

CITY OF LINCOLN, NEBRASKA

Comprehensive
ANNUAL
FINANCIAL

REPORT

A dark silhouette of the Lincoln skyline is positioned behind the word 'REPORT'. The skyline includes a prominent tall tower, several smaller buildings, and a factory with two smokestacks. The entire graphic is set against a light gray background.

*Fiscal Year Ended
August 31, 1999*

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**OF THE
CITY OF LINCOLN, NEBRASKA**

FOR THE FISCAL YEAR ENDED AUGUST 31, 1999

Prepared by:

The Auditing Division of the Finance Department

OFFICIALS OF THE CITY OF LINCOLN

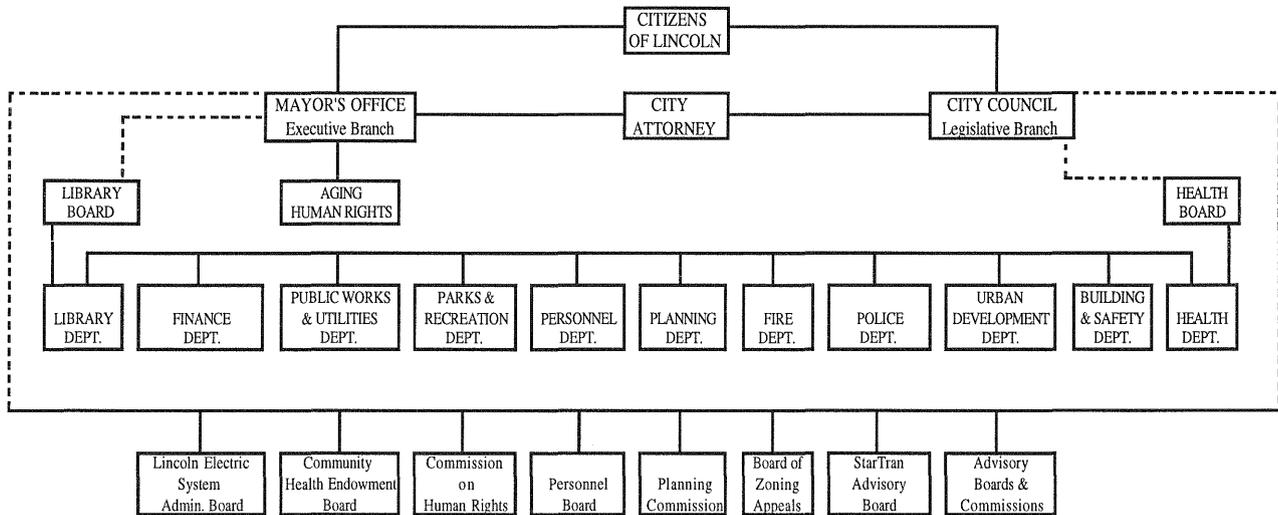
Don WeselyMayor
 Coleen Seng..... Chair, City Council
 Jeff Fortenberry Vice Chair, City Council
 Cindy Johnson Council Member
 Jerry Shoecraft..... Council Member
 Jon Camp..... Council Member
 Annette McRoy Council Member
 Jonathon Cook..... Council Member

* * * * *

Don Herz Finance Director
 Kathleen Sellman..... Planning Director
 James Morgan..... Parks And Recreation Director
 Terry Bundy Lincoln Electric System Administrator
 Marc Wullschleger Urban Development Director
 Carol Connor Library Director
 Allan Abbott Public Works/Utilities Director
 Mike Merwick Building And Safety Director
 Leon Vinci..... Health Director
 Georgia Glass Personnel Director
 Dana Roper..... City Attorney
 Thomas Casady Police Chief
 Mike Spadt..... Fire Chief

* * * * *

CITY OF LINCOLN ORGANIZATION CHART



CITY OF LINCOLN, NE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED AUGUST 31, 1999
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Lincoln



Nebraska's Capital City

January 15, 2000

Members of the City Council
Citizens of the City of Lincoln

As Mayor of Lincoln, it is my pleasure to submit the City of Lincoln's Comprehensive Annual Financial Report for the fiscal year ended August 31, 1999.

The report demonstrates the fiscal control and integrity that is one of the principal objectives of my administration as well as the strength and stability of Lincoln's economy.

Since taking office in mid-May, we have established new initiatives that reflect our commitment to Lincoln's high quality of life. These initiatives will provide significant benefits to the citizens of Lincoln. The letter from Finance Director Don Herz discusses some of these initiatives in detail.

Our ability to manage our fiscal affairs and provide full disclosure of the city's fiscal condition is demonstrated by the unqualified audit opinion that follows. We can also take great pride in the 1998 report submitted to the Government Finance Officers Association, which was awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting for the sixteenth consecutive year. I am confident the 1999 report will also receive this distinction.

I would like to thank the Finance Department for its commitment in dealing with the complex accounting issues in preparing this report. I also want to thank all city departments for their cooperation in gathering the necessary information.

Sincerely,

A handwritten signature in black ink that reads "Don Wesely". The signature is written in a cursive style with a long, sweeping underline.

Don Wesely
Mayor of Lincoln

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January 14, 2000

To The Honorable Mayor, Members Of The City Council, and 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, 1999, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are 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 City. All disclosures necessary to enable the reader to gain an understanding of the government's 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, which is unaudited, contains a Listing of the Officials of the City of Lincoln, an Organization Chart, a Table of Contents, this Letter of Transmittal, 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 General Purpose Financial Statements), Combining, Individual Fund and Account Group Statements and Schedules, and narrative explanations which can be used in understanding combining, individual fund and account group statements and schedules.
- ◆ The Statistical Section, which is unaudited, presents comparative data for several periods of time or contains data from sources other than the accounting records. Statistical tables differ from financial statements because they usually cover more than two 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 information related to the City's annual single audit, which is required under the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, including a Schedule of Expenditures of Federal Awards, the Independent Auditors' Report on Compliance And On Internal Control Over Financial Reporting Based Upon The Audit Performed In Accordance With Government Auditing Standards, the Independent Auditors' Report On Compliance And Internal Control Over Compliance Applicable To Each Major Federal Award Program, and a Schedule of Findings and Questioned Costs.

This report includes all funds and account groups of the City. Services are provided to residents in many areas, including public safety (police and fire), highways and streets, health, planning and zoning, parks, recreation, urban development, mass transportation, electric utility, water utility, wastewater utility, sanitary landfill, golf courses, auditorium, parking facilities, and general administrative services. The City Council exercises budgetary and/or rate setting authority over the City Library and Lincoln Electric System (LES), neither of which are legally separate from the City and are thus included as part of the primary government. 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 as part of the primary government. Separately audited financial statements are

available for LES, Lincoln Water System, Lincoln Wastewater System, the City's sanitary landfill, and the Community Health Endowment Trust.

In 1990, the City and the County of Lancaster, pursuant to state statute, activated a separate governmental entity denominated as the Lincoln-Lancaster County Public Building Commission. The purpose of this joint venture is to design, acquire, construct, maintain, operate, improve, remodel, remove and reconstruct, so long as its corporate existence continues, public buildings, structures, or facilities for use jointly by the City and the County. The City and the County each appoint two members to the five-member Commission, with the fifth member being appointed by the other four members. All property held or acquired by the Commission is held or acquired in the name of the City and the County for use by the Commission in its corporate capacity. The Commission's costs of operation and debt service are funded through rental payments made by the City and the County based upon their proportionate occupancy of such buildings to the extent not covered by a maximum property tax levy of 1.7 cents for each \$100 of actual valuation of taxable property in the County. The City has recorded its proportionate share of Commission assets and corresponding debt in accordance with the terms of the joint venture agreement regarding the ultimate transfer of assets to the City and County.

Economic Condition And Outlook

Population growth is one of the best indicators of a community's economic well being. As such, 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 (Lancaster County) continues to demonstrate a pattern of sustained growth. According to the U. S. Census figures, the Lincoln metropolitan area population grew over 10.76% between 1980 and 1990, adding over 2,000 people to the community each year. The 1980 population of 192,884 reached 213,641 persons with the 1990 census. The most recent estimates place the population of Lancaster County at 235,589, setting the County's annualized rate of population growth for the first eight years of the 1990's at 1.3 percent.

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 or in excess of one percent per year. As importantly, the City of Lincoln continues to absorb about 90% of all growth in Lancaster County.

Lincoln's unemployment at August 31, 1999 was 1.9%, well below the national average of 4.2%. This has been led by expansion in the transportation, communications and public utilities sector. Lincoln is strongest in the categories of government, manufacturing, services, and wholesale and retail trade.

Lincoln's construction activity continues to demonstrate sustained growth. Permits for all forms of new construction have risen 4% over the past 5 years with an increase in the value of construction permits of over \$100 million.

Current net sales and use tax revenue increased 11.1% over the previous fiscal year.

Major Initiatives

The City anticipates approximately \$15 million of public expenditures funded through various urban development projects and programs over the next three years. These projects are varied in type and size and are located in the Downtown and Haymarket areas, the North 27th Street area, Radial Reuse area, the Havelock and University Place business areas, the Focus area neighborhoods, and in low and moderate income areas throughout the City.

Financing will be provided by a variety of sources, including CDBG, HOME, and EDI Special Project grants, Community Improvement Financing (TIF), Advanced Acquisition funds, Special Assessments, and Street Construction funds. Funding is often combined with developer, grant or other private sector funds.

The City's involvement will vary depending upon the project and could likely include property acquisition, relocation and demolition; housing rehabilitation and development; commercial development; and construction of public facilities including parking, sidewalks, infrastructure and streetscapes.

Ongoing and anticipated projects include:

- ◆ Downtown Redevelopment Projects:
 - 1) The Journal-Star printing facility located on Block 29
 - 2) The Embassy Suites Hotel on Block 35
 - 3) The addition to the Que Place parking garage, the Market Place Parking Garage, and the two skywalk projects associated with the Embassy Suites Hotel
 - 4) The “O” Street streetscape improvements including the blocks between 14th and 16th streets
 - 5) Identification and development of a parking facility to serve the Haymarket area
 - 6) Redevelopment of the Old Federal Building
 - 7) Development of a Megaplex entertainment center
 - 8) Development of an Applebee’s Restaurant adjacent to the Que Place Garage
- ◆ The North 27th Street Corridor redevelopment projects include:
 - 1) Streetscape improvements
 - 2) Construction of a Police Team Station
 - 3) Acquisition of blighted housing
 - 4) Development of a wrap-around community center
 - 5) Redevelopment of 27th and Vine
 - 6) Redevelopment of 27th Street, “S” to “T”
- ◆ Northeast Radial Reuse Redevelopment Plan projects include:
 - 1) Street/sidewalk/curb improvements - completed
 - 2) Park improvements at Trago Park are completed, with restrooms to be constructed in FY 1999/2000
- ◆ Numerous new and continuing housing programs:
 - 1) Continuation of First-time Homebuyer, Investor-Owner, and Owner-Occupied housing rehab programs
 - 2) Continuation of First-time Homebuyer 3% mortgage and rehabilitation projects
 - 3) Participation in Elliott School District Revitalization Project with Nebraska Investment Finance Authority (NIFA)
 - 4) Development of 1st and Benton Court affordable housing project
 - 5) Continuation of Troubled Property program
 - 6) Acquisition of 1427 Peach Street lot
- ◆ Housing Rehabilitation and Real Estate Division projects also include:
 - 1) Planning/negotiation for acquisition of park sites
 - 2) Acquisition/negotiation projects – Old Cheney Road - Hwy 2 to 70th Street; South 84th Street Widening – 1/2 mile south & north of Van Dorn; Lower Salt Valley trunk sewer phase II; Vine Street widening; Pine Lake Road widening; East “O” Street widening; Coddington & “A” Streets widening; Relocation of “F” Street tenants; special assessment and executive order projects; various projects in Public Works/Utilities 6-year program and other Parks/CIP projects city-wide. Title research of water transmission – Lincoln to Ashland.
 - 3) Acquisition and disposition of surplus properties including infill lots, tax sale lots, street and alley vacation, surplus park sites, surplus right-of-way and other miscellaneous properties.
- ◆ The Antelope Valley Study identifies community revitalization strategies along the study area; the Closer to Home strategies include street, alley, and curb improvements, housing rehabilitation, and neighborhood clean-ups.
- ◆ Focus Areas – Implementation of focus area public improvements. The focus areas are located in the Woods Park, Near South, Malone, Everett, Clinton and South Salt Creek neighborhoods. Projects include 11th and “G” streetscape, South 15th Street Mall improvements, and Coke Plant streetscape.
- ◆ Pedestrian underpass at 3rd and “F” streets was completed including landscaping. Landscaping the recently paved 3rd Street corridor will be completed in FY 1999/2000.
- ◆ The Workforce Investment Act will provide approximately 2.1 million dollars over the next three years to the City of Lincoln, and Lancaster and Saunders Counties. This new federal legislation requires the existence of a One-Stop Center to serve both job seekers and employers. This Center will open July 1, 2000, under the oversight of the Local Workforce Investment Board and the Mayor.

The Lincoln Wastewater System is projecting a capital improvements program in the amount of approximately \$43,767,600 over the 6-year period of 1999-2000 through 2004-2005. Of that total \$1,450,000 will be financed by developer contributions with the balance of the dollars coming from charges for services. The majority of these dollars are needed for nitrification and secondary treatment improvements at both the Theresa and Northeast treatment plants, trunk sewer extensions, disinfection and aeration system improvements at both treatment facilities, and general replacement of sanitary sewer lines.

The Lincoln Water System is projecting a capital improvements program in the amount of \$46,079,000 over the 6-year period of 1999-2000 through 2004-2005. Of these dollars, approximately \$8,500,000 will be financed through revenue bonds, approximately \$179,000 will be financed through developer contributions, and the balance of the dollars will come from charges for services. The major projects contributing to these total dollars include the installation of transmission lines, replacement mains, replacement wells, and additional storage reservoirs.

Resolutions have been passed by the City Council approving the official intent of the City to issue approximately \$4,000,000 of revenue bonds for improvements to the Solid Waste System, and to issue approximately \$3,000,000 of debt for construction of the South Central Community Center.

The City, the University of Nebraska at Lincoln (UNL) and a private investor have entered into a partnership and preliminary agreements to construct a baseball/softball complex on city-owned land near downtown Lincoln and the UNL campus. The focal point of the project will be a 4500-5000 seat ballpark to be used for UNL baseball and a newly acquired Northern League minor league franchise. The softball park will be the home field for the UNL women's softball team. An on-site parking lot will have about 1,750 parking stalls and eventually a pedestrian walkway will connect the complex to the Haymarket District of downtown Lincoln and the UNL campus. Play in the baseball stadium is slated to begin during the spring of 2001, forty years after minor league baseball was previously played in Lincoln.

The City's financial commitment is primarily for site costs, relocations of existing facilities, and road and bridge work. UNL and the private investor will pay for construction of the ballparks and the parking lot and share site costs with the City. Of the projected \$31.8 million cost of the project, the City will pay \$9.3 million; the University \$10.6 million; the private investor \$9.5 million; and other sources \$2.4 million. The City's share will be paid with existing balances from various funds and possibly some revenue bonds paid from Street Construction revenues.

Internal Accounting Controls

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. 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 in accordance with generally accepted accounting principles and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Several major internal controls within the Finance Department affect transactions from all City departments. The City Charter requires the City Auditor to audit all departmental expenditures as to documentation, coding, etc., after they have been approved by the responsible department head. A monthly reconciliation is made between the City's accounting system and the Treasurer's Office. The Purchasing Ordinance requires that all purchase requisitions must include certification by the Director of the ordering department that money has been appropriated for that purpose. The City has a fixed asset system which includes monitoring acquisition and disposition of fixed assets. In addition to these major controls, there are numerous controls within the various departments. The above is not all-inclusive of the City's internal accounting controls, but serves to indicate that controls are adequate to safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and

regulations related to these programs. This internal control structure is subject to periodic evaluation by management of the City.

As part of the City's Single Audit, tests were made of the City's internal control structure and its compliance with applicable laws and regulations, including those related to major federal financial assistance programs. The Single Audit for the year ended August 31, 1999, disclosed no material internal control weaknesses.

Accounting System And Budgetary Control

The accounts of the City are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenses/expenditures. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. More information on descriptions of each fund and the accounting principles applied to each fund type is included in the Financial Section.

Budgetary control is maintained at the department level by the encumbrance of balances with purchase orders prior to payment 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, 1999. Except for certain Special Revenue (Advance Acquisition, Tax Sales Revolving, Property Tax Refunds, and Special Assessment), Debt Service (Special Assessment), and 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, Internal Service and Pension Trust Fund budgets are adopted annually.

As demonstrated by the statements and schedules included in the Financial Section of this report, the City continues to meet its responsibility for sound financial management.

General Governmental Functions

General governmental revenues (General, Special Revenue and Debt Service Funds) on a GAAP basis totaled \$142,900,218 in 1998-99, a decrease of 1.3% from 1997-98. General property taxes produced 21.94% of General Governmental Revenues compared to 21.68% last year. The amount of revenues from various sources and the change from last year are shown in the following tabulation:

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 1997-98</u>	<u>Percent Of Increase (Decrease)</u>
Taxes	\$ 83,180,774	58.2%	\$3,980,443	5.0%
Intergovernmental	34,866,001	24.4	(5,395,743)	(13.4)
Permits And Fees	8,496,112	6.0	626,860	8.0
Reimbursement For Services	1,560,207	1.1	289,710	22.8
Court Fees	189,155	.1	17,752	10.4
Recreation Receipts	1,446,299	1.0	113,446	8.5
Investment Income	4,669,042	3.3	(201)	0.0
Other	8,492,628	5.9	(1,521,943)	(15.2)
	<u>\$ 142,900,218</u>	<u>100.0%</u>	<u>\$(1,889,676)</u>	<u>(1.3)</u>

Assessed real property valuations at market value for tax year 1998 totaled \$8,423,860,600.

As of August 31, 1999, current tax collections by the County Treasurer were 95.70% of the tax levy, an decrease of .37% from last year. Allocations of property tax levy by purpose for 1998-99, and the preceding two fiscal years are as follows:

<u>City Tax Levy By Purpose</u>	<u>1998-99</u>	<u>1997-98</u>	<u>1996-97</u>
General Fund	.20219	.22316	.25553
Library	.04599	.05161	.04937
Social Security	.01664	.01796	.01670
Police And Fire Pension	.01090	.00667	.00562
General Obligation Debt	<u>.04820</u>	<u>.05869</u>	<u>.05649</u>
	<u>.32392</u>	<u>.35809</u>	<u>.38371</u>

General governmental expenditures (General, Special Revenue and Debt Service Funds) on a GAAP basis of accounting totaled \$116,336,891 in 1998-99, a net decrease of 7.4% from 1997-98. Increases and decreases in levels of expenditures by major functions of the City over the preceding year are shown in the following tabulation:

	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 1997-98</u>	<u>Percent Of Increase (Decrease)</u>
General Government	\$ 21,891,174	18.8%	\$(8,279,594)	(27.4)%
Public Safety	41,555,922	35.7	415,095	1.0
Streets And Highways	9,406,531	8.1	414,092	4.6
Culture And Recreation	12,999,988	11.2	134,107	1.0
Economic Opportunity	10,076,176	8.7	(1,810,625)	(15.2)
Health And Welfare	11,226,029	9.6	246,898	2.2
Debt Service	<u>9,181,071</u>	<u>7.9</u>	<u>(379,858)</u>	<u>(4.0)</u>
	<u>\$116,336,891</u>	<u>100.0%</u>	<u>\$(9,259,885)</u>	<u>(7.4)</u>

Decreases in General Government expenditures were the result of increased expenditures made in the prior year for clean-up efforts required following an October 1997 snowstorm. Most FEMA reimbursements were also recorded in the prior year.

As of August 31, 1999, general governmental fund balances (General, Special Revenue and Debt Service Funds) totaled approximately \$98.1 million, or in excess of 84% of current year general governmental expenditures.

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.

Parking Facilities

The City of Lincoln operates the 1,048 stall Center Park Parking Garage, which opened in November, 1978, the 405 stall Cornhusker Square Parking Garage, which opened in December, 1983, the 436 stall University Square Parking Garage, which opened in April, 1990, the 598 stall Que Place Parking Garage, which opened in October, 1994, and the 710 stall Carriage Park Parking Garage, which opened in February, 1995. Current construction projects will add 175 spaces to the Que Place Garage in May 2000 and provide 440 spaces in the new Market Place Garage in July 2000. The City's parking garages have been built to promote the downtown redevelopment efforts. They work with private industry in providing necessary parking to various businesses in the downtown area. With the exception of Carriage Park, for which separate bonds were issued in August, 1994, the long-term debt for these facilities is covered under the same bond ordinance. Revenue generated by these facilities and on-street parking meters, as well as unappropriated street construction funds, are pledged for debt service of both series of bonds. Comparative data for the past two fiscal years are presented in the following table:

	<u>1998-99</u>	<u>1997-98</u>
Operating Revenue	\$3,080,590	\$2,965,369
Operating Income Before Depreciation	751,425	1,624,660
On-Street Parking Meter Revenue	848,357	760,684
Street Construction Revenue	932,298	146,736
Revenue Available For Debt Service	2,532,080	2,532,080
Debt Service	1,266,040	1,266,040
Debt Service Coverage Ratio	2.00	2.00

On September 8, 1999 the City of Lincoln issued \$13,510,000 of Parking Revenue and Refunding Bonds, Series 1999A. A portion of the proceeds will be used to refund \$2,560,000 of the 1994A and \$6,195,000 of the 1994C outstanding Parking Revenue Bonds. The remaining proceeds will finance a portion of the costs to construct The Market Place Garage in the central business district of the City and make improvements to the existing Que Place Garage.

Sanitary Landfill

The City of Lincoln owns and operates a solid waste disposal area and a construction and demolition disposal area which are subject to the U.S. Environmental Protection Agency rule "Solid Waste Disposal Facility Criteria", which establishes closure and postclosure care requirements. As of August 31, 1999, the City estimates that it will incur costs approximating \$24.5 million to adhere to such requirements (see Note 19 to the General Purpose Financial Statements).

Water And Wastewater System

The City's Water Utility System showed an increase in operating revenue and a decrease in operating income. Comparative data for the past two fiscal years is presented in the following table:

<u>Water System</u>	<u>1998-99</u>	<u>1997-98</u>
Operating Revenue	\$18,820,314	\$18,445,677
Operating Income	5,991,582	6,038,296
Revenue Available For Debt Service	11,305,665	12,115,320
Debt Service	5,044,373	5,056,365
Debt Service Coverage Ratio	2.24	2.40

The City's Wastewater Utility System showed an increase in operating revenue and an increase in operating income. Comparative data for the past two fiscal years is presented in the following table:

<u>Wastewater System</u>	<u>1998-99</u>	<u>1997-98</u>
Operating Revenue	\$14,347,142	\$13,914,438
Operating Income	4,268,009	4,175,006
Revenue Available For Debt Service	8,386,751	8,360,283
Debt Service	1,729,743	1,771,716
Debt Service Coverage Ratio	4.85	4.72

Lincoln Electric System (LES)

The City owns and operates its own electric utility system which 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, 1998 is included in the City's August 31, 1999 financial statements.

Pension Trust Fund

The Police and Fire Pension Trust Fund accounts for the receipt, investment and distribution of retirement contributions made for the benefit of police officers and firefighters.

Expendable Trust Funds, Non-Expendable Trust Funds And Agency Funds

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

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

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, 1999 the general fixed assets consisted of approximately 4,300 items totaling \$102,088,779, a net increase of \$6,277,300 over the prior year.

Debt And Cash Management

The amount of bonded debt per capita is a useful indicator of the City's debt position to municipal management, citizens, and investors. This data for the City of Lincoln at August 31, 1999, was as follows:

	<u>Outstanding Balance</u>	<u>Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Net Bonded Debt Per Capita</u>
General Obligation Bonds And Notes:				
General Bonds	\$79,591,000	27,376,701	52,214,299	240.02
Tax Allocation Bonds And Notes	<u>2,227,000</u>	<u>4,128,343</u>	<u>(1,901,343)</u>	<u>(8.74)</u>
Total General Obligation Bonds And Notes	81,818,000	31,505,044	50,312,956	231.28
Special Assessment Bonds	<u>1,460,000</u>	<u>4,082,008</u>	<u>(2,622,008)</u>	<u>(12.05)</u>
	<u>\$83,278,000</u>	<u>35,587,052</u>	<u>47,690,948</u>	<u>219.23</u>

In addition to the general obligation bonded debt, the City recognizes a long-term liability for compensated absences of \$1,238,819 and an obligation under capital leases of \$1,823,050. Note 9 to the General Purpose Financial Statements presents more detailed information about the debt position of the City.

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

	<u>Moody's Investors Service</u>	<u>Standard And Poor's</u>	<u>Fitch Investors Service</u>
General Obligation Bonds	Aa1	AAA	
Water Revenue	Aa2	AA+	
Sewer Revenue	Aa2	AA	
Electric Revenue:			
Electric Power Supply	Aa2	AA+	AA
Electric Distribution Facility	Aa2	AA	AA
Electric Revenue Bonds	Aa2	AA	AA
Commercial Paper Notes		A1+	F1+

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 on all the rated bonds illustrated above.

Cash temporarily idle during the year was invested in interest-bearing deposits or U.S. government securities. During the 1998-99 fiscal year, 98.60% of available funds were invested in interest-bearing deposits or government securities. Note 4 to the General Purpose Financial Statements discloses the City's investment policies and the manner in which these investments are held. The average yield on investments was 5.11% and the amount of investment income was \$16,053,349.

Risk Management

The City's Risk Management Division is responsible for the administration of insurance and self-insurance loss control, wellness, benefits, claims administration and collections to control and finance the City's loss exposures. 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 in a cost effective manner; and increasing City effectiveness in subrogation/collection recoveries, along with leading the City's safety/loss control and wellness efforts. The City has a high self-insured retention for workers' compensation, general liability, some public officials liability exposure, some property exposures, some law enforcement liability exposures, some public transportation liability exposures, and employee long-term disability. These programs remain successful for the City. Since implementation, the self-insurance programs have provided the City considerable savings compared to fully insuring all loss exposures.

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 the revised OMB Circular A-133, and the Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996, requires local governments that expend \$300,000 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 Aging, Urban Development, Police, and Public Works departments, the City was able to accommodate the Federal government's single audit requirements for grants.

Certificate Of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lincoln, Nebraska, for its comprehensive annual financial report for the fiscal year ended August 31, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

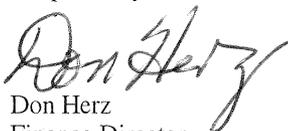
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable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

A Certificate of Achievement is valid for a period of one year only. The City of Lincoln has received a Certificate of Achievement for the last sixteen consecutive years (fiscal years ended 1983-1998). We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgments

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,


Don Herz
Finance Director

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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, 1998

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



Cary Brubaker
President

Jeffrey L. Essler
Executive Director

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FINANCIAL SECTION



233 South 13th Street, Suite 1600
Lincoln, NE 68508-2041

Two Central Park Plaza
Suite 1501
Omaha, NE 68102

Independent Auditors' Report

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

We have audited the accompanying general purpose financial statements of the City of Lincoln, Nebraska, as of August 31, 1999, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the City of Lincoln, Nebraska. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, based on our audit, 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, 1999, and the results of its operations, the changes in net assets of its pension trust fund, and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing table of contents, are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the City of Lincoln, Nebraska. The accompanying schedule of expenditures of federal awards as listed in the table of contents is presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. These financial statements and schedules are also the responsibility of the management of the City of Lincoln, Nebraska. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, based on our audit of the general purpose financial statements, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.



The schedules of funding progress and employer contributions and the Year 2000 supplementary information on pages 31 and 42 are not a required part of the financial statements, but are supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. We have applied to the schedules of funding progress and employer contributions certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the schedules. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be discussed have not yet been established. In addition, we do not provide assurance the City of Lincoln, Nebraska is or will become Year 2000 compliant, that the City of Lincoln, Nebraska's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Lincoln, Nebraska does business are or will become Year 2000 compliant.

The statistical data on pages 112 - 117 are presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the City of Lincoln, Nebraska. Such additional information has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2000, on our consideration of the City of Lincoln, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

KPMG LLP

January 14, 2000

CITY OF LINCOLN, NE
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 AUGUST 31, 1999
 With Comparative Totals For August 31, 1998

Exhibit 1

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust And Agency	General Fixed Assets	General Long-Term Liability	1999	1998
ASSETS AND OTHER DEBITS											
Cash Held By City Treasurer	\$ 18,538,417	11,454,547	6,130,879	8,898,461	5,521,702	4,997,890	8,113,709			63,655,605	54,565,884
Cash On Hand And In Other Accounts	45,466	19,823			708,064	86	839,517			1,612,956	2,475,297
Cash Held By Trustee			17,280							17,280	19,153
Investments	7,179,030	22,131,592	6,211,812	29,541,017	34,984,253	8,843,166	158,084,606			266,975,476	244,566,359
Investments Held By Trustee			23,041,600							23,041,600	23,873,400
Receivables	2,402,674	1,440,335	5,228,099	589,748	20,827,791	667,525	945,823			32,101,995	34,680,467
Due From Other Funds	990,486	1,772,654	215,116	2,640,691	1,204,936	860,888	725,890			8,410,661	7,941,200
Due From Other Governments	4,059,584	3,061,294		581,871	14,005	418,125				8,134,879	10,482,149
Inventories	303,129	239,782			6,725,284	282,914				7,551,109	7,542,194
Plant Operation Assets					3,635,000					3,635,000	3,778,000
Prepaid Items	648,508				685,657					1,334,165	1,422,410
Contractor Retainage							3,480,246			3,480,246	2,579,659
Unamortized Bond Issuance Expense					1,040,292					1,040,292	1,088,512
Deferred Charges And Other Assets					48,238,000					48,238,000	44,522,000
Restricted Assets:											
Cash					16,375,197					16,375,197	11,032,714
Cash On Hand And In Other Accounts					22,128					22,128	19,497
Cash Deposited With Bond Trustee											88,418
Investments					85,983,491		3,453,321			89,436,812	82,853,381
Accounts Receivable					7,167					7,167	12,003
Accrued Interest Receivable					338,119					338,119	425,839
Due From Other Funds					17,797					17,797	13,334
Property, Plant, And Equipment (Net Of Accumulated Depreciation)					713,260,016	6,269,454		102,088,779		821,618,249	799,038,990
Amounts Available In Debt Service Funds									35,587,052	35,587,052	42,408,400
Amounts To Be Provided For Retirement Of General Long-Term Liabilities									50,752,817	50,752,817	27,092,532
Total Assets And Other Debits	34,167,294	40,120,027	40,844,786	42,251,788	939,588,899	22,340,048	175,643,112	102,088,779	86,339,869	1,483,384,602	1,402,521,792
LIABILITIES											
Warrants Payable							1,665,192			1,665,192	1,959,005
Vouchers Payable	308,801	106,634		4,880	140,390	213,516	1,269,705			2,043,926	1,533,737
Contracts Payable				2,716,999						2,716,999	2,216,600
Retainage Payable		6,988		553,159						560,147	495,969
Accounts Payable	540,645	399,978		78,926	18,227,201	267,761	187,700			19,702,211	12,465,592
Accrued Liabilities	1,393,380	775,062			7,941,556	233,351	245,960			10,589,309	9,527,003
Accrued Compensated Absences	1,808,855	846,333		399	1,035,700	479,094	5,800	1,238,819		5,415,000	5,269,439
Commercial Paper Notes Payable					15,000,000					15,000,000	45,000,000
Due To Other Governments	160,481	145,518		44	75,067	6,319	806,459			1,193,888	1,240,831
Due To Other Funds	577,980	3,052,089	1,088,540	1,101,977	85,710	377,406	2,144,756			8,428,458	7,954,534
Unearned Revenue		136,278			2,330,868	6,808				2,473,954	2,056,594
Other					6,249,729					6,249,729	5,881,106
Arbitrage Rebate				30,730						30,730	30,730
Deferred Revenue	1,227,770	318,898	4,064,945				71,541			5,683,154	5,505,603
Claims						3,509,994				3,509,994	3,917,956
Bond Principal Payable			65,000							65,000	65,000
Bond Interest Payable			39,249							39,249	34,525
Payable From Restricted Assets:											
Claims							146,201			146,201	
Construction Contracts					2,595,483					2,595,483	1,844,261
Vouchers Payable					250,000					250,000	1,307
Accounts Payable					12,682					12,682	7,507

(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	Internal Service	Trust And Agency	General Fixed Assets	General	1999	1998
									Long-Term Liability		
(LIABILITIES, Continued)											
Accrued Interest					5,437,266					5,437,266	5,031,924
Revenue Bonds					14,837,389					14,837,389	15,415,000
Due To Contractors							3,826,364			3,826,364	2,781,279
Due To Lincoln Joint Venture							1,040,616			1,040,616	818,213
Due To Bondholders							12,372			12,372	11,050
Special Assessment Debt With Governmental Commitment									1,460,000	1,460,000	2,245,000
General Obligation Bonds Payable									79,591,000	79,591,000	61,306,000
Revenue Bonds And Notes					352,927,344					352,927,344	323,435,066
Tax Allocation Bonds									2,184,000	2,184,000	2,749,000
Notes Payable									43,000	43,000	77,000
Landfill Closure/Postclosure Accrual					6,389,000					6,389,000	4,165,000
Deferred Credits And Other					317,000					317,000	584,000
Obligations Under Capital Leases					153,397					1,976,447	2,035,903
Total Liabilities	6,017,912	5,787,778	5,257,734	4,487,114	434,005,782	5,094,249	11,422,666		86,339,869	558,413,104	527,661,734
EQUITY AND OTHER CREDITS											
Contributed Capital					83,395,008	532,631				83,927,639	83,359,022
Investment In General Fixed Assets								102,088,779		102,088,779	95,811,479
Retained Earnings:											
Reserved For:											
Debt Service					35,450,114					35,450,114	31,209,107
Improvements					21,107,570					21,107,570	26,267,769
Restricted Funds					23,088,283					23,088,283	10,841,296
Landfill Closure/Postclosure					6,389,000					6,389,000	4,165,000
Unreserved					336,153,142	16,713,168				352,866,310	338,391,859
Fund Balances:											
Reserved For:											
Encumbrances	615,268	8,004,878		4,221,380						12,841,526	14,612,226
Inventories	303,129	239,782								542,911	538,457
Prepaid Items	648,508									648,508	792,822
Debt Service			31,505,044							31,505,044	37,093,144
Employee Retirement							121,615,121			121,615,121	126,126,882
Trust Donations							1,201,557			1,201,557	1,135,776
Health Care							38,096,648			38,096,648	
Claims							3,307,120			3,307,120	
Unreserved:											
Designated For Debt Service			4,082,008							4,082,008	4,864,243
Designated For Subsequent Years' Expenditures	4,207,934	5,888,875								10,096,809	5,575,825
Undesignated	22,374,543	20,198,714		33,543,294						76,116,551	94,075,151
Total Retained Earnings/Fund Balances	28,149,382	34,332,249	35,587,052	37,764,674	422,188,109	16,713,168	164,220,446			738,955,080	695,689,557
Total Equity And Other Credits	28,149,382	34,332,249	35,587,052	37,764,674	505,583,117	17,245,799	164,220,446	102,088,779		924,971,498	874,860,058
Total Liabilities, Equity And Other Credits	\$ 34,167,294	40,120,027	40,844,786	42,251,788	939,588,899	22,340,048	175,643,112	102,088,779	86,339,869	1,483,384,602	1,402,521,792

See Accompanying Notes To General Purpose Financial Statements

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, 1999
 With Comparative Totals For Fiscal Year Ended August 31, 1998

Exhibit 2

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	1999	1998
Revenues:							
Taxes And Special Assessment	\$ 68,574,968	6,212,169	8,393,637	6,323,347		89,504,121	85,320,458
Intergovernmental	4,666,900	30,011,351	187,750	698,776		35,564,777	41,035,908
Permits And Fees	2,225,930	6,270,182				8,496,112	7,869,252
Reimbursement For Services	1,225,494	334,713				1,560,207	1,270,497
Court Fees	189,155					189,155	171,403
Recreation Receipts	1,379,124	67,175				1,446,299	1,332,853
Investment Income	1,142,326	1,532,901	1,993,815	1,294,434	57,340	6,020,816	5,817,507
Donations	233,899	27,862		34,770	363,207	659,738	641,838
Keno Proceeds		2,805,009				2,805,009	2,586,468
Miscellaneous	1,840,540	3,534,830	50,488	571,381	38,692	6,035,931	8,095,273
Total Revenues	81,478,336	50,796,192	10,625,690	8,922,708	459,239	152,282,165	154,141,457
Expenditures:							
Current:							
General Government	17,785,103	4,106,071				21,891,174	30,170,768
Public Safety	35,587,779	5,968,143				41,555,922	41,140,827
Streets And Highways	4,275,714	5,130,817				9,406,531	8,992,439
Culture And Recreation	7,859,970	5,140,018			255,006	13,254,994	13,111,328
Economic Opportunity	144,614	9,931,562			139,085	10,215,261	12,009,990
Health And Welfare	28,396	11,197,633				11,226,029	10,979,131
Debt Service:							
Principal Retirement			5,079,267			5,079,267	5,757,317
Interest And Fiscal Charges			3,682,808			3,682,808	3,751,776
Capital Lease Principal							42,268
Capital Lease Interest							1,479
Payments To Refunding Agent			128,522			128,522	
Bond Issuance Expense			85,163			85,163	
Miscellaneous			205,311			205,311	8,089
Capital Outlay				33,916,861		33,916,861	21,553,188
Total Expenditures	65,681,576	41,474,244	9,181,071	33,916,861	394,091	150,647,843	147,518,600
Excess (Deficiency) Of Revenues Over Expenditures	15,796,760	9,321,948	1,444,619	(24,994,153)	65,148	1,634,322	6,622,857
Other Financing Sources (Uses):							
Operating Transfers In	277,213	13,783,934	12,577	28,258,624		42,332,348	55,477,340
Operating Transfers Out	(14,259,476)	(20,886,009)	(5,582,567)	(6,892,587)		(47,620,639)	(34,077,944)
Proceeds From Issuance of Bonds			8,220,000	21,800,000		30,020,000	
Transfer To Bond Refunding Agent			(8,134,836)			(8,134,836)	
Total Other Financing Sources (Uses)	(13,982,263)	(7,102,075)	(5,484,826)	43,166,037		16,596,873	21,399,396
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	1,814,497	2,219,873	(4,040,207)	18,171,884	65,148	18,231,195	28,022,253
Fund Balances Beginning Of Year	26,489,883	29,618,845	41,957,387	19,592,790	1,136,409	118,795,314	90,773,061
Residual Equity Transfers In	8,405	2,493,531				2,501,936	1,583,305
Residual Equity Transfers Out	(163,403)		(2,330,128)			(2,493,531)	(1,583,305)
Fund Balances End Of Year	\$ 28,149,382	34,332,249	35,587,052	37,764,674	1,201,557	137,034,914	118,795,314

See Accompanying Notes To General Purpose Financial Statements

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, 1999

	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	\$ 63,785,035	69,816,300	6,031,265	5,750,730	6,641,531	890,801	4,431,883	6,776,242	2,344,359	73,967,648	83,234,073	9,266,425
Intergovernmental	4,278,549	4,394,517	115,968	27,507,075	31,080,225	3,573,150	187,750	187,750		31,973,374	35,662,492	3,689,118
Permits And Fees	2,379,668	2,218,540	(161,128)	5,847,210	6,264,829	417,619				8,226,878	8,483,369	256,491
Reimbursement For Services	1,019,612	1,226,999	207,387	644,289	334,499	(309,790)				1,663,901	1,561,498	(102,403)
Court Fees	353,000	190,396	(162,604)							353,000	190,396	(162,604)
Recreation Receipts	1,414,890	1,368,383	(46,507)	98,000	67,596	(30,404)				1,512,890	1,435,979	(76,911)
Investment Income	1,053,295	1,438,233	384,938	659,484	1,096,592	437,108	150,000	363,475	213,475	1,862,779	2,898,300	1,035,521
Donations	233,804	233,804		27,446	27,521	75				261,250	261,325	75
Keno Proceeds				2,655,675	2,811,919	156,244				2,655,675	2,811,919	156,244
Miscellaneous	1,316,494	1,968,713	652,219	1,921,119	4,913,471	2,992,352	1,075	50,488	49,413	3,238,688	6,932,672	3,693,984
Total Revenues	75,834,347	82,855,885	7,021,538	45,111,028	53,238,183	8,127,155	4,770,708	7,377,955	2,607,247	125,716,083	143,472,023	17,755,940
Expenditures:												
Current:												
General Government	20,192,168	18,008,776	2,183,392	3,573,833	3,628,696	(54,863)				23,766,001	21,637,472	2,128,529
Public Safety	36,257,140	35,304,565	952,575	6,304,877	5,776,226	528,651				42,562,017	41,080,791	1,481,226
Streets And Highways	4,327,638	4,254,462	73,176	5,224,602	4,966,294	258,308				9,552,240	9,220,756	331,484
Culture And Recreation	7,856,965	7,804,345	52,620	5,134,107	5,133,380	727				12,991,072	12,937,725	53,347
Economic Opportunity	148,789	148,789		11,324,079	9,811,363	1,512,716				11,472,868	9,960,152	1,512,716
Health And Welfare	28,555	28,555		11,389,198	11,183,647	205,551				11,417,753	11,212,202	205,551
Debt Service							5,480,700	6,039,353	(558,653)	5,480,700	6,039,353	(558,653)
Total Expenditures	68,811,255	65,549,492	3,261,763	42,950,696	40,499,606	2,451,090	5,480,700	6,039,353	(558,653)	117,242,651	112,088,451	5,154,200
Excess (Deficiency) Of Revenues Over Expenditures	7,023,092	17,306,393	10,283,301	2,160,332	12,738,577	10,578,245	(709,992)	1,338,602	2,048,594	8,473,432	31,383,572	22,910,140
Other Financing Sources (Uses):												
Operating Transfers In	78,134	277,702	199,568	13,705,951	13,783,935	77,984		12,577	12,577	13,784,085	14,074,214	290,129
Operating Transfers Out	(16,253,134)	(14,564,267)	1,688,867	(17,040,349)	(16,530,602)	509,747	(5,666,445)	(5,666,445)		(38,959,928)	(36,761,314)	2,198,614
Proceeds From Issuance of Bonds							8,220,000	8,220,000		8,220,000	8,220,000	
Transfer To Bond Refunding Agent							(8,134,836)	(8,134,836)		(8,134,836)	(8,134,836)	
Total Other Financing Sources (Uses)	(16,175,000)	(14,286,565)	1,888,435	(3,334,398)	(2,746,667)	587,731	(5,581,281)	(5,568,704)	12,577	(25,090,679)	(22,601,936)	2,488,743
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(9,151,908)	3,019,828	12,171,736	(1,174,066)	9,991,910	11,165,976	(6,291,273)	(4,230,102)	2,061,171	(16,617,247)	8,781,636	25,398,883
Fund Balances Beginning Of Year	23,937,999	23,937,999		23,674,444	23,674,444		12,082,026	12,082,026		59,694,469	59,694,469	
Equity Transfers In		8,405	8,405								8,405	8,405
Equity Transfers Out	(163,403)	(163,403)								(163,403)	(163,403)	
Fund Balances End Of Year	\$ 14,622,688	26,802,829	12,180,141	22,500,378	33,666,354	11,165,976	5,790,753	7,851,924	2,061,171	42,913,819	68,321,107	25,407,288

See Accompanying Notes To General Purpose Financial Statements

CITY OF LINCOLN, NE
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS/ FUND BALANCES -- ALL PROPRIETARY FUND TYPES
 AND SIMILAR TRUST FUNDS
 FISCAL YEAR ENDED AUGUST 31, 1999
 With Comparative Totals For Fiscal Year Ended August 31, 1998

Exhibit 4

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	1999	1998
Operating Revenues:					
Charges For Services	\$ 179,445,977	19,830,467		199,276,444	204,351,151
Investment Income			1,995,210	1,995,210	
Other Operating Revenues	13,007,966			13,007,966	12,399,932
Total Operating Revenues	<u>192,453,943</u>	<u>19,830,467</u>	<u>1,995,210</u>	<u>214,279,620</u>	<u>216,751,083</u>
Operating Expenses:					
Personal Services	7,357,015	8,015,574	1,390	15,373,979	20,973,998
Contractual Services	6,089,736			6,089,736	2,005,915
Operation And Maintenance	29,289,714	9,440,941	482,382	39,213,037	48,303,804
Purchased Power	71,103,000			71,103,000	67,957,000
Depreciation	25,075,613	1,685,663		26,761,276	26,878,086
Payments In Lieu Of Taxes	6,381,000			6,381,000	6,033,000
Administrative Costs	13,898,557			13,898,557	13,103,413
Total Operating Expenses	<u>159,194,635</u>	<u>19,142,178</u>	<u>483,772</u>	<u>178,820,585</u>	<u>185,255,216</u>
Operating Income	<u>33,259,308</u>	<u>688,289</u>	<u>1,511,438</u>	<u>35,459,035</u>	<u>31,495,867</u>
Non-Operating Revenues (Expenses):					
Investment Income	7,398,175	639,148		8,037,323	9,950,968
Loss On Disposal Of Assets	(1,703)			(1,703)	(2,177,963)
Operating Grants	814,919			814,919	1,360,089
Amortization Of Deferred Charges	(3,067,999)			(3,067,999)	(2,485,729)
Donations					7,000
Interest Expense And Fiscal Charges	(19,688,936)			(19,688,936)	(19,118,920)
Miscellaneous		(80,234)		(80,234)	519,625
Total Non-Operating Revenues (Expenses)	<u>(14,545,544)</u>	<u>558,914</u>		<u>(13,986,630)</u>	<u>(11,944,930)</u>
Income Before Operating Transfers	<u>18,713,764</u>	<u>1,247,203</u>	<u>1,511,438</u>	<u>21,472,405</u>	<u>19,550,937</u>
Transfers:					
Operating Transfers In	5,677,760	23,000		5,700,760	4,627,046
Operating Transfers Out	(260,956)	(151,513)		(412,469)	(1,556,442)
Total Transfers	<u>5,416,804</u>	<u>(128,513)</u>		<u>5,288,291</u>	<u>3,070,604</u>
Net Income	24,130,568	1,118,690	1,511,438	26,760,696	22,621,541
Depreciation Transfer On Contributed Capital	<u>2,673,914</u>	<u>111,479</u>		<u>2,785,393</u>	<u>2,877,756</u>
Increase in Retained Earnings/Fund Balances	26,804,482	1,230,169	1,511,438	29,546,089	25,499,297
Retained Earnings/Fund Balances Beginning Of Year	435,275,957	15,491,404		450,767,361	425,268,064
Residual Equity Transfers In			39,892,330	39,892,330	
Residual Equity Transfers Out	(39,892,330)	(8,405)		(39,900,735)	
Retained Earnings/Fund Balances End Of Year	<u>\$ 422,188,109</u>	<u>16,713,168</u>	<u>41,403,768</u>	<u>480,305,045</u>	<u>450,767,361</u>

See Accompanying Notes To General Purpose Financial Statements

CITY OF LINCOLN, NE
 COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
 PENSION TRUST FUND
 FISCAL YEAR ENDED AUGUST 31, 1999
 With Comparative Totals For Fiscal Year Ended August 31, 1998

Exhibit 5

	(Memorandum Only)	
	1999	1998
Additions:		
Contributions:		
Employer	\$ 904,180	504,166
Employee	1,308,914	1,369,014
Total Contributions	2,213,094	1,873,180
Investment Income:		
Net Appreciation (Depreciation) In Fair Value Of Investments	(385,583)	18,296,203
Total Additions	1,827,511	20,169,383
Deductions:		
Benefit Payments	3,587,573	3,352,514
Refunds Of Contributions	2,555,141	1,297,123
Administrative Costs	196,558	161,568
Total Deductions	6,339,272	4,811,205
Net Increase (Decrease)	(4,511,761)	15,358,178
Net Assets Held In Trust For Pension Benefits		
Beginning Of Year	126,126,882	110,768,704
End of Year	\$ 121,615,121	126,126,882

See Accompanying Notes To General Purpose Financial Statements

CITY OF LINCOLN, NE
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 AND NON-EXPENDABLE TRUST FUND
 FISCAL YEAR ENDED AUGUST 31, 1999
 With Comparative Totals For Fiscal Year Ended August 31, 1998

Exhibit 6

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating Income	\$ 33,259,308	688,289	1,511,438	35,459,035	31,495,867
Adjustments To Reconcile Operating Income To Net Cash From Operating Activities:					
Depreciation	25,075,613	1,685,663		26,761,276	26,878,086
Investment Income			(1,995,210)	(1,995,210)	
Changes In Assets And Liabilities:					
Accounts Receivable	1,608,044	(340,697)		1,267,347	(237,936)
Unbilled Revenues	(441,000)			(441,000)	(18,000)
Due From Other Funds	(4,216)	(227,866)		(232,082)	51,590
Due From Other Governments	(3,019)	121,033		118,014	(323,839)
Inventories	(5,092)	631		(4,461)	(862,928)
Plant Operation Assets	143,000			143,000	1,402,000
Prepaid Expenses	(56,069)			(56,069)	(117,034)
Other Assets	(6,117,000)			(6,117,000)	(2,700,000)
Vouchers Payable	113,830	94,554		208,384	145,521
Accounts Payable	8,309,069	(53,534)		8,255,535	780,792
Accrued Liabilities	393,668	25,268	441	419,377	(1,101,135)
Accrued Compensated Absences	45,841	6,636	131	52,608	119,130
Due To Other Governments	4,552	(1,695)		2,857	(39,778)
Due To Other Funds	34,235	123,690	81	158,006	164,568
Unearned Revenue	383,283	1,529		384,812	(811,278)
Other Current Liabilities	716,623			716,623	1,010,739
Landfill Closure/Postclosure Accrual	2,224,000			2,224,000	302,000
Deferred Credits And Other Liabilities	156,000			156,000	202,000
Claims		(407,962)	146,201	(261,761)	233,166
Total Adjustments	32,581,362	1,027,250	(1,848,356)	31,760,256	25,077,664
Net Cash From Operating Activities	65,840,670	1,715,539	(336,918)	67,219,291	56,573,531
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Operating Grants	814,919			814,919	1,360,089
Donations					7,000
City Subsidy	4,579,441			4,579,441	4,280,654
Transfers From Other Funds		23,000	1,014,328	1,037,328	346,392
Transfers To Other Funds	(1,014,328)	(151,513)		(1,165,841)	(25,780,923)
Special Waste Programs Subsidy	(260,956)			(260,956)	(245,519)
Residual Equity Transfers To Other Funds		(8,405)		(8,405)	
Net Cash From Non-Capital Financing Activities	4,119,076	(136,918)	1,014,328	4,996,486	(20,032,307)

(Continued)

(Exhibit 6, Continued)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	1999	1998
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Additions To Property, Plant, And Equipment	(16,859,440)	(1,642,379)		(18,501,819)	(21,309,403)
Proceeds From Sale Of Property, Plant, And Equipment	6,203	166,039		172,242	44,400,952
Proceeds From Commercial Paper Notes					3,500,000
Bond Proceeds Advance	250,000			250,000	
Bond Proceeds	45,699,556			45,699,556	
Bond Issuance Costs	(16,560)			(16,560)	
Net Other Refunding Activity	(165,000)			(165,000)	
Expenditures For Utility Plant	(22,079,000)			(22,079,000)	(25,864,000)
Net Cost Of Retiring Plant	(162,000)			(162,000)	(480,000)
Capital Construction Transfer In	120,664			120,664	21,380
Capital Construction Transfer Out					(67,356)
Principal Payments On Capital Lease	(11,956)			(11,956)	(79,091)
Principal Payments Of Commercial Paper Notes	(30,000,000)			(30,000,000)	
Principal Payments Of Long-Term Debt	(16,784,889)			(16,784,889)	(12,717,500)
Interest Paid And Fiscal Charges	(19,425,756)			(19,425,756)	(19,588,789)
Federal Grant Revenues					476,527
Net Cash From Capital Financing Activities	(59,428,178)	(1,476,340)		(60,904,518)	(31,707,280)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds From Sale And Maturities Of Investments	307,453,784	10,543,126	52,401,097	370,398,007	366,727,491
Purchases Of Investments	(320,871,379)	(10,848,366)	(54,327,025)	(386,046,770)	(379,458,393)
Interest And Other Revenues	7,377,229	651,164	2,211,013	10,239,406	9,659,355
Net Cash From Investing Activities	(6,040,366)	345,924	285,085	(5,409,357)	(3,071,547)
Net Increase In Cash	4,491,202	448,205	962,495	5,901,902	1,762,397
Cash Beginning Of Year	18,135,889	4,549,771		22,685,660	20,923,263
Cash End Of Year	\$ 22,627,091	4,997,976	962,495	28,587,562	22,685,660
Supplemental Disclosure of Noncash Investing And Financing Activities:					
Donation of Capital Assets	\$ 3,337,452	49,131		3,386,583	7,679,356
Reconciliation To Combined Balance Sheet:					
Cash Held By City Treasurer	\$ 5,521,702	4,997,890	8,113,709		
Cash On Hand And In Other Accounts	708,064	86	839,517		
Restricted Assets:					
Cash	16,375,197				
Cash On Hand And In Other Accounts	22,128				
Less:					
Cash End Of Year Pension Trust Fund			(299,681)		
Cash End Of Year Expendable Trust Funds			(856,580)		
Cash End Of Year Agency Funds			(6,834,470)		
	\$ 22,627,091	4,997,976	962,495		

See Accompanying Notes To General Purpose Financial Statements

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**NOTES TO GENERAL PURPOSE
FINANCIAL STATEMENTS**

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements
Fiscal Year Ended August 31, 1999

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lincoln, Nebraska (City) was 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 systems, sanitary landfill, 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 general purpose financial statements present all the fund types and account groups of the City. Based upon the financial accountability criteria identified in GASB Statement 14, The Financial Reporting Entity, none of the City's significant potential component units were required to be included as part of the reporting entity. Regarding related organizations, the City's mayor appoints and the City Council approves all of the board appointments of the Housing Authority of the City of Lincoln. However, the City has no further accountability for this organization.

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, 1999, with memorandum totals as of and for the year ended August 31, 1998. 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, 1998. The amounts included in the City's August 31, 1999 financial statements for LES are audited figures as of and for the year ended December 31, 1998. The 1998 memorandum totals include the December 31, 1997 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. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenses/expenditures. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. 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.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

- 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 City applies all applicable GASB pronouncements as well as FASB, APB, and ARB pronouncements issued on or before November 30, 1989 (unless such pronouncements conflict with or contradict related GASB pronouncements) in accounting and reporting for its proprietary funds. 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 pension trust, expendable trust, non-expendable trust, and agency funds. Pension and non-expendable trust funds are accounted for 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.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

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 and prepaid expenses to indicate that they do not represent "available spendable resources," even though they are a component of net current assets. Such amounts are offset by a fund balance reserve account.

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

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

Property, plant, and equipment owned by the proprietary funds is stated at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair 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, capital acquisitions, or construction are reported as "non-operating" 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, 1999 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

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

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 which are measurable but 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.

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, pension trust funds, and non-expendable trust funds. Under this method revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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.

Appropriation transfers between departments or agencies may only be authorized by resolution of the City Council. The Council may not make any appropriations in addition to those authorized in the annual budget, except that it may authorize emergency appropriations in the event of an emergency threatening serious loss of life, health, or property in the community.

- 5) Budgets for all 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.

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.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

- 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) Operating 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, capital projects, enterprise, internal service, pension and non-expendable trusts. Legally adopted annual budgets are not established for certain special revenue (Advance Acquisition, Tax Sales Revolving, Property Tax Refunds and Special Assessment), debt service (Special Assessment), and trust and agency funds. In addition, capital project funds are not budgeted on an annual basis, but rather a project basis. As a result, budget to actual comparisons have not been presented for these funds.

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, 1999 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 is allocated to the individual funds at year end on the basis of average balances.

CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows of its proprietary funds, the City considers cash on hand and in the bank as well as cash held and invested by the City Treasurer on behalf of the funds, which is readily convertible to known amounts of cash, to be cash and cash equivalents.

Cash and Cash Equivalents, as reported in the Statements of Cash Flows, includes Cash held by City Treasurer, Cash on hand and in other accounts, Restricted cash, and Restricted cash on hand and in other accounts. Cash Held With Bond Trustee has been purposely excluded because it does not carry the characteristics of a demand deposit account, as the City no longer has access to this cash.

INVESTMENTS

Investments are carried at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value. Income from investments held by the individual funds is recorded in the respective funds as it is earned.

In accordance with authorized investment laws, the Pension Trust Fund of the City is allowed to invest in various mortgage-backed securities, such as collateralized mortgage obligations. They are reported in aggregate as mortgage-backed securities in the disclosure of custodial credit risk (see Note 4).

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.

RESTRICTED ASSETS

Certain assets of the Golf enterprise fund are classified as restricted assets to be used for capital improvements.

CITY OF LINCOLN, NEBRASKA
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Certain proceeds of the enterprise funds revenue bonds, as well as resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Assets included in the Bond Principal and Interest Account and the Bond Reserve Account are restricted for the payment of bond principal and interest. Assets included in the Surplus Account and the Depreciation and Replacement Account are restricted for purposes to include improvements, repairs and replacements, acquisition of equipment and the payment of bond principal and interest. Assets included in the Construction Account are restricted for paying the cost of the capital projects.

Certain assets of the Community Health Endowment trust fund are classified as restricted assets to provide for all reimbursable claims pursuant to the terms of the Lincoln General Hospital sale agreement.

A recap of restrictions and related balances at August 31, 1999 are as follows:

Fund Account	Golf	Parking Facilities	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Community Health Endowment	Totals
Principal and Interest	\$ 19,570	884,769	6,830		8,559,000		9,470,169
Reserve	465,500	1,415,898	1,337,353	5,639,806	15,761,000		24,619,557
Surplus		968,152	14,735,371	15,524,655			31,228,178
Depreciation and Replacement	139,305	329,273					468,578
Construction		1,700,622	16,748,129	6,060,893	3,425,000		27,934,644
Loan Payments			278,126				278,126
Claims						3,453,321	3,453,321
Rate Stabilization					8,000,000		8,000,000
Arbitrage Rebate				57,820			57,820
Capital Improvements	634,527						634,527
Customer Deposits				52,300			52,300
	\$ 1,258,902	5,298,714	33,105,809	27,335,474	35,745,000	3,453,321	106,197,220

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 31 days. Employees earn sick leave at the rate of one day per month with a total accumulation of 200-250 days depending upon the employees' bargaining unit, with the exception of the firefighter's union which allows unlimited sick leave accumulation. Upon retirement, an employee is reimbursed for accumulated sick leave up to a maximum of 50 days. LES is covered by a separate personnel plan regarding vacation and sick leave with the liability for these benefits recorded in Accrued Liabilities.

Vacation leave and other compensated absences with similar characteristics are accrued as the benefits are earned if the leave is attributable to past service and it is probable that the City will compensate the employees for such benefits. Sick leave and other compensated absences with similar characteristics are accrued as the benefits are earned only to the extent it is probable that the City will compensate the employees for such benefits through cash payments conditioned on the employee's termination or retirement. Such accruals are based on current salary rates and include salary related payments directly and incrementally associated with payments made for compensated absences on termination.

In the governmental and similar trust funds, compensated absences expected to be liquidated with expendable available financial resources are recorded as a fund liability with the remainder being recorded in the general long-term liability account group. The proprietary and similar trust funds recognize the entire compensated absence balance as a fund liability.

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However,

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

comparative data (i.e., presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the General Purpose Financial 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 cash flows 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 tax exempt 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.

RECLASSIFICATIONS

Certain reclassifications have been made in the 1998 totals columns to conform to the 1999 financial statement presentation.

(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 1998 tax levy, for the 1998-99 fiscal year, was \$35,441,591 below the legal limit, a tax rate per \$100 valuation of 0.32392. The assessed value upon which the 1998 levy was based was \$8,519,901,214.

The tax levies for all political subdivisions in Lancaster County are certified by the County Board on or before November 1st. Real estate taxes are due on December 31st and attach as an enforceable lien on property on January 1st following the levy date and become delinquent in two equal installments on April 1st and August 1st. Personal property taxes are due December 31st and become delinquent on April 1st and August 1st following the levy date. Delinquent taxes bear 14% interest.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

Property taxes levied for 1998-99 are recorded as revenue when due or past due and when expected to be collected within 60 days after August 31, 1999. 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 retail operating revenues derived from within the City limits of incorporated cities and towns served.

(3) DEFEASANCE OF DEBT

On March 1, 1999, the City issued \$8.2 million in General Obligation Bonds with an average interest rate of 3.8 percent to refund \$8 million of outstanding bonds. Proceeds of the refunding bonds were placed in an irrevocable trust to provide for all future debt service payments. Series 1991 Bonds in the amount of \$3,640,000 were called on April 1, 1999. The remaining \$4,400,000 of Series 1989 Bonds are considered to be defeased and the trust account assets and the liability for these bonds are not included in the City's financial statements. Pertinent data regarding this current year refunding activity is as follows:

Description Of Bonds	Balance Of Bonds At Time Of Refunding	Amount Placed In Irrevocable Trust	Accounting Gain (Loss)	Decrease In Cash Flow Requirements	Economic Gain
1989 & 1991 General Obligation Various Purpose Bonds	\$ 8,040,000	8,263,359	N/A	1,206,811	826,929

In prior years, the City defeased certain bonds by placing the proceeds of the refunding bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On August 31, 1999, the following bonds outstanding are considered defeased:

General Obligation Bonds:		
08/15/89	Various Purpose	\$ 4,400,000
Revenue Bonds:		
08/15/80	Lincoln Wastewater	5,000
Various	Lincoln Electric	40,000,000
11/01/90	Lincoln Water	<u>38,500,000</u>
Total Defeased Bonds Outstanding		<u>\$ 82,905,000</u>

(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 Corporation (FDIC).

DEPOSITS

For purposes of classifying categories of custodial risk, the bank balances of the City's deposits as of August 31, 1999 are either entirely insured or collateralized with securities held by the City's agent in the City's name.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

INVESTMENTS

For reporting purposes, the carrying amount of investments is classified into the following three categories of custodial risk:

- 1) Insured or registered, with securities held by the City or its agent in the City's name.
- 2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- 3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

Pension Fund

At August 31, 1999, the Pension Trust fund had investments as follows:

	Category		Total
	1	3	
Mortgage Backed Securities	\$	29,041,795	29,041,795
Government Securities	21,982,688	40,164,762	62,147,450
Government Agencies		11,719,000	11,719,000
Repurchase Agreements		1,780,000	1,780,000
	\$ 21,982,688	82,705,557	104,688,245
Open-end Mutual Funds			16,117,309
			120,805,554

Lincoln Electric System (LES)

At December 31, 1998, LES had investments as follows:

	Category		Reported Amount	Fair Value
	1	3		
Government Securities	\$ 25,526,000	37,237,000	62,763,000	63,571,000
Repurchase Agreements	2,219,000		2,219,000	2,219,000
	\$ 27,745,000	37,237,000	64,982,000	65,790,000

Lincoln Wastewater System

At August 31, 1999, Lincoln Wastewater System had investments as shown below:

	Category 3	
	Reported Amount	Fair Value
Government Securities	\$ 24,381,851	24,312,531

Lincoln Water System

At August 31, 1999, Lincoln Water System had investments as follows:

	Category		Reported Amount	Fair Value
	2	3		
Government Securities	\$	18,858,629	18,858,629	18,917,168
Repurchase Agreements	1,070,998		1,070,998	1,070,998
	\$ 1,070,998	18,858,629	19,929,627	19,988,166

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

All Other City Funds

Investments of all other City funds do not vary significantly in either type or risk. These investments at August 31, 1999 were as follows:

	<u>Category</u>		<u>Reported Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>3</u>		
Government Securities	\$ 43,996,634	11,278,705	55,275,339	55,271,803
Government Agencies	84,248,900	48,440,929	132,689,829	132,595,809
Repurchase Agreements	<u>6,700,000</u>	<u>6,850,000</u>	<u>13,550,000</u>	<u>13,550,000</u>
	<u>\$134,945,534</u>	<u>66,569,634</u>	201,515,168	201,417,612
Interfund Investments			<u>359,992</u>	<u>359,992</u>
			<u>201,875,160</u>	<u>201,777,604</u>

Reconciliation to Exhibit 1

As of August 31, 1999, the deposits and investments of the City consisted of:

<u>Fund</u>	<u>Reported Amount</u>
Investments:	
Police And Fire Pension	\$ 120,805,554
Lincoln Electric System	64,982,000
Lincoln Wastewater System	24,381,851
Lincoln Water System	19,929,627
All Other City Funds	<u>201,875,160</u>
Total Investments	<u>431,974,192</u>
Deposits And Cash:	
Certificates Of Deposit	21,833,000
Bank Accounts	5,906,269
Cash On Hand	<u>1,423,593</u>
	<u>\$ 461,137,054</u>

These assets are reflected on Exhibit 1 as follows:

Cash Held By City Treasurer	\$ 63,655,605
Cash On Hand And In Other Accounts	1,612,956
Cash Held By Trustee	17,280
Investments	266,975,476
Investments Held By Trustee	23,041,600
Restricted Assets:	
Cash	16,375,197
Cash On Hand And In Other Accounts	22,128
Investments	<u>89,436,812</u>
	<u>\$ 461,137,054</u>

There were no investments that resulted in significantly greater custodial risk held during the fiscal year ended August 31, 1999 than those held at year end.

The City's Pension Trust Fund invests in collateralized mortgage obligations to maximize investment earnings. These securities are based on cash flows from principal and interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated. Additionally, based upon market conditions, significant losses could result if such securities are sold prior to maturity.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(5) **RECEIVABLES**

Receivables at August 31, 1999 consist of the following (in thousands):

Fund	Taxes	Notes	Accounts	Special Assessments		Accrued Interest	Gross Receivables	Allowance For Uncollectibles	Net
				Current	Deferred				
General	\$ 2,243		63			97	2,403		2,403
Special Revenue	701		346			393	1,440		1,440
Debt Service	816			548	3,801	389	5,554	326	5,228
Capital Projects		350	5			235	590		590
Enterprise			20,020			1,153	21,173		21,173
Internal Service			634			33	667		667
Trust And Agency	123		147			676	946		946
	<u>\$ 3,883</u>	<u>350</u>	<u>21,215</u>	<u>548</u>	<u>3,801</u>	<u>2,976</u>	<u>32,773</u>	<u>326</u>	<u>32,447</u>

Enterprise Fund customer accounts receivable include unbilled charges for services.
Delinquent Special Assessment Receivables at August 31, 1999 were \$207,912.

(6) **DUE FROM OTHER GOVERNMENTS**

The total of Due from Other Governments of \$8,134,879 includes the following significant items:

<u>Fund/Fund Type</u>	<u>Amount</u>	<u>Service</u>
General	\$3,484,448	State of Nebraska, July Sales and Use Tax
	286,519	August Motor Vehicle Taxes Collected by Lancaster County
	254,262	Federal Government, Cost Reimbursements
Lincoln Area Agency on Aging/Special Revenue	133,938	Federal Government, Cost Reimbursements
Lincoln/Lancaster Co. Health/Special Revenue	326,441	Lancaster County, Cost Reimbursements
Snow Removal/Special Revenue	85,565	August Motor Vehicle Taxes Collected by Lancaster County
Street Construction/Special Revenue	967,021	State of Nebraska, July Highway User Fees
	139,864	State of Nebraska, Project Cost Reimbursements
Federal Grants/Special Revenue	1,408,465	Federal Government, Cost Reimbursements
Vehicle Tax/Capital Projects	581,871	August Motor Vehicle Taxes Collected by Lancaster County
Information Services/Internal Service	300,287	Lancaster County Billings

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(7) **FIXED ASSETS**

GENERAL FIXED ASSETS

All items in the general fixed assets account group are valued at historical cost, or, if donated, estimated fair value at the time of donation. The City has elected not to record infrastructure assets or to depreciate general fixed assets. Approximately 4,300 items comprise the general fixed assets. A summary of changes in general fixed assets since September 1, 1998 is as shown below:

	Balance <u>Sept. 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>August 31, 1999</u>
Land	\$ 14,973,165	3,720,496	1,935,585	16,758,076
Buildings	31,881,448	3,359,473	24,118	35,216,803
Improvements Other Than Buildings	22,756,772	479,811	527,544	22,709,039
Machinery and Equipment	<u>26,200,094</u>	<u>1,365,528</u>	<u>160,761</u>	<u>27,404,861</u>
	<u>\$ 95,811,479</u>	<u>8,925,308</u>	<u>2,648,008</u>	<u>102,088,779</u>

PROPRIETARY FUND TYPES - PROPERTY, PLANT AND EQUIPMENT

A summary of Proprietary Fund Type property, plant, and equipment at August 31, 1999 follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 12,250,294	48,250
Buildings	133,902,074	346,574
Improvements Other Than Buildings	237,744,699	475,646
Machinery And Equipment	28,317,998	18,605,317
Utility Plant	539,780,000	
Construction In Progress	<u>71,294,450</u>	
Total	1,023,289,515	19,475,787
Less Accumulated Depreciation	<u>(310,029,499)</u>	<u>(13,206,333)</u>
	<u>\$ 713,260,016</u>	<u>6,269,454</u>

Construction In Progress at August 31, 1999 is as follows:

Parking Facilities	879,484
Lincoln Wastewater System	16,125,647
Lincoln Water System	22,489,319
Lincoln Electric System	<u>31,800,000</u>
	<u>\$ 71,294,450</u>

CITY OF LINCOLN, NEBRASKA
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(8) CONTRIBUTED CAPITAL

The following are changes for the year ended August 31, 1999 in contributed capital for the proprietary funds:

	Contributed Capital	
	Enterprise Funds	Internal Service Funds
Balance, September 1, 1998	\$ 82,733,970	625,052
Donated Assets	3,337,452	49,131
Capital Construction Transfers	120,664	
Less Donated Assets Deleted	(123,164)	(30,073)
Less Depreciation On Assets Acquired With Contributed Capital	(2,673,914)	(111,479)
Balance, August 31, 1999	\$ 83,395,008	532,631

(9) LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended August 31, 1999 (in thousands of dollars):

	General Long-Term Liability Account Group				Proprietary Fund Long-Term Obligations		Total
	General And Tax Allocation Bonds And Notes	Special Assessment Debt With Governmental Commitment	Capital Leases	Accrued Compensated Absences	Revenue Bonds And Notes	Capital Leases	
Balances At September 1, 1998	\$ 64,132	2,245	1,871	1,253	338,845	165	408,511
Additions:							
New Bonds:							
02/15/98 Electric Revenue Bonds					45,560		45,560
02/15/99 Taxable Revenue Allocation Bonds					140		140
03/01/99 Various Purpose Bonds	30,020						30,020
Other:							
New Accrued Compensated Absence Obligations				81			81
Deductions:							
In-Substance Defeasance	(4,400)						(4,400)
Current Refunding	(3,640)						(3,640)
Serial Bonds	(3,701)	(785)			(16,785)		(21,271)
Tax Allocation Bonds	(559)						(559)
Notes Payable	(34)						(34)
Capital Lease Payments			(48)			(12)	(60)
Accrued Compensated Absences				(95)			(95)
Balances At August 31, 1999	\$ 81,818	1,460	1,823	1,239	367,760	153	454,253

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

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:							
5,193	09/15/89	Sanitary Improvement District #7	5.00000	Ser. '91 to '10	1990	Annually	\$ 2,611
13,455	01/15/93	Hospital Revenue Series A	5.96358	Ser. '93 to '08	2002	Semiannually	9,595
9,070	01/15/93	Hospital Revenue Series A	6.20000	Term '09 to '14	2002	"	9,070
2,970	01/15/93	Hospital Revenue Series B	5.96293	Ser. '93 to '08	2002	"	2,115
1,990	01/15/93	Hospital Revenue Series B	6.21000	Term '09 to '14	2002	"	1,990
4,570	06/01/93	Various Purpose Refunding	4.47364	Ser. '94 to '06	1998	"	2,335
10,740	07/01/93	Downtown Redev. Refunding	4.26203	Ser. '93 to '02	1998	"	4,880
4,000	04/15/95	Storm Sewer	5.45795	Ser. '95 to '15	2002	"	3,200
6,500	08/01/95	Various Purpose	5.18442	Ser. '96 to '15	2002	"	5,525
8,250	08/15/97	Storm Sewer and Drainage	4.92735	Ser. '99 to '17	2005	"	8,250
14,435	03/01/99	Various Purpose Series A	4.46209	Ser. '00 to '14	2009	"	14,435
7,365	03/01/99	Various Purpose Series A	4.46209	Term '15 to '19	2009	"	7,365
8,220	03/01/99	Various Purpose Series B	3.81227	Ser. '99 to '11	2007	"	8,220
TOTAL GENERAL BONDS							<u>\$ 79,591</u>
Tax Allocation Bonds:							
880	01/17/90	Tax Allocation Bonds	7.90000	Oct. 1, 2004	Anytime	Annually	\$ 255
1,310	11/15/92	Tax Allocation Bonds	5.87280	Ser. '93 to '06	1997	Semiannually	845
105	11/15/92	Tax Allocation Bonds	6.35000	Term '93 to '06	1997	"	75
90	11/15/92	Tax Allocation Bonds	6.30000	Term '93 to '05	1997	"	60
303	10/18/94	Tax Allocation Bonds	8.00000	Term '95 to '05	Anytime	"	214
835	05/15/95	Tax Allocation Bonds	5.49750	Term '95 to '09	2000	"	735
TOTAL TAX ALLOCATION BONDS							<u>\$ 2,184</u>
Notes Payable:							
146	07/28/92	Notes Payable	7.00000	1995 to 2004	Anytime	Annually	\$ 43
TOTAL NOTES PAYABLE							<u>\$ 43</u>
TOTAL GENERAL AND TAX ALLOCATION BONDS AND NOTES							<u>\$ 81,818</u>
Special Assessment Bonds:							
6,000	09/01/79	Special Assessment Revolving	5.48328	Ser. '80 to '99	1989	Semiannually	\$ 300
3,860	11/15/89	Special Assessment Revolving	6.47384	Ser. '90 to '04	1996	"	830
1,495	07/01/93	Special Assessment Revolving	4.11627	Ser. '94 to '01	1998	"	330
TOTAL SPECIAL ASSESSMENT BONDS							<u>\$ 1,460</u>
TOTAL GENERAL OBLIGATION BONDS AND NOTES							<u>\$ 83,278</u>
Revenue Bonds:							
60,000	08/15/93	Water Revenue	5.13966	Ser. '94 to '12	2003	Semiannually	\$ 46,085
9,018	02/05/91	Wastewater Revenue	5.00000	Ser. '92 to '07	1992	Semiannually	\$ 8,450
5,770	03/01/94	Parking Revenue Series A	4.76833	Ser. '94 to '14	2001	Semiannually	\$ 4,755
6,500	08/15/94	Parking Revenue Series C	6.06332	Ser. '95 to '14	2001	"	6,195
TOTAL PARKING BONDS							<u>\$ 10,950</u>
4,655	08/15/91	Golf Course Revenue	6.69210	Ser. '95 to '11	1998	Semiannually	\$ 3,755
44,475	08/01/92	Electric Power Supply '92 Series A	4.76526	Ser. '95 to '03	2002	Semiannually	\$ 7,495
33,405	08/01/92	Electric Power Supply '92 Series A	5.75000	Term 2016	2012	"	33,405
184,650	07/01/93	Electric Refunding '93 Series A	4.68942	Ser. '94 to '11	2004	"	151,290
62,005	07/01/93	Electric Refunding '93 Series A	5.25000	Term 2015	2012	"	62,005
45,560	02/15/98	Electric Revenue Bonds '98 Series A	4.65000	Ser. '98 to '18	2008	"	44,220
TOTAL ELECTRIC BONDS							<u>\$ 298,415</u>
140	05/01/99	Taxable Revenue Allocation Bonds	5.25000	15-Aug-02	Anytime	Annually	\$ 105
TOTAL REVENUE BONDS							<u>\$ 367,760</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

Annual requirements to pay principal and interest on outstanding debt follows (in thousands of dollars):

Fiscal Year Ended August 31	General Obligations				Revenue Bonds And Notes		Capital Leases	
	Bonds And Notes		Special Assessments		Bonds And Notes	Interest	Principal	Interest
	And Notes	Interest	Bonds	Interest				
2000	\$ 5,260	4,034	770	67	14,832	18,772	81	100
2001	5,345	3,748	270	40	15,492	18,105	91	96
2002	5,413	3,511	110	25	16,182	17,392	96	92
2003	24,306	3,018	105	18	16,878	16,632	101	87
2004	3,174	1,878	105	10	17,688	15,826	106	82
2005-2009	15,266	7,347	100	3	99,368	65,319	591	316
2010 & Thereafter	23,054	5,570			187,320	47,179	910	209
	<u>\$ 81,818</u>	<u>29,106</u>	<u>1,460</u>	<u>163</u>	<u>367,760</u>	<u>199,225</u>	<u>1,976</u>	<u>982</u>

As of August 31, 1999 the Sanitary Sewer Revenue Bonds, Series 1977 had \$5,000 of bonds due and outstanding and were excluded from the above presentations regarding long-term debt composition and annual debt service requirements.

Following the sale of Lincoln General Hospital (LGH) on October 31, 1997, the City placed a portion of the sale proceeds in escrow to provide for future debt service payments on the outstanding LGH bonds. This debt became a general obligation of the City with the corresponding assets transferred to the Debt Service fund and the liabilities recorded in the General Long-Term Liability Account Group.

Funds of \$27,376,701, \$4,128,343 and \$4,082,008 are available in the debt service funds to service the General Obligation Bonds, Tax Allocation Bonds, and Special Assessment Bonds, respectively. In the unlikely event special assessment collections are not sufficient to make debt payments, the responsibility rests with the City to meet that obligation.

General obligation notes payable relate to a bank loan of \$146,274, obtained for construction related to the Apothecary and Ridnour Buildings sub-project. The balance of the loan will be repaid over an anticipated term of eight years through tax increment revenue.

Established by City Ordinance, LES may borrow up to \$75 million under a commercial paper note program. At December 31, 1998, LES had \$15 million of commercial paper notes outstanding. The notes mature at various dates but not more than 270 days after the date of issuance. The weighted-average interest rate for the year ended December 31, 1998 was 3.2 percent. The outstanding commercial paper notes are secured by a revolving credit agreement which provides for borrowings up to \$75 million. LES pays a commitment fee for the credit agreement.

Revenue Bonds are funded partially from reserve accounts set up for debt repayment and partially from proceeds of daily operations.

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, minimum amounts to be maintained in various bond reserve funds, and minimum revenue bond coverages. In the opinion of management, 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, 1999, is summarized below (unaudited):

<u>Units</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To The City</u>	<u>Direct And Overlapping Debt To The City</u>
Direct:			
City	\$ 47,691,000	100.0 %	\$ 47,691,000
Overlapping:			
School District #1	48,329,000	97.2	46,976,000
Airport Authority	3,977,000	100.0	3,977,000
Lancaster County	9,357,000	84.6	7,916,000
Public Building Commission	31,373,000	84.6	26,542,000
Southeast Community College	None	35.9	None
	<u>93,036,000</u>		<u>85,411,000</u>
Total	\$ <u>140,727,000</u>		\$ <u>133,102,000</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

The City has no direct liability for the School District, Airport Authority, Lancaster County, or Southeast Community College debt summarized above. See Note 20 regarding the Public Building Commission. This results in a per capita direct City debt of \$219.23; a per capita direct and overlapping debt of \$611.85; a ratio of direct City debt to 1999 actual valuation of .52 percent; and a ratio of direct and overlapping debt to 1999 actual valuation of 1.46 percent.

(10) FAIR VALUE OF FINANCIAL INSTRUMENTS

In the opinion of management, the carrying value of financial instruments of the City's utility proprietary funds (Lincoln Wastewater, Lincoln Water, and Lincoln Electric Systems) was presented in the City's financial statements at values which approximated fair value at August 31, 1999 (December 31, 1998 for Lincoln Electric System), with the exception of long-term debt for which the estimated fair value was \$8,900,000, \$46,500,000 and \$316,900,000, respectively.

(11) SEGMENTS OF OTHER ENTERPRISE ACTIVITIES

Various services provided by the City are financed by user charges. These include parking, golf, transportation, wastewater, water, landfill, electricity, and a city auditorium. Segment information for the year ended August 31, 1999 (December 31, 1998 for Lincoln Electric System) is as follows:

	Golf	Parking Facilities	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other	Total
Operating Revenues	\$ 2,438,949	3,080,590	14,347,142	18,820,314	145,327,000	8,439,948	192,453,943
Operating Expenses:							
Depreciation	395,602	677,362	2,487,143	3,761,470	15,904,000	1,850,036	25,075,613
Other	1,656,746	2,329,165	7,591,990	9,067,262	98,764,000	14,709,859	134,119,022
	<u>2,052,348</u>	<u>3,006,527</u>	<u>10,079,133</u>	<u>12,828,732</u>	<u>114,668,000</u>	<u>16,559,895</u>	<u>159,194,635</u>
Operating Income (Loss)	<u>\$ 386,601</u>	<u>74,063</u>	<u>4,268,009</u>	<u>5,991,582</u>	<u>30,659,000</u>	<u>(8,119,947)</u>	<u>33,259,308</u>
Operating Grants and Donations	\$					814,919	814,919
Operating Transfers In	\$	1,098,319				4,579,441	5,677,760
Operating Transfers Out	\$					(260,956)	(260,956)
Net Income (Loss)	\$ 203,566	800,270	5,419,940	4,996,566	15,327,000	(2,616,774)	24,130,568
Net Working Capital	\$ 692,030	1,029,098	2,259,340	4,169,363	8,235,000	6,822,752	23,207,583
Total Assets	\$ 9,477,898	29,980,571	135,567,819	214,750,411	520,139,000	29,673,200	939,588,899
Bonds And Notes Payable	\$ 3,755,000	10,950,000	8,455,066	46,085,000	298,415,000	104,667	367,764,733
Landfill Closure/PostClosure Accrual	\$					6,389,000	6,389,000
Current Capital Contributions	\$ 79,534	1,098,320	729,937	1,147,360		402,965	3,458,116
Contributed Capital	\$ 284,307	11,222,266	37,413,113	26,325,002		8,150,320	83,395,008
Fund Equity & Other Credits	\$ 5,497,878	18,331,791	125,175,021	165,456,211	172,158,000	18,964,216	505,583,117
Property, Plant and Equipment Additions	\$ 294,472	1,188,392	7,986,879	8,987,080	22,079,000	1,740,069	42,275,892

The operating loss of \$8,119,947 in the "Other" column is primarily attributable to StarTran which incurred an operating loss of \$5,907,887, but received federal and state grants and local subsidies of \$5,035,360, which are included in non-operating revenues and operating transfers.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(12) **DEFICIT RETAINED EARNINGS**

The following fund had deficit retained earnings as of August 31, 1999:

Engineering Revolving Internal Service Fund	\$(25,054)
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(13) **EMPLOYEES' RETIREMENT PLANS**

The employees of the City are covered by several retirement plans. The Police and Fire Department Plan is administered by the City and is 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.

POLICE AND FIRE PENSION

Plan Description - The Police and Fire Department Plan (PFDP) is a single-employer defined benefit pension plan administered by the City of Lincoln. PFDP provides retirement, disability, and death benefits to plan members and beneficiaries. Cost-of-living adjustments are provided to members and beneficiaries in accordance with the plan document. Article II Section 3 of the Lincoln Charter assigns the authority to establish and amend benefit provisions to the City Council. The City does not issue a separate report that includes financial statements and required supplementary information for PFDP.

Membership of the plan consisted of the following at August 31, 1999, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	293
Terminated plan members entitled to but not yet receiving benefits	48
Active plan members	<u>545</u>
Total	<u>886</u>
Number of participating employers	<u>1</u>

Funding Policy - The contribution requirements of plan members and the City are established by City Ordinance #15728 dated September 24, 1990 and may be amended by the City Council. Plan members are required to contribute between 7% and 8% of their annual covered salary based on an election made by the employee. The City is required to contribute at an actuarially determined rate; the current rate is .40% of annual covered payroll. Actual contributions by the City were 3.83% of annual covered payroll as the City has chosen to accelerate the period over which the funding credit is being amortized. Administrative costs of PFDP are financed through investment earnings.

Annual Pension Cost and Net Pension Obligation - The City's annual pension cost and net pension obligation to PFDP for the current year were as follows:

(Dollar amounts in thousands)

Annual required contribution	\$ 904
Interest on net pension obligation	---
Adjustment to annual required contribution	---
Annual pension cost	<u>904</u>
Contributions made	<u>904</u>
Increase (decrease) in net pension obligation	---
Net pension obligation at transition	---
Net pension obligation end of year	<u>\$ ---</u>

The annual required contribution for the current year was determined as part of the August 31, 1999 actuarial valuation using the entry age actuarial funding method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year compounded

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

annually, (b) projected salary increases of 5.0-9.0% per year, and (c) the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using a four year smoothed market method. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at August 31, 1999 was 5 years.

Three-Year Trend Information
(Dollar Amounts In Thousands)

Year Ended <u>August 31</u>	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
1999	\$ 904	100 %	\$ ---
1998	504	100	---
1997	433	100	---

Required Supplementary Information (Unaudited)
Schedule Of Funding Progress
(Dollar Amounts In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
August 31, 1999	\$ 113,903	\$ 104,692	\$ (9,211)	108.8 %	\$ 23,611	(39.0) %
August 31, 1998	109,213	94,848	(14,365)	115.1	21,860	(65.7)
August 31, 1997	101,476	91,023	(10,453)	111.5	20,909	(50.0)
August 31, 1996	94,348	81,583	(12,765)	115.6	19,225	(66.4)
August 31, 1995#	92,235	79,202	(13,033)	116.5	18,561	(70.2)
August 31, 1994	83,308	70,517	(12,791)	118.1	17,698	(72.3)

After changes in benefit provisions.

Schedule Of Employer Contributions
(Dollar Amounts In Thousands)

Year Ended <u>August 31</u>	Annual Required Contribution	Percentage Contributed
1999	\$ 904	100 %
1998	504	100
1997	433	100
1996	428	100
1995	402	100
1994	389	100

ELECTRIC SYSTEM

The City owns and operates its own electric system which is included in the enterprise funds in the accompanying general purpose financial statements. The electric system is controlled and managed by an administrative board and is not supported by the City's general tax revenues. The electric system provides retirement benefits to its employees under its own separate plan, such benefits being funded solely from revenues derived from the operation of the electric system. A summary of the electric system plan is as follows:

LES has a contributory retirement plan covering all employees who have been employed for a continuous period of one year. The plan is a defined contribution, straight money purchase plan, administered by a financial institution. LES's contribution is equal to 200% of the employees' contributions which range from 2-5% of gross wages. This plan and related contribution requirements

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

were authorized by the administrative board of directors under LES' retirement plan, on October 12, 1972 (latest restatement June 15, 1989). Vesting of LES contributions occurs over a five-year period. Employee forfeitures are used to reduce employer contributions. Vested benefits are fully funded. LES incurred contribution expense of \$1,782,000 (9.65% of covered payroll) and its employees contributed \$896,000 (4.85% of covered payroll).

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, established by City Ordinance, and administered by an insurance company. The plan is a defined contribution plan requiring the City to contribute 6% of the first \$4,800 of earned income plus 12% of earned income over \$4,800 in one calendar year. Employees covered by the plan may also make voluntary contributions. Participant accounts are immediately 100% vested. Total and covered payroll for the year ended December 31, 1998 was \$984,605. City contributions totaled \$114,368 or 11.6% of covered payroll. No voluntary employee contributions were made for the year ended December 31, 1998.

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 an insurance company. Enrollment in the program is mandatory at age 40 with 5 years service. Vesting occurs in increments between 5 and 10 years of enrollment in the plan. 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. Employee forfeitures are used to reduce employer contributions. Employees covered by the plan may also make voluntary contributions. During the year ended December 31, 1998, total payroll was \$47,364,892 and covered payroll was \$39,665,512. City contributions totaled \$4,039,925 or 10.2% of covered payroll and employee contributions totaled \$2,202,013 or 5.6% of covered payroll.

(14) COMMITMENTS AND CONTINGENCIES

GENERAL

The City participates in a number of federally assisted grant programs. Federal financial assistance 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 City is a defendant in a number of lawsuits in its normal course of operations and management is of the opinion that ultimate settlement of such lawsuits will not have a materially adverse effect on the financial statements.

The City of Lincoln owns a solid waste disposal area which discontinued operations in 1990, but still requires certain closure and postclosure care, including the construction of final cover soil and monitoring of ground water conditions and landfill gas migration. While accrual of closure and postclosure care costs has been reflected in the financial statements in the current year, additional corrective action costs related to methane gas migration may be identified once testing is completed and regulatory officials have made a final review of reported findings.

LINCOLN WASTEWATER SYSTEM

The Lincoln Wastewater System has commitments under major construction contracts in progress of approximately \$3,379,949 at August 31, 1999, which will be financed primarily through operations.

Lincoln Wastewater System has commitments to fund Lincoln Water System's purchase of automated meter reading system equipment. Under the agreement, Lincoln Wastewater System will fund approximately \$400,000 per year for the next two years, with the intention to extend the commitment for an additional six years. The maximum remaining commitment is approximately \$3,200,000.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

LINCOLN WATER SYSTEM

The Lincoln Water System has commitments under major construction contracts in progress of approximately \$7,790,372 at August 31, 1999, which will be financed primarily through operations and available funds.

Lincoln Water System has commitments to purchase approximately \$1,000,000 of automated meter reading system equipment per year for the next two years, with intention to execute additional contracts to extend commitments for an additional six years. The maximum remaining commitment is approximately \$9,400,000.

LINCOLN ELECTRIC SYSTEM (LES)

Power Sales Contract

LES has a participation 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 facility. The contract provides that LES 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. LES recognized expense for its share of the total fixed demand costs of approximately \$26,200,000 in 1998.

The contract continues through September 22, 2003 and may be extended if NPPD intends to continue operating the facility after that date. The nuclear facility's operating license issued by the Nuclear Regulatory Commission has been extended to 2014. 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 nuclear facility. The most recent study indicates the total cost of decommissioning the facility would approximate between \$474,000,000 and \$492,000,000 in 1998 dollars. The available cash balances of various NPPD funds at that time will be used to offset the total cost of decommissioning the nuclear facility. At December 31, 1998, the available cash balances approximated \$195,000,000. The additional funds required for decommissioning are billed to the participants and discounted at a rate of 8 percent to the year of collection. LES recognized expense for these associated costs of approximately \$2,100,000 in the year ended December 31, 1998.

Participants are also billed for disposal costs of nuclear fuel burned based on energy produced. LES recognized related costs of approximately \$561,000 in 1998.

LES is responsible for 12.5 percent of capital additions and improvements at the nuclear facility. These projects are financed by NPPD and billed to LES over periods ranging from six to eight years. LES recognized as purchased power approximately \$4,300,000 in 1998 for its share of these costs.

Internal financial statements of the nuclear facility reflect \$159,000,000 in revenue bonds outstanding at December 31, 1998. Fixed cost payments of LES include the debt service payments necessary to retire 12.5 percent of the principal and interest on bonds issued by NPPD for the facility. LES's share of debt service payments was approximately \$4,400,000 in 1998.

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 \$21,900,000, \$24,200,000, \$24,600,000, \$25,200,000 and \$26,600,000, respectively, in each of the five years subsequent to December 31, 1998.

Various lawsuits have been filed related to the construction of a low-level radioactive waste facility in Nebraska, which would be utilized by NPPD. LES is unable to predict the effect the lawsuits could have on the construction and operation of the waste facility, but the operation of the nuclear facility, as well as access to waste storage facilities, could be adversely affected.

Participation Agreements

LES has participating interests in the output of two existing NPPD power plants, a thirty percent (approximately 68 Mega Watts (MW)) and eight percent (approximately 109 MW) entitlement to the output of the Sheldon Station Power Plant (nominally rated 225 MW coal plant) and Gerald Gentleman

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

Station Power Plant (nominally rated 1,268 MW coal plant), respectively. The participation agreements continue until the facilities are removed from commercial operation or the final maturity occurs on the related debt incurred by NPPD to finance the facilities, whichever occurs last. Fixed cost payments under the agreements are on a participation basis whether or not such plants are operating or operable. LES's share of the total fixed costs incurred, was \$10,500,000 in 1998. The expected fixed cost requirements aggregate approximately \$12,600,000, \$14,600,000, \$15,100,000, \$16,500,000, and \$16,300,000, respectively, in each of the five years subsequent to December 31, 1998.

Laramie River Station (LRS)

LES is an 11.09 percent co-owner of the Missouri Basin Power Project which includes LRS, a three-unit, 1,650 MW coal-fired power supply station in eastern Wyoming and a related transmission system. Costs, net of accumulated depreciation, associated with LRS of approximately \$88,000,000 are reflected in utility plant at December 31, 1998.

LES has 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 \$115,000 per month through July 1, 1999 for demand charges. The amount is subject to change each July 1 based on debt costs of LES relative to the current market rates, until termination of the agreement. At July 1, 1999 it was determined that the rate would remain approximately \$115,000 per month. 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 1998, LES billed the County approximately \$2,100,000 for demand and energy charges.

(15) EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

The following funds had a combined amount of expenditures and transfers for which there were no appropriations:

Special Revenue	Cable Access Television Fund	\$ 22,498
	Street Construction Fund	72,745
	Northeast Radial Fund	10,208
Debt Service	Tax Allocation Projects	203,520
	Bond Interest And Redemption Fund	355,133

Per Council Budget Resolution, all of the above are among the funds allowed to spend any monies received without further Council action.

(16) RECONCILIATION OF BUDGET BASIS TO GAAP

Amounts presented on a non-GAAP budget basis of accounting differ from those presented in accordance with GAAP due to the treatment afforded accruals, encumbrances, and funds for which legally adopted annual budgets are not established. A reconciliation for the year ended August 31, 1999, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the Budgetary Basis, is presented below:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses:			
Balance On A GAAP Basis	\$ 1,814,497	2,219,873	(4,040,207)
Timing Differences (Accruals)	918,961	1,164,610	524,324
Basis Differences (Encumbrances)	286,370	4,728,452	
Entity Differences (Non-budgeted funds)		1,878,975	(1,547,892)
Other Differences (LGH Debt Transfer)			<u>833,673</u>
Balance On Budget Basis	<u>\$ 3,019,828</u>	<u>9,991,910</u>	<u>(4,230,102)</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(17) DUE TO/FROM OTHER FUNDS

Due To/From Other Funds at August 31, 1999, consists of the following:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 990,486	<u>577,980</u>
Special Revenue Funds:		
Advance Acquisition Fund	66,602	
Athletic Field & Facilities Improvement Fund	10,469	25
Cable Access Television Fund	3,929	
Lincoln City Libraries Fund	66,388	33,842
Lincoln Area Agency On Aging Fund	18,870	25,690
Tax Sales Revolving Fund	52,544	
Lincoln/Lancaster County Health Fund	6,968	89,350
Snow Removal Fund	16,743	5,864
911 Communication Fund	8,548	33,900
Social Security Fund	31,765	111,052
Street Construction Fund	15,088	2,278,742
Unemployment Compensation Fund	13,777	
Keno Fund	52,653	49,510
Federal Grants Fund	284,599	62,690
Special Assessment Fund	1,095,196	311,788
Building & Safety Fund	26,383	49,636
Other Funds	<u>2,132</u>	
Total Special Revenue Funds	<u>1,772,654</u>	<u>3,052,089</u>
Debt Service Funds:		
Tax Allocation Projects Debt Service Fund	119,156	
Bond Interest And Redemption Fund	62,606	
Special Assessment Fund	<u>33,354</u>	<u>1,088,540</u>
Total Debt Service Funds	<u>215,116</u>	<u>1,088,540</u>
Capital Projects Funds:		
Street Construction Fund	1,975,146	
Vehicle Tax Fund	134,030	
1991 G.O. Various Purpose Bonds Fund	1,894	
Downtown Redevelopment Project Fund	13,523	1,098,320
Storm Sewer Bonds Fund	64,364	
1995 G.O. Various Purpose Bonds Fund	25,636	
1999 G.O. Various Purpose Bonds Fund	73,844	
Other Capital Projects Fund	40,467	3,657
Special Assessment Fund	<u>311,787</u>	
Total Capital Projects Funds	<u>2,640,691</u>	<u>1,101,977</u>
Enterprise Funds:		
Parking Lot Revolving Fund	25,390	
Golf Fund	33,651	39,069
Parking Facilities Fund	1,120,431	1,491
Pershing Municipal Auditorium Fund	139	31,000
Sanitary Landfill Revenue Fund	<u>43,122</u>	<u>14,150</u>
Total Enterprise Funds	<u>1,222,733</u>	<u>85,710</u>

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

Due To/From Other Funds (Continued)

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Internal Service Funds:		
Information Services Fund	468,779	29,504
Engineering Revolving Fund	4,134	315,001
Insurance Revolving Fund	83,660	5,508
Fleet Services Fund	63,216	18,494
Police Garage Fund	205,591	7,800
Communication Services Fund	9,160	921
Copy Services Fund	<u>26,348</u>	<u>178</u>
Total Internal Service Funds	<u>860,888</u>	<u>377,406</u>
Fiduciary Funds:		
Pension Trust Fund:		
Police And Fire Pension Fund	<u>7,817</u>	<u>2,506</u>
Expendable Trust Funds:		
Parks And Recreation Special Projects Fund	18,545	13
Commission On Aging Gift Trust Fund	9,603	223
Library Special Trust Fund	<u>10,860</u>	<u>928</u>
Total Expendable Trust Funds	<u>39,008</u>	<u>1,164</u>
Non-Expendable Trust Fund:		
Community Health Endowment Fund	<u>52,570</u>	<u>81</u>
Agency Funds:		
Collections Due Other Governments Fund	63,567	
Payroll Revolving Fund	560,113	
Earnings On Pooled Investments Fund		2,141,005
Telephone Bill Suspense Fund	<u>2,815</u>	<u> </u>
Total Agency Funds	<u>626,495</u>	<u>2,141,005</u>
Total Fiduciary Funds	<u>725,890</u>	<u>2,144,756</u>
Total All Funds	<u>\$ 8,428,458</u>	<u>8,428,458</u>

(18) 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 and the public; or acts of God. The City has a self-insured retention for workers' compensation exposures up to \$300,000 per individual; building and contents exposures up to \$25,000 per occurrence; law enforcement liability exposures up to \$250,000 per occurrence; general liability exposures up to \$250,000 per occurrence; public officials exposures up to \$150,000 per occurrence; public transportation liability exposures up to \$150,000 per occurrence; and employee long-term disability benefits, all of which are covered under the Insurance Revolving Fund which is included in the internal service funds. Health benefits were self-insured through October 31, 1998. The self-insurance programs are administered through the Risk Management division.

Auto liability exposures continue to be insured through an A+ rated insurance company with a limit of \$3 million, although the City self-insures their collision exposure. Workers' compensation is covered by a policy which provides statutory limits above the City's retention of \$300,000 per individual. Law

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

enforcement liability is covered by a policy which provides limits of \$2 million per occurrence and \$5 million in aggregate. Both general liability and public officials liability provides limits of \$1 million per occurrence and \$5 million in aggregate. Public transportation liability is covered by a policy which provides a limit of \$5 million. The Nebraska Political Tort Claims Act limits the City's liability for tort claims to \$1 million per individual and \$5 million per occurrence. Settled claims have not exceeded coverage in any of the past three fiscal years.

The City annually retains the services of independent actuaries to analyze the self-insured workers' compensation, general liability, public transportation liability, law enforcement liability, and long-term disability exposures. Such analysis has been used to assist the City with its financial planning and management of the self-insurance program. Included in the specific objectives of the studies were to:

- Estimate the outstanding liabilities for the current fiscal year ended August 31.
- Forecast ultimate incurred losses and incurred but not reported (IBNR) losses for future fiscal years.
- Estimate the required funding level for the City's self-insured liabilities.

The City funds its self-insurance program on an "incurred loss" basis. The governmental and proprietary funds pay budgeted annual premium amounts, based on past experience of incurred losses, to the Insurance Revolving Funds. Claim liabilities of \$3,509,994 were recorded at August 31, 1999. This is the actuarially estimated amount of claims based on an estimate of ultimate incurred and IBNR losses as of that date and is calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors. These liabilities have been discounted using a 5.2% discount rate and an insurance industry claim payment pattern. As of August 31, 1999 the City has purchased no annuity contracts to satisfy any of its liabilities.

The following is a summary of the changes in the estimated claims liability for the years ended August 31, 1999 and 1998:

	<u>1999</u>	<u>1998</u>
Balance at September 1	\$ 3,917,956	3,684,790
Current year claims and changes in estimates	2,614,128	5,526,012
Claim payments	<u>(3,022,090)</u>	<u>(5,292,846)</u>
Balance at August 31	<u>\$ 3,509,994</u>	<u>3,917,956</u>

(19) LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City of Lincoln currently owns and operates a solid waste disposal area and a construction and demolition disposal area. State and federal laws require the City to close the landfills once capacity is reached and to monitor and maintain the site for thirty subsequent years on the solid waste disposal area and five subsequent years on the construction and demolition disposal area. The City recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until and subsequent to closure of the landfill. The amount recognized each year to date is based on the percentage of the landfill capacity used as of the balance sheet date.

As of August 31, 1999, the City had incurred a liability of \$4,375,000 for the solid waste disposal area which represents the amount of costs reported to date based on the approximately 24 percent of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$18 million which will be recognized as the remaining capacity is used (estimated to be approximately 25 years).

As of August 31, 1999, the City had incurred a liability of \$691,000 for the construction and demolition disposal area which represents the amount of costs reported to date based on the approximately 33 percent of landfill capacity used to date. The remaining estimated liability for these costs is approximately \$1.4 million which will be recognized as the remaining capacity is used (estimated to be approximately 17 years).

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

The estimated costs of closure and postclosure care, as determined by an independent engineering consultant, are subject to changes such as the effects of inflation, revision of laws, changes in technology, actual sequence of landfill development and closure, and other variables. Effective April 1996, based upon state and federal laws, the City has demonstrated financial assurance regarding its ability to finance the closure and postclosure care costs through a mechanism approved by the Nebraska Department of Environmental Quality.

The City of Lincoln also owns a solid waste disposal area which discontinued operations in 1990. Although exempt from the U.S. Environmental Protection Agency Solid Waste Disposal Facility Criteria issued October 9, 1991, the City must still adhere to certain closure and postclosure care requirements under prior legislation, including the construction of final cover soil and monitoring of ground water conditions and landfill gas migration. No accrual of such closure and postclosure care costs has been reflected in the financial statements of prior years as the extent and form of such requirements and timing thereof were not finalized with regulatory officials. During the current fiscal year the City received State approval of its groundwater assessment plan. At August 31, 1999, a liability for closure and postclosure care costs is recorded in the amount of \$1,323,000, which is based on appropriations identified in the City's capital improvement projects budgeting process. Additional corrective action costs related to possible methane gas migration will be identified once testing is completed and regulatory officials have made a final review of subsequent findings.

(20) PUBLIC BUILDING COMMISSION

In 1990, the City and the County of Lancaster, pursuant to state statute, activated a separate governmental entity denominated as the Lincoln-Lancaster County Public Building Commission. The purpose of this joint venture is to design, acquire, construct, maintain, operate, improve, remodel, remove and reconstruct, so long as its corporate existence continues, public buildings, structures, or facilities for use jointly by the City and the County. The City and the County each appoint two members to the five-member Commission, with the fifth member being appointed by the other four members. All property held or acquired by the Commission is held or acquired in the name of the City and the County for use by the Commission in its corporate capacity. The Commission's costs of operation and debt service are funded through rental payments made by the City and the County based upon their proportionate occupancy of such buildings to the extent not covered by a maximum property tax levy of 1.7 cents for each \$100 of actual valuation of taxable property in the County. For the year ended August 31, 1999, the City made rental payments of approximately \$1.5 million to the Commission.

As of August 31, 1999, the Commission has bonds outstanding of \$33,725,000 attributable to three separate bond issues. Proceeds from two of the bond issues totaling \$5,400,000 have been utilized by the Commission to acquire and/or renovate certain buildings occupied by the City and County. The City's proportionate share of such buildings and the corresponding debt have been reflected as capital leases in the City's financial statements. Lease payments are not recorded as capital lease payments in the Debt Service funds but rather are recorded as current expenditures in the various individual funds.

The third bond issue, totaling \$29 million, has been utilized by the Commission to construct a new County-City building and to renovate the prior County-City building to be used as a Hall of Justice. It is estimated that the City occupies approximately 56% of the new building and will occupy 29% of the renovated building (Hall of Justice). It is anticipated that property tax levies by the Commission will be sufficient to meet bond principal and interest payments. Should revenues from such property tax levies not be sufficient to meet debt service requirements in any given year, the City and County would contribute the necessary payments based on their proportionate occupancy in such buildings. Such contributions are expected to be minimal and will be expensed in the appropriate funds when incurred. The City's proportionate share of the buildings will be recorded in the GFAAG in accordance with the terms of the joint venture agreement regarding the ultimate transfer of assets to the City and County.

Complete separate financial statements for the Commission may be obtained at the Lincoln-Lancaster County Public Building Commission, 920 "O" Street, Room 203, Lincoln, Nebraska 68508.

CITY OF LINCOLN, NEBRASKA
Notes to General Purpose Financial Statements

(21) SUBSEQUENT EVENTS

On September 8, 1999 the City of Lincoln issued \$13,510,000 of Parking Revenue And Refunding Bonds, Series 1999A and 1999B. A portion of the proceeds will be used to refund \$2,560,000 of the 1994A and \$6,195,000 of the 1994C outstanding Parking Revenue Bonds. The remaining proceeds will finance a portion of the costs to construct an off-street parking facility in the central business district of the City and make improvements to existing off-street parking facilities.

On November 1, 1999, Resolution No A-79828 was passed approving the official intent of the City to reimburse the costs of constructing certain improvements to the City's Solid Waste Management And Disposal System by issuing solid waste management revenue bonds. It is anticipated that approximately \$4,000,000 of revenue bonds will be issued.

On November 15, 1999, Resolution No A-79856 was passed approving the official intent of the City to reimburse the costs of constructing the South Central Community Center by issuing tax-exempt bonds or other obligations. It is anticipated that approximately \$3,000,000 of bonds or other obligations will be issued.

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**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

CITY OF LINCOLN, NEBRASKA
Required Supplementary Information (Unaudited)

YEAR 2000 ISSUE

The Year 2000 issue was the result of shortcomings in many electronic data processing systems. Those systems unable to interpret dates after December 31, 1999 could have adverse consequences on the operation of the City and the integrity of information processing, causing safety, operational, and financial issues.

The City of Lincoln prepared an inventory of computer systems related to the Year 2000 issue and that are necessary to conducting operations, and identified those systems requiring Year 2000 remediation. Subsequent remediation and validation procedures included third party and vendor certification of compliancy, review and/or modification of approximately 2.8 million lines of COBOL application code, and upgrades to or replacement of some systems.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts could not be fully determinable until the year 2000 and thereafter. Management can now report that the City's efforts were successful and that the City encountered no significant interruptions to operations.

**COMBINING, INDIVIDUAL FUND, AND ACCOUNT
GROUP STATEMENTS AND SCHEDULES**

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GENERAL FUND

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

CITY OF LINCOLN, NE

A-1

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 FISCAL YEAR ENDED AUGUST 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Real Estate And Personal Property Tax	\$ 16,020,643	18,824,041	2,803,398
Taxes Collected By Others	41,303,581	43,975,778	2,672,197
Sundry Taxes And In Lieu	1,056,030	1,098,010	41,980
Occupation Taxes	5,404,781	5,918,471	513,690
Intergovernmental	4,278,549	4,394,517	115,968
Permits And Fees	2,379,668	2,218,540	(161,128)
Reimbursement For Services	1,019,612	1,226,999	207,387
Court Fees	353,000	190,396	(162,604)
Recreation Receipts	1,414,890	1,368,383	(46,507)
Investment Income	1,053,295	1,438,233	384,938
Donations	233,804	233,804	
Rental Income	176,722	214,173	37,451
Parking Revenue	820,000	848,357	28,357
Sale of Assets		14,449	14,449
Miscellaneous	319,772	891,734	571,962
Total Revenues	<u>75,834,347</u>	<u>82,855,885</u>	<u>7,021,538</u>
Expenditures:			
General Government	20,192,168	18,008,776	2,183,392
Public Safety	36,257,140	35,304,565	952,575
Streets And Highways	4,327,638	4,254,462	73,176
Culture And Recreation	7,856,965	7,804,345	52,620
Economic Opportunity	148,789	148,789	
Health And Welfare	28,555	28,555	
Total Expenditures	<u>68,811,255</u>	<u>65,549,492</u>	<u>3,261,763</u>
Excess Of Revenues Over Expenditures	<u>7,023,092</u>	<u>17,306,393</u>	<u>10,283,301</u>
Other Financing Sources (Uses):			
Operating Transfers In	78,134	277,702	199,568
Operating Transfers Out	(16,253,134)	(14,564,267)	1,688,867
Total Other Financing Sources (Uses)	<u>(16,175,000)</u>	<u>(14,286,565)</u>	<u>1,888,435</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(9,151,908)	3,019,828	12,171,736
Fund Balance Beginning Of Year	23,937,999	23,937,999	
Residual Equity Transfer In		8,405	8,405
Residual Equity Transfer Out	(163,403)	(163,403)	
Fund Balance End Of Year	<u>\$ 14,622,688</u>	<u>26,802,829</u>	<u>12,180,141</u>

CITY OF LINCOLN, NE

A-2

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (BUDGET BASIS)

FISCAL YEAR ENDED AUGUST 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT:			
Legislative:			
Personal Services	\$ 84,894	84,617	277
Materials And Supplies	1,840	1,462	378
Other Services And Charges	42,266	23,724	18,542
Capital Outlay	500	17	483
Total Legislative	<u>129,500</u>	<u>109,820</u>	<u>19,680</u>
Executive:			
Personal Services	768,725	693,804	74,921
Materials And Supplies	15,810	21,075	(5,265)
Other Services And Charges	144,645	134,192	10,453
Capital Outlay	15,348	25,011	(9,663)
Total Executive	<u>944,528</u>	<u>874,082</u>	<u>70,446</u>
Financial Administration:			
Personal Services	1,364,520	1,315,063	49,457
Materials And Supplies	52,845	47,002	5,843
Other Services And Charges	427,366	412,724	14,642
Capital Outlay	23,700	25,942	(2,242)
Total Financial Administration	<u>1,868,431</u>	<u>1,800,731</u>	<u>67,700</u>
Law:			
Personal Services	1,275,935	1,224,650	51,285
Materials And Supplies	45,800	47,042	(1,242)
Other Services And Charges	143,442	155,183	(11,741)
Capital Outlay	61,000	50,410	10,590
Total Law	<u>1,526,177</u>	<u>1,477,285</u>	<u>48,892</u>
Personnel Administration:			
Personal Services	564,330	586,741	(22,411)
Materials And Supplies	31,300	19,286	12,014
Other Services And Charges	118,750	97,373	21,377
Capital Outlay	2,035	2,896	(861)
Total Personnel Administration	<u>716,415</u>	<u>706,296</u>	<u>10,119</u>
Planning And Zoning:			
Personal Services	850,819	796,676	54,143
Materials And Supplies	31,500	24,858	6,642
Other Services And Charges	292,446	253,184	39,262
Capital Outlay	30,388	18,303	12,085
Total Planning And Zoning	<u>1,205,153</u>	<u>1,093,021</u>	<u>112,132</u>

(Continued)

Urban Development:			
Personal Services	363,463	377,669	(14,206)
Materials And Supplies	7,300	4,329	2,971
Other Services And Charges	84,533	66,286	18,247
Capital Outlay			
Total Urban Development	<u>455,296</u>	<u>448,284</u>	<u>7,012</u>
Miscellaneous:			
Personal Services	4,789,513	5,178,004	(388,491)
Materials And Supplies	5,000	5,046	(46)
Other Services And Charges	7,893,839	6,170,522	1,723,317
Capital Outlay	658,316	145,685	512,631
Total Miscellaneous	<u>13,346,668</u>	<u>11,499,257</u>	<u>1,847,411</u>
Total General Government	<u>20,192,168</u>	<u>18,008,776</u>	<u>2,183,392</u>
PUBLIC SAFETY:			
Police:			
Personal Services	16,090,995	15,736,203	354,792
Materials And Supplies	432,378	414,106	18,272
Other Services And Charges	3,847,216	3,332,660	514,556
Capital Outlay	282,826	274,482	8,344
Total Police	<u>20,653,415</u>	<u>19,757,451</u>	<u>895,964</u>
Fire:			
Personal Services	12,851,122	12,888,439	(37,317)
Materials And Supplies	351,398	370,555	(19,157)
Other Services And Charges	701,187	668,427	32,760
Capital Outlay	284,703	261,273	23,430
Total Fire	<u>14,188,410</u>	<u>14,188,694</u>	<u>(284)</u>
Traffic Engineering:			
Personal Services	844,175	827,658	16,517
Materials And Supplies	245,630	205,008	40,622
Other Services And Charges	296,010	309,778	(13,768)
Capital Outlay	29,500	15,976	13,524
Total Traffic Engineering	<u>1,415,315</u>	<u>1,358,420</u>	<u>56,895</u>
Total Public Safety	<u>36,257,140</u>	<u>35,304,565</u>	<u>952,575</u>
STREETS AND HIGHWAYS:			
Street Maintenance:			
Personal Services	793,286	778,333	14,953
Materials And Supplies	49,685	46,737	2,948
Other Services And Charges	637,346	554,336	83,010
Capital Outlay	13,321	38,686	(25,365)
Total Street Maintenance	<u>1,493,638</u>	<u>1,418,092</u>	<u>75,546</u>
Street Lighting:			
Other Services And Charges	<u>2,834,000</u>	<u>2,836,370</u>	<u>(2,370)</u>
Total Streets And Highways	<u>4,327,638</u>	<u>4,254,462</u>	<u>73,176</u>

(Continued)

CULTURE AND RECREATION :

Parks And Recreation:

Personal Services	5,366,417	5,144,600	221,817
Materials And Supplies	457,739	520,985	(63,246)
Other Services And Charges	1,941,270	1,996,800	(55,530)
Capital Outlay	23,153	73,574	(50,421)
Total Parks And Recreation	<u>7,788,579</u>	<u>7,735,959</u>	<u>52,620</u>

Libraries:

Personal Services	26,755	26,755	
Supplies	1,648	1,648	
Other Services And Charges	5,708	5,708	
Capital Outlay	34,275	34,275	
Total Libraries	<u>68,386</u>	<u>68,386</u>	

Total Culture And Recreation	<u>7,856,965</u>	<u>7,804,345</u>	<u>52,620</u>
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ECONOMIC OPPORTUNITY:

Lincoln Area Agency On Aging:

Personal Services	21,030	21,030	
Materials And Supplies	22,809	22,809	
Other Services And Charges	89,134	89,134	
Total Lincoln Area Agency On Aging	<u>132,973</u>	<u>132,973</u>	

Job Programs:

Personal Services	14,102	14,102	
Materials And Supplies	800	800	
Other Services And Charges	914	914	
Total Job Programs	<u>15,816</u>	<u>15,816</u>	

Total Economic Opportunity	<u>148,789</u>	<u>148,789</u>	
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HEALTH AND WELFARE:

Lincoln/Lancaster County Health:

Personal Services	17,586	17,586	
Materials And Supplies	10,119	10,119	
Other Services And Charges	850	850	
Total Health And Welfare	<u>28,555</u>	<u>28,555</u>	

Total Expenditures	\$ <u>68,811,255</u>	<u>65,549,492</u>	<u>3,261,763</u>
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SPECIAL REVENUE FUNDS

Special Revenue Funds are 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 & Facilities 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.

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

Snow Removal Fund - To account for the costs of providing snow and ice removal services for all streets in the City of Lincoln. Financing is provided by a percentage of wheel tax receipts and transfers from the Street Construction Fund.

911 Communication Fund - To account for the costs of answering and processing all incoming 911 and non-emergency calls as well as the cost to dispatch service for the Lincoln Police Department, Lincoln Fire Department, Lancaster County Sheriff's Office and Rural Volunteer Fire and Rescue Departments. Financing is provided by County and City funds and a 911 telephone surcharge.

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 of highway allocation fees received from the State of Nebraska, and the transfer of resources to fund capital improvement expenditures accounted for in the Street Construction Capital Projects Fund. By State law, these highway allocation fees are restricted to construction and maintenance of streets and highways and appurtenances thereto.

Unemployment Compensation Fund - To account for the cost of unemployment 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.

Keno Fund - To accumulate resources from the City's percentage of Keno revenue in the City and account for activities financed with Keno revenues.

Federal Grants Fund - Includes four federal sub-funds as follows:

Community Development Block Grant Fund - To account for the costs 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. Monies are utilized to provide services as stipulated in the individual grant agreements.

Job Training Programs Fund - To account for the costs of providing services under the Job Training and Partnership Act. Funding is provided by grants from the Department of Labor.

Disaster Recovery (FEMA) Fund - To account for reimbursements from the Federal Emergency Management Agency due to disasters caused by storm and flood damage. Funds are used to reimburse other funds for related costs and to pay disaster related expenses.

Special Assessment Fund - To account for the receipt and disbursement of special assessment bond proceeds and other income which 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 benefited properties. Expenditures for Capital Improvement Special Assessment projects are accounted for in the Special Assessment Capital Projects Fund. Periodic transfers are made to the Capital Projects Fund to cover expenditures.

Building & Safety Fund - To account for the cost of providing building and safety permit and inspection services to the citizens of Lincoln. Financing is provided through permit and inspection fee revenues and City funds.

Other Special Revenue Funds - To account for various other revenues which must be used for specific purposes. Includes two funds as follows:

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

Property Tax Refunds Fund - To accumulate resources for reimbursement of taxes on centrally assessed property per court order. Resources are derived from collection of prior years' tax levies and interest earned on those collections.

CITY OF LINCOLN, NE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1999
 With Comparative Totals For August 31, 1998

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	Advance Acquisition	Athletic Field & Facilities Improvement	Cable Access Television	Lincoln City Libraries	Lincoln Area Agency On Aging	Tax Sales Revolving	Lincoln/Lancaster Co. Health	Snow Removal	911 Communication	Social Security	Street Construction	Unemployment Compensation	Keno	Federal Grants	Special Assessment	Building & Safety	Other	Totals	
																		1999	1998
ASSETS																			
Cash Held By City Treasurer	\$ 1,492,203	293,752	90,955	2,094,173	226,481	1,045,528	509,595	814,984	258,798	933,563	274,662	285,856	1,343,560	1,364,224	2,340	381,425	42,448	11,454,547	8,900,851
Cash On Hand And In Other Accounts		590		3,247	508		14,558				350			570				19,823	49,147
Investments		199,792	79,919			104,667					20,010,590					1,736,624		22,131,592	17,448,586
Receivables:				513,956						187,165								701,121	1,128,278
Taxes					2,273		6,249	139			92,153		209,917	35,166				345,897	414,277
Accounts				8,572	1,887	5,622	2,568	1,643	669	4,129	344,348		7,469	1,026	1,044	2,751	224	393,317	95,853
Accrued Interest	7,864	1,500	491	66,388	18,870	52,544	6,968	16,743	8,548	31,765	15,088		52,653	284,599	1,095,196	26,383	2,132	1,772,654	2,034,282
Due From Other Funds	66,602	10,469	3,929		133,938		326,441	85,565			1,106,885			1,408,465				3,061,294	5,933,036
Due From Other Governments								168,172			71,610							239,782	216,310
Inventories																			
Total Assets	1,566,669	506,103	175,294	2,686,336	383,957	1,208,361	866,379	1,087,246	268,015	1,156,622	21,915,686	301,143	1,613,599	3,094,050	1,098,580	2,147,183	44,804	40,120,027	36,220,620
LIABILITIES AND FUND BALANCES																			
Liabilities:																			
Vouchers Payable					38,862		30,297		1,450		24,808			8,330		2,887		106,634	106,414
Retainages Payable											5,477			1,511				6,988	
Accounts Payable	26		267	29,266	35,296		37,592		2,644	1,235	127,599		995	136,200	23,169	5,689		399,978	803,931
Accrued Liabilities				91,972	67,836		158,883	7,312	40,217	114,656	62,854			144,894		86,438		775,062	657,935
Accrued Compensated Absences				142,784	88,878		202,727	8,029	33,540	8,290	91,469			135,955		134,661		846,333	808,811
Due To Other Governments				29			1,000		200					143,273		1,016		145,518	117,699
Due To Other Funds		25		33,842	25,690		89,350	5,864	33,900	111,052	2,278,742		49,510	62,690	311,788	49,636		3,052,089	3,691,792
Unearned Revenues																136,278		136,278	103,730
Deferred Revenues				234,681						84,217								318,898	311,463
Total Liabilities	26	25	267	532,574	256,562		519,849	21,205	111,951	319,450	2,590,949		50,505	632,853	334,957	416,605		5,787,778	6,601,775
Fund Balances:																			
Reserved For:																			
Encumbrances				63,526	31,155		32,281		4,685		6,134,242		57,919	906,325	763,623	11,122		8,004,878	12,523,730
Inventories								168,172			71,610							239,782	216,310
Unreserved:																			
Designated For Subsequent Years' Expenditures																			
Undesignated	1,566,643	472,078	175,027	1,589,360	77,435	428,361	248,652	894,850	134,775	776,617	10,227,153	206,143	1,060,175	654,872		1,683,769	2,804	20,198,714	15,975,627
Total Fund Balances	1,566,643	506,078	175,027	2,153,762	127,395	1,208,361	346,530	1,066,041	156,064	837,172	19,324,737	301,143	1,563,094	2,461,197	763,623	1,730,578	44,804	34,332,249	29,618,845
Total Liabilities And Fund Balances	\$ 1,566,669	506,103	175,294	2,686,336	383,957	1,208,361	866,379	1,087,246	268,015	1,156,622	21,915,686	301,143	1,613,599	3,094,050	1,098,580	2,147,183	44,804	40,120,027	36,220,620

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CITY OF LINCOLN, NE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1999
With Comparative Totals For August 31, 1998

B-2

	Advance Acquisition	Athletic Field & Facilities Improvement	Cable Access Television	Lincoln City Libraries	Lincoln Area Agency On Aging	Tax Sales Revolving	Lincoln/Lancaster Co. Health	Snow Removal	911 Communication	Social Security	Street Construction	Unemployment Compensation	Keno	Federal Grants	Special Assessment	Building & Safety	Other	Totals			
																		1999	1998		
Revenues:																					
Real Property And Personal Property Tax	\$			3,879,719						1,402,585							4	5,282,308	5,132,817		
Motor Vehicle Tax								929,861											170,541		
Wheel Tax																			899,996		
Intergovernmental				397,953	1,020,734		1,870,998		63,467		13,037,360			13,620,839				30,011,351	35,666,533		
Permits And Fees					126,654		1,583,783		846,209		170,400			363,279		3,179,857		6,270,182	5,792,810		
Reimbursement for Services				3,070			31,739		30,020		93,067			72,289		104,528		334,713	286,302		
Recreation Receipts		67,175																67,175	77,174		
Investment Income	68,292	23,882	6,633	67,743	14,331	54,937	7,573	15,846	7,933	32,881	998,511	13,919	95,403	17,544	7,700	97,612	2,161	1,532,901	1,426,253		
Donations					75									27,787				27,862	24,749		
Keno Proceeds													2,805,009					2,805,009	2,586,468		
Client Contributions					148,388									2				148,390	112,518		
Rental Income	3,085										9,618						450	13,153	16,902		
Program Income														1,088,531				1,088,531	1,544,039		
Sale Of Assets	203,416				941		1,281				1,376			2,099				209,113	60,469		
Developer's Share Of Projects											89,302				75,572			164,874	2,153,299		
Miscellaneous		8,154		270,538	14,446	211	13,522	139			954,075			399,040	244,724	5,920		1,910,769	1,308,776		
Total Revenues	274,793	99,211	6,633	4,619,023	1,325,569	55,148	3,508,896	945,846	947,629	1,435,466	15,353,709	13,919	2,900,412	15,591,410	327,996	3,387,917	2,615	50,796,192	57,259,646		
Expenditures:																					
Current:																					
General Government	47,686		28,272			42,749				1,322,309		10,077	1,005,706	1,126,546	490,760		31,966	4,106,071	13,019,349		
Public Safety									1,637,907					1,032,253		3,297,983		5,968,143	6,235,160		
Streets And Highways								1,393,594			3,662,157			75,066				5,130,817	4,926,360		
Culture And Recreation				4,622,684									420,075	97,259				5,140,018	5,059,236		
Economic Opportunity					3,390,381									6,541,181				9,931,562	11,757,361		
Health And Welfare							7,109,951							4,087,682				11,197,633	10,949,334		
Total Expenditures	47,686		28,272	4,622,684	3,390,381	42,749	7,109,951	1,393,594	1,637,907	1,322,309	3,662,157	10,077	1,425,781	12,959,987	490,760	3,297,983	31,966	41,474,244	51,946,800		
Excess (Deficiency) Of Revenues Over Expenditures	227,107	99,211	(21,639)	(3,661)	(2,064,812)	12,399	(3,601,055)	(447,748)	(690,278)	113,157	11,691,552	3,842	1,474,631	2,631,423	(162,764)	89,934	(29,351)	9,321,948	5,312,846		
Other Financing Sources (Uses):																					
Operating Transfers In					2,031,423		3,692,961	751,989	723,216		5,836,288		32,350	123,299		552,011	40,397	13,783,934	11,114,569		
Operating Transfers Out		(77,094)	(23,000)								(16,904,243)		(1,630,382)	(293,525)	(1,957,765)			(20,886,009)	(14,448,571)		
Total Other Financing Sources (Uses)		(77,094)	(23,000)		2,031,423		3,692,961	751,989	723,216		(11,067,955)		(1,598,032)	(170,226)	(1,957,765)	552,011	40,397	(7,102,075)	(3,334,002)		
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	227,107	22,117	(44,639)	(3,661)	(33,389)	12,399	91,906	304,241	32,938	113,157	623,597	3,842	(123,401)	2,461,197	(2,120,529)	641,945	11,046	2,219,873	1,978,844		
Fund Balances Beginning Of Year	1,339,536	483,961	56,263	2,157,423	160,784	1,195,962	254,624	761,800	123,126	724,015	18,701,140	297,301	1,686,495		554,024	1,088,633	33,758	29,618,845	26,056,696		
Residual Equity Transfers In			163,403												2,330,128			2,493,531	1,583,305		
Fund Balances End Of Year	\$ 1,566,643	506,078	175,027	2,153,762	127,395	1,208,361	346,530	1,066,041	156,064	837,172	19,324,737	301,143	1,563,094	2,461,197	763,623	1,730,578	44,804	34,332,249	29,618,845		

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CITY OF LINCOLN, NE
ATHLETIC FIELD & FACILITIES IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1999

B-3

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Recreation Receipts	\$ 98,000	67,596	(30,404)
Investment Income		19,894	19,894
Miscellaneous		<u>8,154</u>	<u>8,154</u>
Total Revenues	<u>98,000</u>	<u>95,644</u>	<u>(2,356)</u>
Other Financing Uses:			
Operating Transfers Out	<u>(377,400)</u>	<u>(77,094)</u>	<u>300,306</u>
Excess (Deficiency) Of Revenues Over Other Financing Uses	(279,400)	18,550	297,950
Fund Balance Beginning Of Year	<u>479,262</u>	<u>479,262</u>	
Fund Balance End Of Year	<u>\$ 199,862</u>	<u>497,812</u>	<u>297,950</u>

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, 1999

B-4

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Investment Income	\$ <u>19,000</u>	<u>10,565</u>	<u>(8,435)</u>
Expenditures -- General Government:			
Materials & Supplies		3,032	(3,032)
Other Services & Charges		<u>25,512</u>	<u>(25,512)</u>
Total Expenditures		<u>28,544</u>	<u>(28,544)</u>
Excess (Deficiency) Of Revenues Over Expenditures	19,000	(17,979)	(36,979)
Other Financing Uses:			
Operating Transfers Out	<u>(29,046)</u>	<u>(23,000)</u>	<u>6,046</u>
Deficiency Of Revenues Over Expenditures And Other Financing Uses	(10,046)	(40,979)	(30,933)
Fund Balance Beginning Of Year	48,451	48,451	
Residual Equity Transfer In		<u>163,402</u>	<u>163,402</u>
Fund Balance End Of Year	\$ <u>38,405</u>	<u>170,874</u>	<u>132,469</u>

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, 1999

B-5

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Real Property And Personal Property Tax	\$ 3,527,828	4,205,536	677,708
Intergovernmental	397,953	397,953	
Reimbursement For Services		3,070	3,070
Investment Income	75,000	71,395	(3,605)
Miscellaneous	264,900	275,581	10,681
Total Revenues	<u>4,265,681</u>	<u>4,953,535</u>	<u>687,854</u>
Expenditures -- Culture And Recreation:			
Personal Services	3,279,891	3,233,911	45,980
Materials And Supplies	141,435	148,226	(6,791)
Other Services And Charges	633,290	657,490	(24,200)
Capital Outlay	511,225	525,487	(14,262)
Total Expenditures	<u>4,565,841</u>	<u>4,565,114</u>	<u>727</u>
Excess (Deficiency) Of Revenues Over Expenditures	(300,160)	388,421	688,581
Fund Balance Beginning Of Year	<u>1,911,158</u>	<u>1,911,158</u>	
Fund Balance End Of Year	<u>\$ 1,610,998</u>	<u>2,299,579</u>	<u>688,581</u>

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, 1999

B-6

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 981,292	886,797	(94,495)
Permits And Fees	130,538	129,335	(1,203)
Investment Income		21,158	21,158
Donations		75	75
Client Contributions		145,620	145,620
Sale of Assets		940	940
Miscellaneous	<u>216,945</u>	<u>14,471</u>	<u>(202,474)</u>
Total Revenues	<u>1,328,775</u>	<u>1,198,396</u>	<u>(130,379)</u>
Expenditures -- Economic Opportunity:			
Personal Services	2,159,020	2,080,387	78,633
Materials And Supplies	292,417	256,162	36,255
Other Services And Charges	907,511	886,346	21,165
Capital Outlay	<u>128,231</u>	<u>147,031</u>	<u>(18,800)</u>
Total Expenditures	<u>3,487,179</u>	<u>3,369,926</u>	<u>117,253</u>
Deficiency Of Revenues Over Expenditures	(2,158,404)	(2,171,530)	(13,126)
Other Financing Sources:			
Operating Transfers In	<u>2,031,423</u>	<u>2,031,423</u>	
Deficiency Of Revenues And Other Financing Sources Over Expenditures	(126,981)	(140,107)	(13,126)
Fund Balance Beginning Of Year	<u>273,676</u>	<u>273,676</u>	
Fund Balance End Of Year	<u>\$ 146,695</u>	<u>133,569</u>	<u>(13,126)</u>

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, 1999

B-7

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 1,902,874	1,905,505	2,631
Permits And Fees	1,649,738	1,574,939	(74,799)
Reimbursement For Services		31,896	31,896
Investment Income		10,466	10,466
Sale Of Assets		1,281	1,281
Miscellaneous		13,282	13,282
Total Revenues	3,552,612	3,537,369	(15,243)
Expenditures -- Health And Welfare:			
Personal Services	5,275,314	5,045,512	229,802
Materials And Supplies	255,075	282,048	(26,973)
Other Services And Charges	1,781,468	1,780,501	967
Capital Outlay	20,000	18,245	1,755
Total Expenditures	7,331,857	7,126,306	205,551
Deficiency Of Revenues Over Expenditures	(3,779,245)	(3,588,937)	190,308
Other Financing Sources:			
Operating Transfers In	3,656,948	3,692,961	36,013
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	(122,297)	104,024	226,321
Fund Balance Beginning Of Year	335,108	335,108	
Fund Balance End Of Year	\$ 212,811	439,132	226,321

CITY OF LINCOLN, NE
SNOW REMOVAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1999

B-8

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Wheel Tax	\$ 945,942	924,635	(21,307)
Investment Income		23,510	23,510
Total Revenues	<u>945,942</u>	<u>948,145</u>	<u>2,203</u>
Expenditures -- Streets And Highways:			
Personal Services	792,441	571,492	220,949
Materials And Supplies	179,095	136,925	42,170
Other Services And Charges	694,695	592,915	101,780
Capital Outlay	<u>31,700</u>	<u>65,546</u>	<u>(33,846)</u>
Total Expenditures	<u>1,697,931</u>	<u>1,366,878</u>	<u>331,053</u>
Deficiency Of Revenues Over Expenditures	(751,989)	(418,733)	333,256
Other Financing Sources:			
Operating Transfers In	<u>751,989</u>	<u>751,989</u>	
Excess Of Revenues And Other Financing Sources Over Expenditures		333,256	333,256
Fund Balance Beginning Of Year	<u>481,727</u>	<u>481,727</u>	
Fund Balance End Of Year	<u>\$ 481,727</u>	<u>814,983</u>	<u>333,256</u>

CITY OF LINCOLN, NE
911 COMMUNICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1999

B-9

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 63,467	63,467	
Permits And Fees	800,000	846,209	46,209
Reimbursement for Services		30,020	30,020
Investment Income		2,140	2,140
Total Revenues	<u>863,467</u>	<u>941,836</u>	<u>78,369</u>
Expenditures -- Public Safety:			
Personal Services	1,356,403	1,302,582	53,821
Materials And Supplies	8,800	12,666	(3,866)
Other Services And Charges	341,480	232,598	108,882
Capital Outlay	<u>20,000</u>	<u>17,713</u>	<u>2,287</u>
Total Expenditures	<u>1,726,683</u>	<u>1,565,559</u>	<u>161,124</u>
Deficiency Of Revenues Over Expenditures	(863,216)	(623,723)	239,493
Other Financing Sources:			
Operating Transfers In	<u>723,216</u>	<u>723,216</u>	
Excess (Deficiency) Of Revenues Over Expenditures And Other Financing Uses	(140,000)	99,493	239,493
Fund Balance Beginning Of Year	<u>153,171</u>	<u>153,171</u>	
Fund Deficit End Of Year	<u>\$ 13,171</u>	<u>252,664</u>	<u>239,493</u>

CITY OF LINCOLN, NE
SOCIAL SECURITY FUND

B-10

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Real Property And Personal Property Tax	\$ 1,276,960	1,511,360	234,400
Investment Income	<u>16,000</u>	<u>29,143</u>	<u>13,143</u>
Total Revenues	<u>1,292,960</u>	<u>1,540,503</u>	<u>247,543</u>
Expenditures -- General Government:			
Personal Services	1,335,181	1,281,386	53,795
Other Services & Charges	<u>17,800</u>	<u>15,772</u>	<u>2,028</u>
Total Expenditures	<u>1,352,981</u>	<u>1,297,158</u>	<u>55,823</u>
Excess (Deficiency) Of Revenues Over Expenditures	(60,021)	243,345	303,366
Fund Balance Beginning Of Year	<u>761,528</u>	<u>761,528</u>	
Fund Balance End Of Year	<u>\$ 701,507</u>	<u>1,004,873</u>	<u>303,366</u>

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, 1999

B-11

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 11,525,000	14,673,563	3,148,563
Permits And Fees		172,273	172,273
Reimbursement For Services	572,000	92,696	(479,304)
Investment Income	500,000	694,199	194,199
Rental Income		8,458	8,458
Sale Of Assets		1,376	1,376
Developer's Share of Project		2,094,025	2,094,025
Miscellaneous		867,720	867,720
Total Revenues	<u>12,597,000</u>	<u>18,604,310</u>	<u>6,007,310</u>
Expenditures -- Streets And Highways:			
Personal Services	2,057,479	2,137,866	(80,387)
Materials And Supplies	287,740	283,594	4,146
Other Services And Charges	1,013,808	1,010,144	3,664
Capital Outlay	95,000	95,168	(168)
Total Expenditures	<u>3,454,027</u>	<u>3,526,772</u>	<u>(72,745)</u>
Excess Of Revenues Over Expenditures	9,142,973	15,077,538	5,934,565
Other Financing Sources (Uses):			
Operating Transfers In	5,836,288	5,836,288	
Operating Transfers Out	<u>(14,465,697)</u>	<u>(14,465,697)</u>	
Total Other Financing Sources (Uses)	<u>(8,629,409)</u>	<u>(8,629,409)</u>	
Excess Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	513,564	6,448,129	5,934,565
Fund Balance Beginning Of Year	<u>18,185,906</u>	<u>18,185,906</u>	
Fund Balance End Of Year	<u>\$ 18,699,470</u>	<u>24,634,035</u>	<u>5,934,565</u>

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, 1999

B-12

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Investment Income	\$ <u> </u>	<u>15,047</u>	<u>15,047</u>
Expenditures -- General Government:			
Unemployment Insurance Payments	<u>95,000</u>	<u>10,077</u>	<u>84,923</u>
Excess (Deficiency) Of Revenues Over Expenditures	(95,000)	4,970	99,970
Fund Balance Beginning Of Year	<u>283,192</u>	<u>283,192</u>	<u> </u>
Fund Balance End Of Year	<u>\$ 188,192</u>	<u>288,162</u>	<u>99,970</u>

CITY OF LINCOLN, NE

B-13

KENO FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 FISCAL YEAR ENDED AUGUST 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Investment Income	\$	59,461	59,461
Keno Proceeds	<u>2,655,675</u>	<u>2,811,919</u>	<u>156,244</u>
Total Revenues	<u>2,655,675</u>	<u>2,871,380</u>	<u>215,705</u>
Expenditures:			
General Government:			
Other Services And Charges	<u>901,000</u>	<u>1,057,857</u>	<u>(156,857)</u>
Culture and Recreation:			
Capital Outlay	<u>470,371</u>	<u>470,371</u>	<u></u>
Total Expenditures	<u>1,371,371</u>	<u>1,528,228</u>	<u>(156,857)</u>
Excess Of Revenues Over Expenditures	1,284,304	1,343,152	58,848
Other Financing Sources (Uses):			
Operating Transfers In		32,350	32,350
Operating Transfers Out	<u>(1,874,681)</u>	<u>(1,671,286)</u>	<u>203,395</u>
Total Other Financing Sources (Uses)	<u>(1,874,681)</u>	<u>(1,638,936)</u>	<u>235,745</u>
Deficiency Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(590,377)	(295,784)	294,593
Fund Balance Beginning Of Year	<u>1,864,601</u>	<u>1,864,601</u>	<u></u>
Fund Balance End Of Year	<u>\$ 1,274,224</u>	<u>1,568,817</u>	<u>294,593</u>

CITY OF LINCOLN, NE
FEDERAL GRANTS FUND

B-14

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 FISCAL YEAR ENDED AUGUST 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 12,636,489	13,152,940	516,451
Permits And Fees	362,216	362,216	
Reimbursement For Services	72,289	72,289	
Investment Income	49,484	49,484	
Donations	27,446	27,446	
Client Contributions	2	2	
Program Income	1,050,288	1,086,576	36,288
Sale of Assets	2,099	2,099	
Miscellaneous	386,885	387,516	631
Total Revenues	14,587,198	15,140,568	553,370
Expenditures:			
General Government:			
Personal Services	5,319	5,319	
Materials And Supplies	7,425	7,425	
Other Services And Charges	1,103,725	1,103,725	
Capital Outlay	84,639	84,639	
Total General Government	1,201,108	1,201,108	
Public Safety:			
Personal Services	338,292	330,280	8,012
Materials And Supplies	106,094	104,697	1,397
Other Services And Charges	315,704	315,741	(37)
Capital Outlay	266,176	266,228	(52)
Total Public Safety	1,026,266	1,016,946	9,320
Streets And Highways:			
Personal Services	72,454	72,454	
Materials And Supplies	190	190	
Total Streets And Highways	72,644	72,644	
Culture And Recreation:			
Personal Services	19,190	19,190	
Materials And Supplies	7,439	7,439	
Other Services And Charges	12,402	12,402	
Capital Outlay	58,864	58,864	
Total Culture And Recreation	97,895	97,895	
Economic Opportunity:			
Personal Services	2,020,847	1,960,630	60,217
Materials And Supplies	80,080	85,426	(5,346)
Other Services And Charges	1,111,903	916,960	194,943
Capital Outlay	26,058	2,730	23,328
Loans And Grants	4,598,012	3,475,691	1,122,321
Total Economic Opportunity	7,836,900	6,441,437	1,395,463

(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Health And Welfare:			
Personal Services	2,242,525	2,242,525	
Materials And Supplies	54,025	54,025	
Other Services And Charges	1,690,308	1,690,308	
Capital Outlay	29,344	29,344	
Loans And Grants	41,139	41,139	
Total Health And Welfare	<u>4,057,341</u>	<u>4,057,341</u>	
 Total Expenditures	 <u>14,292,154</u>	 <u>12,887,371</u>	 <u>1,404,783</u>
 Excess Of Revenues Over Expenditures	 295,044	 2,253,197	 1,958,153
 Other Financing Sources (Uses):			
Operating Transfers In	130,332	123,300	(7,032)
Operating Transfers Out	<u>(293,525)</u>	<u>(293,525)</u>	
Total Other Financing Sources (Uses)	<u>(163,193)</u>	<u>(170,225)</u>	<u>(7,032)</u>
 Excess Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	 131,851	 2,082,972	 1,951,121
 Fund Deficit Beginning Of Year	 <u>(2,279,350)</u>	 <u>(2,279,350)</u>	
 Fund Deficit End Of Year	 \$ <u><u>(2,147,499)</u></u>	 <u><u>(196,378)</u></u>	 <u><u>1,951,121</u></u>

CITY OF LINCOLN, NE
BUILDING AND SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1999

B-15

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Permits And Fees	\$ 2,904,718	3,179,857	275,139
Reimbursement For Services		104,528	104,528
Investment Income		89,850	89,850
Miscellaneous		5,920	5,920
Total Revenues	2,904,718	3,380,155	475,437
Expenditures -- Public Safety:			
Personal Services	2,787,766	2,777,872	9,894
Materials And Supplies	50,855	33,331	17,524
Other Services And Charges	467,512	350,893	116,619
Capital Outlay	245,795	31,625	214,170
Total Expenditures	3,551,928	3,193,721	358,207
Excess (Deficiency) Of Revenues Over Expenditures	(647,210)	186,434	833,644
Other Financing Sources:			
Operating Transfers In	552,011	552,011	
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	(95,199)	738,445	833,644
Fund Balance Beginning Of Year	1,229,304	1,229,304	
Fund Balance End Of Year	\$ 1,134,105	1,967,749	833,644

CITY OF LINCOLN, NE
OTHER - NORTHEAST RADIAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FISCAL YEAR ENDED AUGUST 31, 1999

B-16

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Investment Income		280	280
Rental Income		450	450
Total Revenues		<u>730</u>	<u>730</u>
Expenditures -- General Government:			
Personal Services	\$ 21,090	32,317	(11,227)
Materials And Supplies	775	322	453
Other Services And Charges	1,879	1,313	566
Total Expenditures	<u>23,744</u>	<u>33,952</u>	<u>(10,208)</u>
Deficiency Of Revenues Over Expenditures	(23,744)	(33,222)	(9,478)
Other Financing Sources:			
Operating Transfers In	<u>23,744</u>	<u>40,397</u>	<u>16,653</u>
Excess Of Revenues And Other Financing Sources Over Expenditures		7,175	7,175
Fund Deficit Beginning Of Year	<u>(53,290)</u>	<u>(53,290)</u>	
Fund Deficit End Of Year	<u><u>\$ (53,290)</u></u>	<u><u>(46,115)</u></u>	<u><u>7,175</u></u>

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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 various outstanding tax allocation bonds. Resources are derived from additional taxes generated by the specific 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, notes and capital leases outstanding as follows:

1989	Sanitary Improvement District #7 Bonds
1990	University Square Redevelopment Project Bonds
1992	Section 108-4 Guaranteed Note
1993	Hospital Revenue Series A & B Bonds
1993	Various Purpose Refunding Bonds
1993	Downtown Redevelopment Refunding Bonds
1994	911 Communication Equipment Lease
1995	Storm Sewer Construction Bonds
1995	Various Purpose Bonds
1997	Storm Sewer and Drainage System Bonds
1999A	Various Purpose Bonds
1999B	Various Purpose Bonds

Resources are derived from an annual tax levy.

Special Assessment Fund - To accumulate resources for payment of principal and interest on the various outstanding special assessment 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, 1999
With Comparative Totals For August 31, 1998

C-1

	Tax Allocation Projects Debt Service	Bond Interest And Redemption	Special Assessment	Totals	
				1999	1998
ASSETS					
Cash Held By City Treasurer	\$ 2,697,259	2,138,283	1,295,337	6,130,879	5,376,521
Cash Held by Trustee		17,280		17,280	19,153
Investments	1,108,008	1,398,119	3,705,685	6,211,812	11,225,405
Investments Held by Trustee		23,041,600		23,041,600	23,873,400
Receivables:					
Taxes	176,402	639,632		816,034	1,414,264
Accrued Interest	27,518	354,544	6,983	389,045	386,847
Special Assessment			4,023,020	4,023,020	4,036,474
Due From Other Funds	119,156	62,606	33,354	215,116	238,157
Total Assets	4,128,343	27,652,064	9,064,379	40,844,786	46,570,221
LIABILITIES AND FUND BALANCES					
Liabilities:					
Vouchers Payable					21,675
Accounts Payable					3,024
Due To Other Funds			1,088,540	1,088,540	554,398
Deferred Revenues		263,695	3,801,250	4,064,945	3,934,212
Bond Principal Payable		10,000	55,000	65,000	65,000
Bond Interest Payable		1,668	37,581	39,249	34,525
Total Liabilities		275,363	4,982,371	5,257,734	4,612,834
Fund Balances:					
Reserved For Debt Service	4,128,343	27,376,701		31,505,044	37,093,144
Unreserved - Designated For Debt Service			4,082,008	4,082,008	4,864,243
Total Fund Balances	4,128,343	27,376,701	4,082,008	35,587,052	41,957,387
Total Liabilities And Fund Balances	\$ 4,128,343	27,652,064	9,064,379	40,844,786	46,570,221

CITY OF LINCOLN, NE
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1999
With Comparative Totals For Fiscal Year Ended August 31, 1998

C-2

	Tax	Bond	Special	Totals	
	Allocation	Interest And		1999	1998
	Projects	Redemption	Assessment		
	Debt Service				
Revenues:					
Real Property And Personal Property Tax	\$ 2,108,070	4,072,728		6,180,798	7,367,509
Taxes Collected By Others		4,475		4,475	3,877
Special Assessment			1,841,055	1,841,055	1,798,910
Special Assessment Interest			367,309	367,309	285,279
Intergovernmental		187,750		187,750	
Investment Income	219,318	1,533,314	241,183	1,993,815	1,971,516
Miscellaneous	488	50,000		50,488	
Total Revenues	<u>2,327,876</u>	<u>5,848,267</u>	<u>2,449,547</u>	<u>10,625,690</u>	<u>11,427,091</u>
Expenditures -- Debt Service:					
Principal Retirement	593,299	3,700,968	785,000	5,079,267	5,757,317
Interest	139,221	3,420,732	114,880	3,674,833	3,743,386
Fiscal Charges	950	5,562	1,463	7,975	8,390
Capital Lease Principal					42,268
Capital Lease Interest					1,479
Payments To Refunding Agent		128,522		128,522	
Bond Issuance Expense		85,163		85,163	
Miscellaneous	202,500	2,500	311	205,311	8,089
Total Expenditures	<u>935,970</u>	<u>7,343,447</u>	<u>901,654</u>	<u>9,181,071</u>	<u>9,560,929</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>1,391,906</u>	<u>(1,495,180)</u>	<u>1,547,893</u>	<u>1,444,619</u>	<u>1,866,162</u>
Other Financing Sources (Uses):					
Operating Transfers In	2,579	9,998		12,577	25,637,260
Operating Transfers Out	(5,582,567)			(5,582,567)	(83,878)
Refunding Bond Proceeds		8,220,000		8,220,000	
Transfer To Bond Refunding Agent		(8,134,836)		(8,134,836)	
Total Other Financing Sources (Uses)	<u>(5,579,988)</u>	<u>95,162</u>		<u>(5,484,826)</u>	<u>25,553,382</u>
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	<u>(4,188,082)</u>	<u>(1,400,018)</u>	<u>1,547,893</u>	<u>(4,040,207)</u>	<u>27,419,544</u>
Fund Balances Beginning Of Year	8,316,425	28,776,719	4,864,243	41,957,387	16,121,148
Residual Equity Transfers Out			(2,330,128)	(2,330,128)	(1,583,305)
Fund Balances End Of Year	<u>\$ 4,128,343</u>	<u>27,376,701</u>	<u>4,082,008</u>	<u>35,587,052</u>	<u>41,957,387</u>

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, 1999

C-3

	Tax Allocation Projects Debt Service			Bond Interest And Redemption			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Real Property And Personal Property Tax	\$ 732,450	2,296,701	1,564,251	3,695,933	4,475,066	779,133	4,428,383	6,771,767	2,343,384
Taxes Collected By Others				3,500	4,475	975	3,500	4,475	975
Intergovernmental				187,750	187,750		187,750	187,750	
Investment Income		217,941	217,941	150,000	145,534	(4,466)	150,000	363,475	213,475
Miscellaneous		488	488	1,075	50,000	48,925	1,075	50,488	49,413
Total Revenues	732,450	2,515,130	1,782,680	4,038,258	4,862,825	824,567	4,770,708	7,377,955	2,607,247
Expenditures -- Debt Service:									
Principal Retirement	594,250	593,299	951	2,826,000	2,830,967	(4,967)	3,420,250	3,424,266	(4,016)
Interest	138,200	139,221	(1,021)	1,922,250	2,047,644	(125,394)	2,060,450	2,186,865	(126,415)
Fiscal Charges		950	(950)		5,562	(5,562)		6,512	(6,512)
Payments To Refunding Agent					128,522	(128,522)		128,522	(128,522)
Bond Issuance Expense					85,164	(85,164)		85,164	(85,164)
Miscellaneous		202,500	(202,500)		5,524	(5,524)		208,024	(208,024)
Total Expenditures	732,450	935,970	(203,520)	4,748,250	5,103,383	(355,133)	5,480,700	6,039,353	(558,653)
Excess (Deficiency) Of Revenues Over Expenditures		1,579,160	1,579,160	(709,992)	(240,558)	469,434	(709,992)	1,338,602	2,048,594
Other Financing Sources (Uses):									
Operating Transfers In		2,579	2,579		9,998	9,998		12,577	(12,577)
Operating Transfers Out	(5,666,445)	(5,666,445)					(5,666,445)	(5,666,445)	
Refunding Bond Proceeds				8,220,000	8,220,000		8,220,000	8,220,000	
Transfer To Bond Refunding Agent				(8,134,836)	(8,134,836)		(8,134,836)	(8,134,836)	
Total Other Financing Sources (Uses)	(5,666,445)	(5,663,866)	2,579	85,164	95,162	9,998	(5,581,281)	(5,568,704)	12,577
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(5,666,445)	(4,084,706)	1,581,739	(624,828)	(145,396)	479,432	(6,291,273)	(4,230,102)	2,061,171
Fund Balances Beginning Of Year	7,593,611	7,593,611		4,488,415	4,488,415		12,082,026	12,082,026	
Fund Balances End Of Year	\$ 1,927,166	3,508,905	1,581,739	3,863,587	4,343,019	479,432	5,790,753	7,851,924	2,061,171

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 Construction Fund - To account for the cost of improving and extending storm sewers. 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.

1991 G. O. Various Purpose Bonds Fund - To account for the cost of providing improvements to the City's existing library system, including the expansion and equipping of Gere Branch Library and to purchase and equip a new bookmobile; and providing improvements to the City's existing storm sewer and drainage system. Financing is provided by General Obligation Bonds.

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. Financing is provided by General Obligation Bonds.

Storm Sewer Bonds Fund - To account for the cost of reconstructing the Antelope Creek box culvert and providing other improvements and extensions to the City's storm water sewer and drainage system. Financing is to be provided by a combination of General Obligation Bond Issue proceeds, Tax Increment Financing and reimbursement funds from the Federal Emergency Management Agency.

1995 G.O. Various Purpose Bonds Fund - To account for the cost of constructing a new fire station; constructing a classroom addition to the existing fire training center; remodeling and expanding Fire Station #12; replacing three aerial fire trucks; acquiring a hazardous materials command vehicle; acquiring various fire equipment; and upgrading and enhancing the City's 800 Mhz trunked radio system. Financing is provided by General Obligation Bonds.

1999 G.O. Various Purpose Bonds Fund - To account for the cost of financing, acquiring, and improving interactive recreational facilities for children and families, referred to as the Children's Museum; financing the construction and equipping of two new park and recreational facilities; and financing construction and equipping of two public libraries and necessary site improvements.

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

CITY OF LINCOLN, NE
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1999

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With Comparative Totals For August 31, 1998

	Storm Sewer Construction	Street Construction	Vehicle Tax	1991 G.O. Various Purpose Bonds	Downtown Redevelopment Project	Storm Sewer Bonds	1995 G.O. Various Purpose Bonds	1999 G.O. Various Purpose Bonds	Other Capital Projects	Special Assessment	Totals	
											1999	1998
ASSETS												
Cash Held By City Treasurer	\$ 191,025		3,773,485	35,614	340,182	309,153	562,356	2,814,975	871,671		8,898,461	5,714,172
Investments			2,700,000		3,283,052	3,983,110	99,191	18,246,211	1,229,453		29,541,017	12,992,050
Note Receivable									349,900		349,900	
Accounts Receivable	4,820										4,820	16
Accrued Interest Receivable			17,422	188	1,673	21,574	2,968	185,777	5,426		235,028	85,360
Due From Other Funds		1,975,146	134,030	1,894	13,523	64,364	25,636	73,844	40,467	311,787	2,640,691	3,123,068
Due From Other Governments			581,871								581,871	596,329
Total Assets	195,845	1,975,146	7,206,808	37,696	3,638,430	4,378,201	690,151	21,320,807	2,496,917	311,787	42,251,788	22,510,995
LIABILITIES AND FUND BALANCES												
Liabilities:												
Vouchers Payable									4,880		4,880	5,612
Contracts Payable	11,230	1,557,528				240,934		257,138	385,542	264,627	2,716,999	2,216,600
Retainage Payable		407,276				75,062		12,148	11,541	47,132	553,159	495,969
Accounts Payable		10,331				28	6,196		62,343	28	78,926	151,436
Accrued Compensated Absences									399		399	
Due To Other Governments		11							33		44	17,477
Due To Other Funds					1,098,320				3,657		1,101,977	381
Arbitrage Rebate									30,730		30,730	30,730
Total Liabilities	11,230	1,975,146			1,098,320	316,024	6,196	269,286	499,125	311,787	4,487,114	2,918,205
Fund Balances:												
Reserved For Encumbrances						2,207,296		331,224	1,682,860		4,221,380	1,186,225
Unreserved:												
Designated For Subsequent Years' Expenditures												
Undesignated	184,615		7,206,808	37,696	2,540,110	1,854,881	683,955	20,720,297	314,932		33,543,294	18,406,565
Total Fund Balances	184,615		7,206,808	37,696	2,540,110	4,062,177	683,955	21,051,521	1,997,792		37,764,674	19,592,790
Total Liabilities And Fund Balances	\$ 195,845	1,975,146	7,206,808	37,696	3,638,430	4,378,201	690,151	21,320,807	2,496,917	311,787	42,251,788	22,510,995

CITY OF LINCOLN, NE
 CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 FISCAL YEAR ENDED AUGUST 31, 1999
 With Comparative Totals For Fiscal Year Ended August 31, 1998

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	Storm Sewer Construction	Street Construction	Vehicle Tax	1991 G.O. Various Purpose Bonds	Downtown Redevelopment Project	Storm Sewer Bonds	1995 G.O. Various Purpose Bonds	1999 G.O. Various Purpose Bonds	Other Capital Projects	Special Assessment	Totals	
											1999	1998
Revenues:												
Wheel Tax	\$		6,323,347								6,323,347	6,120,127
Intergovernmental		154,229							544,547		698,776	774,164
Investment Income			209,598	1,882	166,483	302,763	35,326	477,189	101,193		1,294,434	1,090,633
Donations									34,770		34,770	55,000
Rental Income									91,525		91,525	
Sale Of Assets								5,102	350,000		355,102	767,070
Miscellaneous		13,253							111,501		124,754	137,773
Total Revenues		167,482	6,532,945	1,882	166,483	302,763	35,326	482,291	1,233,536		8,922,708	8,944,767
Expenditures -- Capital Outlay:												
Capital Outlay				7,392				87,738	144,624		239,754	369,341
Bond Issuance Costs									327,000		327,000	
Construction Contracts	194,641	13,173,875		190		3,112,305	6,197	828,317	9,757,830	1,672,823	28,746,178	16,623,325
Engineering And Other	191,743	2,861,543				210,233	5,411	75,453	974,604	284,942	4,603,929	4,560,522
Total Expenditures	386,384	16,035,418		7,582		3,322,538	99,346	1,230,770	10,877,058	1,957,765	33,916,861	21,553,188
Excess (Deficiency) Of Revenues Over Expenditures	(218,902)	(16,035,418)	6,532,945	(5,700)	166,483	(3,019,775)	(64,020)	(748,479)	(9,643,522)	(1,957,765)	(24,994,153)	(12,608,421)
Other Financing Sources (Uses):												
Operating Transfers In	200,000	16,035,418							10,065,441	1,957,765	28,258,624	18,244,818
Operating Transfers Out			(5,791,690)		(1,098,320)				(2,577)		(6,892,587)	(4,808,567)
Proceeds From Issuance Of Bonds								21,800,000			21,800,000	
Total Other Financing Sources (Uses)	200,000	16,035,418	(5,791,690)		(1,098,320)			21,800,000	10,062,864	1,957,765	43,166,037	13,436,251
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	(18,902)		741,255	(5,700)	(931,837)	(3,019,775)	(64,020)	21,051,521	419,342		18,171,884	827,830
Fund Balances Beginning Of Year	203,517		6,465,553	43,396	3,471,947	7,081,952	747,975		1,578,450		19,592,790	18,764,960
Fund Balances End Of Year	\$ 184,615		7,206,808	37,696	2,540,110	4,062,177	683,955	21,051,521	1,997,792		37,764,674	19,592,790

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PROPRIETARY FUNDS

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ENTERPRISE FUNDS

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

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

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

Parking Facilities Fund - To account for the revenues and expenses of five downtown parking garages, the Carriage Park Parking Facility, the Que Place Parking Facility, the Center Park Parking Facility, the Cornhusker Square Parking Facility and the University Square Parking Facility.

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

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

Lincoln General Hospital Fund - To account for the revenues and expenses of the City-owned general hospital prior to the October 31, 1997 sale date, and to account for the proceeds resulting from the sale.

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

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

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

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

CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1999
With Comparative Totals For August 31, 1998

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	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
										1999	1998
ASSETS											
Current Assets:											
Cash Held By City Treasurer	\$ 750,023	536,017	255,117	2,933	521,129	1,856,483	600,000	1,000,000		5,521,702	5,378,003
Cash On Hand And In Other Accounts	2,448	54,968	42,150	409,667	11,980	17,601	100	2,150	167,000	708,064	1,705,675
Investments	632,483	196,950			4,917,820				29,237,000	34,984,253	63,358,433
Receivables:											
Accounts		23,420	20,676	17,897	858,704	23,625	1,277,334	1,875,944	5,948,000	10,045,600	11,406,027
Accrued Interest	3,926	2,293	4,198	15	110,063	20,473			674,000	814,968	864,514
Unbilled Revenues							1,092,070	2,002,153	6,873,000	9,967,223	9,769,004
Due From Other Funds	25,390	16,786	1,119,499	139	43,122					1,204,936	118,569
Due From Other Governments					5,597	8,408				14,005	10,986
Inventories		72,973		20,559		610,418	135,609	748,725	5,137,000	6,725,284	6,720,192
Plant Operation Assets									3,635,000	3,635,000	3,778,000
Prepaid Expenses				26,657					659,000	685,657	629,588
Total Current Assets	1,414,270	903,407	1,441,640	477,867	6,468,415	2,537,008	3,105,113	5,628,972	52,330,000	74,306,692	103,738,991
Other Assets:											
Unamortized Bond Issuance Expense		56,325	224,140				3,280	756,547		1,040,292	1,088,512
Deferred Charges And Other Assets									48,238,000	48,238,000	44,522,000
Total Other Assets		56,325	224,140				3,280	756,547	48,238,000	49,278,292	45,610,512
Restricted Assets:											
Cash Held By City Treasurer		347,178	233,440				8,573,183	7,221,396		16,375,197	11,032,714
Cash On Hand And In Other Accounts		22,128								22,128	19,497
Cash Deposited With Bond Trustee											88,418
Investments		863,082	5,063,931				24,381,851	19,929,627	35,745,000	85,983,491	82,853,381
Accounts Receivable		7,167								7,167	12,003
Accrued Interest Receivable		2,482	411				150,775	184,451		338,119	425,839
Due From Other Funds		16,865	932							17,797	13,334
Total Restricted Assets		1,258,902	5,298,714				33,105,809	27,335,474	35,745,000	102,743,899	94,445,186
Property, Plant, And Equipment:											
Land	210,000	1,084,933	3,188,221	46,500	1,942,957	102,020	2,138,362	3,537,301		12,250,294	11,956,147
Buildings	9,765	2,058,998	24,419,405	4,346,500	989,499	2,742,805	25,797,485	73,537,617		133,902,074	127,583,140
Improvements Other Than Buildings	83,000	5,739,882	92,074	150,404	10,396,897	342,454	93,006,474	127,933,514		237,744,699	206,601,790
Machinery And Equipment	36,537	1,504,275	345,294	938,805	4,254,774	9,321,710	6,201,326	5,715,277		28,317,998	29,166,532
Utility Plant									539,780,000	539,780,000	496,629,000
Construction In Progress			879,484				16,125,647	22,489,319	31,800,000	71,294,450	114,899,448
Total	339,302	10,388,088	28,924,478	5,482,209	17,584,127	12,508,989	143,269,294	233,213,028	571,580,000	1,023,289,515	986,836,057
Less Accumulated Depreciation	(56,388)	(3,128,824)	(5,908,401)	(4,332,026)	(5,275,206)	(7,475,367)	(43,915,677)	(52,183,610)	(187,754,000)	(310,029,499)	(290,148,500)
Net Property, Plant, And Equipment	282,914	7,259,264	23,016,077	1,150,183	12,308,921	5,033,622	99,353,617	181,029,418	383,826,000	713,260,016	696,687,557
Total Assets	\$ 1,697,184	9,477,898	29,980,571	1,628,050	18,777,336	7,570,630	135,567,819	214,750,411	520,139,000	939,588,899	940,482,246

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	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
										1999	1998
LIABILITIES AND FUND EQUITY											
Current Liabilities (Payable From Current Assets):											
Vouchers Payable	\$ 613	13,051	19,669		60,297	46,760				140,390	25,252
Accounts Payable	2,742	75,081	382,290	36,856	566,418	64,004	193,079	620,731	16,286,000	18,227,201	10,657,221
Accrued Liabilities		31,145	2,651	118,906	33,664	179,522	370,322	518,346	6,687,000	7,941,556	7,199,888
Accrued Compensated Absences		53,031	6,441		55,696	317,628	282,372	320,532		1,035,700	989,859
Commercial Paper Notes Payable									15,000,000	15,000,000	45,000,000
Due To Other Governments				10,398	64,669					75,067	70,515
Due To Other Funds		39,069	1,491	31,000	14,150					85,710	51,475
Unearned Revenue						2,330,868				2,330,868	1,947,585
Current Portion Of Capital Lease	12,888									12,888	11,956
Other				127,729				6,122,000		6,249,729	5,881,106
Total Current Liabilities (Payable From Current Assets)	16,243	211,377	412,542	324,889	794,894	2,938,782	845,773	1,459,609	44,095,000	51,099,109	71,834,857
Current Liabilities (Payable From Restricted Assets):											
Construction Contracts							1,002,108	1,593,375		2,595,483	1,844,261
Vouchers Payable			250,000							250,000	1,307
Accounts Payable		1,335	11,347							12,682	7,507
Accrued Interest		12,308	24,891				89,851	156,216	5,154,000	5,437,266	5,031,924
Current Portion Of Revenue Bonds		215,000	500,000	34,889			917,500	2,640,000	10,530,000	14,837,389	15,415,000
Total Current Liabilities (Payable From Restricted Assets)		228,643	786,238	34,889			2,009,459	4,389,591	15,684,000	23,132,820	22,299,999
Long-Term Liabilities:											
Revenue Bonds And Notes (Net Of Current Portion)		3,540,000	10,450,000	69,778			7,537,566	43,445,000	287,885,000	352,927,344	323,435,066
Landfill Closure/Postclosure Accrual					6,389,000					6,389,000	4,165,000
Deferred Credits And Other Obligations Under Capital Leases (Net Of Current Portion)	140,509								317,000	317,000	584,000
Total Long-Term Liabilities	140,509	3,540,000	10,450,000	69,778	6,389,000		7,537,566	43,445,000	288,202,000	359,773,853	328,337,463
Total Liabilities	156,752	3,980,020	11,648,780	429,556	7,183,894	2,938,782	10,392,798	49,294,200	347,981,000	434,005,782	422,472,319
Fund Equity:											
Contributed Capital	104,094	284,307	11,222,266	916,580	2,497,798	4,631,848	37,413,113	26,325,002		83,395,008	82,733,970
Retained Earnings:											
Reserved For:											
Debt Service		465,500	1,266,040				15,350,329	18,368,245		35,450,114	31,209,107
Improvements		564,759	329,273				15,746,020	4,467,518		21,107,570	26,267,769
Restricted Funds			2,917,163					110,120	20,061,000	23,088,283	10,841,296
Landfill Closure/Postclosure					6,389,000					6,389,000	4,165,000
Unreserved	1,436,338	4,183,312	2,597,049	281,914	2,706,644		56,665,559	116,185,326	152,097,000	336,153,142	322,900,455
Fund Balances:											
Unreserved											39,892,330
Total Retained Earnings/ Fund Balances	1,436,338	5,213,571	7,109,525	281,914	9,095,644		87,761,908	139,131,209	172,158,000	422,188,109	435,275,957
Total Fund Equity	1,540,432	5,497,878	18,331,791	1,198,494	11,593,442	4,631,848	125,175,021	165,456,211	172,158,000	505,583,117	518,009,927
Total Liabilities And Fund Equity	\$ 1,697,184	9,477,898	29,980,571	1,628,050	18,777,336	7,570,630	135,567,819	214,750,411	520,139,000	939,588,899	940,482,246

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CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
FISCAL YEAR ENDED AUGUST 31, 1999
With Comparative Totals For Fiscal Year Ended August 31, 1998

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
											1999	1998
Operating Revenues:												
Charges For Services	\$						951,521	14,347,142	18,820,314	145,327,000	179,445,977	181,329,399
Fees		2,435,270			5,637,051						8,072,321	7,607,357
Parking Facility Revenue	109,159		3,079,757								3,188,916	3,236,231
Performance Revenue				284,375							284,375	274,418
Other Operating Revenue	4,610	3,679	833	1,237,183	66,192		149,857				1,462,354	1,281,926
Total Operating Revenues	113,769	2,438,949	3,080,590	1,521,558	5,703,243		1,101,378	14,347,142	18,820,314	145,327,000	192,453,943	193,729,331
Operating Expenses:												
Personal Services		934,536	79,007	756,213	1,181,857		4,405,402				7,357,015	13,115,477
Contractual Services	35,095	62,287	1,463,801	137	4,261,661		266,755				6,089,736	2,005,915
Operation And Maintenance	142,249	659,923	786,357	1,036,239	1,140,221		1,484,030	6,634,253	7,694,442	9,712,000	29,289,714	33,970,453
Purchased Power										71,103,000	71,103,000	67,957,000
Depreciation	11,568	395,602	677,362	154,580	830,810		853,078	2,487,143	3,761,470	15,904,000	25,075,613	25,121,063
Payments In Lieu Of Taxes										6,381,000	6,381,000	6,033,000
Administrative Costs								957,737	1,372,820	11,568,000	13,898,557	13,103,413
Total Operating Expenses	188,912	2,052,348	3,006,527	1,947,169	7,414,549		7,009,265	10,079,133	12,828,732	114,668,000	159,194,635	161,306,321
Operating Income (Loss)	(75,143)	386,601	74,063	(425,611)	(1,711,306)		(5,907,887)	4,268,009	5,991,582	30,659,000	33,259,308	32,423,010
Non-Operating Revenues (Expenses):												
Investment Income	73,334	88,615	281,041	2,209	286,859		19,449	1,631,599	1,550,069	3,465,000	7,398,175	9,268,180
Gain (Loss) On Disposal Of Assets		(3,714)	(2,623)	(534)	2,624				2,544		(1,703)	(2,177,963)
Operating Grants							814,919				814,919	1,354,727
Amortization Of Deferred Charges		(3,000)	(9,818)					(4,925)	(33,256)	(3,017,000)	(3,067,999)	(2,485,729)
Donations												7,000
Interest Expense And Fiscal Charges	(12,044)	(264,936)	(640,712)	(2,128)				(474,743)	(2,514,373)	(15,780,000)	(19,688,936)	(19,118,920)
Miscellaneous												508,508
Total Non-Operating Revenues (Expenses)	61,290	(183,035)	(372,112)	(453)	289,483		834,368	1,151,931	(995,016)	(15,332,000)	(14,545,544)	(12,644,197)
Net Income (Loss) Before Operating Transfers	(13,853)	203,566	(298,049)	(426,064)	(1,421,823)		(5,073,519)	5,419,940	4,996,566	15,327,000	18,713,764	19,778,813
Transfers:												
Operating Transfers In			1,098,319	359,000			4,220,441				5,677,760	4,452,452
Operating Transfers Out					(260,956)						(260,956)	(1,518,342)
Total Transfers			1,098,319	359,000	(260,956)		4,220,441				5,416,804	2,934,110
Net Income (Loss)	(13,853)	203,566	800,270	(67,064)	(1,682,779)		(853,078)	5,419,940	4,996,566	15,327,000	24,130,568	22,712,923
Depreciation Transfer On Contributed Capital	7,221	5,000	341,295	136,770	79,967		853,078	811,067	439,516		2,673,914	2,784,433
Increase (Decrease) In Retained Earnings/ Fund Balance	(6,632)	208,566	1,141,565	69,706	(1,602,812)			6,231,007	5,436,082	15,327,000	26,804,482	25,497,356
Retained Earnings/Fund Balance Beginning Of Year	1,442,970	5,005,005	5,967,960	212,208	10,698,456	39,892,330		81,530,901	133,695,127	156,831,000	435,275,957	409,778,601
Residual Equity Transfers Out						(39,892,330)					(39,892,330)	
Retained Earnings/Fund Balance End Of Year	\$ 1,436,338	5,213,571	7,109,525	281,914	9,095,644			87,761,908	139,131,209	172,158,000	422,188,109	435,275,957

CITY OF LINCOLN, NE
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED AUGUST 31, 1999
With Comparative Totals For Fiscal Year Ended August 31, 1998

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	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
											1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:												
Operating Income (Loss)	\$ (75,143)	386,601	74,063	(425,611)	(1,711,306)		(5,907,887)	4,268,009	5,991,582	30,659,000	33,259,308	32,423,010
Adjustments To Reconcile Operating Income (Loss) To Net Cash From Operating Activities:												
Depreciation	11,568	395,602	677,362	154,580	830,810		853,078	2,487,143	3,761,470	15,904,000	25,075,613	25,121,063
Changes In Assets And Liabilities:												
Accounts Receivable	442	19,126	(19,953)	(12,242)	(9,743)		(12,513)	111,954	378,973	1,152,000	1,608,044	(164,191)
Unbilled Revenues										(441,000)	(441,000)	(18,000)
Due From Other Funds					(4,216)						(4,216)	(39,615)
Due From Other Governments					5,389		(8,408)				(3,019)	2,892
Inventories		(18,215)		(11,690)			51,619	51,736	160,458	(239,000)	(5,092)	(899,414)
Plant Operation Assets										143,000	143,000	1,402,000
Prepaid Expenses				(25,069)						(31,000)	(56,069)	(117,034)
Other Assets										(6,117,000)	(6,117,000)	(2,700,000)
Vouchers Payable	(790)	11,743	15,612		53,059		34,206				113,830	26,559
Accounts Payable	1,272	(2,413)	283,289	(4,222)	395,945		2,148	100,949	405,101	7,127,000	8,309,069	841,218
Accrued Liabilities		4,186	663	21,630	4,721		13,895	144,284	204,289		393,668	(1,126,629)
Accrued Compensated Absences		511	764		4,635		11,609	24,987	3,335		45,841	75,069
Due To Other Governments				3,418	1,134						4,552	(22,128)
Due To Other Funds	(30)	8,303	164	31,000	(5,202)						34,235	20,345
Unearned Revenues							383,283				383,283	(816,557)
Other Current Liabilities				92,623						624,000	716,623	1,010,739
Landfill Closure/Postclosure Accrual					2,224,000					156,000	2,224,000	302,000
Deferred Credits And Other Liabilities										156,000	156,000	202,000
Total Adjustments	12,462	418,843	957,901	250,028	3,500,532		1,328,917	2,921,053	4,913,626	18,278,000	32,581,362	23,100,317
Net Cash From Operating Activities	(62,681)	805,444	1,031,964	(175,583)	1,789,226		(4,578,970)	7,189,062	10,905,208	48,937,000	65,840,670	55,523,327
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:												
Operating Grants							814,919				814,919	1,354,727
Donations												7,000
City Subsidy				359,000			4,220,441				4,579,441	4,280,654
Transfers From Other Funds												171,798
Transfers To Other Funds						(1,014,328)					(1,014,328)	(25,742,823)
Special Waste Programs Subsidy					(260,956)						(260,956)	(245,519)
Net Cash From Non-Capital Financing Activities				359,000	(260,956)	(1,014,328)	5,035,360				4,119,076	(20,174,163)

(Continued)

(Enterprise Funds, Continued)

E-3

	Parking Lot Revolving	Golf	Parking Facilities	Pershing Municipal Auditorium	Sanitary Landfill Revenue	Lincoln General Hospital	StarTran	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Totals	
											1999	1998
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:												
Additions To Property, Plant, And Equipment		(214,938)	(90,072)	(169,842)	(1,287,926)			(7,256,942)	(7,839,720)		(16,859,440)	(19,341,485)
Proceeds From Sale Of Property, Plant, And Equipment			1,035		2,624				2,544		6,203	44,223,939
Proceeds From Commercial Paper Notes												3,500,000
Bond Proceeds Advance			250,000								250,000	
Bond Proceeds				139,556						45,560,000	45,699,556	
Bond Issuance Costs			(16,560)								(16,560)	
Net Other Refunding Activity										(165,000)	(165,000)	
Expenditures For Utility Plant										(22,079,000)	(22,079,000)	(25,864,000)
Net Cost Of Retiring Plant										(162,000)	(162,000)	(480,000)
Capital Construction Transfer In							120,664				120,664	21,380
Capital Construction Transfer Out												(67,356)
Principal Payments On Capital Lease	(11,956)										(11,956)	(79,091)
Principal Payments Of Commercial Paper Notes										(30,000,000)	(30,000,000)	
Principal Payments Of Long-Term Debt		(200,000)	(585,000)	(34,889)				(1,255,000)	(2,530,000)	(12,180,000)	(16,784,889)	(12,717,500)
Interest Paid And Fiscal Charges	(12,044)	(264,310)	(642,299)	(2,128)				(500,504)	(2,503,471)	(15,501,000)	(19,425,756)	(19,588,789)
Federal Grant Revenues												476,527
Net Cash From Capital Financing Activities	(24,000)	(679,248)	(1,082,896)	(67,303)	(1,285,302)		120,664	(9,012,446)	(12,870,647)	(34,527,000)	(59,428,178)	(29,916,375)
CASH FLOWS FROM INVESTING ACTIVITIES:												
Proceeds From Sale And Maturities Of Investments	2,183,377	1,427,478	2,736,101		4,850,933			55,393,000	51,957,895	188,905,000	307,453,784	352,691,159
Purchases Of Investments	(1,753,560)	(1,227,702)	(2,993,426)		(5,403,924)			(51,428,210)	(50,330,557)	(207,734,000)	(320,871,379)	(365,017,624)
Interest And Other Revenues	77,149	71,815	289,247	2,217	282,186		13,954	1,718,868	1,535,793	3,386,000	7,377,229	8,998,403
Net Cash From Investing Activities	506,966	271,591	31,922	2,217	(270,805)		13,954	5,683,658	3,163,131	(15,443,000)	(6,040,366)	(3,328,062)
Net Increase (Decrease) In Cash	420,285	397,787	(19,010)	118,331	(27,837)	(1,014,328)	591,008	3,860,274	1,197,692	(1,033,000)	4,491,202	2,104,727
Cash Beginning Of Year	332,186	562,504	549,717	294,269	560,946	1,014,328	1,283,076	5,313,009	7,025,854	1,200,000	18,135,889	16,031,162
Cash End Of Year	\$ 752,471	960,291	530,707	412,600	533,109		1,874,084	9,173,283	8,223,546	167,000	22,627,091	18,135,889
Supplemental Disclosure of Noncash Investing And Financing Activities:												
Donation of Capital Assets	\$	79,534	1,098,320	61,610	83,597		137,094	729,937	1,147,360		3,337,452	7,350,282

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INTERNAL SERVICE FUNDS

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

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

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

Insurance Revolving Fund - To account for the cost of providing a self-insurance program for workers' compensation, liability, property insurance, long-term disability and Blue Cross/Blue Shield Health Insurance Plan. Revenues are derived from billings to operating departments.

Fleet Services Fund - To account for the operation of a centralized maintenance facility for equipment used by other City departments, such as trucks, heavy equipment, and miscellaneous other equipment. Revenues are derived from billings to user departments.

Police Garage Fund - To account for the operation of a maintenance facility for the Police fleet and vehicles from various other City departments. Revenues are derived from billings to the Police and other user departments.

Communication Services Fund - To account for the costs of providing graphic arts and telecommunication services. Revenues are derived from billings to user departments.

Copy Services Fund - To account for the cost of providing copy services to the City of Lincoln and Lancaster County. User City and County departments are charged on a per copy basis.

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

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1999
With Comparative Totals For August 31, 1998

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	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services	Police Garage	Communication Services	Copy Services	Totals	
								1999	1998
ASSETS									
Current Assets:									
Cash Held By City Treasurer	\$ 778,858		2,072,379	1,188,055	800,676	71,152	86,770	4,997,890	4,515,524
Cash On Hand And In Other Accounts	86							86	34,247
Investments			8,246,748		497,871		98,547	8,843,166	8,554,055
Receivables:									
Accounts	64,297	528,317	7,225	10,232	21,855	1,246	1,116	634,288	293,591
Accrued Interest	3,440		19,830	5,566	3,585	378	438	33,237	18,133
Due From Other Funds	468,779	4,134	83,660	63,216	205,591	9,160	26,348	860,888	644,012
Due From Other Governments	313,712	38,876		55,352	1,762	423	8,000	418,125	539,158
Inventories				220,113	62,801			282,914	283,545
Total Current Assets	1,629,172	571,327	10,429,842	1,542,534	1,594,141	82,359	221,219	16,070,594	14,882,265
Property, Plant, And Equipment									
Less Accumulated Depreciation	2,662,760	693,797	19,174	11,741,007	4,261,363	97,686		19,475,787	19,928,540
Net Property, Plant, And Equipment	(2,146,991)	(521,363)	(3,127)	(7,905,368)	(2,587,479)	(42,005)		(13,206,333)	(13,388,586)
	515,769	172,434	16,047	3,835,639	1,673,884	55,681		6,269,454	6,539,954
Total Assets	2,144,941	743,761	10,445,889	5,378,173	3,268,025	138,040	221,219	22,340,048	21,422,219
LIABILITIES AND FUND EQUITY									
Current Liabilities:									
Vouchers Payable	40,815	22,899	103,138	41,668	3,744		1,252	213,516	118,962
Accounts Payable	21,185	89,354	1,560	111,319	20,750	5,133	18,460	267,761	321,295
Accrued Liabilities	74,988	101,097	8,436	26,847	17,184	4,338	461	233,351	208,083
Accrued Compensated Absences	116,610	225,537	7,278	77,351	41,336	10,372	610	479,094	472,458
Due To Other Governments	6,315			4				6,319	8,014
Due To Other Funds	29,504	315,001	5,508	18,494	7,800	921	178	377,406	253,716
Unearned Revenue		6,808						6,808	5,279
Claims			1,460,714					1,460,714	1,763,183
Total Current Liabilities	289,417	760,696	1,586,634	275,683	90,814	20,764	20,961	3,044,969	3,150,990
Long-Term Liabilities:									
Claims			2,049,280					2,049,280	2,154,773
Total Liabilities	289,417	760,696	3,635,914	275,683	90,814	20,764	20,961	5,094,249	5,305,763
Fund Equity (Deficit):									
Contributed Capital	14,626	8,119		290,217	152,880	36,789	30,000	532,631	625,052
Retained Earnings (Deficit)/Unreserved	1,840,898	(25,054)	6,809,975	4,812,273	3,024,331	80,487	170,258	16,713,168	15,491,404
Total Fund Equity (Deficit)	1,855,524	(16,935)	6,809,975	5,102,490	3,177,211	117,276	200,258	17,245,799	16,116,456
Total Liabilities And Fund Equity (Deficit)	\$ 2,144,941	743,761	10,445,889	5,378,173	3,268,025	138,040	221,219	22,340,048	21,422,219

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FISCAL YEAR ENDED AUGUST 31, 1999
With Comparative Totals For Fiscal Year Ended August 31, 1998

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	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services	Police Garage	Communication Services	Copy Services	Warehouse Revolving	Totals	
									1999	1998
Operating Revenues:										
Charges For Services	\$ 5,741,047	4,651,460	3,638,961	3,201,261	2,174,446	99,907	311,874	11,511	19,830,467	23,021,752
Operating Expenses:										
Personal Services	2,487,452	3,588,803	257,085	953,162	622,276	88,899	16,461	1,436	8,015,574	7,858,521
Materials And Supplies	124,156	46,018	10,079	852,149	540,926	6,415	41,573	1,474	1,622,790	2,434,680
Other Services And Charges	2,551,080	821,473	3,293,559	582,584	298,277	52,136	199,031	20,011	7,818,151	11,898,671
Depreciation	348,341	54,941	2,517	826,396	438,232	15,236			1,685,663	1,757,023
Total Operating Expenses	5,511,029	4,511,235	3,563,240	3,214,291	1,899,711	162,686	257,065	22,921	19,142,178	23,948,895
Operating Income (Loss)	230,018	140,225	75,721	(13,030)	274,735	(62,779)	54,809	(11,410)	688,289	(927,143)
Non-Operating Revenues (Expenses):										
Investment Income	24,340		491,842	47,366	62,619	3,712	7,104	2,165	639,148	682,788
Operating Grants										5,362
Miscellaneous	(105,584)		(50,958)	60,545	15,763				(80,234)	11,117
Total Non-Operating Revenues (Expenses)	(81,244)		440,884	107,911	78,382	3,712	7,104	2,165	558,914	699,267
Net Income (Loss) Before Operating Transfers	148,774	140,225	516,605	94,881	353,117	(59,067)	61,913	(9,245)	1,247,203	(227,876)
Transfers:										
Operating Transfers In						23,000			23,000	174,594
Operating Transfers Out			(36,013)					(115,500)	(151,513)	(38,100)
Total Transfers			(36,013)			23,000		(115,500)	(128,513)	136,494
Net Income (Loss)	148,774	140,225	480,592	94,881	353,117	(36,067)	61,913	(124,745)	1,118,690	(91,382)
Depreciation Transfer On Contributed Capital	10,386	927		38,331	50,614	11,221			111,479	93,323
Increase (Decrease) In Retained Earnings	159,160	141,152	480,592	133,212	403,731	(24,846)	61,913	(124,745)	1,230,169	1,941
Retained Earnings (Deficit) Beginning Of Year	1,681,738	(166,206)	6,329,383	4,679,061	2,620,600	105,333	108,345	133,150	15,491,404	15,489,463
Residual Equity Transfers Out								(8,405)	(8,405)	
Retained Earnings (Deficit) End Of Year	\$ 1,840,898	(25,054)	6,809,975	4,812,273	3,024,331	80,487	170,258		16,713,168	15,491,404

CITY OF LINCOLN, NE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED AUGUST 31, 1999
With Comparative Totals For Fiscal Year Ended August 31, 1998

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	Information Services	Engineering Revolving	Insurance Revolving	Fleet Services	Police Garage	Communication Services	Copy Services	Warehouse Revolving	Totals	
									1999	1998
Cash Flows From Operating Activities:										
Operating Income (Loss)	\$ 230,018	140,225	75,721	(13,030)	274,735	(62,779)	54,809	(11,410)	688,289	(927,143)
Adjustments To Reconcile Operating Income (Loss) To Net Cash From Operating Activities:										
Depreciation	348,341	54,941	2,517	826,396	438,232	15,236			1,685,663	1,757,023
Changes In Assets And Liabilities:										
Accounts Receivable	51,996	(380,393)	(4,649)	(6,282)	(6,748)	(768)	71	6,076	(340,697)	(73,745)
Due From Other Funds	(177,052)	46,613		(11,334)	(159,558)	3,393	(1,023)	71,095	(227,866)	91,205
Due From Other Governments	171,600	(31,652)		(55,346)	7,013	399	694	28,325	121,033	(326,731)
Inventories				6,407	(5,776)				631	36,486
Vouchers Payable	6,612	19,352	22,851	41,662	3,744		357	(24)	94,554	118,962
Accounts Payable	(21,329)	24,116	(80,719)	15,736	(6,087)	1,185	13,564		(53,534)	(60,426)
Accrued Liabilities	9,817	6,703	2,085	2,821	2,676	1,892	461	(1,187)	25,268	25,494
Accrued Compensated Absences	2,810	1,437	55	716	688	320	610		6,636	44,061
Due To Other Governments	(562)	(393)		(740)					(1,695)	(17,650)
Due To Other Funds	(31,628)	161,871	1,866	(8,894)	905	87	178	(695)	123,690	144,223
Unearned Revenue		1,529							1,529	5,279
Claims			(407,962)						(407,962)	233,166
Total Adjustments	360,605	(95,876)	(463,956)	811,142	275,089	21,744	14,912	103,590	1,027,250	1,977,347
Net Cash From Operating Activities	590,623	44,349	(388,235)	798,112	549,824	(41,035)	69,721	92,180	1,715,539	1,050,204
Cash Flows From Non-Capital Financing Activities:										
Operating Grants										5,362
Transfers From Other Funds						23,000			23,000	174,594
Transfers To Other Funds			(36,013)					(115,500)	(151,513)	(38,100)
Residual Equity Transfers To Other Funds								(8,405)	(8,405)	
Net Cash From Non-Capital Financing Activities			(36,013)			23,000		(123,905)	(136,918)	141,856
Cash Flows From Capital Financing Activities:										
Additions To Property, Plant, And Equipment	(268,410)	(44,349)	(4,607)	(702,192)	(622,821)				(1,642,379)	(1,967,918)
Proceeds From Sale Of Property, Plant, And Equipment	225			113,598	52,216				166,039	177,013
Net Cash From Capital Financing Activities	(268,185)	(44,349)	(4,607)	(588,594)	(570,605)				(1,476,340)	(1,790,905)
Cash Flows From Investing Activities:										
Proceeds From Sale And Maturities Of Investments			9,860,445		474,065		98,781	109,835	10,543,126	14,036,332
Purchases Of Investments			(10,064,329)		(477,856)		(196,346)	(109,835)	(10,848,366)	(14,440,769)
Interest And Other Revenues	13,752		509,951	36,426	78,711	4,197	5,962	2,165	651,164	660,952
Net Cash From Investing Activities	13,752		306,067	36,426	74,920	4,197	(91,603)	2,165	345,924	256,515
Net Increase (Decrease) In Cash	336,190		(122,788)	245,944	54,139	(13,838)	(21,882)	(29,560)	448,205	(342,330)
Cash Beginning Of Year	442,754		2,195,167	942,111	746,537	84,990	108,652	29,560	4,549,771	4,892,101
Cash End Of Year	\$ 778,944		2,072,379	1,188,055	800,676	71,152	86,770		4,997,976	4,549,771
Supplemental Disclosure Of Noncash Investing And Financing Activities:										
Donation Of Capital Assets				49,131					49,131	329,074

FIDUCIARY FUNDS

Fiduciary Funds are established 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.

Pension Trust Funds

The City maintains a pension trust fund to account for the receipt, investment, and distribution of retirement contributions made for the benefit of police officers and firefighters.

Expendable Trust Funds

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

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

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

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

Joseph J. Hompes Trust -	To be used to buy books as stipulated by the trust.
Charles Gere Library Fund -	To be used as directed by the Library Board for the benefit of the Lincoln City Libraries.
Lillian Polley Trust -	To be used for the Polley Music Library.

Non-Expendable Trust Fund

Community Health Endowment Fund – To account for the cash proceeds realized by the City of Lincoln from the sale of Lincoln General Hospital together with any interest or other investment income earned. The endowment may be increased by donations, bequests, or appropriations to the fund. Monies in the fund shall be used for the purpose of funding health and health-related programs or projects that further the health, safety, or welfare of the citizens of the City of Lincoln.

Agency Funds

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

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

Airport Authority -	Taxes collected on its behalf.
State of Nebraska -	Sales tax collections on sales made by the City of Lincoln and Lottery Tax Collections on Keno Proceeds to be remitted to the State.
Lincoln Public Schools -	Fines, fees, licenses and permits collected on its behalf.
Department of Housing and Urban Development -	Various bank accounts used for Home Improvement Loans, Down-payment Assistance and Rental Rehabilitation programs. The City is the Fiduciary agent for these accounts.

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

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

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

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

Telephone Bill Suspense - To account for the accumulation and disbursement of funds to pay for the City's phone system charges.

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

Defeased Bond Proceeds - To account for the proceeds from the 1992 Sanitary Sewer Revenue Bonds issued to defease the 1980 Sanitary Sewer Revenue Bonds. The City Treasurer is the Trustee for this bond defeasance.

Gateway Center Joint Venture Escrow - To account for funds deposited with the City by the Gateway Shopping Center in fulfillment of a condition of the use permit for expansion of the shopping center. Funds may be drawn upon for construction of roadway improvements for the purpose of controlling the flow of off-site traffic in the "O" street corridor between Cotner Boulevard and 73rd Street.

CITY OF LINCOLN, NE
FIDUCIARY FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1999
With Comparative Totals For August 31, 1998

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	Pension Trust Fund	Expendable Trust Funds			Non- Expendable Trust Fund	Agency Funds								Totals			
		Police And Fire Pension	Parks And Recreation Special Projects	Commission On Aging Gift Trust		Library Special Trust	Community Health Endowment	Collections Due Other Governments	Contractor Deposits	Payroll Revolving	Outstanding Warrants	Earnings On Pooled Investments	Telephone Bill Suspense	Deceased Bond Proceeds	Gateway Center Joint Venture Escrow	1999	1998
ASSETS																	
Cash Held By City Treasurer	\$ 266,545	389,890	203,923	261,583	962,495	55,508		816,218	1,665,192	2,381,705	60,021	12,372	1,038,257	8,113,709	7,054,832		
Cash In Other Accounts	33,136	1,027	157			453,554	346,118	3,166					2,359	839,517	664,302		
Investments	120,805,554			334,375	36,944,677									158,084,606	125,781,122		
Receivables:																	
Taxes	123,281													123,281	112,588		
Accrued Interest	533,342	2,122	1,100	1,260	137,559									675,383	531,617		
Other			6					146,102			1,051			147,159	140,225		
Due From Other Funds	7,817	18,545	9,603	10,860	52,570	63,567		560,113			2,815			725,890	621,804		
Contractor Retainage							3,480,246							3,480,246	2,579,659		
Restricted Assets - Investments Held By Trustee					3,453,321									3,453,321			
Total Assets	121,769,675	411,584	214,789	608,078	41,550,622	572,629	3,826,364	1,525,599	1,665,192	2,381,705	63,887	12,372	1,040,616	175,643,112	137,486,149		
LIABILITIES AND FUND BALANCES																	
Liabilities:																	
Warrants Payable									1,665,192					1,665,192	1,959,005		
Vouchers Payable		7,728	272					1,201,684			60,021			1,269,705	1,115,390		
Accounts Payable	76,221	14,969	2,559					90,085			3,866			187,700	70,858		
Accrued Liabilities	1,947			2,872	441					240,700				245,960	243,630		
Accrued Compensated Absences	2,339			3,330	131									5,800	5,804		
Due To Other Governments						572,629		233,830						806,459	782,888		
Due To Other Funds	2,506	13	223	928	81					2,141,005				2,144,756	2,377,948		
Deferred Revenue	71,541													71,541	56,793		
Claims Payable From Restricted Assets					146,201									146,201			
Due To Contractors							3,826,364							3,826,364	2,781,279		
Due To Lincoln Joint Venture													1,040,616	1,040,616	818,213		
Due To Bondholders												12,372		12,372	11,050		
Total Liabilities	154,554	22,710	3,054	7,130	146,854	572,629	3,826,364	1,525,599	1,665,192	2,381,705	63,887	12,372	1,040,616	11,422,666	10,222,858		
Fund Balances:																	
Reserved For:																	
Encumbrances															633		
Employee Retirement	121,615,121													121,615,121	126,126,882		
Trust Donations		388,874	211,735	600,948										1,201,557	1,135,776		
Health Care					38,096,648									38,096,648			
Claims					3,307,120									3,307,120			
Total Fund Balances	121,615,121	388,874	211,735	600,948	41,403,768									164,220,446	127,263,291		
Total Liabilities And Fund Balances	\$ 121,769,675	411,584	214,789	608,078	41,550,622	572,629	3,826,364	1,525,599	1,665,192	2,381,705	63,887	12,372	1,040,616	175,643,112	137,486,149		

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CITY OF LINCOLN, NE
POLICE AND FIRE PENSION TRUST FUND
STATEMENT OF PLAN NET ASSETS
AUGUST 31, 1999
With Comparative Totals For August 31, 1998

G-2

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash Held By City Treasurer	\$ 266,545	99,150
Cash On Hand And In Other Accounts	33,136	
Investments, At Fair Value:		
Mortgage Backed Securities	29,041,795	31,415,908
U.S. Government Securities	62,147,450	71,604,992
U.S. Government Agencies	11,719,000	10,965,720
Repurchase Agreements	1,780,000	500,000
Open-end Mutual Funds	16,117,309	10,960,111
Total Investments	<u>120,805,554</u>	<u>125,446,731</u>
Receivables:		
Taxes	123,281	112,588
Accrued Interest	533,342	527,887
Total Receivables	<u>656,623</u>	<u>640,475</u>
Due From Other Funds	7,817	4,684
Total Assets	<u>121,769,675</u>	<u>126,191,040</u>
LIABILITIES		
Accounts Payable	76,221	
Accrued Liabilities	1,947	1,596
Accrued Compensated Absences	2,339	2,594
Due To Other Funds	2,506	3,175
Deferred Revenues	71,541	56,793
Total Liabilities	<u>154,554</u>	<u>64,158</u>
Net Assets Held In Trust For Pension Benefits	<u>\$ 121,615,121</u>	<u>126,126,882</u>

A Schedule Of Funding Progress Is Presented On Page 31.

CITY OF LINCOLN, NE
PENSION TRUST FUND
STATEMENT OF CHANGES IN PLAN NET ASSETS
FISCAL YEAR ENDED AUGUST 31, 1999
With Comparative Totals For Fiscal Year Ended August 31, 1998

G-3

	1999	1998
Additions:		
Contributions:		
Employer	\$ 904,180	504,166
Employee	1,308,914	1,369,014
Total Contributions	2,213,094	1,873,180
Investment Income:		
Net Appreciation (Depreciation) In Fair Value Of Investments	(385,583)	18,296,203
Total Additions	1,827,511	20,169,383
Deductions:		
Benefit Payments	3,587,573	3,352,514
Refunds Of Contributions	2,555,141	1,297,123
Administrative Costs	196,558	161,568
Total Deductions	6,339,272	4,811,205
Net Increase (Decrease)	(4,511,761)	15,358,178
Net Assets Held In Trust For Pension Benefits Beginning Of Year	126,126,882	110,768,704
Net Assets Held In Trust For Pension Benefits End Of Year	\$ 121,615,121	126,126,882

CITY OF LINCOLN, NE
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED AUGUST 31, 1999
With Comparative Totals For Fiscal Year Ended August 31, 1998

G-4

	Parks And Recreation Special Projects	Commission On Aging Gift Trust	Library Special Trust	Totals	
				1999	1998
Revenues:					
Investment Income	\$ 18,927	9,850	28,563	57,340	57,631
Donations	100,768	169,739	92,700	363,207	313,529
Miscellaneous	38,685	7		38,692	35,636
Total Revenues	<u>158,380</u>	<u>179,596</u>	<u>121,263</u>	<u>459,239</u>	<u>406,796</u>
Expenditures:					
Culture And Recreation:					
Personal Services			91,192	91,192	81,832
Materials And Supplies	31,643		497	32,140	47,363
Other Services And Charges	32,790		6,091	38,881	56,973
Construction Contracts	61,746			61,746	28,057
Equipment	9,332		21,715	31,047	31,222
Total Culture And Recreation	<u>135,511</u>		<u>119,495</u>	<u>255,006</u>	<u>245,447</u>
Economic Opportunity:					
Materials And Supplies		20,584		20,584	29,000
Other Services And Charges		105,348		105,348	93,602
Equipment		13,153		13,153	587
Total Economic Opportunity		<u>139,085</u>		<u>139,085</u>	<u>123,189</u>
Total Expenditures	<u>135,511</u>	<u>139,085</u>	<u>119,495</u>	<u>394,091</u>	<u>368,636</u>
Excess Of Revenues Over Expenditures	<u>22,869</u>	<u>40,511</u>	<u>1,768</u>	<u>65,148</u>	<u>38,160</u>
Other Financing Uses:					
Operating Transfers Out					(1,775)
Excess Of Revenues Over Expenditures And Other Financing Uses	<u>22,869</u>	<u>40,511</u>	<u>1,768</u>	<u>65,148</u>	<u>36,385</u>
Fund Balances Beginning Of Year	<u>366,005</u>	<u>171,224</u>	<u>599,180</u>	<u>1,136,409</u>	<u>1,100,024</u>
Fund Balances End Of Year	<u>\$ 388,874</u>	<u>211,735</u>	<u>600,948</u>	<u>1,201,557</u>	<u>1,136,409</u>

CITY OF LINCOLN, NE
COMMUNITY HEALTH ENDOWMENT NON-EXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FISCAL YEAR ENDED AUGUST 31, 1999

G-5

	1999
Operating Revenues:	
Investment Income	1,995,210
Operating Expenses:	
Personal Services	1,390
Materials And Supplies	277
Other Services And Charges	482,105
Total Operating Expenses	483,772
Operating Income	1,511,438
Fund Balance Beginning Of Year	
Residual Equity Transfers In	39,892,330
Fund Balance End Of Year	41,403,768

CITY OF LINCOLN, NE
COMMUNITY HEALTH ENDOWMENT NON-EXPENDABLE TRUST FUND
STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED AUGUST 31, 1999

G-6

	1999
CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating Income	\$ 1,511,438
Adjustments To Reconcile Operating Income	
To Net Cash From Operating Activities:	
Investment Income	(1,995,210)
Changes In Assets And Liabilities:	
Accrued Liabilities	441
Accrued Compensated Absences	131
Due To Other Funds	81
Claims	146,201
Total Adjustments	(1,848,356)
Net Cash From Operating Activities	(336,918)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfers From Other Funds	1,014,328
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds From Sale And Maturities Of Investments	52,401,097
Purchases Of Investments	(54,327,025)
Interest And Other Revenues	2,211,013
Net Cash From Investing Activities	285,085
Net Increase In Cash	962,495
Cash Beginning Of Year	
Cash End Of Year	\$ 962,495

CITY OF LINCOLN, NE
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FISCAL YEAR ENDED AUGUST 31, 1999

G-7

	Balance Sep. 1, 1998	Additions	Deductions	Balance Aug. 31, 1999
COLLECTIONS DUE OTHER GOVERNMENTS:				
Assets:				
Cash Held By City Treasurer	\$ 56,466	893,038	893,996	55,508
Cash In Other Accounts	455,210	1,510,648	1,512,304	453,554
Due From Other Funds	53,641	63,567	53,641	63,567
	<u>565,317</u>	<u>2,467,253</u>	<u>2,459,941</u>	<u>572,629</u>
Liabilities:				
Due To Other Governments	\$ 565,317	655,893	648,581	572,629
CONTRACTOR DEPOSITS:				
Assets:				
Cash In Other Accounts	\$ 201,620	234,117	89,619	346,118
Contractor Retainage	2,579,659	1,686,371	785,784	3,480,246
	<u>2,781,279</u>	<u>1,920,488</u>	<u>875,403</u>	<u>3,826,364</u>
Liabilities:				
Due To Contractors	\$ 2,781,279	1,920,488	875,403	3,826,364
PAYROLL REVOLVING:				
Assets:				
Cash Held By City Treasurer	\$ 683,024	82,536,611	82,403,417	816,218
Cash In Other Accounts	3,818	37,537,166	37,537,818	3,166
Receivables	139,820	146,102	139,820	146,102
Due From Other Funds	520,959	83,096,724	83,057,570	560,113
	<u>1,347,621</u>	<u>203,316,603</u>	<u>203,138,625</u>	<u>1,525,599</u>
Liabilities:				
Vouchers Payable	1,074,693	82,543,127	82,416,136	1,201,684
Accounts Payable	55,357	61,641,224	61,606,496	90,085
Due To Other Governments	217,571	20,499,076	20,482,817	233,830
Due To Other Funds				
	<u>\$ 1,347,621</u>	<u>164,683,427</u>	<u>164,505,449</u>	<u>1,525,599</u>
OUTSTANDING WARRANTS:				
Assets:				
Cash Held By City Treasurer	\$ 1,959,005	219,169,521	219,463,334	1,665,192
Liabilities:				
Warrants Payable	1,959,005	219,169,521	219,463,334	1,665,192
EARNINGS ON POOLED INVESTMENTS:				
Assets:				
Cash Held By City Treasurer	\$ 2,613,434	3,453,982	3,685,711	2,381,705
Liabilities:				
Accrued Liabilities	239,551	240,700	239,551	240,700
Due To Other Funds	2,373,883	3,213,282	3,446,160	2,141,005
	<u>\$ 2,613,434</u>	<u>3,453,982</u>	<u>3,685,711</u>	<u>2,381,705</u>

(Continued)

(Agency Funds, Continued)

G-7

	Balance Sep. 1, 1998	Additions	Deductions	Balance Aug. 31, 1999
TELEPHONE BILL SUSPENSE:				
Assets:				
Cash Held By City Treasurer	\$ 40,692	560,210	540,881	60,021
Accounts Receivable	405	1,051	405	1,051
Due From Other Funds	2,629	2,815	2,629	2,815
	<u>43,726</u>	<u>564,076</u>	<u>543,915</u>	<u>63,887</u>
Liabilities:				
Vouchers Payable	40,692	560,210	540,881	60,021
Accounts Payable	3,034	3,866	3,034	3,866
	<u>\$ 43,726</u>	<u>564,076</u>	<u>543,915</u>	<u>63,887</u>
UNDISTRIBUTED PROPERTY TAX:				
Assets:				
Cash Held By City Treasurer	\$	44,241,502	44,241,502	
Liabilities:				
Due To Other Funds	\$	44,241,502	44,241,502	
DEFEASED BOND PROCEEDS:				
Assets:				
Cash Held By City Treasurer	\$ 11,050	1,322		12,372
Liabilities:				
Due To Bondholders	\$ 11,050	1,322		12,372
GATEWAY CENTER JOINT VENTURE ESCROW:				
Assets:				
Cash Held By City Treasurer	\$ 815,846	222,411		1,038,257
Cash In Other Accounts	2,367	2,359	2,367	2,359
	<u>818,213</u>	<u>224,770</u>	<u>2,367</u>	<u>1,040,616</u>
Liabilities:				
Due To Lincoln Joint Venture	\$ 818,213	222,403		1,040,616
AGENCY FUND TOTALS:				
Total Assets	<u>\$ 10,139,645</u>	<u>475,359,517</u>	<u>474,410,798</u>	<u>11,088,364</u>
Total Liabilities	<u>\$ 10,139,645</u>	<u>434,912,614</u>	<u>433,963,895</u>	<u>11,088,364</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF LINCOLN, NE
SCHEDULE OF GENERAL FIXED ASSETS ADDITIONS
BY SOURCE
FISCAL YEAR ENDED AUGUST 31, 1999

H-1

General Fixed Assets August 31, 1982*	\$	46,978,145
Additions To General Fixed Assets By Source --		
September 1, 1982 Through August 31, 1998		
General Fund Revenues		15,979,538
Federal Funds		1,445,083
Capital Projects Funds		38,434,703
Special Revenue Funds		12,925,067
Donations		3,134,176
		71,918,567
Deletions		(23,085,233)
General Fixed Assets August 31, 1998		95,811,479
Additions To General Fixed Assets By Source --		
September 1, 1998 Through August 31, 1999		
General Fund Revenues		710,126
Federal Funds		105,587
Capital Projects Funds		6,945,186
Special Revenue Funds		877,414
Donations		286,995
		8,925,308
Deletions		(2,648,008)
General Fixed Assets August 31, 1999	\$	102,088,779

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

CITY OF LINCOLN, NE
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
AUGUST 31, 1999

H-2

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery And Equipment</u>
GENERAL GOVERNMENT					
Legislative	\$ 15,990				15,990
Executive, Including Human Rights, Economic Development, Word Processing, CIRC, And Administrative Services	517,935		39,401		478,534
Financial Administration	595,339				595,339
Law	290,839				290,839
Personnel Administration	65,213				65,213
Planning And Zoning	233,281				233,281
Buildings And Plant	8,444,584	1,281,178	6,845,844	317,562	
Urban Development	3,474,972	3,452,665			22,307
Total General Government	<u>13,638,153</u>	<u>4,733,843</u>	<u>6,885,245</u>	<u>317,562</u>	<u>1,701,503</u>
PUBLIC SAFETY					
Police	2,453,593		259,613		2,193,980
Fire	9,331,490	283,760	2,749,395	74,466	6,223,869
Building And Safety	470,467				470,467
Communications	2,882,753		310,457	2,400	2,569,896
Transportation	189,661		40,655		149,006
Total Public Safety	<u>15,327,964</u>	<u>283,760</u>	<u>3,360,120</u>	<u>76,866</u>	<u>11,607,218</u>
STREETS AND HIGHWAYS					
Street Maintenance	<u>5,945,597</u>	<u>2,419,701</u>	<u>2,405,939</u>	<u>552,576</u>	<u>567,381</u>
CULTURE AND RECREATION					
Parks And Recreation	45,214,189	8,688,182	14,086,585	21,613,572	825,850
Libraries	16,640,285	144,554	4,769,104	148,463	11,578,164
Cornhusker Convention Center	2,776,733	446,036	2,248,715		81,982
Total Culture And Recreation	<u>64,631,207</u>	<u>9,278,772</u>	<u>21,104,404</u>	<u>21,762,035</u>	<u>12,485,996</u>
ECONOMIC OPPORTUNITY					
Lincoln Area Agency On Aging	560,181		278,095		282,086
Job Programs	24,496				24,496
Total Economic Opportunity	<u>584,677</u>		<u>278,095</u>		<u>306,582</u>
HEALTH AND WELFARE					
Lincoln/Lancaster County Health	<u>1,961,181</u>	<u>42,000</u>	<u>1,183,000</u>		<u>736,181</u>
Total General Fixed Assets	<u>\$ 102,088,779</u>	<u>16,758,076</u>	<u>35,216,803</u>	<u>22,709,039</u>	<u>27,404,861</u>

CITY OF LINCOLN, NE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FISCAL YEAR ENDED AUGUST 31, 1999

H-3

	General Fixed Assets <u>Sep. 1, 1998</u>	<u>Additions*</u>	<u>Deductions</u>	General Fixed Assets <u>Aug. 31, 1999</u>
GENERAL GOVERNMENT				
Legislative	\$ 13,347	2,643		15,990
Executive, Including Human Rights, Economic Development, Word Processing, CIRC, And Administrative Services	492,799	25,136		517,935
Financial Administration	556,275	51,700	12,636	595,339
Law	243,473	53,439	6,073	290,839
Personnel Administration	65,213			65,213
Planning And Zoning	226,047	7,234		233,281
Buildings And Plant	8,035,477	409,107		8,444,584
Urban Development	2,451,260	2,959,295	1,935,583	3,474,972
Total General Government	<u>12,083,891</u>	<u>3,508,554</u>	<u>1,954,292</u>	<u>13,638,153</u>
PUBLIC SAFETY				
Police	2,018,979	434,614		2,453,593
Fire	9,353,890	44,484	66,884	9,331,490
Building And Safety	457,558	12,909		470,467
Communications	2,874,904	13,839	5,990	2,882,753
Transportation	189,661			189,661
Total Public Safety	<u>14,894,992</u>	<u>505,846</u>	<u>72,874</u>	<u>15,327,964</u>
STREETS AND HIGHWAYS				
Street Maintenance	<u>5,959,675</u>	<u>3,540</u>	<u>17,618</u>	<u>5,945,597</u>
CULTURE AND RECREATION				
Parks And Recreation	42,062,158	3,671,639	519,608	45,214,189
Libraries	15,718,342	980,672	58,729	16,640,285
Cornhusker Convention Center	2,776,733			2,776,733
Total Culture And Recreation	<u>60,557,233</u>	<u>4,652,311</u>	<u>578,337</u>	<u>64,631,207</u>
ECONOMIC OPPORTUNITY				
Lincoln Area Agency On Aging	413,670	146,511		560,181
Job Programs	24,496			24,496
Total Economic Opportunity	<u>438,166</u>	<u>146,511</u>		<u>584,677</u>
HEALTH AND WELFARE				
Lincoln/Lancaster County Health	<u>1,877,522</u>	<u>108,546</u>	<u>24,887</u>	<u>1,961,181</u>
Total General Fixed Assets	<u>\$ 95,811,479</u>	<u>8,925,308</u>	<u>2,648,008</u>	<u>102,088,779</u>

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

**STATISTICAL SECTION
(UNAUDITED)**

CITY OF LINCOLN, NE
GENERAL INFORMATION

Table 1

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS ¹

Fiscal Year	General Government	Public Safety	Streets And Highways	Culture And Recreation	Economic Opportunity	Health And Welfare	Debt Service	Totals
1999	\$ 21,891,174	41,555,922	9,406,531	12,999,988	10,076,176	11,226,029	9,181,071	116,336,891
1998	30,170,768	41,140,827	8,992,439	12,865,881	11,886,801	10,979,131	9,560,929	125,596,776
1997	17,791,275	35,073,010	10,348,129	12,451,875	8,473,117	9,491,687	7,807,532	101,436,625
1996	21,642,981	35,208,168	8,204,830	12,278,005	8,571,770	8,874,148	7,468,367	102,248,269
1995	19,324,778	32,268,654	7,707,436	11,305,566	8,957,863	7,838,386	7,161,326	94,564,009
1994	17,757,517	29,709,169	7,039,926	10,313,064	8,036,307	7,019,362	9,116,154	88,991,499
1993	15,561,262	28,560,001	7,724,395	10,002,344	8,042,464	6,067,846	9,647,393	85,605,705
1992	14,359,558	27,458,036	6,745,007	9,570,033	7,029,374	5,277,565	9,862,524	80,302,097
1991	14,922,461	26,579,461	6,761,346	9,514,317	6,140,782	4,993,576	9,569,083	78,481,026
1990	14,216,069	25,267,865	6,324,609	9,169,606	5,942,691	4,716,120	7,319,885	72,956,845

¹ Includes General, Special Revenue, and Debt Service Funds.

Table 2

GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS ¹

Fiscal Year	Taxes	Inter-Governmental	Permits And Fees	Reimbursement For Services	Court Fees	Recreation Receipts	Interest	Other	Totals
1999	\$ 83,180,774	34,866,001	8,496,112	1,560,207	189,155	1,446,299	4,669,042	8,492,628	142,900,218
1998	79,200,331	40,261,744	7,869,252	1,270,497	171,403	1,332,853	4,669,243	10,014,571	144,789,894
1997	78,164,628	26,909,591	7,724,118	2,582,830	179,343	1,258,665	3,147,992	8,067,070	128,034,237
1996	75,624,598	27,398,828	7,410,729	1,874,624	176,916	1,137,763	2,840,478	9,244,341	125,708,277
1995	71,429,314	24,447,377	6,102,612	2,146,958	223,162	1,064,861	2,591,984	9,178,531	117,184,799
1994	72,266,306	24,954,144	4,164,959	1,946,264	124,275	916,358	1,323,904	8,319,684	114,015,894
1993	65,691,255	24,158,900	3,325,037	1,382,306	116,457	733,723	1,252,772	5,295,130	101,955,580
1992	61,520,132	18,822,780	2,940,003	1,129,027	98,009	682,245	1,236,569	3,389,998	89,818,763
1991	58,095,595	17,950,671	2,581,777	1,155,385	95,847	718,076	2,182,268	6,882,597	89,662,216
1990	56,156,855	17,375,366	1,988,001	985,677	115,813	655,981	2,622,889	3,906,041	83,806,623

¹ Includes General, Special Revenue and Debt Service Funds.

Table 3

PROPERTY TAX LEVIED AND COLLECTED
LAST TEN YEARS

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

Tax Year	Taxes Levied	Collected As Of August 31		Accumulated Collections As Of August 31, 1999	
		Amount	Percent	Amount	Percent
1998	\$ 27,597,664	\$ 26,411,546	95.70 %	\$ 26,411,546	95.70 %
1997	26,812,692	25,758,577	96.07	26,976,769	100.61
1996	27,022,949	25,894,971	95.83	26,984,439	99.86
1995	26,717,464	25,626,901	95.92	26,802,439	100.32
1994	26,289,058	25,209,483	95.89	26,292,844	100.01
1993	25,962,618	25,108,543	96.71	26,252,479	101.12
1992	24,951,389	23,789,500	95.34	24,936,187	99.94
1991	24,086,774	22,331,375	92.71	23,825,904	98.92
1990	22,712,308	21,472,586	94.54	22,819,849	100.47
1989	21,897,845	20,940,705	95.63	21,960,866	100.29

Table 4

Tax Year	TAXABLE ASSESSED VALUATION LAST TEN YEARS ¹			
	Real Estate	All Other	Motor Vehicle	Total
1999	\$ 8,423,860,600	716,780,457		9,140,641,057
1998	7,859,292,010	660,609,204		8,519,901,214
1997	6,850,027,133	637,669,384		7,487,696,517
1996	6,516,782,050	525,762,951	706,470,078	7,749,015,079
1995	6,243,138,433	442,913,618	639,647,617	7,325,699,668
1994	6,040,320,804	431,628,371	598,259,561	7,070,208,736
1993	4,569,474,800	424,296,765	542,119,130	5,535,890,695
1992	4,546,536,977	357,430,964	539,257,371	5,443,225,312
1991	4,281,739,381	651,042,612	532,313,665	5,465,095,658
1990	4,167,361,438	646,608,031	505,195,126	5,319,164,595

¹ Assessment is at 100% of actual. Effective in the 1997 tax year, Motor Vehicles are excluded from the taxable assessed valuation.

Table 5

TOTAL PROPERTY TAX LEVIES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS ¹

	Tax Year									
	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
City Of Lincoln	0.3239	0.3239	0.3581	0.3837	0.3996	0.4062	0.5199	0.5088	0.4883	0.4718
School District No. 1	1.3813	1.3050	1.6308	1.6260	1.5946	1.6084	1.9098	1.7543	1.7680	1.7928
Lancaster County	0.2584	0.2782	0.2966	0.3106	0.3169	0.3051	0.3584	0.3382	0.3402	0.3244
Educational Service Unit #18	0.0150	0.0149	0.0089	0.0081	0.0082	0.0082	0.0078	0.0076	0.0072	0.0071
Community Technical College	0.0334	0.0696	0.0782	0.0840	0.0864	0.0843	0.0917	0.0903	0.0830	0.0789
Lower Platte South Natural Res. Dist.	0.0372	0.0389	0.0365	0.0346	0.0346	0.0293	0.0349	0.0357	0.0364	0.0321
Railroad Transportation Safety Dist.	0.0260	0.0260	0.0260	0.0091	0.0096	0.0096	0.0130	0.0000	0.0132	0.0136
Agricultural Society Of Lancaster County	0.0032	0.0013	0.0364	0.0364	0.0014	0.0014	0.0017	0.0018	0.0018	0.0046
Public Building Commission	0.0170	0.0170	0.0170	0.0169	0.0170	0.0127	0.0170	0.0169	0.0109	0.0000
	<u>2.0954</u>	<u>2.0748</u>	<u>2.4885</u>	<u>2.5094</u>	<u>2.4683</u>	<u>2.4652</u>	<u>2.9542</u>	<u>2.7536</u>	<u>2.7490</u>	<u>2.7253</u>

¹ The assessment rate is 100% of market and the levy is expressed as the tax per \$100 of estimated market value.

Table 6

SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS ¹

Fiscal Year Ended August 31	Special Assessment Collections Including Interest
1999	\$ 2,359,812
1998	2,104,022
1997	2,390,085
1996	2,484,416
1995	2,337,275
1994	2,770,059
1993	2,903,065
1992	2,845,980
1991	3,061,525
1990	2,869,010

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

CITY SALES TAX INFORMATION

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

SALES AND USE TAX COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended August 31	Amount
1999	\$ 41,642,771
1998	37,479,413
1997	36,549,194
1996	33,543,308
1995	31,420,946
1994	29,739,476
1993	25,920,431
1992	24,572,746
1991	24,079,362
1990	23,189,515

Table 8

SCHEDULE OF NET GENERAL OBLIGATION BONDED DEBT IN RELATION TO POPULATION,
TOTAL ASSESSED VALUATION, AND REAL PROPERTY VALUATION
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonded Debt	Sinking Funds	Net General Obligation Bonded Debt	Population ¹	Net G.O. Bonded Debt Per Capita	Assessed Valuation Real And Personal ²	Ratio Of Net Debt To Assessed Valuation Real & Personal	Assessed Valuation Of Taxable ² Real Property	Ratio Of Net Debt To Estimated Valuation Of Taxable Real Property
1999	\$ 83,278,000	\$ 35,587,000	\$ 47,691,000	217,537	\$ 219.23	\$ 9,140,641,057	0.52 %	\$ 8,423,860,600	0.57 %
1998	66,377,000	41,957,000	24,420,000	215,000	113.58	8,519,901,214	0.29	7,859,292,010	0.31
1997	47,665,000	16,121,000	31,544,000	209,192	150.79	7,487,696,517	0.42	6,850,027,133	0.46
1996	44,885,000	14,529,594	30,355,406	206,100	147.28	7,749,015,079	0.39	6,516,782,050	0.47
1995	49,573,000	13,486,759	36,086,241	203,076	177.70	7,325,699,668	0.49	6,243,138,433	0.58
1994	42,845,000	12,423,441	30,421,559	199,350	152.60	7,070,208,736	0.43	6,040,320,804	0.50
1993	47,954,000	12,945,562	35,008,438	197,482	177.27	5,535,890,695	0.63	4,569,474,800	0.77
1992	51,099,000	11,962,647	39,136,353	195,168	200.53	5,443,225,312	0.72	4,546,536,977	0.86
1991	49,190,000	9,958,461	39,231,539	193,335	202.92	5,465,095,658	0.72	4,281,739,381	0.92
1990	53,351,000	12,322,225	41,028,775	191,972	213.72	5,319,164,595	0.77	4,167,361,438	0.98

¹ Source: Lincoln/Lancaster Planning Department.

² Assessed valuation is 100% of actual. Effective in the 1997 tax year, Motor Vehicles are excluded from the taxable assessed valuation.

Table 9

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AUGUST 31, 1999

Units	Net Debt Outstanding	Percentage Applicable To The City	Direct And Overlapping Debt To The City
Direct:			
City	\$ 47,691,000	100.0 %	\$ 47,691,000
Overlapping:			
School District #1	48,329,000	97.2	46,976,000
Airport Authority	3,977,000	100.0	3,977,000
Lancaster County	9,357,000	84.6	7,916,000
Public Building Commission	31,373,000	84.6	26,542,000
Southeast Community College	None	35.9	None
	<u>93,036,000</u>		<u>85,411,000</u>
Total	\$ 140,727,000		\$ 133,102,000

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS²

Fiscal Year	Principal	Interest ³	Total Debt Service	Total General Governmental Expenditures ¹	Ratio Of Debt Service To Total General Expenditures
1999	\$ 5,079,267	\$ 3,674,833	\$ 8,754,100	\$ 116,336,891	7.52 %
1998	5,757,317	3,743,386	9,500,703	125,596,776	7.56
1997	5,469,089	2,274,947	7,744,036	101,436,625	7.63
1996	4,959,621	2,445,185	7,404,806	102,248,269	7.24
1995	4,827,845	2,086,601	6,914,446	94,564,009	7.31
1994	6,603,251	2,349,574	8,952,825	88,991,499	10.06
1993	6,380,195	3,093,979	9,474,174	85,605,705	11.07
1992	6,409,476	3,184,607	9,594,083	80,302,097	11.95
1991	5,906,493	3,455,384	9,361,877	78,481,026	11.93
1990	3,793,637	3,274,390	7,068,027	72,956,845	9.69

¹ Includes: General, Special Revenue, and Debt Service Funds.² In-substance defeasances are excluded from this table.³ Does not include fiscal and miscellaneous charges.

REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

	Gross Revenue	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<u>Wastewater System</u>							
1999	\$ 15,978,741	7,591,990	8,386,751	1,255,000	474,743	1,729,743	4.85
1998	15,873,036	7,512,753	8,360,283	1,217,500	554,216	1,771,716	4.72
1997	15,521,150	7,339,135	8,182,015	1,120,000	627,402	1,747,402	4.68
1996	15,158,461	7,082,660	8,075,801	1,070,000	677,886	1,747,886	4.62
1995	14,978,232	6,785,101	8,193,131	1,020,000	728,840	1,748,840	4.68
1994	14,366,125	6,538,152	7,827,973	970,000	776,009	1,746,009	4.48
1993	13,145,256	6,398,829	6,746,427	910,000	821,593	1,731,593	3.90
1992	12,712,957	6,285,596	6,427,361	590,000	742,022	1,332,022	4.83
1991	12,339,062	5,759,667	6,579,395	705,000	592,332	1,297,332	5.07
1990	11,690,862	5,508,080	6,182,782	690,000	585,728	1,275,728	4.85
<u>Water System</u>							
1999	\$ 20,372,927	9,067,262	11,305,665	2,530,000	2,514,373	5,044,373	2.24
1998	21,009,615	8,894,295	12,115,320	2,435,000	2,621,365	5,056,365	2.40
1997	20,426,318	8,161,529	12,264,789	2,345,000	2,730,407	5,075,407	2.42
1996	20,152,071	8,072,097	12,079,974	2,265,000	2,829,751	5,094,751	2.37
1995	20,467,243	7,622,280	12,844,963	2,195,000	2,963,950	5,158,950	2.49
1994	20,256,136	6,858,777	13,397,359	2,145,000	3,036,215	5,181,215	2.59
1993	17,866,972	6,359,712	11,507,260	1,230,000	3,096,495	4,326,495	2.66
1992	21,106,800	6,391,486	14,715,314	1,170,000	3,287,250	4,457,250	3.30
1991	22,314,434	5,945,212	16,369,222	1,045,000	2,787,571	3,832,571	4.27
1990	17,891,336	5,729,234	12,162,102	820,000	688,814	1,508,814	8.06
<u>Parking Facilities</u> ^{1, 2}							
1999	\$ 4,209,988	2,329,165	1,880,823	585,000	640,712	1,225,712	1.53
1998	4,068,991	1,340,709	2,728,282	455,000	651,694	1,106,694	2.47
1997	3,623,705	1,110,085	2,513,620	435,000	670,847	1,105,847	2.27
1996	3,411,735	1,271,655	2,140,080	415,000	908,380	1,323,380	1.62
1995 ⁴	3,205,953	1,025,468	2,180,485	400,000	483,214	883,214	2.47
1994	2,242,835	724,003	1,518,832	110,000	316,975	426,975	3.56
1993	2,101,383	608,667	1,492,716	220,000	331,262	551,262	2.71
1992	1,831,601	589,578	1,242,023	205,000	350,594	555,594	2.24
1991	1,603,052	861,278	741,774	185,000	363,714	548,714	1.35
1990 ³	1,550,937	396,725	1,154,212	175,000	377,148	552,148	2.09

¹ Parking Facilities' gross revenues include parking meter revenues which were deposited to the General Fund but are pledged per bond ordinance.² Information in this table does not agree with information in the transmittal letter because transmittal letter information is calculated in accordance with specific requirements of the bond covenants.³ Third Facility (University Square Parking Garage) opened in April, 1990.⁴ Fourth (Que Place Parking Garage) and Fifth (Carriage Park Parking Garage) facilities opened in October, 1994 and February, 1995 respectively.

Table 12

DEMOGRAPHIC STATISTICS
LAST TEN YEARS

Year	City Of Lincoln Population ¹	Per Capita Income ²	School Enrollment ³	Unemployment Rate ⁴
1999	217,537	\$	31,052	1.9 %
1998	215,000		31,000	1.5
1997	209,192	24,602	30,924	1.7
1996	206,100	23,591	30,779	2.4
1995	203,076	22,446	30,693	2.2
1994	199,350	21,169	30,041	2.4
1993	197,482	20,130	29,943	2.4
1992	195,168	18,995	29,743	3.1
1991	193,335	18,429	28,806	2.4
1990	191,972	17,816	27,990	1.9

Sources:

¹Lincoln/Lancaster Planning Department.²University of Nebraska Bureau of Business Research. Per Capita Income for 1998 and 1999 is unavailable.³Lincoln Public Schools.⁴State of Nebraska, Department of Labor.

Median age from 1990 census was 30.3. Education statistics per the 1990 Census indicate that 88.3% of the population 25 years and older has a high school degree or greater with 28.5% of the same population holding a Bachelor's degree or greater.

Table 13

PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year	Commercial Construction ¹		Residential Construction ¹		Bank Deposits ² In Millions	Property Value ³		Totals
	Number Of Permits	Value	Number Of Permits	Value		Commercial	Residential	
1999	1,148	\$ 186,569,754	3,235	\$ 206,065,342	2,308.8	2,356,367,014	6,067,493,586	\$ 8,423,860,600
1998	1,093	119,532,867	3,109	185,894,741	2,242.5	2,132,780,337	5,726,511,673	7,859,292,010
1997	1,107	90,599,429	3,284	191,975,903	2,014.7	1,986,422,642	4,863,604,491	6,850,027,133
1996	1,212	148,033,633	2,976	167,561,114	2,491.8	1,840,136,792	4,676,645,258	6,516,782,050
1995	1,140	110,994,400	2,739	146,598,151	2,518.9	1,734,716,053	4,508,422,380	6,243,138,433
1994	1,117	136,104,897	3,114	156,183,375	2,257.3	1,703,370,467	4,336,950,337	6,040,320,804
1993	1,027	105,463,763	2,528	129,375,506	2,252.8	1,359,824,873	3,209,649,927	4,569,474,800
1992	1,037	97,404,261	2,368	112,917,088	2,156.1	1,059,803,513	3,486,733,464	4,546,536,977
1991	1,258	68,441,436	1,497	91,566,856	2,051.4	916,414,341	3,365,325,040	4,281,739,381
1990	886	60,945,476	2,015	117,163,649	1,809.5	891,530,453	3,275,830,985	4,167,361,438

Sources:

¹City of Lincoln, Department of Building and Safety.²Lincoln Financial Institutions. Effective fiscal year 1997, the amounts for deposits exclude those banks no longer able to provide a breakdown of statewide figures for Lincoln only.³Lancaster County Assessor.

TEN LARGEST TAXPAYERS

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

<u>Taxpayers</u>	<u>Type Of Business</u>	<u>1999 Assessed Valuations</u>	<u>Percentage Of Total Assessed Valuation</u>
Aliant/Alltel	Telecommunications	\$ 84,602,707	.93 %
Pfizer	Animal Health	56,777,921	.62
Molex Inc.	Manufacturing	53,251,728	.58
Lincoln Joint Venture	Retail Management	44,551,575	.49
Burlington Northern	Railroad	41,246,222	.45
Archer Daniels Midland Co.	Soybean Processing	32,806,264	.36
Chateau Van Dorn LLC	Real Estate Development	30,937,963	.34
Peoples Natural Gas	Gas Utility	29,027,372	.32
Ameritas Financial Services	Financial Services	25,862,426	.28
State Farm	Insurance	<u>24,034,419</u>	<u>.26</u>
		<u>\$ 423,098,597</u>	<u>4.63 %</u>

Table 15

MISCELLANEOUS STATISTICS
AUGUST 31, 1999

Date of Incorporation: 1869
 Form of Government: Mayor-Council,
 Home Rule Charter
 Area: 74.59 square miles
 Lane Miles of Streets: 2,170 miles
 Number of Street Lights: 22,699

Culture And Recreation

Park System: 98 parks & 80 playgrounds,
 6,190 acres maintained for public use.
 Parks, trails, Right-of-ways, etc.
 Trail Miles: 77
 Libraries: 7
 Recreation Centers: 8
 Swimming Pools (Public): 11
 Golf Courses (Public): 5

Fire Protection

Number of Stations: 14
 Number of Firefighters: 253

Police Protection

Number of Stations: 1
 Number of Police Officers: 297

Water Department

Number of Consumers: 65,823
 Average Daily Consumption: 34,736,767 gallons
 Miles of Water Mains: 1023 miles

Sanitary Sewer

Number of Consumers: 65,521
 Miles of Wastewater Mains: 832

Education

Public Schools:
 Senior High Schools: 4
 Middle Schools: 10
 Elementary Schools: 36
 Number of Students: 31,052

Private and Parochial Schools:
 Number of Schools: 31
 Number of Students: 6,674

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SINGLE AUDIT SECTION

CITY OF LINCOLN, NE
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED AUGUST 31, 1999

I-1

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE			
Direct Programs:			
Summer Food Service Program	10.559	6/99-8/99	\$ 7,005
Summer Food Service Program	10.559	6/98-8/98	43,468
Pass-Through State Department Of Health & Human Services:			
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	99	275,641
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	98	49,660
Nutrition Program for the Elderly (Commodities)	10.570		<u>157,291</u>
Total U.S. Department Of Agriculture			<u>\$ 533,065</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Congregate Housing Services Program (Mahoney Manor)	14.170	NE26-G940-001	\$ 47,848
Congregate Housing Services Program (Burke Plaza)	14.170	NE26-G940-002	29,606
Community Development Block Grant/Entitlement Grants	14.218	B-96-97-98 MC-31-0001	3,122,195
Emergency Shelter Grant Program	14.231	S 97-98 MC-310002	79,209
HOME Investment Partnership	14.239 *	M-95-97 MC-31-0202	1,025,734
EDI- Special Projects	14.246	B-99-SP-NE-1085	<u>86</u>
Total U.S. Department Of Housing And Urban Development			<u>\$ 4,304,678</u>
U.S. DEPARTMENT OF INTERIOR			
Pass-Through State Historical Society:			
Historical Preservation Fund	15.904	99/00	\$ 9,772
Historical Preservation Fund	15.904	98/99	<u>15,290</u>
Total U.S. Department Of Interior			<u>\$ 25,062</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Programs:			
Local Law Enforcement Block Grant	16.592	96-LB-VX-2890	\$ 215,832
Public Safety Partnership and Community Policing Grant (Problem Resolution)	16.710 *	97-PR-WX-0532	1,712
Public Safety Partnership and Community Policing Grant (Cops Ahead)	16.710 *	95-CC-WX-0426	491,406
Pass-Through State Comm. On Law Enforcement And Criminal Justice:			
Juvenile Justice and Delinquency Prevention (Truancy Prevention)	16.540	97-CP-76	2,840
Crime Victim Assistance	16.575	98-VA-900/223	93,941
Byrne Formula Grant Program (Street Drug Dealer Apprehension Program)	16.579	97-DA-326/98-DA-309	<u>375,848</u>
Total U.S. Department Of Justice			<u>\$ 1,181,579</u>
U.S. DEPARTMENT OF LABOR			
Pass-Through State Department Of Health & Human Services:			
Title V Senior Community Service Employment Program	17.235	NGA 2000-083	\$ 2,282
Title V Senior Community Service Employment Program	17.235	NGA-99-049	55,539
Pass-Through State Department Of Labor:			
Job Training Partnership Act Cluster:			
Employment and Training Assistance-Dislocated Worker	17.246	31-31-12	122,958
Job Training Partnership Act (Title IIA Older Worker)	17.250		11,943
Job Training Partnership Act (Title IIA Program)	17.250		125,699
Job Training Partnership Act (Title IIB Summer SYETP)	17.250		161,879
Job Training Partnership Act (Title IIC)	17.250		<u>28,345</u>

(Continued)
See Accompanying Notes

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
Job Training Partnership Act (8%)	17.250		\$ 46,598
Job Training Partnership Act (IIA/C)	17.250		52,979
			<u>550,401</u>
Total U.S. Department Of Labor			<u>\$ 608,222</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Programs:			
Federal Transit Capital and Operating Assistance Formula Grants (Planning)	20.507 *	NE-90-X044	\$ 27,488
Federal Transit Capital and Operating Assistance Formula Grants (Capital)	20.507 *	NE-90-X039	45,473
Federal Transit Capital and Operating Assistance Formula Grants (Operating)	20.507 *	NE-90-X046	747,115
Federal Transit Capital and Operating Assistance Formula Grants (Capital)	20.507 *	NE-90-X046	70,800
Federal Transit Capital and Operating Assistance Formula Grants (Planning)	20.507 *	RPT-C990(99)	6,868
Pass-Through State Department Of Roads:			
Highway Planning and Construction (Planning)	20.205	HPR-PL1(36)	288,627
Highway Planning and Construction (Planning)	20.205	HPR-PL1(37)	34,197
Highway Planning and Construction (Lancaster County Rural Transit)	20.205	RPT-C551(200)-2000	2,241
Highway Planning and Construction (Lancaster County Rural Transit)	20.205	RPT-C551(199)-1999	8,067
Pass-Through State Department of Highway & Safety:			
State and Community Highway Safety Cluster:			
State and Community Highway Safety (Mini-Grant DWI Conference)	20.600	99-25	1,182
State and Community Highway Safety	20.600	99-5	33,256
State and Community Highway Safety	20.600	98-5	11,984
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	410-96-109	23,522
			<u>69,944</u>
Total U.S. Department Of Transportation			<u>\$ 1,300,820</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
Direct Programs:			
Institute of Museum and Library Services	45.301	IG 80262-98	\$ 25,518
Pass-Through State Library Commission:			
Library Services & Technology Act	45.310	1998	17,436
Total Institute of Museum And Library Services			<u>\$ 42,954</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Direct Programs:			
Surveys, Studies, Investigation and Special Purpose Grants (IAQ-Public Bldgs.)	66.606	X997616-01-0	\$ 15,120
Surveys, Studies, Investigation and Special Purpose Grants (Tools for Schools)	66.606	X997408-01-0	7,117
Environmental Justice	66.711	X826053-01-0	13,889
CEPP Technical Assistance Grants	66.810		32,879
Environmental Education Grants (Child Care Providers)	66.951	NE826801-01-0	23,027
Pass-Through State Department Of Environmental Quality:			
Air Pollution Control Program Support	66.001	M-007056(99)	82,756
Air Pollution Control Program Support	66.001	M-007056(98)	29,057
Air Pollution Control Program Support	66.001	M-007056(97)	8,263
103 P.M. Monitoring Program Support	66.606	PM997527-01	19,865
TSCA Title IV State Lead Grants-Certification of Lead-Based Paint Professionals	66.707		8,604
Total U.S. Environmental Protection Agency			<u>\$ 240,577</u>

(Continued)

See Accompanying Notes

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
FEMA			
Direct Programs:			
Urban Search and Rescue Response System	83.526	EMW-97-CA-0402	\$ 243,986
Pass-Through State Civil Defense:			
Emergency Management Assistance (City - 97 Storm)	83.544	FEMA 1190 DR NE	427,260
Emergency Management Assistance (Tree Replacement)	83.548	FEMA 1190 DR NE	248,927
Total FEMA			<u>\$ 920,173</u>
U.S. DEPARTMENT OF EDUCATION			
Pass-Through State Library Commission:			
Urban Library System Signage	84.034	90/91	\$ 466
Major Urban Library Resource Grant	84.039	1997	17,683
Net Lender Contract	84.167		4,696
Innovative Projects	84.181A	96-55-0824811H-99	10,044
Innovative Projects	84.181A	96-55-0824811H-98	9,779
Total U.S. Department Of Education			<u>\$ 42,668</u>
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
Direct Programs:			
Healthy Homes-97	93.110	MCJ-31K709-03-0	\$ 260
Pass-Through State Department Of Health & Human Services:			
TB Prevention & Control	93.116	1999	6,850
TB Prevention & Control	93.116	1998	3,750
Aids/CTRPN	93.118	2000	6,066
Aids/CTRPN	93.118	1999	40,671
Aids/Prevention	93.118	2000	2,147
Aids/Prevention	93.118	1999	19,733
Aids/Prevention	93.118	1998	158
Aids/Prevention	93.118	1997	864
Aids/STD	93.118	1999	9,612
Aids/STD	93.118	1998	7,956
Childhood Lead Poisoning Prevention Projects (2000)	93.197	99.033	13,149
Childhood Lead Poisoning Prevention Projects (99)	93.197	99-1	128,659
Childhood Lead Poisoning Prevention Projects (98)	93.197	H64-CCH712190-02	3,445
Hepatitis B	93.268	1999	8,898
Hepatitis B	93.268	1998	7,718
Hepatitis B	93.268	1997	347
NE Immunization Action Plan	93.268	1999	38,980
NE Immunization Action Plan	93.268	1998	25,905
NE Immunization Action Plan	93.268	1997	7,503
Tobacco Prevention & Control 2000	93.283		4,955
Tobacco Free Coalition 2000	93.283		1,048
Tobacco Prevention & Control 98	93.283		19,144
Tobacco Free Coalition 98	93.283		657
Child Care Registration	93.325	47-0-49-1223 (98)	6,560
Child Development Disabilities	93.630	DD 99-20C	6,548
Child Development Disabilities	93.630	DD 98-20C	6,007
Child Development Disabilities	93.630	DD 97-20	39
Breast & Cervical Cancer	93.919	99	46,979
Breast & Cervical Cancer (Renew Review Return)	93.919	99	6,269
Injury Prevention & Control	93.991	2000-PHHS-10-LHD-C	1,424
Injury Prevention & Control	93.991	99-PHHS-10-LHD-C	3,700

(Continued)

See Accompanying Notes

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
Local Director's Training Grant	93.991	99-PHHS-02-LHD-DDR	\$ 10,689
Local Director's Training Grant	93.991	98-PHHS-02-LHD-DDR	5,302
Cardiovascular	93.991	2000-PHHS-08-LHD-C	5,295
Cardiovascular	93.991	99-PHHS-08-LHD-C	23,411
Diabetes	93.991	99	4,996
Epidemiology 99	93.991	99-PHHS-09-LHD-C	7,870
Epidemiology 98	93.991	98-PHHS-09-LHD-C	48
Preventing Violent Relationships	93.991	97/98-PHHS-11-LHD-SI	4,905
Comprehensive School Health	93.991	97-PHHS-18-LHD-SI	1,747
MCH-Network Development	93.994	MCH-99-20 (B)	5,574
High Risk Newborn	93.994	MCH-00-35	7,835
High Risk Newborn	93.994	MCH-99-20	74,501
Pass-Through State Department Of Health & Human Services:			
Title VII-Elder Abuse Prevention	93.040	NGA 2000-056	3,600
Title VII-Elder Abuse Prevention	93.041	NGA-99-050	1,650
Title IIIF Disease Prevention and Health Promotion Services	93.043	NGA 2000-081	1,536
Title IIIF Disease Prevention and Health Promotion Services	93.043	NGA-99-024	16,079
Aging Cluster:			
Title IIIB Grants for Supportive Services and Senior Centers	93.044 *	NGA 2000-077	14,728
Title IIIB Grants for Supportive Services and Senior Centers	93.044 *	NGA-99-020	308,538
Title IIIC(1) Nutrition Services	93.045 *	NGA 2000-078	13,775
Title IIIC(1) Nutrition Services	93.045 *	NGA-99-021	346,484
Title IIIC(1) Nutrition Services	93.045 *	NGA 2000-079	5,305
Title IIIC(1) Nutrition Services	93.045 *	NGA-99-022	102,607
			791,437
Title IIID In-Home Services for Frail Older Individuals	93.046	NGA 2000-080	1,847
Title IIID In-Home Services for Frail Older Individuals	93.046	NGA-99-023	7,515
Title XX Social Services Block Grant	93.667		16,530
Total U.S. Department Of Health And Human Services			\$ 1,428,368
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE AGENCY			
Direct Programs:			
Retired and Senior Volunteer Program	94.002	440-N147/15	\$ 3,965
Retired and Senior Volunteer Program	94.002		64,979
Foster Grandparent Program	94.011	439 NO64101	69,026
Safe Nights VISTA	94.013		1,167
Senior Companion Program	94.016	436-N0241	113,369
Senior Companion Program	94.016	436-N024/10	22,920
Pass Through State Commission for National Service:			
Americorps (99)	94.006	94ASCNE0280501	39,094
Americorps (98)	94.006	94ASCNE0280501	1,043
Total Corporation For National And Community Service Agency			\$ 315,563
Total Cash Awards			\$ 10,943,729

See Accompanying Notes

CITY OF LINCOLN, NE
Notes to Supplementary Schedule of Expenditures of Federal Awards
August 31, 1999

(1) BASIS OF ACCOUNTING

The Supplementary Schedule of Expenditures of Federal Awards is not prepared on the accrual basis of accounting. Expenditures are recorded in the accounting period in which the related fund liability is incurred. Encumbrances are not included.

Federal awards provided to subrecipients are treated as expenditures when paid to the subrecipient.

(2) REPORTING ENTITY

The City of Lincoln, Nebraska for purposes of the Supplementary Schedule of Expenditures of Federal Awards includes all funds of the City as defined in Note 1 of the Notes to General Purpose Financial Statements, including Lincoln Electric System, Lincoln Water System, and Lincoln Wastewater System.

Lincoln Electric System (LES) operates on a calendar year basis for reporting purposes as opposed to the August 31 fiscal year basis of the City. As a result, the amounts included in the City's August 31, 1999 general purpose financial statements for LES are audited figures as of and for the year ended December 31, 1998.

(3) PASS-THROUGH AWARDS

The City of Lincoln receives certain federal awards in the form of pass-through awards from the State of Nebraska. Such amounts received as pass-through awards are specifically identified on the Supplementary Schedule of Expenditures of Federal Awards.

(4) MAJOR PROGRAMS

In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. Programs in the accompanying Schedule denoted with an asterisk (*) are determined by the independent auditor to be major programs.

(5) FEDERAL LOANS OUTSTANDING

The City administers the following loan programs for which the federal government imposes continuing compliance requirements on the following outstanding balances:

<u>CFDA#</u>	<u>Program</u>	<u>Outstanding Balance At August 31, 1999</u>
14.218	Community Development Block Grant	\$ 10,141,063
14.239	HOME Investment Partnership Program	5,947,204

The City administers the following loan program for which the federal government does not impose continuing compliance on the following outstanding balance:

<u>CFDA#</u>	<u>Program</u>	<u>Outstanding Balance At August 31, 1999</u>
66.458	Capitalization Grant Project Loan No. C317008-01	\$ 8,450,066

(6) CONTINGENCIES

The City receives funds under various federal grant programs and such awards are to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.



233 South 13th Street, Suite 1600
Lincoln, NE 68508-2041

Two Central Park Plaza
Suite 1501
Omaha, NE 68102

**Independent Auditors' Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

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

We have audited the general purpose financial statements of the City of Lincoln, Nebraska (the City) as of and for the year ended August 31, 1999, and have issued our report thereon dated January 14, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the members of the City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 14, 2000





233 South 13th Street, Suite 1600
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**Independent Auditors' Report on Compliance With Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

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

Compliance

We have audited the compliance of the City of Lincoln, Nebraska (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 1999. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 1999. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item #99-01.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.



We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying schedule of findings and questioned costs as item #99-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of the members of the City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 14, 2000

CITY OF LINCOLN, NEBRASKA

Schedule of Findings and Questioned Costs

For the Year Ended August 31, 1999

I. Summary of Auditors' Results

- a) Type of report issued as it relates to the financial statements: Unqualified.
- b) The audit did not disclose any reportable conditions in internal control over the financial statements.
- c) The audit did not disclose any noncompliance which is material to the financial statements.
- d) A reportable condition in internal control over a major program was disclosed by the audit and is included in the schedule of findings and questioned costs in Part III as #99-01. This reportable condition was not considered a material weakness.
- e) Type of report issued on compliance for major programs: Unqualified.
- f) The audit disclosed audit findings which are required to be reported in accordance with section .510(a) of OMB Circular A-133.
- g) Major programs:

CFDA #14.239	Home Investment Partnership Program
CFDA #16.710	Public Safety Partnership and Community Policing Grant
CFDA #20.507	Federal Transit Capital and Operating Assistance Formula Grants
CFDA #93.044 & 93.045	Aging Cluster

- h) Dollar threshold to distinguish Type A and B programs: \$328,312.
- i) The City of Lincoln, Nebraska qualified as a low-risk auditee.

II. Findings Related to the Financial Statements which are Required to be Reported in Accordance with Government Auditing Standards – None

CITY OF LINCOLN, NEBRASKA

Schedule of Findings and Questioned Costs

For the Year Ended August 31, 1999

III. Findings and Questioned Costs Relating to Federal Awards

Finding #99-01

Program: CFDA #14.239 Home Investment Partnership Program - Special Test and Provisions and Cash Management

Federal Grantor Agency: U.S. Department of Housing and Urban Development

Criteria: According to 24 CFR section 92.502, participating jurisdictions are required to have separate individuals set up projects in the Integrated Disbursement and Information System (IDIS) and draw down funds.

The A-102 Common Rule and OMB Circular A-110 require non-Federal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. In addition, OMB A-133 Compliance Supplement Part 6 provides example controls to help ensure compliance with cash management requirements including controls such as segregation of duties, adequate review, reconciliation and monitoring procedures.

Condition: The same individual sets up projects and draws down funds and there are not adequate controls in place over the cash management process; for example, adequate segregation of duties and review procedures.

Questioned Costs: None.

Context: Lack of required segregation of duties and review procedures.

Cause: The City's Urban Development felt they did not have adequate computer equipment or the available staff to be trained on the IDIS system, considered by users to be complicated and burdensome, to ensure the integrity of the information entered into the system. In addition, they felt that because the IDIS system allowed the program to function with only one authorized user and that the HUD General Accounting Office staff reviewed their process in September 1998 and gave their approval, that their methods were acceptable.

Effect: Lack of segregation of duties and review procedures significantly increases the risk of misappropriation of funds.

Recommendation: To help ensure compliance with the above requirements and reduce the risk of misappropriation of funds, we recommend the City develop policies and procedures to ensure separate individuals set up projects in IDIS and draw down funds and adequate review procedures are in place.

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