,313,213	292,449,176	268,138,476
Retained Earnings/Fund Balance End Of Year	$ 243,820,248	11,387,906	66,969,706	322,177,860	292,449,176

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, 1990
With Comparative Totals For Fiscal Year Ended August 31, 1989

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise (Note 1)	Internal Service	Pension Trust	1990	1989
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating Income (Loss)	$ 28,256,988	1,267,579	5,656,493	35,181,060	32,465,695
Adjustments To Reconcile Operating Income (Loss)					
To Net Cash Provided By Operating Activities:					
Depreciation	18,801,054	1,433,546		20,234,600	19,583,571
Write-Off Of Deferred Financing Costs					600,000
Changes in Assets and Liabilities:					
Accounts Receivable	(1,819,132)	(58,233)		(1,877,365)	(2,955,143)
Unbilled Revenues	(156,000)			(156,000)	(193,286)
Accrued Interest Receivable			(91,438)	(91,438)	(33,434)
Taxes Receivable			34,985	34,985	41,219
Due From Other Funds	268,247	(413,483)	(22,069)	(167,305)	(88,687)
Due From Other Governments	40,898	(57,956)	(119)	(17,177)	(64,617)
Other Assets	(3,654,000)			(3,654,000)	(1,886,554)
Inventories	(382,256)	(6,262)		(388,518)	(538,987)
Plant Operation Assets	48,000			48,000	(392,000)
Prepaid Expenses	180,056			180,056	85,554
Reimbursement From Third Party Payors	(362,000)			(362,000)	85,000
Vouchers Payable	(42,339)	(31,185)		(73,524)	123,070
Accounts Payable	248,944	200,139		449,083	960,885
Accrued Liabilities	369,590	209,014		578,604	60,539
Due To Other Funds	(592,688)	611,160		18,472	651,580
Due To Other Governments	11,805	9,552		21,357	
Accrued Compensated Absences	89,132	71,726		160,858	(43,832)
Deferred Revenues			(8,136)	(8,136)	(10,518)
Accrual In Lieu Of Tax	72,000			72,000	24,772
Other Current Liabilities	(265,926)			(265,926)	153,143
Claims		(665,664)		(665,664)	(100,756)
Deferred Credits And Other Liabilities	1,669,000			1,669,000	1,471,949
Restricted Assets	(3,673)			(3,673)	55,326
Restricted Liabilities	(42,226)			(42,226)	324,863
Total Adjustments	14,478,486	1,302,354	(86,777)	15,694,063	17,913,657
Net Cash Provided By Operating Activities	42,735,474	2,569,933	5,569,716	50,875,123	50,379,352
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
City Subsidy	2,667,099			2,667,099	1,828,853
Donations	108,000			108,000	166,000
Operating Grant	1,162,293			1,162,293	1,965,530
Miscellaneous	115,128			115,128	80,487
Payment of Full Credit Obligation Notes	(590,000)			(590,000)	(590,000)
Interest Paid	(80,000)			(80,000)	(102,000)
Net Cash Provided By Non-capital Financing Activities	3,382,520			3,382,520	3,348,870

(Continued)

(EXHIBIT 5, Continued)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise (Note 1)	Internal Service	Pension Trust	1990	1989
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Additions to Fixed Assets	(16,753,107)	(2,132,415)		(18,885,522)	(13,634,961)
Additions to Contributed Capital	3,749,002	67,784		3,816,786	1,901,050
Installment Payments on Capital Leases		(8,606)		(8,606)	(288,227)
Project Loan Advances	145,000			145,000	
Lease Purchases Payments	(23,666)			(23,666)	967,290
Payments on Contracts Used to Purchase Equipment	(25,000)			(25,000)	(582,000)
Proceeds on Contracts Used to Purchase Equipment					73,000
Proceeds from Sale of Fixed Assets	16,688	164,522		181,210	320,120
Restricted Liabilities	389,888			389,888	
Expenditures for Utility Plant	(17,975,000)			(17,975,000)	(12,738,000)
Net Cost of Retiring Plant	(14,000)			(14,000)	(594,000)
Capital Construction Transfer					(50,000)
Defeasance of Revenue Bonds	(5,960,000)			(5,960,000)	
Payment of Bond Issuance Expense	(367,927)			(367,927)	
Defeasance of Long-Term Debt					(20,525,000)
Payment For Redemption of Long-Term Debt					(1,385,000)
Proceeds From Defeasance Long-Term Debt	6,300,000			6,300,000	26,755,000
Loss on Advance Refunding of Long-Term Debt					(2,796,738)
Related Deferred Third Party Reimbursement Effect					(802,000)
Principal Payments of Long-Term Debt	(7,895,000)			(7,895,000)	(7,265,000)
Financing Charges					(1,042,244)
Interest Paid & Fiscal Charges	(21,831,987)			(21,831,987)	(22,096,366)
Net Cash Used For Capital Financing Activities	(60,245,109)	(1,908,715)		(62,153,824)	(53,783,076)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds From Sale and Maturities of Securities	279,821,010	6,480,497	11,155,334	297,456,841	259,408,674
Purchases of Investment Securities	(278,953,509)	(8,273,435)	(16,679,717)	(303,906,661)	(272,626,096)
Interest and Other Revenues	11,578,082	645,638		12,223,720	12,762,223
Net Cash Provided By (Used For) Investing Activities	12,445,583	(1,147,300)	(5,524,383)	5,773,900	(455,199)
Net Increase In Cash	(1,681,532)	(486,082)	45,333	(2,122,281)	(510,053)
Cash, Beginning Of Year	9,650,857	4,013,706	157,104	13,821,667	14,331,720
Cash, End Of Year	$ 7,969,325	3,527,624	202,437	11,699,386	13,821,667

See Accompanying Notes to Combined Financial Statements

(THIS PAGE LEFT BLANK INTENTIONALLY)

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements
August 31, 1990

(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, 1990, with memorandum totals as of and for the year ended August 31, 1989. 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, 1989. The amounts included in the City's August 31, 1990 financial statements for LES are audited figures as of and for the year ended December 31, 1989. The 1989 memorandum totals include the December 31, 1988 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, 1990 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 were made this year and 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, 1990 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 cost (first-in, first-out). 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 1989 tax levy, for the 1989-90 fiscal year, was $13,065,711 below the legal limit, a tax rate per $100 valuation of .4868. The assessed value upon which the 1989 levy was based was $4,942,802,544.

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 1989-90 are recorded as revenue when due or past due and when expected to be collected within 60 days after August 31, 1990. 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

GENERAL OBLIGATION BONDS

On October 16, 1989 the City of Lincoln, Nebraska, by Ordinance #15319, authorized the issuance of $3,860,000 of General Obligation Special Assessment Revolving Fund Refunding Bonds, Series 1989, with interest rates from 5.90% to 6.85%, for the purpose of providing funds to pay, redeem and retire $1,755,000 of the City's General Obligation Special Assessment Revolving Fund Bonds, Series of 1981, dated August 1, 1981, with interest rates from 9.25% to 10.30%, and $1,650,000 of the City's General Obligation Special Assessment Revolving Fund Bonds, Series 1984, dated April 1, 1984, with interest rates from 5.70% to 9.50%. The 1981 Bonds have been irrevocably called for redemption on August 1, 1991 (the 1981 Bonds Redemption Date) and the 1984 Bonds have been irrevocably called for redemption on April 1, 1991 (the 1984 Bonds Redemption Date). Proceeds of the Series 1989 Bonds, net of issuance costs of $54,040, along with other monies were used to purchase U.S. Treasury Certificates of Indebtedness State and Local SRS which were deposited with the FirsTier Bank, National Association, Lincoln, Nebraska

according to a Depository and Refunding Trust Agreement dated for the defeasance of the 1981 and 1984 Bonds. The total debt service on the 1989 Bonds is $5,460,980 compared to an aggregated debt service of $5,814,958 for the 1981 and 1984 Bond issues. The economic gain (difference between the present value of the debt service payments on the old and new debt) was $266,518.

REVENUE BONDS

In November 1989, Lincoln Water System issued $6,300,000 in revenue bonds with an average interest rate of 6.3 percent to advance refund $3,320,000 and $2,640,000 of outstanding 1984 and 1980 Series Bonds with average interest rates of 8.7 and 7.7 percent, respectively. The net proceeds, after payment of underwriting fees and other insurance costs, were used to purchase U.S.Government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1984 and 1980 Series Bonds. As a result, the 1984 and 1980 Series Bonds are considered to be defeased and the liability for these bonds has been removed from the financial statements.

Although the advance refunding resulted in an accounting loss of $368,503 for the year ended August 31, 1990, Lincoln Water System reduced its aggregate debt service payments by almost $466,000 over the next ten years and obtained an economic gain of approximately $456,000.

At August 31, 1990 there were $107,070,000 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, 1990 is as follows:

Bank Deposits per Banks	$ 3,585,354
Time Deposits per Banks	29,974,000
Total Deposits	33,559,354
Less FDIC Coverage (Category 1)	(793,107)
Remaining Deposits (Category 2)	$32,766,247
Pledged Securities at Market Value	$40,339,219

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, 1990 and are as follows (See Note 13):

	Fire Pension		Police & Fire Pension	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Government Securities	$1,572,855	1,584,267	61,541,177	62,420,304
Government Agencies	145,399	135,141	1,602,802	1,532,047
Wash. Metro. Transit Bonds			497,137	425,312
	$1,718,254	1,719,408	63,641,116	64,377,663

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, 1990 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	$3,683,000	2,964,000	6,647,000	6,819,000
Repurchase Agreements		2,880,000	2,880,000	2,880,000
Municipal Securities		299,000	299,000	299,000
	$3,683,000	6,143,000	9,826,000	9,998,000

Lincoln Electric System (LES)

At December 31, 1989 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	
	Carrying Amount	Market Value
Government Securities	$ 76,106,000	77,176,000
Repurchase Agreements	500,000	500,000
	$ 76,606,000	77,676,000

Lincoln Wastewater System

At August 31, 1990 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	$10,890,816	10,886,738

Lincoln Water System

At August 31, 1990 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	$21,935,541	21,915,644

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, 1990 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	$		22,328,391	22,328,391	22,570,815
Government Agencies			14,796,465	14,796,465	15,664,459
Repurchase Agreements		6,894,000		6,894,000	6,894,000
Interfund Investments	1,584,511			1,584,511	1,584,511
	$ 1,584,511	6,894,000	37,124,856	45,603,367	46,713,785

Reconciliation to Exhibit 1

As of August 31, 1990, the deposits and investments of the City consisted of:

Fund	Carrying Amount
Investments:	
Fire Pension	$ 1,718,254
Police & Fire Pension	63,641,116
Lincoln General Hospital	9,826,000
Lincoln Electric System	76,606,000
Lincoln Wastewater System	10,890,816
Lincoln Water System	21,935,541
All Other Funds	45,603,367
Total Investments, Carried Forward	230,221,094

Fund	Carrying Amount
Total Investments, Brought Forward	230,221,094
Deposits and Cash:	
Certificates of Deposit	29,974,000
Bank Accounts	2,726,406
Cash On Hand And In Other Accounts	1,100,815
	33,801,221
	$264,022,315

These assets are reflected on Exhibit 1 as follows:	
Cash Held By City Treasurer	28,028,540
Cash On Hand And In Other Accounts	1,096,618
Investments	160,109,271
Restricted Assets:	
Cash	4,467,114
Cash On Hand And In Other Accounts	4,236
Investments	70,316,536
	$264,022,315

There were no investments that resulted in significantly greater credit risk during the period than that existing at August 31, 1990, the balance sheet date.

(5) RECEIVABLES

Receivables at August 31, 1990 consist of the following (in thousands):

			Special Assessments					
Fund	Taxes	Accounts	Current	Deferred	Accrued Interest	Gross Receivables	Allowance For Uncollectibles	Net
General	$ 2,301	173			23	2,497		2,497
Special Revenue	545	643			204	1,392		1,392
Debt Service	939		1,454	5,499	251	8,143	521	7,622
Capital Projects		296			319	615		615
Enterprise		32,339			753	33,092	3,465	29,627
Internal Service		328			164	492		492
Trust and Agency	87	506			991	1,584		1,584
	$ 3,872	34,285	1,454	5,499	2,705	47,815	3,986	43,829

Enterprise customer accounts receivable include unbilled charges for services.

Delinquent Special Assessment Receivables at August 31, 1990 were $867,135.

(6) DUE FROM OTHER GOVERNMENTS

The total of Due from Other Governments of $4,358,261 includes the following significant items:

Fund/Fund Type	Amount	Service
General	$2,054,066	State of Nebr., July Sales and Use Tax
	171,925	August Motor Vehicle Taxes Collected by Lancaster County
Street Const./Special Revenue	733,392	State of Nebr., July Highway User Fees
JTPA/Special Revenue	81,185	Federal Government, Cost Reimbursements
Lincoln/Lancaster Co. Health/Special Revenue	197,283	Lancaster County, Cost Reimbursements
StarTran/Enterprise	90,000	State of Nebr., Contract Reimbursements
Civil Defense/Special Revenue	41,761	Federal Government, Cost Reimbursements
Data Processing/Internal Service	312,309	Lancaster County Billings
Library/Special Revenue	31,086	August Motor Vehicle Taxes Collected by Lancaster County
Grants-In-Aid/Special Revenue	248,905	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 16,750 items comprise the general fixed assets. A summary of changes in general fixed assets since September 1, 1989 is as shown below:

	Balance Sept. 1, 1989	Additions	Deletions	Balance August 31, 1990
Land	$13,328,033	865,176	131,916	14,061,293
Buildings	19,933,418	1,134,715	118,611	20,949,522
Improvements Other Than Buildings	11,764,714	1,705,994	124,246	13,346,462
Equipment	15,563,310	1,818,792	260,583	17,121,519
	$60,589,475	5,524,677	635,356	65,478,796

PROPRIETARY FUND TYPES - PROPERTY, PLANT AND EQUIPMENT

A summary of Proprietary Fund Type property, plant, and equipment at August 31, 1990 follows:

	Enterprise	Internal Service
Land	$ 11,116,986	48,250
Buildings	94,513,632	346,594
Improvements Other Than Buildings	130,143,056	516,478
Leasehold Improvements	15,000	
Equipment	29,415,078	13,140,310
Utility Plant	364,139,000	
Construction in Progress	37,382,612	
Total	666,725,364	14,051,632
Less Accumulated Depreciation	(176,618,909)	(7,762,760)
	$ 490,106,455	6,288,872

Construction in Progress at August 31, 1990 is as follows:

Lincoln Wastewater System	4,055,797
Lincoln Water System	8,654,815
Lincoln Electric System	24,672,000
	$37,382,612

(8) EQUITY TRANSFERS

The following is a summary and description of equity transfers which do not have a balancing entry:

$842,574	Transfer from Enterprise fund to Capital Projects Fund. This amount constitutes reimbursement for Capital Outlay expended on behalf of the Enterprise Fund.
(880,000)	Transfer from Debt Service to Enterprise Funds. Amount is included as contributed capital in the Enterprise Fund.
$ (37,426)	

(9) LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended August 31, 1990 (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, 1989	$ 35,487	13,645	352,497	1,365	336	995	362	404,687
Additions:								
New Accrued Compensated Absence Obligations						158		158
New Long-Term Project Loan			145					145
New Tax Allocation Bond	880							880
9-15-89 Sanitary Impr. Dist.#7	4,008							4,008
11-15-89 Special Assessment Rev.		3,860						3,860
3-15-90 Northeast Radial Reuse	2,670							2,670
11-15-89 Water Revenue			6,300					6,300
Deductions:								
Defeasance Of Bonds		3,405	5,960					9,365
Serial Bonds	2,009	1,785	7,895					11,689
Accrued Compensated Absences						50		50
Electric Revenue Fuel Credit Obligation Notes				590				590
Payments on Land Contracts							362	362
Capital Lease Payments					131			131
Balances At August 31, 1990	$ 41,036	12,315	345,087	775	205	1,103		400,521

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

ORIGINAL AMOUNT	ISSUED	ISSUE	AVERAGE INTEREST RATE	WHEN DUE	DATE CALLABLE	INTEREST DATE	OUTSTANDING
General Obligation Bonds And Notes:							
General Bonds:							
3,400	03/01/78	Storm Sewer	4.88214	Ser. '79 to '98	1988	Semiannually	1,800
3,455	07/01/80	Storm Sewer	6.44007	Ser. '81 to '95	1988	"	1,155
985	05/01/83	Auditorium & Fire Department	7.02416	Ser. '84 to '93	1988	"	300
2,550	06/15/83	Storm Sewer	8.17875	Ser. '84 to '98	1991	"	1,360
6,815	05/01/86	Various Purpose	6.67888	Ser. '87 to '06	1991	"	5,455
12,000	06/15/87	Downtown Redevelopment	7.15058	Ser. '87 to '02	1990	"	11,360
7,985	08/15/89	Various Purpose	6.52380	Ser. '90 to '09	1999	"	7,985
5,193	09/15/89	Sanitary Impr. Dist. #7	5.00000	Ser. '91 to '10	1990	Annually	3,896
	TOTAL GENERAL BONDS						33,311
Tax Allocation Bonds:							
2,670	03/15/90	Northeast Radial Reuse Area Proj.#1	6.49529	Ser. '90 to '98	1993	Annually	2,670
3,970	04/01/85	Cornhusker Square	9.85770	Ser. '86 to '97	1990	Semiannually	2,905
620	01/01/89	Gold's Galleria Redevelop.	7.06100	Ser. '89 to '98	1993	"	565
880	01/17/90	Tax Allocation Bonds	7.90000	Oct. 1, 2004	Anytime	Annually	880
	TOTAL TAX ALLOCATION BONDS						7,020
Tax Allocation Bond Anticipation Notes:							
747	08/01/89	Tax Allocation Bond Anticipation Notes	8.30000	Aug. '90 & '91	Anytime	Annually	705
	TOTAL GENERAL BONDS INCLUDING TAX ALLOCATION						$ 41,036

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	150
6,000	11/15/75	Special Assessment Revolv.	5.72240	Ser. '76 to '90	1985	"	400
4,000	11/15/76	Special Assessment Revolv.	4.89073	Ser. '77 to '91	1986	"	530
6,000	03/01/78	Special Assessment Revolv.	4.82530	Ser. '79 to '98	1988	"	2,400
6,000	09/01/79	Special Assessment Revolv.	5.48328	Ser. '80 to '99	1989	"	3,000
3,200	05/01/83	Special Assessment Revolv.	7.71430	Ser. '84 to '01	1993	"	1,975
3,860	11/15/89	Special Assessment Revolv.	6.47384	Ser. '90 to '04	1996	"	3,860
	TOTAL SPECIAL ASSESSMENT BONDS						12,315
	TOTAL GENERAL OBLIGATION BONDS						$ 53,351
Revenue Bonds:							
3,500	04/01/65	Water	3.24258	Ser. '80 to '95	1987	"	595
6,500	02/01/77	Water	5.20000	Ser. '80 to '95	1987	"	4,265
6,300	11/15/89	Water	6.49460	Ser. '90 to '99	1994	"	6,300
	TOTAL WATER REVENUE BONDS						11,160
4,000	08/15/77	Wastewater	5.19335	Ser. '80 to '95	1987	"	2,835
4,000	08/15/80	Wastewater	7.88890	Ser. '83 to '97	1991	"	2,880
2,750	05/01/86	Wastewater	6.58180	Ser. '89 to '99	1991	"	2,680
145	08/01/90	Wastewater	5.00000	Ser. '90 to '06	1991	"	145
	TOTAL WASTEWATER BONDS						8,540
7,415	10/01/88	Hospital Revenue	6.99490	Ser. '89 to '03	1998	Semiannually	$ 7,080
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						21,570
3,165	08/15/89	Parking Revenue Series A	6.81550	Ser. '90 to '04	1994	Semiannually	3,095
1,685	08/15/89	Parking Rev. Series B Taxable	9.45000	Ser. '90 to '99	1994	"	1,580
	TOTAL PARKING BONDS						4,675
24,410	03/30/77	Electric Power Supply '77 Series A	5.55041	Ser. '78 to '98	1987	Semiannually	15,455
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	"	5,730
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	"	7,820
		"	7.60000	Term 2004	1989	"	6,460
		"	7.75000	Term 2015	1989	"	24,885
10,995	10/01/80	Electric Power Supply'80	8.26000	Ser. '84 to '95	1990	"	3,765
34,455	11/15/86	Electric Power Supply '86 Series A - Current Interest	6.08901	Ser. '87 to '99	1996	"	27,880
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	11,545
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	"	3,105
		"	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	"	1,020
		"	7.87500	Term 2013	1989	"	3,450
	TOTAL ELECTRIC BONDS						299,142
	TOTAL REVENUE BONDS						$ 345,087
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	$ 775

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

Year Ending August 31	General Obligations				Revenue Bonds And Notes		Capital Leases And Land Contracts	
	General Bonds		Special Assessments					
	Bonds	Interest	Bonds	Interest	Bonds & Notes	Interest	Principal	Interest
1991	$ 3,038	2,679	1,925	709	9,270	21,126	100	10
1992	2,872	2,493	1,405	597	9,053	20,910	105	3
1993	2,988	2,307	1,130	524	9,587	20,340		
1994	2,994	2,110	1,130	458	10,162	19,770		
1995	3,131	1,908	1,125	392	10,693	19,155		
1996-2000	13,526	6,354	4,890	983	59,698	86,069		
2001 & Thereafter	12,487	2,991	710	102	237,399	208,625		
	$ 41,036	20,842	12,315	3,765	345,862	395,995	205	13

Funds of $3,846,354, $1,660,133 and $6,815,738 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, 1990, is summarized below (unaudited):

Units	Net Debt Outstanding	Percentage Applicable To the City	Direct and Overlapping Debt
City	$41,028,775	100.0%	41,028,775
School District #1	12,640,000	97.2	12,286,080
Airport Authority(1)	3,650,000	100.0	3,650,000
Lancaster County	None		None
Southeast Community College	None	35.9	None

(1)Does not include Special Obligation Bonds of $592,819 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 $213.02, a per capita direct and overlapping debt of $295.77, a ratio of direct City debt to 1990 actual valuation of .771 percent, and a ratio of direct and overlapping debt to 1990 actual valuation of 1.071 percent.

(10) INTEREST COST

Total interest cost incurred in the Enterprise funds during the year ended August 31, 1990 was $21,424,912. 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	$ 47,961,000	10,719,263	15,866,865	101,879,000	7,331,649	183,757,777
Operating Expenses:						
Depreciation	2,507,000	1,926,311	1,760,365	10,961,000	1,646,378	18,801,054
Other	42,841,000	5,508,080	5,729,234	73,645,000	8,976,421	136,699,735
	45,348,000	7,434,391	7,489,599	84,606,000	10,622,799	155,500,789
Operating Income (Loss)	$ 2,613,000	3,284,872	8,377,266	17,273,000	(3,291,150)	28,256,988
Operating Grants, Operating Transfers In, Donations	$ 108,000				3,829,392	3,937,392
Net Income (Loss)	$ 1,852,000	3,657,848	9,328,664	4,243,000	646,075	19,727,587
Net Working Capital	$ 15,062,000	1,987,768	4,191,419	52,348,000	3,620,383	77,209,570
Total Assets	$ 48,711,000	80,005,893	107,370,748	421,005,000	33,467,260	690,559,901
Bonds And Notes Payable	$ 21,570,000	8,540,000	11,160,000	299,917,000	4,675,000	345,862,000
Current Capital Contributions	$	490,116	602,053		2,656,833	3,749,002
Contributed Capital	$	32,765,807	18,740,694		14,747,877	66,254,378
Fund Equity	$ 20,942,000	70,359,296	94,228,390	96,968,000	27,576,940	310,074,626
Acquisition Of Property, Plant, & Equipment	$ 1,825,000	2,581,125	6,078,348	17,975,000	6,268,634	34,728,107

The operating loss of $3,291,150 in the "Other" column is primarily attributable to StarTran which incurred an operating loss of $4,208,869, but received federal and state grants and local subsidies of $3,428,504, which are included in non-operating revenues and operating transfers.

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

The City 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 provided for the State to reimburse the City for debt service and other costs incurred by the City. The City recorded the amounts collected and held under the respective lease agreements in the trust and agency funds.

The final principal payments of $125,000 for the State ETV Refunding Bonds and $70,000 for the State Game and Parks Commission Refunding Bonds were made in July, 1990 and Title to the buildings reverted to the State of Nebraska at that time.

(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, 1989, was $85,302,710. Covered payroll for the following pension plans was $62,028,515. 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, 1989. 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, 1989 there were 496 active members and 114 retirants and beneficiaries.

Police officers and firefighters are eligible for regular retirement benefits when they: (a) have first served in the paid service of the fire or police department for a period of 21 years; (b) have attained the age of 53 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 53rd 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 53. The plan also has provisions for disability, death benefits and early retirement. Vesting occurs after 10 years of service. Of the 496 active members at December 31, 1989, 337 were vested and 159 were not vested. The plan has 57 age and service retirants, 30 disability

retirants, 27 survivor beneficiaries and 24 vested terminated members as of the December 31, 1989 actuarial valuation.

The amount shown below as the "pension benefit obligation" is a standardized disclosure 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. The measure is the actuarial present value of credited projected benefits and is intended to (i) help users assess the plan's funding status on a going-concern basis, (ii) assess progress being made in accumulating sufficient assets to pay benefits when due, and (iii) allow for comparisons among public employee retirement plans. The measure is independent of the actuarial funding method used to determine contributions to the plan.

The pension benefit obligation was determined as part of an actuarial valuation of the plan as of December 31, 1989. Significant actuarial assumptions used in determining the pension benefit obligation include (a) a rate of return on the investment of present and future assets of 6.0% per year compounded annually, (b) projected salary increases of 5.0% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.7% to 4.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement.

At December 31, 1989, the assets in excess of the pension benefit obligation were $4,571,648 determined as follows:

Pension Benefit Obligation:	
Retirees and beneficiaries currently receiving benefits	$11,561,345
Terminated employees not yet receiving benefits	$489,208
Current employees:	
Accumulated employee contributions	17,924,573
Employer financed - Vested	23,654,943
Employer financed - Non-vested	2,942,157
Total Pension Benefit Obligation	$56,572,226
Net assets available for benefits, at cost	61,143,874
Assets in excess of the Pension Benefit Obligation	$ 4,571,648

During the year ended December 31, 1989, the plan experienced a net change of $3,971,586 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, 1989 were determined using an entry-age actuarial funding method. Unfunded actuarial accrued liabilities were amortized as a level percent of payroll over a period of 17 years.

During the year ended August 31, 1989 contributions totaling $1,525,261 -- $541,013 employer and $984,248 employee -- were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 1987. The employer contributions consisted of $1,775,340 for normal cost and $(1,234,327) for amortization of the unfunded actuarial accrued liability.

There were no changes in actuarial assumptions or methods or changes in benefit provisions affecting the December 31, 1987 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.

Fiscal Year Ended August 31	Valuation Date December 31	Computed Contribution Rates As Percents Of Valuation Payroll	Valuation Payroll	Dollar Contribution For Fiscal Year	
				Computed*	Actual
1981	1979	9.79 %	$ 7,816,991	$ 830,103	$
1981	1979@	9.96	7,816,991	844,517	771,654*!
1982	1980	9.77	8,257,426	875,082	1,357,699
1983	1981#	14.03	9,038,920	1,375,574	1,572,742
1984	1982	13.72	10,407,029	1,548,783	1,539,394
1985	1983#	13.53	10,435,738	1,531,548	1,427,390
1986	1984	12.13	10,841,626	1,426,477	676,940
1987	1985	11.04	11,265,219	1,349,020	1,032,222
1988	1986	10.65	11,737,859	1,355,964	528,985
1989	1987	10.53	12,948,660	1,478,982	541,013

@ 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.
*! On a cash basis.

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)
1979	$15,735	$16,437	96 %	$702	$7,817	9 %
1979@	15,735	15,906	99	171	7,817	2
1980	18,091	17,818	102	-	8,257	-
1981#	20,792	22,743	91	1,951	9,039	22
1982	25,307	26,470	96	1,163	10,407	11
1983#	29,718	28,916	103	-	10,436	-
1984	34,318	31,373	109	-	10,842	-
1985	39,895	36,003	111	-	11,265	-
1986	44,671	39,996	112	-	11,738	-
1987	50,417	45,015	112	-	12,949	-
1988	55,693	52,601	106	-	12,937	-
1989	61,144	56,572	108	-	13,742	-

@ After changes in actuarial assumptions.
# After changes in benefit provisions.

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

Year Ended December 31	Assets Beginning of Year	Revenues				Expenses				Assets Year-End
		Employee Contributions	Employer Contributions	Investment Income	Total	Retirement Benefits	Contribution Refunds	Administrative Expenses	Total	
1980	$ 15,735	611	876	1,366	2,853	333	162	2	497	18,091
1981+	18,091	647	935	1,676	3,258	356	197	4	557	20,792
1982+	21,671	728	1,171	2,306	4,205	446	120	3	569	25,307
1983	25,307	764	1,527	2,673	4,964	489	62	2	553	29,718
1984*	29,718	784	1,465	3,319	5,568	539	124	305	968	34,318
1985*	34,318	842	1,560	3,798	6,200	633	118	(128)	623	39,895
1986	39,895	905	699	4,027	5,631	709	135	11	855	44,671
1987	44,671	922	1,040	4,774	6,736	800	184	6	990	50,417
1988	50,417	962	534	4,927	6,423	888	253	6	1147	55,693
1989	55,693	1,002	555	5,377	6,934	984	459	40	1483	61,144

*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.

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the plan's funded status on a going concern basis. Analysis of the percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating

sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

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 one year. 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
1989	$12,711,374	12,176,826	1,140,526	9.37	$580,222	4.76%
1988	12,103,000	11,401,000	1,069,000	9.38%	544,000	4.77%

General Hospital

The Hospital has a noncontributory pension plan which covers substantially all full-time employees and all part-time employees who work at least 1,560 hours. 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 one year of service or age 40 with no service requirement. Pension benefits vest after 5 years of credited service. Those employees who work more than 36 hours per week earn a full year of service and those who work from 30 to 36 hours per week earn one half year of service for each year worked. Upon retirement at age 65, a plan participant will receive 110% of the average monthly earnings divided by 60% of monthly earnings in excess of a specified level calculated in accordance with the Tax Reform Act 1986. 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 on a percentage of the vested accrued benefit are based on a percentage of the vested accrued benefit at the applicable date. At July 1, 1990 (the date of the actuarial valuation) the Hospital's total payroll for covered employees was $13,615,000.

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 8.5%.
(2) Future pension payments reflect an assumption of a 6.5% (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, 1990 (the date of actuarial valuation) was as follows:

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 1,613,000
Current employees:	
Employer-financed vested retirement, disability and pre-retirement death benefits	4,117,000
Employer-financed nonvested	365,000
Total pension benefit obligation	6,095,000
Net assets available for benefits at market	6,496,000
Assets in excess of pension benefit obligation	$ 401,000

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, 1990, 1989 and 1988 were actuarially determined as described above and were based on an actuarial valuation as of July 1, 1989, 1988 and 1987 as follows:

	1990	1989	1988
Normal cost	$406,000	282,000	231,000
Amortization of unfunded pension benefit obligation (assets in excess of pension benefit obligation)	(64,000)	(40,000)	(51,000)
Total contribution	$342,000	242,000	180,000

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		
	1990	1989	1988
Net assets available for benefits as a percentage of the pension benefit obligation applicable to the Hospital's employees	106.6%	116.0%	123.7%
Assets in excess of pension benefit obligation as a percentage of the Hospital's annual covered payroll	2.9%	6.9%	10.0%
Hospital's contributions to the pension plan as a percentage of annual covered payroll	3.4%	3.0%	2.6%

Ten year historical trend information is disclosed in the Lincoln General Hospital separate report of supplementary information as of August 31, 1990, 1989 and 1988. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

Effective July 1, 1989, the Hospital made several changes to the pension plan provisions, the pension formula and actuarial assumptions. Accordingly, the computation of the pension contribution requirements for 1989 and 1988 were based on the plan provisions in effect before the change which included the following items:

* Only full-time employees were included in the plan.

* Pension benefits vested after 10 years of full-time employment.

* Upon retirement at age 65, a plan participant would 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.

* The discount rate used to compute the present value of future pension payments was 8%.

* The salary increase assumption was 6%.

As a result of the July 1, 1989 changes the annual contribution which was made in 1990 was increased $54,000.

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, 1989 the account balance was $1,227,782. Covered payroll for the year ended December 31, 1989 was approximately $731,350. During the year ended December 31, 1989, City contributions totalled $84,178 or 11.51% 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, 1989, City contributions totalled $2,329,842. Vesting occurs in increments between 5 and 10 years of enrollment in the plan. Covered payroll was approximately $21,721,750. The total plan account balance as of December 31, 1989 was $42,363,791.

(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, 1990 was approximately $8,554,000.

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, 1990 was approximately $220,000.

The Hospital has an agreement with two local banks which provides for the factoring of patient accounts receivable for those accounts requesting extended payment terms. The receivables are factored with full recourse as to subsequent collections. The uncollected balance of such receivables held by the banks amounted to approximately $694,000 at August 31, 1990

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, 1990, 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 $12,000,000 at August 31, 1990, which will be financed primarily through operations, available funds, a federal grant and a state-sponsored project loan.

Lincoln Wastewater System was awarded a grant in April 1990 by the U.S. Environmental Protection Agency. The grant will fund a portion of Lincoln Wastewater System's anaerobic waste digester facility construction project. The grant amount of $2,552,060 will be received in various stages as Lincoln Wastewater System meets specified requirements. No monies have been received under this grant as of August 31, 1990.

The Lincoln Water System has commitments under major construction contracts of approximately $9,300,000 at August 31, 1990, which will be financed through operations and available funds.

The City of Lincoln has authorized the issuance of $42,000,000 of water system revenue bonds. The proceeds of these bonds will be used to fund, in part, improvements to and expansion of Lincoln Water System's well field, water treatment facilities, transmission mains, pumping stations and reservoir. The projected costs of the improvements and expansion are approximately $94,200,000 over the next three years. Project costs in excess of the revenue bond proceeds are expected to be funded through operations and available 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. 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.

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 $320,000,000 in 1988 dollars. The 1988 estimated decommissioning costs have been escalated at a rate of six percent per year to the year 2008, 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 eight percent to the year of collection. Billing to the participants for required decommissioning funds began in 1984 with LES incurring associated costs of approximately $313,000 in 1989.

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 periods ranging from six to eight years. LES recognized as purchased power approximately $3,516,000 for its share of these costs. LES's remaining obligation for its share of costs for capital additions and improvements incurred through December 31, 1989 is approximately $9,500,000.

Internal financial statements of the nuclear facility reflect $334,565,000 in revenue bonds outstanding at December 31, 1989. 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 $4,531,000 in 1989.

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 $18,831,000, $19,145,000, $18,776,000, $19,127,000 and $18,684,000, respectively, in each of the five years subsequent to December 31, 1989.

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, $5,062,500 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 $12,000,000 in 1989. The expected fixed cost requirements aggregate $10,813,000, $10,216,000, $11,093,000, $11,235,000, and $11,423,000, respectively, in each of the five years subsequent to December 31, 1989.

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, 1989, 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 property, plant and equipment at December 31, 1989.

Some significant information from the project's December 31, 1989 audited financial statements follows:

Total Electric Plant	$1,247,805,929
Total Assets	1,387,329,354
Total Liabilities	17,496,570
Total Owner's Investment	1,369,832,784
LES Investment	176,413,480
Total Operating Costs, Net of Investment Income	119,811,732
LES Share of Operating Costs, Net of Investment Income	14,739,168

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, 1990 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 1989, LES billed the County $2,085,000 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 $1,398,000 at December 31, 1989 and are included in the balance sheet with deferred charges and other assets. The balance in the City plan at August 31, 1990 was $2,282,717.

(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, 1990, 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	$52,563,432	28,979,439	14,106,871
Add: Prior Year Accrual Adjustments[1]	5,746,419	4,228,658	2,471,651
Less: Current Year Accrual Adjustments[1]	(5,953,429)	(3,511,205)	(2,678,831)
Budget Basis	$52,356,422	29,696,892	13,899,691

		General Fund	Special Revenue Funds	Debt Service Funds
Expenditures and Other Uses:				
GAAP Basis		$54,670,108	27,110,669	15,767,904
Add:	Prior Year Accrual Adjustments[1]	1,835,278	2,404,310	50,432
	Current Year Encumbrances[2]	1,083,584	3,310,075	
Less:	Current Year Accrual Adjustments[1]	(3,491,298)	(1,999,913)	(94,648)
	Prior Year Encumbrances2	(753,082)	(3,421,937)	
Budget Basis		$53,344,590	27,403,204	15,723,688

[1]Timing Difference
[2]Basis Difference

(17) INTERFUND RECEIVABLES AND PAYABLES BALANCES

Interfund receivables and payables balances at August 31, 1990 were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$2,983,192	601,860
Special Revenue Funds:		
Advance Acquisition Fund	43,571	
Athletic Field & Facility Improvement Fund	10,348	
Aviation Promotion Fund	49	
Civil Defense Fund		5,778
Cable Access Television Fund	4,455	
Lincoln City Libraries Fund	432,133	1,761
Lincoln Area Agency on Aging Fund		3,792
Tax Sales Revolving	71,956	
Lincoln/Lancaster County Health Fund	26,158	32,755
Northeast Radial Fund	21,617	208
Social Security Fund	129,136	2,026
Street Construction Fund	4,015	428,095
Unemployment Compensation Fund	48,689	
Federal Grants		129,298
Special Assessments	18,777	374,432
Total Special Revenue Funds	810,904	978,145
Debt Service Funds:		
Tax Allocation Projects Debt Service	37,712	
Bond Interest & Redemption Fund	644,343	
Special Assessments	51,537	
Total Debt Service Funds	733,592	

(continued)

Interfund Receivables and Payables Balances (Continued)

Fund	Interfund Receivables	Interfund Payables
Capital Projects Funds:		
Storm Sewer Construction Fund	357	1,099
Street Construction Fund	286,403	
Vehicle Tax Fund	3,498	3,778
Northeast Radial Tax Increment Bond Issue	11,810	
Sanitary Landfill Purchase & Const. Fund	28,311	207
Downtown Redevelopment Fund	13,530	43,527
1989 G.O. Various Purpose Bonds	56,650	
Other Capital Projects Fund	164,010	135,601
Special Assessments	372,499	
Total Capital Projects Funds	937,068	184,212
Enterprise Funds:		
Parking Lot Revolving Fund	5,581	
Golf Fund	30,961	14,216
Parking Facilities Fund	1,356	
Sanitary Landfill Fund	23,442	88,126
Total Enterprise Funds	61,340	102,342
Internal Service Funds:		
Data Processing Fund	203,378	2,313
Engineering Revolving Fund	373,702	501,829
Insurance Revolving Fund	84,153	105
Public Works Equipment Management Fund	409,374	154
Police Garage Fund	224,485	681
Print Services Revolving	11,749	341
Stores Revolving Fund	9,350	116,234
Total Internal Service Funds	1,316,191	621,657
Fiduciary Funds:		
Pension Trust Funds:		
Fire Pension Fund	4,342	
Police and Fire Pension Funds	82,599	
Total Pension Trust Funds	86,941	
Expendable Trust Funds:		
Parks & Recreation Special Projects Fund	17,998	
Commission on Aging Gift Trust Fund	6,279	183
Library Special Trust Funds	36,746	
Total Expendable Trust Funds	61,023	183

(continued)

Interfund Receivables and Payables Balances (Continued)

Fund	Interfund Receivables	Interfund Payables
Agency Funds:		
Collections Due to Other Governments Fund	14,605	
Payroll Revolving Fund	2,026	
Earnings on Pooled Investments Fund		1,521,719
Utilities and Telephone Suspense Fund	3,236	
Undistributed Property Tax Fund		3,000,000
Total Agency Funds	19,867	4,521,719
Total Fiduciary Funds	167,831	4,521,902
TOTAL ALL FUNDS	$7,010,118	7,010,118

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

The Cable Access Television Fund had expenditures of $26,105 for which there were no appropriations. The Tax Sales Revolving Fund had expenditures of $431,453 for which there were no appropriations. The Advance Acquisition Fund had expenditures of $1,917 for which there were no appropriations. 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 1989 totals columns to conform to the 1990 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 1990 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, 1990.

- Forecast ultimate incurred losses and incurred but not reported (IBNR) losses for fiscal years ended August 31, 1991 through August 31, 1992.

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

Beginning with Fiscal Year 1989-1990, 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 $2,208,000 were recorded at August 31, 1990. 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.

(21) ANNEXATION OF HIGHLANDS

On December 14, 1989, the City annexed Sanitary and Improvement District #7 "Highlands" (SID #7). Approval of the annexation was recommended by the City's Planning Commission, stating that "SID #7, is in the future urban area as recommended by the Comprehensive Plan." The City on October 30, 1989 approved the annexation on Ordinance #15328, with annexation effective December 14, 1989.

SID #7 filed Chapter 9 Bankruptcy prior to the annexation. At the time of the filing of the Bankruptcy, SID #7 had essentially two types of creditors: (1) Bond holders and (2) Warrant Holders. On June 9, 1989, a Plan of Adjustment affecting these creditors was confirmed by the Bankruptcy Court. As part of the Plan of Confirmation, the Bankruptcy Court confirmed that warrants in the amount of $11,718,626 and bonds in the amount of $5,192,603 were allowed and, accordingly, were debts of SID #7. Subsequently, an additional $22,436 of bonds were allowed. On December 14, 1989, $4,008,900 of these bonds were assumed by the City.

New bonds were authorized on July 15, 1989 and subsequently issued on September 15, 1989. The amount issued was the amount allowed by the Bankruptcy Court. SID #7 transferred funds to FirsTier (the fiscal agent), in September, to be used to reduce the principal amount due on the bonds.

The Plan of Reorganization provided that the warrants could be redeemed at 10.731% of par if redeemed within two years, and at 12% if paid after that date. The City transferred funds in the amount of $1,262,059 to redeem these warrants.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

(THIS PAGE LEFT BLANK INTENTIONALLY)

GENERAL FUND

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

CITY OF LINCOLN, NE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$ 15,355,103	16,694,992	1,339,889
Taxes Collected By Others	24,175,000	23,961,247	(213,753)
Sundry Taxes And In Lieu	867,800	986,399	118,599
Occupation Taxes	2,892,000	2,846,042	(45,958)
Intergovernmental	2,643,000	3,258,340	615,340
Permits And Fees	1,020,000	1,210,939	190,939
Reimbursement For Services	1,092,401	962,231	(130,170)
Court Fees	117,000	112,385	(4,615)
Recreation Receipts	648,600	653,332	4,732
Interest	736,000	682,230	(53,770)
Parking Meter	335,000	353,035	18,035
Miscellaneous	303,700	587,147	283,447
Total Revenues	50,185,604	52,308,319	2,122,715
Expenditures:			
General Government	12,680,038	12,040,138	639,900
Public Safety	24,132,365	24,093,838	38,527
Streets And Highways	3,995,739	3,807,873	187,866
Culture -- Recreation	5,779,154	5,764,447	14,707
Total Expenditures	46,587,296	45,706,296	881,000
Excess Of Revenues Over Expenditures	3,598,308	6,602,023	3,003,715
Other Financing Sources (Uses):			
Operating Transfers In		69	69
Operating Transfers Out	(9,418,852)	(7,638,294)	1,780,558
Total Other Financing Sources (Uses)	(9,418,852)	(7,638,225)	1,780,627
Excess Of Expenditures And Other Financing Uses Over Revenues And Other Financing Sources	(5,820,544)	(1,036,202)	4,784,342
Fund Balance Beginning Of Year	5,574,453	5,574,453	
Residual Equity Transfers In		48,034	48,034
Fund Balance End Of Year	$ (246,091)	4,586,285	4,832,376

CITY OF LINCOLN, NE
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FISCAL YEAR ENDED AUGUST 31, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT:			
Legislative:			
Personal Services	$ 100,124	88,148	11,976
Supplies	1,450	673	777
Other Services And Charges	70,935	39,274	31,661
Capital Outlay	34,106	33,547	559
Total Legislative	206,615	161,642	44,973
Executive:			
Personal Services	550,821	557,371	(6,550)
Supplies	18,678	15,522	3,156
Other Services And Charges	220,366	204,049	16,317
Capital Outlay	13,753	9,020	4,733
Total Executive	803,618	785,962	17,656
Financial Administration:			
Personal Services	917,771	873,154	44,617
Supplies	32,750	29,950	2,800
Other Services And Charges	342,642	309,331	33,311
Capital Outlay	5,628	20,354	(14,726)
Total Financial Administration	1,298,791	1,232,789	66,002
Law:			
Personal Services	798,301	795,194	3,107
Supplies	27,700	23,366	4,334
Other Services And Charges	71,586	73,344	(1,758)
Capital Outlay	7,645	7,628	17
Total Law	905,232	899,532	5,700
Personnel Administration:			
Personal Services	387,553	375,561	11,992
Supplies	13,040	13,165	(125)
Other Services And Charges	82,818	75,065	7,753
Capital Outlay		2,713	(2,713)
Total Personnel Administration	483,411	466,504	16,907

(Continued)

Planning And Zoning:			
Personal Services	677,299	656,724	20,575
Supplies	14,810	17,161	(2,351)
Other Services And Charges	298,128	310,531	(12,403)
Total Planning And Zoning	990,237	984,416	5,821
Buildings And Plant:			
Personal Services	302,328	301,463	865
Supplies	62,849	57,859	4,990
Other Services And Charges	567,741	574,285	(6,544)
Capital Outlay		8,670	(8,670)
Total Buildings And Plant	932,918	942,277	(9,359)
Urban Development:			
Personal Services	414,545	420,269	(5,724)
Supplies	9,600	6,250	3,350
Other Services And Charges	169,893	152,668	17,225
Capital Outlay		541	(541)
Total Urban Development	594,038	579,728	14,310
Miscellaneous:			
Personal Services	3,155,699	3,018,857	136,842
Other Services And Charges	3,244,251	2,916,446	327,805
Capital Outlay	65,228	51,985	13,243
Total Miscellaneous	6,465,178	5,987,288	477,890
Total General Government	12,680,038	12,040,138	639,900
PUBLIC SAFETY:			
Police:			
Personal Services	9,428,742	9,386,781	41,961
Supplies	171,196	203,932	(32,736)
Other Services And Charges	1,641,439	1,652,455	(11,016)
Capital Outlay	33,777	34,723	(946)
Total Police	11,275,154	11,277,891	(2,737)
Fire:			
Personal Services	7,830,470	7,942,802	(112,332)
Supplies	304,848	201,716	103,132
Other Services And Charges	406,879	422,679	(15,800)
Capital Outlay	232,710	201,290	31,420
Total Fire	8,774,907	8,768,487	6,420
Building & Safety			
Personal Services	1,414,550	1,394,242	20,308
Supplies	47,916	40,348	7,568
Other Services And Charges	243,889	262,486	(18,597)
Capital Outlay	14,410	17,577	(3,167)
Total Building & Safety	1,720,765	1,714,653	6,112

(Continued)

Communications:			
Personal Services	765,401	764,844	557
Supplies	17,901	16,286	1,615
Other Services And Charges	146,569	145,966	603
Capital Outlay	82,500	73,573	8,927
Total Communications	1,012,371	1,000,669	11,702
Transportation:			
Personal Services	849,497	828,655	20,842
Supplies	189,625	199,734	(10,109)
Other Services And Charges	307,616	301,413	6,203
Capital Outlay	2,430	2,336	94
Total Transportation	1,349,168	1,332,138	17,030
Total Public Safety	24,132,365	24,093,838	38,527
STREETS AND HIGHWAYS:			
Street Maintenance:			
Personal Services	1,171,831	1,160,191	11,640
Supplies	149,746	179,324	(29,578)
Other Services And Charges	1,030,123	825,003	205,120
Capital Outlay	6,177	3,496	2,681
Total Street Maintenance	2,357,877	2,168,014	189,863
Street Lighting:			
Other Services And Charges	1,637,862	1,639,859	(1,997)
Total Streets And Highways	3,995,739	3,807,873	187,866
CULTURE & RECREATION :			
Parks And Recreation:			
Personal Services	3,805,665	3,713,172	92,493
Supplies	392,666	394,804	(2,138)
Other Services And Charges	1,535,164	1,595,782	(60,618)
Capital Outlay	45,659	60,689	(15,030)
Total Culture -- Recreation	5,779,154	5,764,447	14,707
TOTAL EXPENDITURES	$ 46,587,296	45,706,296	881,000

(THIS PAGE LEFT BLANK INTENTIONALLY)

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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.

FEDERAL GRANTS - Includes four federal fund as follows:

> 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.

These funds were shown separately in prior years.

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, 1990
With Comparative Totals For August 31, 1989

	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	Federal Grants	Special Assessments	Totals 1990	Totals 1989
ASSETS																	
Cash Held By City Treasurer	$ 543,345	102,948	533		44,207	1,041,793	161,863	740,770	233,950	4,602	210,414	144,613	522,602	31,937	308,343	4,091,920	3,987,136
Cash On Hand And In Other Accounts						6,532								43,046		49,578	84,923
Investments (At Cost)					396,229							7,135,638			441,935	7,973,802	6,208,072
Receivables:																	
Taxes			6,259			419,578					118,391		399			544,627	819,489
Accounts	10,105	90					4,641	29,028	10,647	199		551,467		15,624	21,635	643,436	430,993
Accrued Interest	2,344	398	2		14,585	4,044		2,993	1,461		1,169	166,340	2,339		8,132	203,807	180,969
Due From Other Funds	43,571	10,348	49		4,455	432,133		71,956	26,158	21,617	129,136	4,015	48,689		18,777	810,904	708,674
Due From Other Governments				41,761		97,558			197,283		8,506	867,559		368,467		1,581,134	2,305,238
Inventories												17,305				17,305	9,114
Installment Purchase Agreement With Lancaster County	21,839															21,839	57,268
Total Assets	$ 621,204	113,784	6,843	41,761	459,476	2,001,638	166,504	844,747	469,499	26,418	467,616	8,886,937	574,029	459,074	798,822	15,938,352	14,791,876
LIABILITIES AND FUND BALANCE																	
Liabilities:																	
Vouchers Payable		140				78,570	196		1,155			631		659		81,351	103,118
Accounts Payable				711		8,770	37,520	870	42,149	1,084		30,496		121,017	20	242,637	172,292
Accrued Liabilities				4,289		75,064	51,440		124,457	3,106	1,284	66,618		79,478	2,495	408,231	30,355
Due To Other Funds				5,778		1,761	3,792		32,755	208	2,026	428,095		129,298	374,432	978,145	2,222,293
Deferred Revenues						194,549					57,330					251,879	273,974
Unearned Rental Proceeds														43,046		43,046	
Accrued Compensated Absences				2,476		99,295	56,035		144,135	395	4,836	74,546		85,576	2,106	469,400	394,951
Total Liabilities		140		13,254		458,009	148,983	870	344,651	4,793	65,476	600,386		459,07[illegible]	379,053	2,474,689	3,196,983
Fund Balances:																	
Reserved For:																	
Encumbrances				3,677		96,091	24,622		52,849	85		2,435,932		415,300	281,519	3,310,075	3,421,937
Inventories												17,305				17,305	9,114
Unreserved:																	
Designated For Subsequent Year's Expenditures				2,068		238,851	24,900		85,467	522	101,381	2,476,203	95,000			3,024,392	1,020,964
Undesignated	621,204	113,644	6,843	22,762	459,476	1,208,687	(32,001)	843,877	(13,468)	21,018	300,759	3,357,111	479,029	(415,300)	138,250	7,111,891	7,142,878
Total Fund Balances	621,204	113,644	6,843	28,507	459,476	1,543,629	17,521	843,877	124,848	21,625	402,140	8,286,551	574,029		419,769	13,463,663	11,594,893
Total Liabilities & Fund Balances	$ 621,204	113,784	6,843	41,761	459,476	2,001,638	166,504	844,747	469,499	26,418	467,616	8,886,937	574,029	459,074	798,822	15,938,352	14,791,876

CITY OF LINCOLN, NE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1990
With Comparative Totals For August 31, 1989

	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	Federal Grants	Special Assessments	Totals 1990	Totals 1989
Revenues:																	
Real Estate And Personal Property Tax	$					2,700,017				82,623	734,899					3,517,539	3,706,680
Motor Vehicle Tax						328,502					89,283					417,785	396,951
Intergovernmental				99,944		327,447	782,110		1,171,462			7,692,270		3,644,729		13,717,962	17,191,479
Permits And Fees									630,127			145,068				775,195	603,835
Interest	46,455	10,207	48		38,301	61,133		71,104	22,693	14,323	26,264	556,348	48,054		135,460	1,030,390	1,085,570
Client Contributions							194,213							173,047		367,260	324,222
Rental Income										25,639						25,639	32,741
Program Income														440,795		440,795	311,365
Miscellaneous	92,302	87,764		1,801		93,750	41,001	437,145	132,269	2,584		841,582		1,320	38,198	1,769,716	2,126,874
Developers Share Of Districts															3,546	3,546	4,265
Total Revenues	138,757	97,971	48	101,745	38,301	3,510,849	1,017,324	508,249	1,956,551	125,169	850,446	9,235,268	48,054	4,259,891	177,204	22,065,827	25,784,582
Expenditures:																	
Current:																	
General Government	1,917				26,105			432,181		154,656	984,706		14,604	82,400	290,366	1,986,935	1,370,840
Public Safety				132,925										210,901		343,826	410,992
Streets And Highways												2,263,518		158,282		2,421,800	2,156,219
Culture--Recreation						3,112,737								21,160		3,133,897	2,962,862
Economic Opportunity							2,248,575							3,694,116		5,942,691	8,293,286
Health And Welfare									4,231,594					484,526		4,716,120	3,972,901
Total Expenditures	1,917			132,925	26,105	3,112,737	2,248,575	432,181	4,231,594	154,656	984,706	2,263,518	14,604	4,651,385	290,366	18,545,269	19,169,100
Excess (Deficiency) Of Revenues Over Expenditures	136,840	97,971	48	(31,180)	12,196	398,112	(1,231,251)	76,068	(2,275,043)	(29,487)	(134,260)	6,971,750	33,450	(391,494)	(113,162)	3,520,558	6,615,482
Other Financing Sources (Uses):																	
Operating Transfers In	11,948			43,253			1,159,144		2,178,771	116,234		16,612		454,945	357,705	4,338,612	3,652,211
Operating Transfers Out		(147,665)				(113,480)			(25,207)	(690,944)		(4,842,685)		(63,712)	(2,558,673)	(8,442,366)	(12,785,274)
Total Other Financing Sources (Uses)	11,948	(147,665)		43,253		(113,480)	1,159,144		2,153,564	(574,710)		(4,826,073)		391,233	(2,200,968)	(4,103,754)	(9,133,063)
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	148,788	(49,694)	48	12,073	12,196	284,632	(72,107)	76,068	(121,479)	(604,197)	(134,260)	2,145,677	33,450	(261)	(2,314,130)	(583,196)	(2,517,581)
Fund Balance Beginning 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	6,065,874	540,579	48,295	233,899	11,594,893	14,260,377
Residual Equity Transfers In												75,000			2,500,000	2,575,000	720,243
Residual Equity Transfers Out										(75,000)				(48,034)		(123,034)	(868,146)
Fund Balances End Of Year	$ 621,204	113,644	6,843	28,507	459,476	1,543,629	17,521	843,877	124,848	21,625	402,140	8,286,551	574,029		419,769	13,463,663	11,594,893

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	71,847	71,847
Miscellaneous		95,787	95,787
Total Revenues		167,634	167,634
Expenditures -- General Government:			
Other Services And Charges		1,917	(1,917)
Excess Of Revenues Over Expenditures		165,717	165,717
Other Financing Sources (Uses):			
Operating Transfers In		11,948	11,948
Operating Transfers Out	(102,410)		102,410
Total Other Financing Sources (Uses)	(102,410)	11,948	114,358
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(102,410)	177,665	280,075
Fund Balance Beginning Of Year	277,312	277,312	
Fund Balance End Of Year	$ 174,902	454,977	280,075

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	10,712	10,712
Miscellaneous	67,700	93,846	26,146
Total Revenues	67,700	104,558	36,858
Other Financing Uses:			
Operating Transfers Out	(149,263)	(147,665)	1,598
Excess Of Other Financing Uses Over Revenues	(81,563)	(43,107)	38,456
Fund Balance Beginning Of Year	150,386	150,386	
Fund Balance End Of Year	$ 68,823	107,279	38,456

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate and Personal Property Tax	$	2	2
Interest	1,600	44	(1,556)
Total Revenues	1,600	46	(1,554)
Expenditures -- General Government:			
Other Services And Charges	1,600		1,600
Excess Of Revenues Over Expenditures		46	46
Fund Balance Beginning Of Year	16,208	16,208	
Fund Balance End Of Year	$ 16,208	16,254	46

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 103,252	90,451	(12,801)
Miscellaneous		1,801	1,801
Total Revenues	103,252	92,252	(11,000)
Expenditures -- Public Safety:			
Personal Services	114,392	101,563	12,829
Materials And Supplies	3,500	2,078	1,422
Other Services And Charges	24,661	24,785	(124)
Capital Outlay	500	3,797	(3,297)
Total Expenditures	143,053	132,223	10,830
Excess Of Expenditures Over Revenues	(39,801)	(39,971)	(170)
Other Financing Sources (Uses):			
Operating Transfers In	43,253	43,253	
Operating Transfers Out	(3,452)		3,452
Total Other Financing Sources (Uses)	39,801	43,253	3,452
Excess Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses		3,282	3,282
Fund Balance Beginning Of Year	(4,798)	(4,798)	
Fund Balance End Of Year	$ (4,798)	(1,516)	3,282

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	40,005	40,005
Expenditures -- General Government:			
Other Services And Charges		26,105	(26,105)
Excess Of Revenues Over Expenditures		13,900	13,900
Fund Balance Beginning Of Year	426,535	426,535	
Fund Balance End Of Year	$ 426,535	440,435	13,900

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Real Estate And Personal Property	$ 2,535,132	2,721,022	185,890
Motor Vehicle	241,218	327,513	86,295
Intergovernmental	337,687	327,447	(10,240)
Interest	40,000	38,269	(1,731)
Miscellaneous	65,500	93,366	27,866
Total Revenues	3,219,537	3,507,617	288,080
Expenditures -- Culture And Recreation:			
Personal Services	2,145,732	1,999,624	146,108
Materials And Supplies	81,192	96,264	(15,072)
Other Services And Charges	418,486	522,816	(104,330)
Capital Outlay	444,654	440,524	4,130
Total Expenditures	3,090,064	3,059,228	30,836
Excess Of Revenues Over Expenditures	129,473	448,389	318,916
Other Financing Uses:			
Operating Transfers Out	(149,514)	(113,480)	36,034
Excess (Deficiency) Of Revenues Over Expenditures And Other Financing Uses	(20,041)	334,909	354,950
Fund Balance Beginning Of Year	808,847	808,847	
Fund Balance End Of Year	$ 788,806	1,143,756	354,950

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 805,485	783,645	(21,840)
Client Contributions	279,628	194,213	(85,415)
Miscellaneous		41,446	41,446
Total Revenues	1,085,113	1,019,304	(65,809)
Expenditures -- Economic Opportunity:			
Personal Services	1,252,910	1,220,952	31,958
Materials And Supplies	352,811	358,889	(6,078)
Other Services And Charges	594,443	580,799	13,644
Capital Outlay	48,729	58,026	(9,297)
Total Expenditures	2,248,893	2,218,666	30,227
Excess Of Expenditures Over Revenues	(1,163,780)	(1,199,362)	(35,582)
Other Financing Sources:			
Operating Transfers In	1,159,144	1,159,144	
Excess Of Expenditures Over Revenues And Other Financing Sources	(4,636)	(40,218)	(35,582)
Fund Balance Beginning Of Year	164,411	164,411	
Fund Balance End Of Year	$ 159,775	124,193	(35,582)

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	50,221	50,221
Miscellaneous		424,150	424,150
Total Revenues		474,371	474,371
Expenditures:			
Material and Supplies		357	(357)
Other Services And Charges		83,546	(83,546)
Capital Outlay		347,550	(347,550)
Total Expenditures		431,453	(431,453)
Excess Of Revenues Over Expenditures		42,918	42,918
Fund Balance Beginning Of Year	697,852	697,852	
Fund Balance End Of Year	$ 697,852	740,770	42,918

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 1,195,908	1,160,118	(35,790)
Permits And Fees	699,115	626,248	(72,867)
Interest		25,829	25,829
Miscellaneous		128,798	128,798
Total Revenues	1,895,023	1,940,993	45,970
Expenditures -- Health And Welfare:			
Personal Services	3,092,016	2,947,058	144,958
Materials And Supplies	154,710	163,319	(8,609)
Other Services And Charges	762,744	875,469	(112,725)
Capital Outlay	64,988	79,108	(14,120)
Total Expenditures	4,074,458	4,064,954	9,504
Excess Of Expenditures Over Revenues	(2,179,435)	(2,123,961)	55,474
Other Financing Sources (Uses):			
Operating Transfers In	2,167,787	2,178,771	10,984
Operating Transfers Out		(3,114)	(3,114)
Total Other Financing Sources (Uses)	2,167,787	2,175,657	7,870
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(11,648)	51,696	63,344
Fund Balance Beginning Of Year	120,364	120,364	
Fund Balance End Of Year	$ 108,716	172,060	63,344

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	$ 189,292	189,292	
Rentals	25,639	25,639	
Interest	66,769	66,769	
Miscellaneous	2,584	2,584	
Total Revenues	284,284	284,284	
Expenditures -- General Government:			
Personal Services	98,606	98,606	
Materials And Supplies	3,723	3,723	
Other Services And Charges	43,729	43,729	
Capital Outlay	5,756	5,756	
Total Expenditures	151,814	151,814	
Excess Of Revenues Over Expenditures	132,470	132,470	
Other Financing Sources (Uses):			
Operating Transfers In	116,234	116,234	
Operating Transfers Out	(690,944)	(690,944)	
Total Other Financing Sources (Uses)	(574,710)	(574,710)	
Excess Of Expenditures And Other Financing Uses Over Revenues And Other Financing Sources	(442,240)	(442,240)	
Fund Balance Beginning Of Year	475,641	475,641	
Residual Equity Transfer Out	(75,000)	(75,000)	
Fund Balance End Of Year	$ (41,599)	(41,599)	

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Real Estate And Personal Property	$ 693,693	734,457	40,764
Motor Vehicle	66,005	88,703	22,698
Interest	45,000	44,479	(521)
Total Revenues	804,698	867,639	62,941
Expenditures -- General Government:			
Personal Services	30,159	22,517	7,642
Employer's Share Social Security	975,357	960,267	15,090
Other Services and Charges		76	(76)
Total Expenditures	1,005,516	982,860	22,656
Excess Of Expenditures Over Revenues	(200,818)	(115,221)	85,597
Fund Balance Beginning Of Year	396,946	396,946	
Fund Balance End Of Year	$ 196,128	281,725	85,597

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 6,300,000	8,366,006	2,066,006
Permits And Fees		135,943	135,943
Interest	400,000	520,614	120,614
Miscellaneous	612,000	566,404	(45,596)
Total Revenues	7,312,000	9,588,967	2,276,967
Expenditures -- Streets And Highways:			
Personal Services	1,477,870	1,566,339	(88,469)
Materials And Supplies	242,730	200,954	41,776
Other Services And Charges	432,959	365,229	67,730
Capital Outlay	6,996	3,598	3,398
Total Expenditures	2,160,555	2,136,120	24,435
Excess Of Revenues Over Expenditures	5,151,445	7,452,847	2,301,402
Other Financing Sources (Uses):			
Operating Transfers In	16,612	16,612	
Operating Transfers Out	(5,666,594)	(5,666,594)	
Total Other Financing Sources (Uses)	(5,649,982)	(5,649,982)	
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(498,537)	1,802,865	2,301,402
Fund Balance Beginning Of Year	6,080,889	6,080,889	
Residual Equity Transfer In	75,000	75,000	
Fund Balance End Of Year	$ 5,657,352	7,958,754	2,301,402

(THIS PAGE LEFT BLANK INTENTIONALLY)

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	$	46,816	46,816
Expenditures -- General Government:			
Unemployment Compensation Payments	95,000	14,604	80,396
Excess (Deficiency) Of Revenues Over Expenditures	(95,000)	32,212	127,212
Fund Balance Beginning Of Year	492,698	492,698	
Fund Balance End Of Year	$ 397,698	524,910	127,212

CITY OF LINCOLN, NE
FEDERAL GRANTS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	$ 5,298,479	3,797,653	(1,500,826)
Program Income	461,949	585,744	123,795
Interest		4,092	4,092
Miscellaneous	47,097	70,504	23,407
Total Revenues	5,807,525	4,457,993	(1,349,532)
Expenditures:			
General Government:			
Materials And Supplies	11,925	11,925	
Other Services And Charges	71,410	71,410	
Total General Government	83,335	83,335	
Public Safety:			
Personal Services	151,183	151,183	
Materials And Supplies	5,751	5,751	
Other Services And Charges	45,497	45,497	
Total Public Safety	202,431	202,431	
Streets And Highways:			
Personal Services	74,723	74,723	
Materials And Supplies	1,172	1,172	
Other Services And Charges	64,922	64,922	
Total Streets And Highways	140,817	140,817	
Culture And Recreation:			
Personal Services	16,321	16,321	
Materials And Supplies	450	450	
Other Services And Charges	322	322	
Capital Outlay	2,185	2,185	
Total Culture And Recreation	19,278	19,278	

(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Economic Opportunity:			
Personal Services	1,470,014	1,448,537	21,477
Materials And Supplies	126,456	124,698	1,758
Other Services And Charges	1,587,738	956,676	631,062
Loans and Grants	1,390,096	1,362,177	27,919
Capital Outlay	26,958	27,141	(183)
Total Economic Opportunity	4,601,262	3,919,229	682,033
Health And Welfare:			
Personal Services	280,010	280,010	
Materials And Supplies	17,692	17,692	
Other Services And Charges	114,434	114,434	
Capital Outlay	56,950	56,950	
Total Health And Welfare	469,086	469,086	
Total Expenditures	5,516,209	4,834,176	682,033
Excess (Deficiency) Of Revenues Over Expenditures	291,316	(376,183)	(667,499)
Other Financing Sources (Uses):			
Operating Transfers In	102,999	454,945	351,946
Operating Transfers Out	(223,756)	(63,712)	160,044
Total Other Financing Sources (Uses)	(120,757)	391,233	511,990
Excess Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	170,559	15,050	(155,509)
Fund Balance Beginning Of Year	(1,370,466)	(1,370,466)	
Residual Equity Transfer Out		(48,034)	(48,034)
Fund Balance End Of Year	$ (1,199,907)	(1,403,450)	203,543

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, 1990

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest On Investments	$ 125,580	125,580	
Miscellaneous	61,675	61,675	
Developers Share Of Districts	3,546	3,546	
Total Revenues	190,801	190,801	
Expenditures -- General Government:			
Administrative Costs	245,847	245,847	
Excess Of Expenditures Over Revenues	(55,046)	(55,046)	
Other Financing Sources (Uses):			
Operating Transfers In	357,705	357,705	
Operating Transfers Out	(2,294,694)	(2,294,694)	
Total Other Financing Sources (Uses)	(1,936,989)	(1,936,989)	
Excess Of Expenditures And Other Financing Uses Over Revenues And Other Financing Sources	(1,992,035)	(1,992,035)	
Fund Balance Beginning Of Year	105,209	105,209	
Residual Equity Transfer In	2,500,000	2,500,000	
Fund Balance End Of Year	$ 613,174	613,174	

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 and Debt Lease 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
1989	Library - Capital Lease
1990	Sanitary Improvement District #7
1990	Northeast Radial Reuse Area Project
1990	Special Assessment Revolving

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, 1990
With Comparative Totals For August 31, 1989

	Tax Allocation Projects Debt Service	Bond Interest And Redemption	Special Assessments	Total 1990	Total 1989
ASSETS					
Cash Held By City Treasurer	$ 871,169	2,645,639	602,430	4,119,238	3,205,460
Investments (At Amortized Cost)	577,470		7,330,706	7,908,176	10,643,503
Receivables:					
Taxes	146,273	792,541		938,814	634,659
Accrued Interest	36,547	11,325	203,390	251,262	294,531
Due From Other Funds	37,712	644,343	51,537	733,592	532,957
Due From Other Governments		33,767		33,767	29,752
Special Assessments Receivable			6,432,317	6,432,317	7,291,270
Total Assets	$ 1,669,171	4,127,615	14,620,380	20,417,166	22,632,132
LIABILITIES AND FUND BALANCES					
Liabilities:					
Bond Principal Payable	5,000	30,000		35,000	15,000
Bond Interest Payable	1,425	34,593	18,456	54,474	35,432
Accounts Payable	2,613	2,561		5,174	
Deferred Revenues		214,107	5,499,262	5,713,369	6,311,518
Total Liabilities	9,038	281,261	5,517,718	5,808,017	6,361,950
Fund Balances:					
Reserved For Debt Service	1,660,133	3,846,354	6,815,738	12,322,225	11,815,674
Undesignated			2,286,924	2,286,924	4,454,508
Total Fund Balance	1,660,133	3,846,354	9,102,662	14,609,149	16,270,182
Total Liabilities And Fund Balances	$ 1,669,171	4,127,615	14,620,380	20,417,166	22,632,132

CITY OF LINCOLN, NE
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 1990
With Comparative Totals For The Year Ended August 31, 1989

	Tax Allocation Projects Debt Service	Bond Interest And Redemption	Special Assessments	Total 1990	Total 1989
Revenues:					
Real Estate And Personal Property Tax	$ 1,125,664	3,682,135		4,807,799	3,588,342
Taxes Collected By Others		1,127		1,127	21,755
Intergovernmental		383,081		383,081	
Interest	97,435	239,146	704,596	1,041,177	1,058,334
Special Assessments			1,755,500	1,755,500	1,748,459
Special Assessment Interest			849,123	849,123	1,202,442
Miscellaneous			387,660	387,660	
Total Revenues	1,223,099	4,305,489	3,696,879	9,225,467	7,619,332
Expenditures:					
Principal Retirement	331,689	1,676,948	1,785,000	3,793,637	3,670,000
Interest	404,090	1,937,066	933,234	3,274,390	2,942,326
Capital Lease Principal		98,100		98,100	
Capital Lease Interest		15,380		15,380	
Payment To Escrow Agent For Refunded Bonds			72,015	72,015	158,133
Miscellaneous	121			121	4,959
Fiscal Charges	3,793	14,860	47,589	66,242	31,087
Total Expenditures	739,693	3,742,354	2,837,838	7,319,885	6,806,505
Excess (Deficiency) Of Revenues Over Expenditures	483,406	563,135	859,041	1,905,582	812,827
Other Financing Sources (Uses):					
Operating Transfers In	81,964	113,480		195,444	
Proceeds Of Refunding Bonds			3,805,960	3,805,960	620,000
Tax Allocation Bond Proceeds	880,000			880,000	
Payment To Escrow Agent For Refunded Bonds			(3,805,960)	(3,805,960)	(620,000)
Payment To Annexation Trustee			(1,262,059)	(1,262,059)	
Total Other Financing Sources (Uses)	961,964	113,480	(1,262,059)	(186,615)	
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	1,445,370	676,615	(403,018)	1,718,967	812,827
Fund Balance Beginning Of Year	1,094,763	3,169,739	12,005,680	16,270,182	14,976,828
Residual Equity Transfers In					480,527
Residual Equity Transfers Out	(880,000)		(2,500,000)	(3,380,000)	
Fund Balance End Of Year	$ 1,660,133	3,846,354	9,102,662	14,609,149	16,270,182

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, 1990

	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	$ 682,738	1,041,974	359,236	3,015,770	3,311,611	295,841				3,698,508	4,353,585	655,077
Taxes Collected By Others					1,127	1,127					1,127	1,127
Intergovernmental					383,081	383,081					383,081	383,081
Interest		70,733	70,733	90,000	200,407	110,407	752,684	752,684		842,684	1,023,824	181,140
Miscellaneous							387,660	387,660		387,660	387,660	
Special Assessments							2,019,887	2,019,887		2,019,887	2,019,887	
Special Assessment Interest							849,123	849,123		849,123	849,123	
Total Revenues	682,738	1,112,707	429,969	3,105,770	3,896,226	790,456	4,009,354	4,009,354		7,797,862	9,018,287	1,220,425
Expenditures:												
Principal Retirement	305,000	331,689	(26,689)	1,954,525	1,641,948	312,577	1,785,000	1,785,000		4,044,525	3,758,637	285,888
Interest	377,738	404,090	(26,352)	2,148,123	1,946,697	201,426	919,561	919,561		3,445,422	3,270,348	175,074
Payment To Escrow Agent For Refunded Bonds							72,015	72,015		72,015	72,015	
Capital Lease Principal				98,100	98,100					98,100	98,100	
Capital Lease Interest				15,380	15,380					15,380	15,380	
Fiscal Charges		1,180	(1,180)		12,299	(12,299)	47,589	47,589		47,589	61,068	(13,479)
Miscellaneous		121	(121)								121	(121)
Total Expenditures	682,738	737,080	(54,342)	4,216,128	3,714,424	501,704	2,824,165	2,824,165		7,723,031	7,275,669	447,362
Excess (Deficiency) Of Revenues Over Expenditures		375,627	375,627	(1,110,358)	181,802	1,292,160	1,185,189	1,185,189		74,831	1,742,618	1,667,787
Other Financing Sources (Uses):												
Operating Transfer In	81,964	81,964		113,480	113,480					195,444	195,444	
Refunding Bond Proceeds							3,805,960	3,805,960		3,805,960	3,805,960	
Tax Allocation Bond Proceeds	880,000	880,000								880,000	880,000	
Payment To Escrow Agent For Refunded Bonds							(3,805,960)	(3,805,960)		(3,805,960)	(3,805,960)	
Payment to Annexation Trustee							(1,262,059)	(1,262,059)		(1,262,059)	(1,262,059)	
Total Other Financing Sources (Uses)	961,964	961,964		113,480	113,480		(1,262,059)	(1,262,059)		(186,615)	(186,615)	
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	961,964	1,337,591	375,627	(996,878)	295,282	1,292,160	(76,870)	(76,870)		(111,784)	1,556,003	1,667,787
Fund Balance Beginning Of Year	969,978	969,978		2,915,245	2,915,245		13,349,797	13,349,797		17,235,020	17,235,020	
Residual Equity Transfer Out	(880,000)	(880,000)					(2,500,000)	(2,500,000)		(3,380,000)	(3,380,000)	
Fund Balance End Of Year	$ 1,051,942	1,427,569	375,627	1,918,367	3,210,527	1,292,160	10,772,927	10,772,927		13,743,236	15,411,023	1,667,787

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.

Northeast Radial Tax Increment Bond Issue - To account for the cost of acquiring real property and/or acquiring, constructing, reconstructing, improving, extending, equipping or furnishing any improvements within the area included in the City's Northeast Radial Reuse Area Redevelopment Plan. Financing is provided by General Obligation Bond Proceeds.

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.