State of Nebraska

Comprehensive Annual Financial Report

Year Ended June 30, 2000

Mike Johanns
Governor

Department of Administrative Services

Lori McClurg
Director

Michael Justus
Accounting Administrator
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</table>
December 12, 2000

Members of the Legislature
Citizens of the State of Nebraska

It is my pleasure to submit Nebraska’s Comprehensive Annual Financial Report for fiscal year 2000.

This report demonstrates the fiscal control and integrity which has been one of the principal objectives of my administration. It also demonstrates the fiscal strength and stability of the Nebraska economy, as evidenced by the recent and projected gains in employment, personal income and retail sales.

During the past year, the Legislature acted on several of my initiatives dealing with lower taxes, less government and building Nebraska’s economy. These initiatives will provide significant benefits to the citizens of Nebraska. The letter from the Department of Administrative Services discusses these initiatives in more detail.

Our ability to manage our fiscal affairs and provide full disclosure of the State’s fiscal condition is demonstrated by the unqualified audit opinion that follows. I am also proud that the 1999 report submitted to the Government Finance Officers Association was awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting for the ninth consecutive year. I am confident the 2000 report will also receive this distinction.

I would like to thank the Department of Administrative Services for its commitment in dealing with the complex accounting issues involved in preparing this report, as well as all the state agencies for their cooperation in gathering the necessary information.

Sincerely,

Mike Johanns
Governor
EXECUTIVE

Mike Johanns
Governor

David I. Maurstad
Lieutenant Governor

Donald B. Stenberg
Attorney General

Kate Witek
Auditor of Public Accounts

Scott Moore
Secretary of State

David Heineman
State Treasurer

JUDICIAL

John V. Hendry
Chief Justice
Supreme Court of Nebraska (7 Judges)

LEGISLATIVE

Douglas Kristensen
Speaker of the Legislature
Nebraska Unicameral (49 Senators)
December 11, 2000

The Honorable Mike Johanns, Governor
Members of the Legislature
Citizens of the State of Nebraska

We are pleased to present the Comprehensive Annual Financial Report of the State of Nebraska (the “State”) for the fiscal year ended June 30, 2000. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Department of Administrative Services, Accounting Division. We are confident the data presented is accurate in all material respects, is presented in a manner that fairly sets forth the financial position and results of operations of the State as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain an understanding of the State’s financial position and results of operations have been included.

This report has been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for governments as established by the Governmental Accounting Standards Board.

The Comprehensive Annual Financial Report is presented in three sections as follows:

- The Introductory Section includes this transmittal letter, the State’s organizational chart and a list of principal officials.
- The Financial Section includes the auditors’ report, general purpose financial statements, and the combining and individual fund and account group financial statements and schedules.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

The financial reporting entity includes all funds and account groups of the State as legally defined, as well as all of its component units. Component units are legally separate entities for which the State is financially accountable. Note 1B of the Notes to the Financial Statements provides a more complete description of the State’s reporting entity. The State provides a full range of services including: the construction and maintenance of highways and infrastructure, education, social and health services, public safety, conservation of natural resources, economic development, and recreation facilities and development.
ECONOMIC CONDITION AND OUTLOOK

Revenues and Expenditures

A major factor in all financial and budget decisions will be the amount of revenue available to finance funding requests and initiatives. Current projections anticipate net General Fund cash receipts of $2.53 billion during the fiscal year ending June 30, 2001, a 5.2 percent increase over fiscal year 2000 actual receipts. A significant portion of this revenue is dependent on individual income tax and sales and use tax, both of which are directly related to personal income. Through the end of November 2000, net General Fund receipts were ahead of projections by $4.1 million.

During the last Legislative session, several appropriation bills were passed and signed by the Governor that will bring the total State General Fund cash basis appropriation for fiscal year 2001 to $2.46 billion (up 5.1 percent from 2000). The total biennium appropriation is projected to result in a June 30, 2001, cash reserve amount of $202.4 million or 4.1 percent. This reserve amount is within the three percent to seven percent reserve required by the constitution and state statutes.

Economy

The Bureau of Business Research at the University of Nebraska-Lincoln forecasts solid economic advances by the Nebraska economy for calendar years 2000 and 2001. The Bureau, in its latest report for January 2001, predicts that employment, personal income and retail sales will all continue to show positive growth.

Total non-farm employment growth slowed to a rate of 1.6 percent in 1999. The 2000 and 2001 growth rates are expected to be below one percent. The slowdown is the result of tight labor markets across the State and the impact of a continuing decline in the agricultural sector.

Non-farm personal income grew solidly in 1999, reflecting strength in wages and salaries. Gains are expected to be over 5.5 percent for both 2000 and 2001. Wage and salary gains are a direct result of Nebraska's tight labor market. Following adjustment for inflation, real gains in non-farm personal income are predicted to be about 3 percent for both years.

Both motor vehicle sales and non-motor vehicle sales grew at slower rates in 1999. The result was an increase of 3.9 percent from 1998. In response to continued strength in the Nebraska economy, retail sales growth should increase over 4.5 percent for both 2000 and 2001.

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL</th>
<th>PROJECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-farm Employment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Totals</td>
<td>851,515</td>
<td>872,381</td>
</tr>
<tr>
<td>Growth Rates</td>
<td>2.2%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Non-farm Personal Income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Totals (in millions $)</td>
<td>37,105</td>
<td>39,056</td>
</tr>
<tr>
<td>Growth Rates</td>
<td>6.1%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Net Taxable Retail Sales Growth Rates:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6.2%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Motor Vehicle Sales</td>
<td>9.8%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Non-motor Vehicle Sales</td>
<td>5.7%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>
MAJOR INITIATIVES

Lower Taxes

Legislation was passed that exempts city, county and joint airport authorities from sales and use taxes. Additional legislation takes $30 million from the General Fund to be distributed through the community college aid formula as dollar-for-dollar property tax relief. This legislation will reduce local government property taxes.

Less Government

The merger of the Department of Natural Resources and the Department of Water Resources combines two departments into one agency to improve service, eliminate confusion, and create efficiencies. Funding was provided for the development of the Nebraska Information System, which will create efficiencies by replacing the State’s human resource and financial management information systems. The new information system will coordinate accounting, budgeting, purchasing, payables/receivables, revenue and grant management, fixed asset management, payroll and benefits, and other enterprise-wide functions.

Building Nebraska’s Economy

The Agricultural Opportunities and Value-Added Partnerships Act provides competitive grants to create economic opportunities and value added agricultural initiatives. Funding for the Micro-enterprise loan program was also expanded. The Rural Economic Opportunities Act expands tax incentives for investments that add new higher paying jobs and commit financial resources.

Protecting Our Families

Funding was provided to enable implementation of federal funds for Community Oriented Police Services (COPS), which adds six new officers in the State Patrol to be stationed in areas across the State in a community policing function. Funding was also provided for a Criminal Justice Information System (CJIS), which emphasizes development of CJIS projects identified by the Crime Commission and the State Patrol to improve Nebraska’s law enforcement efforts. Other legislation was passed that expands the pool of trained applicants for law enforcement jobs within the State through conversion to an open enrollment, tuition-based certification program.

Health, Safety, and Development of Our Children

Several pieces of legislation were enacted to enhance health care and child support services provided to citizens of the State. This legislation included providing funding to implement a federally required system for centralized collection and disbursement of child support payments. Additional funding was provided for child protection and safety, child welfare services, child care, school breakfasts, and tobacco prevention and control. Funding was also provided to establish a college education savings plan in Nebraska.
FINANCIAL INFORMATION

Internal Controls

State management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the State 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 GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. 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.

Budgeting Controls

Budgetary control is maintained through legislative appropriation and the executive branch allotment process. A budget is required to be adopted through passage of appropriation bills by the Legislature. The appropriated funds are allocated by program and are controlled by the executive branch through an allotment process. This process allocates the appropriation by program and fund type. The Legislature may also enact a supplemental appropriation bill and other appropriation bills, as it deems necessary.

State law does not require encumbrance accounting, although, there is a provision in the law for agencies to encumber items at the end of one biennium to carry over the encumbered amounts to the next biennium. Because the encumbrance process is not mandatory, the State does not record encumbrances on its financial statements.

The State’s budgetary process is explained in detail in Note 2 of the Notes to the Financial Statements.

General Government Functions

General governmental activities are accounted for in three governmental fund types. These fund types are the general, special revenue and capital projects funds. The debt service fund is not utilized because all outstanding revenue bonds have been paid off. Revenue and other financing sources for general governmental functions totaled $5.10 billion for the fiscal year ending June 30, 2000, an increase of 15.25 percent over total revenue sources for the fiscal year ending June 30, 1999.

The State’s most significant sources of revenue are its retail sales tax, individual income tax and federal grants and contracts.

As of June 30, 2000, the following tax rates were in effect:

<table>
<thead>
<tr>
<th>TYPE</th>
<th>PERCENT</th>
<th>DATE OF LAST CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Use Tax</td>
<td>5.0%</td>
<td>July 1, 1999</td>
</tr>
<tr>
<td>Corporate Income Tax</td>
<td>5.58% and 7.81%</td>
<td>January 1, 1991</td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td>2.51% to 6.63%</td>
<td>January 1, 1997</td>
</tr>
</tbody>
</table>

The corporate income tax rate is comprised of two brackets that break at $50,000 of taxable income. There are four individual income tax brackets that break at various amounts depending on filing status. Nebraska income is based on federal adjusted gross income minus a standard deduction or itemized deductions and personal exemptions. A personal exemption credit
replaces the deduction for personal exemptions. The personal exemption credit is $89 for 2000. The credit is phased out as federal adjusted gross income increases for higher income taxpayers.

Revenue from various sources for fiscal year 2000 and the amount and percentage of increases and decreases in relation to the prior fiscal year are as follows (expressed in thousands):

<table>
<thead>
<tr>
<th>REVENUES AND OTHER FINANCING SOURCES</th>
<th>AMOUNT</th>
<th>PERCENT OF TOTAL</th>
<th>INCREASE (DECREASE) FROM 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax</td>
<td>$1,310,210</td>
<td>25.71%</td>
<td>AMOUNT (110,711) (9.23%)</td>
</tr>
<tr>
<td>Sales and Use Tax</td>
<td>$1,083,692</td>
<td>21.28%</td>
<td>AMOUNT (215,072) (24.76%)</td>
</tr>
<tr>
<td>Petroleum Tax</td>
<td>$280,700</td>
<td>5.51%</td>
<td>AMOUNT (14,281) (5.36%)</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>$165,154</td>
<td>3.24%</td>
<td>AMOUNT (6,026) (3.79%)</td>
</tr>
<tr>
<td>Federal Grants and Contracts</td>
<td>$1,557,699</td>
<td>30.56%</td>
<td>AMOUNT (157,260) (11.23%)</td>
</tr>
<tr>
<td>Licenses, Fees and Permits</td>
<td>$160,915</td>
<td>3.16%</td>
<td>AMOUNT (6,563) (4.25%)</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$78,647</td>
<td>1.54%</td>
<td>AMOUNT (3,304) (4.39%)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$70,163</td>
<td>1.38%</td>
<td>AMOUNT (14,286) (25.57%)</td>
</tr>
<tr>
<td>Rents and Royalties</td>
<td>$10,375</td>
<td>0.20%</td>
<td>AMOUNT (126) (1.23%)</td>
</tr>
<tr>
<td>Other</td>
<td>$175,356</td>
<td>3.44%</td>
<td>AMOUNT (65,914) (60.23%)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$4,892,911</td>
<td>96.00%</td>
<td>AMOUNT (593,543) (13.81%)</td>
</tr>
<tr>
<td>Other Financing Sources</td>
<td>$203,691</td>
<td>4.00%</td>
<td>AMOUNT (80,871) (65.85%)</td>
</tr>
<tr>
<td><strong>Total Revenues and Other Financing Sources</strong></td>
<td>$5,096,602</td>
<td>100.00%</td>
<td>AMOUNT (674,414) (15.25%)</td>
</tr>
</tbody>
</table>

Changes in revenues were highlighted by:

- Income taxes increased by $110.7 million or 9.23 percent. This increase was primarily attributable to increases in personal income during 1999 and 2000.

- Sales and use taxes increased by $215.1 million or 24.76 percent. This was due to the temporary reduction of the sales tax rate by .5 percent during fiscal year 1999 with no such reduction in 2000 and a new surcharge collected on phone bills, which was distributed to phone companies.

- Federal Grants and Contracts increased by $157.3 million or 11.23 percent. This was mainly due to increases in aid payments in the Medicaid, Temporary Aid to Needy Families (TANF) and Child Care programs administered by the Health and Human Services System.

- Investment income increased by $14.3 million or 25.57 percent. This increase was mainly attributed to an increase in the average cash balances for the year.

- Other revenues increased by $65.9 million or 60.23 percent mainly due to tobacco settlement revenue.

Expenditures and other financing uses for general government activities totaled $4.94 billion for the fiscal year ending June 30, 2000, representing a 11.13 percent increase from 1999. General government expenditures by function for fiscal year 2000 and the amount and percentage of increases and decreases in relation to the prior fiscal year are as follows (expressed in thousands):
EXPENDITURES AND OTHER FINANCING USES

<table>
<thead>
<tr>
<th>Amount</th>
<th>Percent of Total</th>
<th>Increase (Decrease) From 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$108,278</td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>2.19%</td>
<td>$12,731</td>
</tr>
<tr>
<td>Conservation of Natural Resources</td>
<td>1.94%</td>
<td>13,775</td>
</tr>
<tr>
<td>Culture – Recreation</td>
<td>0.46%</td>
<td>166</td>
</tr>
<tr>
<td>Economic Development and Assistance</td>
<td>1.63%</td>
<td>5,887</td>
</tr>
<tr>
<td>Education</td>
<td>1,049,487</td>
<td>21.23%</td>
</tr>
<tr>
<td>Health and Social Services</td>
<td>36.27%</td>
<td>147,604</td>
</tr>
<tr>
<td>Public Safety</td>
<td>3.84%</td>
<td>12,331</td>
</tr>
<tr>
<td>Regulation of Business and Professions</td>
<td>1.38%</td>
<td>25,114</td>
</tr>
<tr>
<td>Transportation</td>
<td>15.37%</td>
<td>101,543</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>2.16%</td>
<td>(648)</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>1.34%</td>
<td>43,301</td>
</tr>
<tr>
<td>Debt Service</td>
<td>14,353</td>
<td>8,456</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>4,355,378</td>
<td>88.11%</td>
</tr>
<tr>
<td>Other Financing Uses</td>
<td>587,566</td>
<td>11.89%</td>
</tr>
<tr>
<td>Total Expenditures and Other Financing Uses</td>
<td></td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Changes in expenditures were highlighted by:

- Education increased $47.8 million or 4.77 percent due to increases in the amount of state aid provided to education and special education and regular inflationary increases in operating expenditures.

- Health and Social Services increased $47.6 million or 8.97 percent. This was mainly due to increases in aid payments in the Medicaid, Temporary Aid to Needy Families (TANF) and Child Care programs administered by the Health and Human Services System.

- Regulation of Business and Professions increased $25.1 million or 58.50 percent due to distribution of sales tax collected as a result of the new phone bill surcharge.

- Transportation increased $101.5 million or 15.37 percent. This increase was attributable to an accelerated program for highway construction.

- Capital Projects expenditures increased $43.3 million or 186.83 percent mainly due to construction of new correctional facilities.

Fund Conversion

The State’s budgetary funds are grouped into the appropriate generic fund types to report the State’s financial activity in conformance with GAAP. Approximately 500 budgetary funds have been grouped into the 60 individual funds that are included in the financial statements. Note 2 of the Notes to the Financial Statements includes a matrix that shows the perspective differences that result from this conversion.

General Fund Balance

Proprietary Operations

The State has two enterprise funds included in the financial statements that provide services for individuals and entities outside state government, which are the Lottery Fund and the Excess Liability Fund. The Lottery Fund, which began activity in 1993, generated $68.2 million of operating revenues and $16.7 million of income before transfers for fiscal year 2000. The Excess Liability Fund provides liability coverage for certain health care providers. Operating revenues, which are primarily insurance premiums, amounted to $8.8 million. The retained earnings for this fund was $14.3 million at June 30, 2000.

Several internal service funds provide a variety of services to state agencies. These include computer services, transportation services, telecommunications, printing, general services, building management, risk management and other services. The operating revenues for the internal service funds were $179.3 million for fiscal year 2000. These funds ended the year with total retained earnings of $59.7 million.

Retirement Systems

Total net assets of the State’s pension trust funds reached $5.6 billion by June 30, 2000. These are the assets of the three defined benefit plans (School, Judges and State Patrol plans) and two defined contribution plans (County and State Employees plans) that are administered by the State.

Debt Administration

Article XIII of the State Constitution prohibits the State from incurring debt in excess of one hundred thousand dollars. However, there is a provision in the constitution that permits the issuance of revenue bonds for: (1) construction of highways; and (2) construction of water conservation and management structures. At June 30, 2000, there was no outstanding debt for either of these purposes. The State can enter into capital lease and other financing contracts provided that the contracts include cancellation clauses if the Legislature does not appropriate funds to continue the lease or financing arrangement. As of June 30, 2000, the Legislature has appropriated the necessary funds.

There is $27.7 million of bonds payable by separate legal entities that have been included in the financial activity reflected in the financial statements. These bonds do not represent a general obligation of the State and are secured by revenues from the building and equipment that the debt was incurred to purchase.

The constitution also authorizes the Board of Regents of the University of Nebraska, the Board of Trustees of the Nebraska State Colleges, and the State Board of Education to issue revenue bonds to construct, purchase, or remodel educational buildings and facilities. The payment of these bonds is generally made from revenue collected from use of the buildings and facilities. At June 30, 2000, $57.4 million of such bonds were outstanding.

The Legislature has authorized the creation of two financing authorities that are not subject to state constitutional restrictions on the incurrence of debt. These financing authorities were organized to assist in providing funds for the construction of capital improvement projects at the Colleges and Universities. At June 30, 2000, these authorities had $110.7 million of bonds outstanding. Although the State has no legal responsibility for the debt of these financing authorities, they are considered part of the reporting entity.
Risk Management

Workers’ compensation, employee liability and general liability are self-insured. Commercial insurance coverage has been purchased for automobile liability, real and personal property damage, employee life and health coverage, and employees’ errors or omissions. Note 14 of the Notes to the Financial Statements discusses the State’s risk management activities in more detail.

Cash Management

All cash is required to be deposited in the State Treasury. With the assistance of the State Investment Officer, the State Treasurer pools all cash in one of two investment pools. The Short Term Investment Pool (STIP) is comprised of short-term instruments and the Medium Term Investment Pool (MTIP) is comprised of medium-term instruments. The MTIP is reflected as investments on the State’s financial statements. Interest earnings are credited on a monthly basis to each fund that the Legislature has designated as eligible to earn interest. All interest earnings not credited to other funds are deposited in the General Fund.

At June 30, 2000, there was $1,535.6 million invested in the STIP and MTIP. This was invested as follows: 55.9 percent in government securities; 24.6 percent in corporate bonds; 13.2 percent in commercial paper; 4.9 percent in certificates of deposit; and 1.4 percent in money market funds. For the fiscal year ended June 30, 2000, the average daily balance of $1,459.9 million returned $84.1 million, a 5.74 percent yield. This yield represents a decrease of .03 percent from 1999.

State law requires that all public funds deposited in banks be secured by the bank by maintaining, at all times, an aggregate amount of securities of at least 102 percent of the amount on deposit, less the $100,000 insured by the Federal Deposit Insurance Corporation (FDIC). It is the State’s policy to continually monitor the clearing and depository banks for compliance with this law.

General Fixed Assets

The general fixed assets of the State are those fixed assets used in performance of general governmental functions. They do not include infrastructure (roads, bridges, flood control projects, etc.) or fixed assets of proprietary funds and the colleges and universities; these fixed assets are reported separately.

At June 30, 2000, the general fixed assets of the State amounted to $637.8 million. This amount represents the valuation of general fixed assets in accordance with GAAP and the State’s capitalization policy as described in Note 1 of the Notes to the Financial Statements.

AUDITS

The firm of KPMG LLP has audited the general purpose financial statements and their report is included in the Financial Section of this report. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the General Accounting Office’s Government Auditing Standards. The required report on internal control and compliance with laws
and regulations is included as part of the statewide Single Audit report, which is issued under a separate cover.

The audit described above was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget's Circular A-133.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Nebraska for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1999. 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 government must publish an easily readable and efficiently organized CAFR, whose contents conform to rigorous program standards. The CAFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The State of Nebraska has received a Certificate of Achievement for the last nine consecutive years. We believe that our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

CONCLUSION

This report continues our commitment to comprehensive disclosure of the State's financial condition. We are committed to issuing reports that are informative and meet governmental accounting standards. Reports that meet these standards provide the reader with an opportunity to make more informed judgments about the government's financial position and results of operations.

The 2000 Comprehensive Annual Financial Report represents our commitment to this goal. We wish to express our appreciation to the Department of Administrative Services accounting staff and the budget and accounting staff throughout state government for their assistance in the preparation of this report.

Your comments and suggestions are welcome.

Respectfully submitted,

Lori McClurg
Director, Department of Administrative Services

Paul Carlson
State Accounting Administrator
Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Nebraska

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 1999

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.

Anne Spray Keisley
President

Jeffrey L. Ecker
Executive Director
FINANCIAL SECTION
INDEPENDENT AUDITORS’ REPORT

The Honorable Governor,
Members of the Legislature and
Citizens of the State of Nebraska:

We have audited the accompanying general purpose financial statements of the State of Nebraska as of and for the year ended June 30, 2000, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the State of Nebraska’s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the University of Nebraska, Chadron State College, Peru State College, Wayne State College, the Nebraska State Lottery enterprise fund, and the State and County Employees’ Retirement Plans, which represent all of the discretely presented component units; 24.1 percent and 98.8 percent, respectively, of the total assets and total operating revenues of the enterprise fund type; and 15.9 percent and 23.8 percent, respectively, of the total plan net assets and additions to plan net assets of the pension trust fund type. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the University of Nebraska, Chadron State College, Peru State College, Wayne State College, the Nebraska State Lottery enterprise fund, and the State and County Employees Retirement Plans, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Nebraska as of June 30, 2000, and the results of its operations, the cash flows of its proprietary fund types and nonexpendable trust funds, and the changes in plan net assets of its pension trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.
In accordance with Government Auditing Standards, we have also issued a report dated December 8, 2000, on our consideration of the State of Nebraska's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of State of Nebraska taken as a whole. The combining and individual fund statements and schedules within the financial section as listed in the foregoing table of contents, which are also the responsibility of the management of the State of Nebraska, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Nebraska. Such additional information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and, accordingly, express no opinion thereon.

KPMG LLP

December 8, 2000
Lincoln, Nebraska
State of Nebraska

COMBINED BALANCE SHEET — ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>GOVERNMENTAL FUND TYPES</th>
<th>GENERAL</th>
<th>SPECIAL REVENUE</th>
<th>CAPITAL PROJECTS</th>
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<td>Amount to be Provided For Debt Service</td>
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<td>$ 23,687</td>
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<td><strong>LIABILITIES:</strong></td>
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<td>Bonds Payable</td>
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<td>Capital Lease Obligations</td>
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<td>Obligations under Other Financing Arrangements</td>
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<td>Accrued Compensated Absences</td>
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<td>Deferred Revenue</td>
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<td>Fund Balances:</td>
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<td>Long-Term Receivables</td>
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<td>Inventories and Prepaid Items</td>
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<tr>
<td>Designated for Colleges and Universities</td>
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<td>Designated for Cash Shortages</td>
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<td>Undesignated</td>
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<td>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</td>
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<td>$ 1,231,263</td>
<td>$ 23,687</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
<table>
<thead>
<tr>
<th>PROPRIETARY FUND TYPES</th>
<th>FIDUCIARY FUND TYPES</th>
<th>ACCOUNT GROUPS</th>
<th>TOTALS (MEMORANDUM UNITS ONLY)</th>
<th>COMPONENT COLLEGES AND UNIVERSITIES</th>
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<td>ENTERPRISE INTERNAL SERVICE</td>
<td>TRUST AND AGENCY</td>
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<td>GENERAL LONG-TERM DEBT</td>
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<td>$115,120</td>
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<td>$637,785</td>
<td>$124,393</td>
</tr>
</tbody>
</table>
# COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

For the Year Ended June 30, 2000

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<thead>
<tr>
<th>(Dollars in Thousands)</th>
<th>GOVERNMENTAL FUND TYPES</th>
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<th></th>
<th>FIDUCIARY FUND TYPE</th>
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<th></th>
<th>TOTALS</th>
<th>(MEMORANDUM ONLY)</th>
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<td>GENERAL</td>
<td>SPECIAL</td>
<td>CAPITAL</td>
<td>EXPENDABLE</td>
<td>TRUST</td>
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<td><strong>REVENUES:</strong></td>
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<td></td>
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<td></td>
<td></td>
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<td>$2,314,926</td>
<td>$516,049</td>
<td>$8,781</td>
<td>$46,000</td>
<td></td>
<td>$2,865,756</td>
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<td>Federal Grants and Contracts</td>
<td>38</td>
<td>1,551,471</td>
<td>6,190</td>
<td>-</td>
<td></td>
<td>1,557,699</td>
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<tr>
<td>Licenses, Fees and Permits</td>
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<td>142,164</td>
<td>-</td>
<td>-</td>
<td></td>
<td>160,915</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>2,340</td>
<td>76,307</td>
<td>-</td>
<td>8,174</td>
<td></td>
<td>86,821</td>
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<tr>
<td>Participant Contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,697</td>
<td></td>
<td>7,697</td>
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<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>31,831</td>
<td>37,414</td>
<td>918</td>
<td>26,593</td>
<td></td>
<td>96,756</td>
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<td></td>
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<tr>
<td>Rents and Royalties</td>
<td>2</td>
<td>10,373</td>
<td>-</td>
<td>435</td>
<td></td>
<td>10,810</td>
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<td></td>
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<tr>
<td>Other</td>
<td>15,896</td>
<td>157,609</td>
<td>1,851</td>
<td>2,224</td>
<td></td>
<td>177,580</td>
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<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>2,383,784</td>
<td>2,491,387</td>
<td>17,740</td>
<td>91,123</td>
<td></td>
<td>4,984,034</td>
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<td></td>
</tr>
</tbody>
</table>

| **EXPENDITURES:**      |         |         |         |             |       |       |       | |
| Current                |         |         |         |             |       |       |       | |
| General Government    | 90,784 | 17,494 | - | 796 | | 109,074 | |
| Conservation of Natural Resources | 33,823 | 62,001 | - | - | | 95,824 | |
| Culture – Recreation  | 5,190 | 17,564 | - | - | | 22,754 | |
| Economic Development and Assistance | 5,569 | 74,990 | - | - | | 80,559 | |
| Education              | 866,519 | 182,968 | - | 880 | | 1,050,367 | |
| Health and Social Services | 701,456 | 1,091,526 | - | 5,904 | | 1,798,888 | |
| Public Safety          | 130,787 | 59,063 | - | - | | 189,850 | |
| Regulation of Business and Professions | 3,578 | 64,466 | - | - | | 68,044 | |
| Transportation         | 586 | 759,386 | - | - | | 759,972 | |
| Unemployment Claims    | - | - | - | 55,249 | | 55,249 | |
| Deferred Compensation Benefits | - | - | - | 5,734 | | 5,734 | |
| Intergovernmental      | 89,164 | 17,631 | - | - | | 106,795 | |
| Capital Projects       | - | - | 66,478 | - | | 66,478 | |
| Debt Service:          |         |         |         |             |       |       |       | |
| Principal              | - | 13,065 | - | - | | 13,065 | |
| Interest               | - | 1,288 | - | - | | 1,288 | |
| **TOTAL EXPENDITURES** | 1,927,456 | 2,361,444 | 66,478 | 65,653 | | 4,423,941 | |

Excess of Revenues Over (Under) Expenditures: 456,328 129,943 (48,738) 22,560 560,093

| OTHER FINANCING SOURCES (USES): |         |         |         |             |       |       |       | |
| Operating Transfers In | 28,155 | 69,388 | 75,512 | - | | 173,055 | |
| Operating Transfers Out | (88,312) | (71,938) | - | (1,563) | | (159,864) | |
| Operating Transfers to Component Units | (405,465) | (24,380) | - | - | | (429,845) | |
| Proceeds from Bond Issuance | - | 22,922 | - | - | | 22,922 | |
| Proceeds from Other Financing Arrangements | - | 7,530 | - | - | | 7,530 | |
| Proceeds from Capital Leases | 184 | - | - | - | | 184 | |
| **TOTAL OTHER FINANCING SOURCES (USES):** | (463,458) | 28,451 | 51,132 | (1,563) | | (385,438) | |

Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses: (7,130) 158,394 2,394 20,997 174,655

| FUND BALANCES, JULY 1 |         |         |         |             |       |       |       | |
| $278,476 | $691,797 | 7,825 | 338,773 | | 1,316,871 | |

| FUND BALANCES, JUNE 30 |         |         |         |             |       |       |       | |
| $271,346 | $850,191 | $10,219 | $359,770 | | $1,491,526 | |

The accompanying notes are an integral part of the financial statements.
State of Nebraska

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL, CASH, CONSTRUCTION, FEDERAL AND REVOLVING FUNDS

For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGET</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 2,238,244</td>
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<tr>
<td>Federal Grants and Contracts</td>
<td>38</td>
</tr>
<tr>
<td>Sales and Charges</td>
<td>21,000</td>
</tr>
<tr>
<td>Other</td>
<td>42,577</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>2,301,859</td>
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<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>90,673</td>
</tr>
<tr>
<td>Conservation of Natural Resources</td>
<td>44,663</td>
</tr>
<tr>
<td>Culture — Recreation</td>
<td>5,519</td>
</tr>
<tr>
<td>Economic Development and Assistance</td>
<td>10,231</td>
</tr>
<tr>
<td>Education</td>
<td>1,244,079</td>
</tr>
<tr>
<td>Health and Social Services</td>
<td>696,058</td>
</tr>
<tr>
<td>Public Safety</td>
<td>152,779</td>
</tr>
<tr>
<td>Regulation of Business and Professions</td>
<td>3,833</td>
</tr>
<tr>
<td>Transportation</td>
<td>662</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>99,603</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>2,348,100</td>
</tr>
<tr>
<td>Excess of Revenues Over (Under) Expenditures</td>
<td>(46,241)</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES):</strong></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers In</td>
<td>30,992</td>
</tr>
<tr>
<td>Operating Transfers Out</td>
<td>(117,356)</td>
</tr>
<tr>
<td>Other</td>
<td>(431)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>(86,795)</td>
</tr>
<tr>
<td>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</td>
<td>(133,036)</td>
</tr>
</tbody>
</table>

**FUND BALANCES, JULY 1**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 291,353</td>
</tr>
</tbody>
</table>

**FUND BALANCES, JUNE 30**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 158,317</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
<table>
<thead>
<tr>
<th>CASH RESERVE AND CASH FUNDS</th>
<th>CONSTRUCTION FUNDS</th>
<th>FEDERAL FUNDS</th>
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</thead>
<tbody>
<tr>
<td>BUDGET</td>
<td>ACTUAL</td>
<td>VARIANCE</td>
</tr>
<tr>
<td>-------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>$127,134</td>
<td>$127,134</td>
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<tr>
<td>250,297</td>
<td>250,297</td>
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<tr>
<td>249,495</td>
<td>249,495</td>
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<tr>
<td>98,921</td>
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<td>42,691</td>
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<td>7,154</td>
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<td>16,001</td>
<td>8,198</td>
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<td>16,301</td>
<td>15,423</td>
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<td>203,154</td>
<td>123,121</td>
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<td>109,160</td>
<td>61,091</td>
<td>48,069</td>
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<td>25,903</td>
<td>20,424</td>
<td>5,479</td>
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<tr>
<td>99,825</td>
<td>62,929</td>
<td>36,896</td>
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<td>619,815</td>
<td>579,660</td>
<td>40,155</td>
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<td>7,366</td>
<td>4,305</td>
<td>3,061</td>
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<tr>
<td>23,135</td>
<td>7,724</td>
<td>15,411</td>
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<tr>
<td>(666,144)</td>
<td>(324,973)</td>
<td>341,171</td>
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<td>(426,017)</td>
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<tr>
<td>6,507</td>
<td>6,507</td>
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<tr>
<td>325,616</td>
<td>325,616</td>
<td>-</td>
</tr>
<tr>
<td>(340,528)</td>
<td>643</td>
<td>341,171</td>
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<tr>
<td>707,864</td>
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</tr>
<tr>
<td>$367,336</td>
<td>$708,507</td>
<td>$341,171</td>
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This statement continued on next page.
State of Nebraska

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL, CASH, CONSTRUCTION, FEDERAL
AND REVOLVING FUNDS (Continued)

For the Year Ended June 30, 2000

<table>
<thead>
<tr>
<th>(Dollars in Thousands)</th>
<th>REVENUES:</th>
<th>EXPENDITURES:</th>
<th>OTHER FINANCING SOURCES (USES):</th>
<th>FUND BALANCES, JULY 1</th>
<th>FUND BALANCES, JUNE 30</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>BUDGET</td>
<td>ACTUAL</td>
<td>VARIANCE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
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<tr>
<td>Federal Grants and Contracts</td>
<td>373</td>
<td>373</td>
<td>-</td>
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<tr>
<td>Sales and Charges</td>
<td>321,932</td>
<td>321,932</td>
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<tr>
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<td>109,685</td>
<td>109,685</td>
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<td>TOTAL REVENUES</td>
<td>431,990</td>
<td>431,990</td>
<td>-</td>
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<tr>
<td>EXPENDITURES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
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<td></td>
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<tr>
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<td>130,836</td>
<td>26,550</td>
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<td></td>
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<tr>
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<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture – Recreation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Development and Assistance</td>
<td>982</td>
<td>445</td>
<td>537</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>332,456</td>
<td>273,129</td>
<td>59,327</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and Social Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
<td>Public Safety</td>
<td>11,383</td>
<td>7,904</td>
<td>3,479</td>
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<td></td>
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<tr>
<td>Regulation of Business and Professions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>502,207</td>
<td>412,314</td>
<td>89,893</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of Revenues Over (Under) Expenditures</td>
<td>(70,217)</td>
<td>19,676</td>
<td>89,893</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

OTHER FINANCING SOURCES (USES):

| Operating Transfers In | 11,038 | 11,038 | -         |
| Operating Transfers Out | (12,487) | (12,487) | -         |
| Other                  | 1,173   | 1,173   | -         |
| TOTAL OTHER FINANCING SOURCES (USES) | (276) | (276) | -         |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | (70,493) | 19,400 | 89,893 |

FUND BALANCES, JULY 1

|                       | 101,096 |

FUND BALANCES, JUNE 30

|                       | $ 30,603 | $ 120,496 | $ 89,893 |
State of Nebraska

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES – ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS

For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>PROPRIETARY FUND TYPES</th>
<th>FIDUCIARY FUND TYPE</th>
<th>TOTALS (MEMORANDUM ONLY)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ENTERPRISE</td>
<td>INTERNAL SERVICE</td>
</tr>
<tr>
<td>OPERATING REVENUES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$ 69,004</td>
<td>$ 178,506</td>
</tr>
<tr>
<td>Investment Income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rents and Royalties</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>843</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>69,004</td>
<td>179,349</td>
</tr>
<tr>
<td>OPERATING EXPENSES:</td>
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<tr>
<td>Personal Services</td>
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<td>32,340</td>
</tr>
<tr>
<td>Services and Supplies</td>
<td>15,542</td>
<td>84,731</td>
</tr>
<tr>
<td>Financial Assistance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lottery Prizes</td>
<td>36,292</td>
<td>-</td>
</tr>
<tr>
<td>Insurance Claims</td>
<td>21,100</td>
<td>56,259</td>
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<tr>
<td>Depreciation</td>
<td>51</td>
<td>8,402</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>74,146</td>
<td>181,732</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(5,142)</td>
<td>(2,383)</td>
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<tr>
<td>NONOPERATING REVENUES (EXPENSES):</td>
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<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>3,726</td>
<td>2,839</td>
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<tr>
<td>Gain (Loss) on Sale of Fixed Assets</td>
<td>-</td>
<td>74</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>(227)</td>
</tr>
<tr>
<td><strong>TOTAL NONOPERATING REVENUES (EXPENSES)</strong></td>
<td>3,726</td>
<td>2,686</td>
</tr>
<tr>
<td>Income (Loss) Before Operating Transfers</td>
<td>(1,146)</td>
<td>303</td>
</tr>
<tr>
<td>OPERATING TRANSFERS:</td>
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<td></td>
</tr>
<tr>
<td>Operating Transfers In</td>
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<td>2,383</td>
</tr>
<tr>
<td>Operating Transfers Out</td>
<td>(17,042)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING TRANSFERS</strong></td>
<td>(17,042)</td>
<td>2,383</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>(18,458)</td>
<td>2,686</td>
</tr>
<tr>
<td>RETAINED EARNINGS/FUND BALANCES, JULY 1</td>
<td>41,347</td>
<td>57,021</td>
</tr>
<tr>
<td>RETAINED EARNINGS/FUND BALANCES, JUNE 30</td>
<td>$22,889</td>
<td>$ 59,707</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
State of Nebraska

**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES**  
**AND NONEXPENDABLE TRUST FUNDS**  
For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>PROPRIETARY FUND TYPES</th>
<th>FIDUCIARY FUND TYPE</th>
<th>TOTALS (MEMORANDUM ONLY)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ENTERPRISE</td>
<td>INTERNAL SERVICE</td>
<td>NONEXPENDABLE TRUST</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Received from Customers</td>
<td>$ 69,864</td>
<td>$ 8,363</td>
<td>$ 30,203</td>
</tr>
<tr>
<td>Cash Received from Interfund Charges</td>
<td>-</td>
<td>164,906</td>
<td>93</td>
</tr>
<tr>
<td>Cash Paid to Employees</td>
<td>(1,138)</td>
<td>(31,582)</td>
<td>(1,313)</td>
</tr>
<tr>
<td>Cash Paid to Suppliers</td>
<td>(17,629)</td>
<td>(74,747)</td>
<td>(1,716)</td>
</tr>
<tr>
<td>Cash Paid for Financial Assistance</td>
<td>-</td>
<td>-</td>
<td>(1,387)</td>
</tr>
<tr>
<td>Cash Paid for Intergovernmental</td>
<td>-</td>
<td>-</td>
<td>(28,442)</td>
</tr>
<tr>
<td>Cash Paid for Lottery Prizes</td>
<td>(36,779)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash Paid for Insurance Claims</td>
<td>(6,300)</td>
<td>(52,311)</td>
<td>-</td>
</tr>
<tr>
<td>Cash Paid for Interfund Services</td>
<td>(477)</td>
<td>(11,921)</td>
<td>(95)</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td>7,541</td>
<td>2,708</td>
<td>(2,857)</td>
</tr>
</tbody>
</table>

|                      |                      |                     |                          |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** |                        |                     |                          |
| Interfund Loans       | -                     | 1,500               | -                        | 1,500                   |
| Operating Transfers In | -                     | -                   | 1,816                    | 1,816                   |
| Operating Transfers Out | (15,544)             | -                   | (439)                    | (15,983)                |
| General Fund Transfer | -                     | 2,383               | -                        | 2,383                   |
| **NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | (15,544)              | 3,883               | 1,377                    | (10,284)                |

|                      |                      |                     |                          |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** |                        |                     |                          |
| Acquisition and Construction of Capital Assets | (29) | (6,755) | - | (6,784) |
| Proceeds from Sale of Fixed Assets | - | 911 | - | 911 |
| Principal Paid on Capital Leases | - | (3,978) | - | (3,978) |
| Interest Paid on Capital Leases | - | (265) | - | (265) |
| **NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | (29) | (10,087) | - | (10,116) |

|                      |                      |                     |                          |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** |                        |                     |                          |
| Purchase of Investment Securities | (122,955) | - | (423,376) | (546,331) |
| Proceeds from Sale of Investment Securities | 131,554 | - | 416,418 | 547,972 |
| Interest and Dividend Income | 4,557 | 2,719 | 11,528 | 18,804 |
| **NET CASH FLOWS FROM INVESTING ACTIVITIES** | 13,156 | 2,719 | 4,570 | 20,445 |
| **NET INCREASE (DECREASE) IN CASH** | 5,124 | (777) | 3,290 | 7,637 |

|                      |                      |                     |                          |
| **CASH AND CASH EQUIVALENTS, JULY 1** |                        |                     |                          |
| $ 13,812 | 52,731 | 16,281 | 82,824 |
| **CASH AND CASH EQUIVALENTS, JUNE 30** | $ 18,936 | $ 51,954 | $ 19,571 | $ 90,461 |

The accompanying notes are an integral part of the financial statements.
### COMBINED STATEMENT OF CASH FLOWS

#### ALL PROPRIETARY FUND TYPES

#### AND NONEXPENDABLE TRUST FUNDS (Continued)

For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>PROPRIETARY FUND TYPES</th>
<th>FIDUCIARY FUND TYPE</th>
<th>TOTALS (MEMORANDUM ONLY)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ENTERPRISE</td>
<td>INTERNAL SERVICE</td>
<td>NONEXPENDABLE TRUST</td>
</tr>
<tr>
<td>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>$ (5,142)</td>
<td>$ (2,383)</td>
<td>$ 18,312</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income to net cash flows from operating activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>51</td>
<td>8,402</td>
<td>-</td>
</tr>
<tr>
<td>Investment Income</td>
<td>-</td>
<td>-</td>
<td>(21,010)</td>
</tr>
<tr>
<td>Change in Assets and Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) Decrease in Accounts Receivable</td>
<td>891</td>
<td>(73)</td>
<td>16</td>
</tr>
<tr>
<td>(Increase) Decrease in Due from Other Funds</td>
<td>-</td>
<td>(5,681)</td>
<td>(6)</td>
</tr>
<tr>
<td>(Increase) Decrease in Inventories</td>
<td>-</td>
<td>(60)</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) Decrease in Prepaid Expenses</td>
<td>(20)</td>
<td>68</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) Decrease in Other Assets</td>
<td>95</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase (Decrease) in Accounts Payable and Accrued Liabilities</td>
<td>(3,104)</td>
<td>(1,231)</td>
<td>31</td>
</tr>
<tr>
<td>Increase (Decrease) in Deposits</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Increase (Decrease) in Due to Other Funds</td>
<td>1</td>
<td>(273)</td>
<td>1</td>
</tr>
<tr>
<td>Increase (Decrease) in Claims Payable</td>
<td>14,800</td>
<td>3,948</td>
<td>-</td>
</tr>
<tr>
<td>Increase (Decrease) in Deferred Revenue</td>
<td>(31)</td>
<td>(9)</td>
<td>-</td>
</tr>
<tr>
<td>Total Adjustments</td>
<td>12,683</td>
<td>5,091</td>
<td>(20,969)</td>
</tr>
<tr>
<td>NET CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td>$ 7,541</td>
<td>$ 2,708</td>
<td>$ (2,657)</td>
</tr>
</tbody>
</table>

#### NONCASH TRANSACTIONS (dollars in thousands):

Noncash transactions are investing and financing activities that affect assets and liabilities but do not result in cash receipts or payments.

The following noncash transactions occurred during the year: Internal Service Funds acquired fixed assets through capital leases of $2,945.

#### RECONCILIATION OF CASH AND CASH EQUIVALENTS:

<table>
<thead>
<tr>
<th></th>
<th>$ 328,545</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Trust and Agency</td>
<td></td>
</tr>
<tr>
<td>Less: Expendable Trust</td>
<td>225,196</td>
</tr>
<tr>
<td>Pension Trust</td>
<td>8,907</td>
</tr>
<tr>
<td>Agency</td>
<td>74,871</td>
</tr>
<tr>
<td>NONEXPENDABLE TRUST</td>
<td>$ 19,571</td>
</tr>
</tbody>
</table>
## COMBINING STATEMENT OF PLAN NET ASSETS
### PENSION TRUST FUNDS
#### June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>STATE EMPLOYEES retirement</th>
<th>COUNTY EMPLOYEES retirement</th>
<th>SCHOOL RETIREMENT</th>
<th>JUDGES RETIREMENT</th>
<th>STATE PATROL RETIREMENT</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 3</td>
<td>$ 4</td>
<td>$ 7,842</td>
<td>$ 286</td>
<td>$ 772</td>
<td>$ 8,907</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Government Securities</td>
<td>-</td>
<td>-</td>
<td>929,528</td>
<td>19,078</td>
<td>43,485</td>
<td>992,091</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>-</td>
<td>-</td>
<td>547,554</td>
<td>11,238</td>
<td>25,616</td>
<td>584,408</td>
</tr>
<tr>
<td>Equity Securities</td>
<td>-</td>
<td>-</td>
<td>1,284,017</td>
<td>29,354</td>
<td>60,069</td>
<td>1,370,440</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>-</td>
<td>-</td>
<td>7,560</td>
<td>155</td>
<td>354</td>
<td>8,069</td>
</tr>
<tr>
<td>Pooled Investment Contracts</td>
<td>754,139</td>
<td>172,935</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>927,074</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>-</td>
<td>-</td>
<td>1,609,381</td>
<td>33,031</td>
<td>75,291</td>
<td>1,717,703</td>
</tr>
<tr>
<td>Total Investments</td>
<td>754,139</td>
<td>172,935</td>
<td>4,378,040</td>
<td>89,856</td>
<td>204,815</td>
<td>5,599,785</td>
</tr>
<tr>
<td>Invested Securities Lending Collateral</td>
<td>2,258</td>
<td>100</td>
<td>189,200</td>
<td>3,883</td>
<td>8,851</td>
<td>204,292</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>909</td>
<td>268</td>
<td>5,308</td>
<td>48</td>
<td>-</td>
<td>6,533</td>
</tr>
<tr>
<td>Interest and Dividends</td>
<td>484</td>
<td>112</td>
<td>21,236</td>
<td>440</td>
<td>1,003</td>
<td>23,275</td>
</tr>
<tr>
<td>Total Receivables</td>
<td>1,393</td>
<td>380</td>
<td>26,544</td>
<td>488</td>
<td>1,003</td>
<td>29,808</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>-</td>
<td>-</td>
<td>14,141</td>
<td>129</td>
<td>645</td>
<td>14,915</td>
</tr>
<tr>
<td>Property, Plant, and Equipment, net</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td><strong>757,793</strong></td>
<td><strong>173,419</strong></td>
<td><strong>4,615,771</strong></td>
<td><strong>94,642</strong></td>
<td><strong>216,086</strong></td>
<td><strong>5,857,711</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES:

<table>
<thead>
<tr>
<th></th>
<th>STATE EMPLOYEES retirement</th>
<th>COUNTY EMPLOYEES retirement</th>
<th>SCHOOL RETIREMENT</th>
<th>JUDGES RETIREMENT</th>
<th>STATE PATROL RETIREMENT</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>65</td>
<td>26</td>
<td>4,270</td>
<td>29</td>
<td>66</td>
<td>4,456</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>4</td>
<td>-</td>
<td>31</td>
<td>-</td>
<td>-</td>
<td>35</td>
</tr>
<tr>
<td>Obligations under Securities Lending</td>
<td>2,258</td>
<td>100</td>
<td>189,200</td>
<td>3,883</td>
<td>8,851</td>
<td>204,292</td>
</tr>
<tr>
<td>Accrued Compensated Absences</td>
<td>11</td>
<td>9</td>
<td>137</td>
<td>4</td>
<td>4</td>
<td>165</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td><strong>2,338</strong></td>
<td><strong>135</strong></td>
<td><strong>193,638</strong></td>
<td><strong>3,916</strong></td>
<td><strong>8,921</strong></td>
<td><strong>208,948</strong></td>
</tr>
</tbody>
</table>

### FUND BALANCES RESERVED FOR PENSION BENEFITS

<table>
<thead>
<tr>
<th></th>
<th>STATE EMPLOYEES retirement</th>
<th>COUNTY EMPLOYEES retirement</th>
<th>SCHOOL RETIREMENT</th>
<th>JUDGES RETIREMENT</th>
<th>STATE PATROL RETIREMENT</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FUND BALANCES RESERVED FOR PENSION BENEFITS</strong></td>
<td>$ 755,455</td>
<td>$ 173,284</td>
<td>$ 4,422,133</td>
<td>$ 90,726</td>
<td>$ 207,165</td>
<td>$ 5,648,763</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
State of Nebraska

COMBINING STATEMENT OF CHANGES IN PLAN
NET ASSETS
PENSION TRUST FUNDS
For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>State Employees Retirement</th>
<th>County Employees Retirement</th>
<th>School Retirement</th>
<th>Judges Retirement</th>
<th>State Patrol Retirement</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADDITIONS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member Contributions</td>
<td>$ 18,052</td>
<td>$ 5,041</td>
<td>$ 69,657</td>
<td>$ 689</td>
<td>$ 1,856</td>
<td>$ 95,295</td>
</tr>
<tr>
<td>State Contributions</td>
<td>26,154</td>
<td>-</td>
<td>14,102</td>
<td>72</td>
<td>2,203</td>
<td>42,531</td>
</tr>
<tr>
<td>Political Subdivision Contributions</td>
<td>-</td>
<td>7,039</td>
<td>70,030</td>
<td>-</td>
<td>-</td>
<td>77,069</td>
</tr>
<tr>
<td>Court Fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>474</td>
<td>-</td>
<td>474</td>
</tr>
<tr>
<td><strong>Total Contributions</strong></td>
<td>44,206</td>
<td>12,080</td>
<td>153,789</td>
<td>1,235</td>
<td>4,059</td>
<td>215,369</td>
</tr>
<tr>
<td><strong>Investment Income:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Appreciation (Depreciation) in Fair Value of Investments</td>
<td>87,676</td>
<td>19,056</td>
<td>228,288</td>
<td>4,709</td>
<td>10,755</td>
<td>350,484</td>
</tr>
<tr>
<td>Interest and Dividend Income</td>
<td>-</td>
<td>-</td>
<td>118,854</td>
<td>2,486</td>
<td>5,654</td>
<td>126,944</td>
</tr>
<tr>
<td>Securities Lending Income</td>
<td>45</td>
<td>7</td>
<td>14,886</td>
<td>306</td>
<td>696</td>
<td>15,940</td>
</tr>
<tr>
<td><strong>Total Investment Income</strong></td>
<td>87,721</td>
<td>19,063</td>
<td>362,028</td>
<td>7,501</td>
<td>17,105</td>
<td>493,418</td>
</tr>
<tr>
<td>Investment Expenses</td>
<td>-</td>
<td>-</td>
<td>9,049</td>
<td>188</td>
<td>428</td>
<td>9,665</td>
</tr>
<tr>
<td>Securities Lending Expenses</td>
<td>41</td>
<td>6</td>
<td>13,883</td>
<td>285</td>
<td>649</td>
<td>14,864</td>
</tr>
<tr>
<td><strong>Total Investment Expense</strong></td>
<td>41</td>
<td>6</td>
<td>22,932</td>
<td>473</td>
<td>1,077</td>
<td>24,529</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>87,680</td>
<td>19,057</td>
<td>339,096</td>
<td>7,028</td>
<td>16,028</td>
<td>468,889</td>
</tr>
<tr>
<td><strong>TOTAL ADDITIONS</strong></td>
<td>131,886</td>
<td>31,137</td>
<td>492,885</td>
<td>8,263</td>
<td>20,087</td>
<td>684,258</td>
</tr>
<tr>
<td><strong>DEDUCTIONS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>46,501</td>
<td>15,776</td>
<td>100,442</td>
<td>3,080</td>
<td>6,909</td>
<td>172,708</td>
</tr>
<tr>
<td>Refunds</td>
<td>-</td>
<td>-</td>
<td>13,288</td>
<td>171</td>
<td>169</td>
<td>13,628</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>453</td>
<td>251</td>
<td>1,940</td>
<td>38</td>
<td>41</td>
<td>2,723</td>
</tr>
<tr>
<td><strong>TOTAL DEDUCTIONS</strong></td>
<td>46,954</td>
<td>16,027</td>
<td>115,670</td>
<td>3,289</td>
<td>7,119</td>
<td>189,059</td>
</tr>
<tr>
<td>Net Increase</td>
<td>84,932</td>
<td>15,110</td>
<td>377,215</td>
<td>4,974</td>
<td>12,968</td>
<td>495,199</td>
</tr>
</tbody>
</table>

**FUND BALANCES RESERVED FOR PENSION BENEFITS:**

**BEGINNING OF YEAR**

<table>
<thead>
<tr>
<th></th>
<th>State Employees Retirement</th>
<th>County Employees Retirement</th>
<th>School Retirement</th>
<th>Judges Retirement</th>
<th>State Patrol Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 670,523</td>
<td>$ 158,174</td>
<td>$ 4,044,918</td>
<td>$ 85,752</td>
<td>$ 194,197</td>
<td>5,153,564</td>
</tr>
</tbody>
</table>

**END OF YEAR**

<table>
<thead>
<tr>
<th></th>
<th>State Employees Retirement</th>
<th>County Employees Retirement</th>
<th>School Retirement</th>
<th>Judges Retirement</th>
<th>State Patrol Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 755,455</td>
<td>$ 173,284</td>
<td>$ 4,422,133</td>
<td>$ 90,726</td>
<td>$ 207,165</td>
<td>5,648,763</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
State of Nebraska

COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
COLLEGE AND UNIVERSITY FUNDS

June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>UNIVERSITY OF NEBRASKA</th>
<th>STATE COLLEGES</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$227,797</td>
<td>$8,363</td>
<td>$236,160</td>
</tr>
<tr>
<td>Cash on Deposit with Fiscal Agents</td>
<td>131,585</td>
<td>15,915</td>
<td>147,500</td>
</tr>
<tr>
<td>Investments</td>
<td>220,265</td>
<td></td>
<td>220,265</td>
</tr>
<tr>
<td>Investment in Joint Venture</td>
<td>131,869</td>
<td></td>
<td>131,869</td>
</tr>
<tr>
<td>Receivables, net of allowance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>33,288</td>
<td>2,719</td>
<td>36,007</td>
</tr>
<tr>
<td>Other</td>
<td>93,317</td>
<td>745</td>
<td>94,062</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>10,864</td>
<td>122</td>
<td>10,986</td>
</tr>
<tr>
<td>Due from Primary Government</td>
<td>15,751</td>
<td>1,427</td>
<td>17,178</td>
</tr>
<tr>
<td>Inventories</td>
<td>9,759</td>
<td>88</td>
<td>9,847</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>3,357</td>
<td>87</td>
<td>3,444</td>
</tr>
<tr>
<td>Property, Plant, and Equipment</td>
<td>1,157,445</td>
<td>105,252</td>
<td>1,262,697</td>
</tr>
<tr>
<td>Other Assets</td>
<td>-</td>
<td>193</td>
<td>193</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$2,035,297</td>
<td>$134,911</td>
<td>$2,170,208</td>
</tr>
</tbody>
</table>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES:**

<table>
<thead>
<tr>
<th></th>
<th>UNIVERSITY OF NEBRASKA</th>
<th>STATE COLLEGES</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$78,454</td>
<td>$5,878</td>
<td>$84,332</td>
</tr>
<tr>
<td>Deposits Held in Custody</td>
<td>2,489</td>
<td>258</td>
<td>2,747</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>10,884</td>
<td>122</td>
<td>10,986</td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>150,180</td>
<td>17,845</td>
<td>168,125</td>
</tr>
<tr>
<td>Capital Lease Obligations</td>
<td>13,311</td>
<td>212</td>
<td>13,523</td>
</tr>
<tr>
<td>Accrued Compensated Absences</td>
<td>31,010</td>
<td></td>
<td>31,010</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>23,301</td>
<td>188</td>
<td>23,489</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>309,609</td>
<td>24,603</td>
<td>334,212</td>
</tr>
</tbody>
</table>

**FUND BALANCES:**

<table>
<thead>
<tr>
<th></th>
<th>UNIVERSITY OF NEBRASKA</th>
<th>STATE COLLEGES</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>158,963</td>
<td>4,149</td>
<td>163,112</td>
</tr>
<tr>
<td>Restricted</td>
<td>251,656</td>
<td>1,125</td>
<td>252,781</td>
</tr>
<tr>
<td>Federal Loan Programs Refundable</td>
<td>30,747</td>
<td>2,305</td>
<td>33,052</td>
</tr>
<tr>
<td>Quasi Endowment Designated</td>
<td>30,694</td>
<td></td>
<td>30,694</td>
</tr>
<tr>
<td>Trusteed Insurance Programs</td>
<td>14,331</td>
<td></td>
<td>14,331</td>
</tr>
<tr>
<td>Unexpended Plant Funds</td>
<td>66,418</td>
<td></td>
<td>66,418</td>
</tr>
<tr>
<td>Renewals and Replacements</td>
<td>60,188</td>
<td></td>
<td>60,188</td>
</tr>
<tr>
<td>Retirement of Indebtedness</td>
<td>35,318</td>
<td>7,972</td>
<td>43,290</td>
</tr>
<tr>
<td>Net Investment in Plant</td>
<td>1,077,173</td>
<td>94,757</td>
<td>1,171,930</td>
</tr>
<tr>
<td><strong>TOTAL FUND BALANCES</strong></td>
<td>1,725,688</td>
<td>110,308</td>
<td>1,835,996</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND FUND BALANCES**

<table>
<thead>
<tr>
<th></th>
<th>UNIVERSITY OF NEBRASKA</th>
<th>STATE COLLEGES</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2,035,297</td>
<td>$134,911</td>
<td>$2,170,208</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
## COMBINING STATEMENT OF CHANGES IN FUND BALANCES DISCRETELY PRESENTED COMPONENT UNITS COLLEGE AND UNIVERSITY FUNDS

For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>REVENUES AND OTHER ADDITIONS:</th>
<th>UNIVERSITY OF NEBRASKA</th>
<th>STATE COLLEGES</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Funds Revenues</td>
<td>$ 452,825</td>
<td>$ 26,985</td>
<td>$ 479,810</td>
</tr>
<tr>
<td>Federal Grants and Contracts – Restricted</td>
<td>149,844</td>
<td>9,070</td>
<td>158,714</td>
</tr>
<tr>
<td>State Grants and Contracts – Restricted</td>
<td>11,531</td>
<td>104</td>
<td>11,635</td>
</tr>
<tr>
<td>Local Grants and Contracts – Restricted</td>
<td>2,358</td>
<td>1,249</td>
<td>3,607</td>
</tr>
<tr>
<td>Investment Income – Restricted</td>
<td>15,145</td>
<td>954</td>
<td>16,099</td>
</tr>
<tr>
<td>Increase in Fair Value of Investments</td>
<td>4,956</td>
<td>-</td>
<td>4,956</td>
</tr>
<tr>
<td>Interest on Loans Receivable</td>
<td>651</td>
<td>58</td>
<td>709</td>
</tr>
<tr>
<td>U.S. Government Advances</td>
<td>655</td>
<td>-</td>
<td>655</td>
</tr>
<tr>
<td>Expended for Plant Facilities</td>
<td>87,933</td>
<td>9,077</td>
<td>97,010</td>
</tr>
<tr>
<td>Retirement of Indebtedness</td>
<td>4,310</td>
<td>935</td>
<td>5,245</td>
</tr>
<tr>
<td>Retirement of Capitalized Lease Obligations</td>
<td>2,417</td>
<td>-</td>
<td>2,417</td>
</tr>
<tr>
<td>Proceeds from Revenue Bonds, net of discount</td>
<td>-</td>
<td>8,625</td>
<td>8,625</td>
</tr>
<tr>
<td>Other Sources</td>
<td>667</td>
<td>441</td>
<td>1,108</td>
</tr>
</tbody>
</table>

**TOTAL REVENUES AND OTHER ADDITIONS** | **878,518** | **57,498** | **936,016**

<table>
<thead>
<tr>
<th>EXPENDITURES AND OTHER DEDUCTIONS:</th>
<th>UNIVERSITY OF NEBRASKA</th>
<th>STATE COLLEGES</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational and General Expenditures</td>
<td>903,704</td>
<td>59,113</td>
<td>962,817</td>
</tr>
<tr>
<td>Auxiliary Operations Expenditures</td>
<td>132,997</td>
<td>8,011</td>
<td>141,008</td>
</tr>
<tr>
<td>Indirect Costs Recovered</td>
<td>17,279</td>
<td>31</td>
<td>17,310</td>
</tr>
<tr>
<td>Loan Cancellations, Write-offs, and Allowances</td>
<td>550</td>
<td>115</td>
<td>665</td>
</tr>
<tr>
<td>Administrative and Collection Costs</td>
<td>1,122</td>
<td>34</td>
<td>1,156</td>
</tr>
<tr>
<td>Expended for Plant Facilities</td>
<td>79,304</td>
<td>7,824</td>
<td>87,128</td>
</tr>
<tr>
<td>Increase in Capital Lease Obligations</td>
<td>6,210</td>
<td>-</td>
<td>6,210</td>
</tr>
<tr>
<td>Retirement of Indebtedness</td>
<td>4,310</td>
<td>935</td>
<td>5,245</td>
</tr>
<tr>
<td>Interest on Indebtedness</td>
<td>7,434</td>
<td>766</td>
<td>8,200</td>
</tr>
<tr>
<td>Disposals and Other Reductions of Plant Facilities</td>
<td>8,763</td>
<td>841</td>
<td>9,604</td>
</tr>
<tr>
<td>Bond and Lease Financial Expenditures</td>
<td>-</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Issuance of Bonds Payable, net of discount</td>
<td>-</td>
<td>8,670</td>
<td>8,670</td>
</tr>
<tr>
<td>Other Deductions</td>
<td>292</td>
<td>18</td>
<td>310</td>
</tr>
</tbody>
</table>

**TOTAL EXPENDITURES AND OTHER DEDUCTIONS** | **1,161,965** | **86,406** | **1,248,371**

<table>
<thead>
<tr>
<th>TRANSFERS:</th>
<th>UNIVERSITY OF NEBRASKA</th>
<th>STATE COLLEGES</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Transfers from Primary Government</td>
<td>394,418</td>
<td>35,447</td>
<td>429,865</td>
</tr>
</tbody>
</table>

**TOTAL TRANSFERS** | **394,418** | **35,447** | **429,865**

<table>
<thead>
<tr>
<th>Net Increase (Decrease) for the Year</th>
<th>UNIVERSITY OF NEBRASKA</th>
<th>STATE COLLEGES</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>110,971</td>
<td>6,539</td>
<td>117,510</td>
</tr>
</tbody>
</table>

**FUND BALANCES, JULY 1**: 1,814,717 | 103,769 | 1,718,486

**FUND BALANCES, JUNE 30**: $1,725,688 | $110,308 | $1,835,996

The accompanying notes are an integral part of the financial statements.
State of Nebraska
COMBINING STATEMENT OF CURRENT FUNDS
REVENUES, EXPENDITURES AND OTHER CHANGES
DISCRETELY PRESENTED COMPONENT UNITS
COLLEGE AND UNIVERSITY FUNDS

For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>UNIVERSITY OF NEBRASKA</th>
<th>STATE COLLEGES</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational and General</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>$141,495</td>
<td>$16,463</td>
<td>$157,958</td>
</tr>
<tr>
<td>Federal Appropriations</td>
<td>6,240</td>
<td>-</td>
<td>6,240</td>
</tr>
<tr>
<td>Federal Grants and Contracts</td>
<td>149,373</td>
<td>9,114</td>
<td>158,487</td>
</tr>
<tr>
<td>State Grants and Contracts</td>
<td>10,898</td>
<td>260</td>
<td>11,158</td>
</tr>
<tr>
<td>Local Grants and Contracts</td>
<td>4,202</td>
<td>1,171</td>
<td>5,373</td>
</tr>
<tr>
<td>Private Gifts, Grants and Contracts</td>
<td>93,789</td>
<td>-</td>
<td>93,789</td>
</tr>
<tr>
<td>Endowment Income</td>
<td>3,631</td>
<td>-</td>
<td>3,631</td>
</tr>
<tr>
<td>Sales and Services of Educational Activities</td>
<td>36,695</td>
<td>-</td>
<td>36,695</td>
</tr>
<tr>
<td>Sales and Services of Health Care Entities</td>
<td>69,424</td>
<td>-</td>
<td>69,424</td>
</tr>
<tr>
<td>Sales and Services of Auxiliary Operations</td>
<td>124,694</td>
<td>9,767</td>
<td>134,461</td>
</tr>
<tr>
<td>Additions to Trusteed Insurance Funds</td>
<td>43,442</td>
<td>-</td>
<td>43,442</td>
</tr>
<tr>
<td>Other</td>
<td>12,338</td>
<td>699</td>
<td>13,037</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>696,221</td>
<td>37,474</td>
<td>733,695</td>
</tr>
</tbody>
</table>

|                        |                        |                |        |
| **EXPENDITURES AND MANDATORY TRANSFERS:** |                        |                |        |
| Educational and General|                        |                |        |
| Instruction           | 277,131                | 22,906         | 300,037 |
| Research              | 131,727                | 133            | 131,860 |
| Public Services       | 73,927                 | 618            | 74,545  |
| Academic Support      | 69,003                 | 5,051          | 74,054  |
| Student Services      | 19,244                 | 5,490          | 24,734  |
| Institutional Support | 64,399                 | 9,960          | 74,359  |
| Operation and Maintenance of Plant | 46,481            | 4,699          | 51,180  |
| Health Care Entities  | 135,140                | -              | 135,140 |
| Scholarships and Fellowships | 39,475            | 10,253         | 49,728  |
| Claims Paid From Trusteed Insurance Funds | 47,177            | -              | 47,177  |
| **TOTAL EDUCATIONAL AND GENERAL EXPENDITURES** | 903,704            | 59,110         | 962,814 |
| Auxiliary Operations  | 132,997                | 9,011          | 141,008 |
| Mandatory Transfers, net | 8,359               | 1,675          | 10,034  |
| **TOTAL EXPENDITURES AND MANDATORY TRANSFERS** | 1,045,060           | 68,796         | 1,113,856 |

|                        |                        |                |        |
| **OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):** |                        |                |        |
| Excess of Restricted Receipts Over Transfers to Revenue | 11,826              | (37)           | 11,789  |
| Operating Transfers from Primary Government | 374,657              | 31,484         | 406,141 |
| Nonmandatory Transfers, net | (14,978)          | (400)          | (15,378) |
| **TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)** | 371,505              | 31,047         | 402,552 |
| **NET INCREASE (DECREASE) IN FUND BALANCES** | $22,666                | $(275)         | $22,391 |

The accompanying notes are an integral part of the financial statements.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2000

1. Summary of Significant Accounting Policies

A. Basis of Presentation. The accompanying general purpose financial statements of the State of Nebraska (the “State”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements of the Colleges and Universities, which are included as discretely presented component units, are based on the American Institute of Certified Public Accountants (AICPA) College Audit Guide model.

The general purpose financial statements have been prepared primarily from accounts maintained by the State Accounting Administrator of the Department of Administrative Services. Additional data has been derived from audited financial statements of certain entities and from reports prescribed by the Accounting Administrator and prepared by various State agencies and departments based on independent or subsidiary accounting systems maintained by them.

B. Reporting Entity. In determining its financial reporting entity, the State has considered all potential component units for which it is financially accountable, and other organizations which are fiscally dependent on the State, or the significance of their relationship with the State are such that exclusion would be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization’s governing body and (1) the ability of the State to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State.

As required by GAAP, these financial statements present the State of Nebraska and its component units. The component units are included in the State’s reporting entity because of the significance of their operational or financial relationships with the State. Complete financial statements of the individual component units that issue separate financial statements as noted below, can be obtained from their respective administrative offices.

Blended Component Units. The following component units are entities that are legally separate from the State, but are so intertwined with the State that they are, in substance, the same as the State. They are reported as part of the State and blended into the appropriate funds.

NETC Leasing Corporation. The NETC Leasing Corporation is a nonprofit corporation formed by the State in 1999 to acquire property to be leased to and purchased by the Nebraska Educational Telecommunications Commission (NETC), a State agency. The members of the Board of Commissioners of the NETC are appointed by the Governor and appoint and elect the five members of the Board of Directors of the NETC Leasing Corporation. Even though it is legally separate, the NETC Leasing Corporation is reported as if it were part of the State because it provides services entirely to the State. It is reflected in a Special Revenue Fund and the Account Groups.

Nebraska State Building Corporation. The Nebraska State Building Corporation (NSBC) is a nonprofit corporation formed by the State in 1987 to finance the acquisition of property to be used by the State. Even though it is legally separate, the NSBC is reported as if it were part of the State because it provides services almost entirely to the State. It is reflected in a Special Revenue Fund and the Account Groups.

Discretely Presented Component Units. The following component units are entities that are legally separate from the State, but are financially accountable to the State, or their relationships with the State are such that exclusion would cause the State’s financial statements to be misleading or incomplete. The component units are reported in a separate column to emphasize that they are legally separate from the State and governed by separate boards.

Nebraska State Colleges. The Board of Trustees of the Nebraska State Colleges governs Chadron State College, Peru State College and Wayne State College. The Board of Trustees is also the Board of Directors of the Nebraska State Colleges Facilities Corporation, a nonprofit corporation incorporated in 1983 to finance the repair or construction of buildings or the acquisition of equipment for use by the State Colleges. The Board of Trustees consists of the Commissioner of Education and six members appointed by the Governor. Audit reports have been issued under separate cover.

University of Nebraska. The University of Nebraska consists of the following campuses: University of Nebraska – Lincoln, University of Nebraska at Omaha, University of Nebraska at Kearney, and University of Nebraska Medical
State of Nebraska

Center. The University of Nebraska is governed by an elected eight-member Board of Regents. The Board of Regents is also the Board of Directors of the University of Nebraska Facilities Corporation, a nonprofit corporation organized by the Board of Regents in 1930 to finance buildings and hold them in trust for the University of Nebraska. The University of Nebraska is included as a component unit because it is fiscally dependent on the State. Audit reports have been issued under separate cover.

The colleges and universities are funded through State appropriations, tuition, federal grants, and private donations and grants.

Related Organizations. The State’s officials are responsible for appointing members of boards of other organizations, but the State’s accountability for these organizations does not extend beyond making these appointments. The Governor appoints the boards of the following organizations: Nebraska Educational Facilities Authority, Nebraska Investment Finance Authority, Research and Development Authority, and Wyuka Cemetery.

C. Fund Structure. The State’s accounts are maintained in accordance with the principles of fund accounting to insure compliance with limitations and restrictions placed on the use of resources available to it. Under fund accounting, individual funds are established for the purpose of carrying on activities or attaining objectives in accordance with specific regulations, restrictions, or limitations. Each individual fund is a self-balancing set of accounts recording cash and other financial resources, together with liabilities and residual equities or balances, and changes therein. In the general purpose financial statements, however, funds that have similar characteristics have been combined into generic fund types as required by GAAP. These generic fund types differ from the State’s budgetary funds that are described in Note 2. A brief description of these fund types and account groups used by the State and the categories into which they are grouped follows:

Governmental Funds. Transactions related to resources received and used for those services traditionally provided by a state government. Governmental funds include:

General Fund. Reflects transactions related to resources received and used for those services traditionally provided by a state government, which are not accounted for in any other fund.

Special Revenue Funds. Reflect transactions related to resources received and used for restricted or specific purposes.

Capital Projects Fund. Reflects transactions related to resources received and used for the acquisition, construction, or improvement of permanent facilities.

Proprietary Funds. Transactions related to activities similar to those found in the private sector. Proprietary funds include:

Enterprise Funds. Reflect transactions used to account for those operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

Internal Service Funds. Reflect transactions used to account for centrally operated services and centrally procured commodities that are provided to other State departments and agencies and other governmental units of the State. The services and commodities are charged to recipient agencies on a cost reimbursement basis.

Fiduciary Funds. Transactions related to assets held by the State in a trust or agency capacity. The State’s fiduciary funds include Pension Trust, Nonexpendable Trust, Expendable Trust, and Agency funds as follows:

Pension Trust Funds. Reflect the transactions, assets, liabilities, and fund equities of State retirement systems.

Nonexpendable Trust Funds. Reflect the transactions, assets, liabilities, and fund equity of trusts whose principal must be maintained intact and whose income is used to fund the activity.

Expendable Trust Funds. Reflect the transactions, assets, liabilities, and fund equity of trusts whose principal and income may be used to fund the activity.

Agency Funds. Reflect amounts held by the State for others.

Account Groups. The Account Groups are maintained to account for general fixed assets and long-term debt not accounted for in other funds of the State.

General Fixed Assets Account Group. Used to account for general fixed assets of the State exclusive of assets held by the proprietary funds and component units.

General Long-Term Debt Account Group. Used to account for long-term obligations of the State including bonds payable, obligations
under lease purchase agreements, claims, obligations under other financing arrangements, and compensated absences exclusive of liabilities of the proprietary funds, certain trust funds, and component units.

**College and University Funds.** The Component Units include College and University Funds that are legally separate from the State but are considered part of the reporting entity. The College and University Funds reflect transactions related to resources received and used in the operation of the State's institutions of higher education and related medical teaching hospital. The College and University Funds include:

- Current Funds, which account for unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds that may be utilized in accordance with externally restricted purposes.
- Loan, Endowment, and Agency funds which account for assets in which the colleges and universities act in a fiduciary capacity.
- Plant Funds that account for institutional property acquisition, renewal, replacement, and debt service.

### D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds, nonexpendable trust funds, and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

All governmental fund types, expendable trust funds, and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Major revenues that are determined to be susceptible to accrual include taxpayer-assessed tax revenues, unemployment compensation taxes, federal grants-in-aid, charges for services, and investment income. All other taxes are recognized when received. Federal grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made. Revenues collected on an advance basis, including certain federal grant revenue, to which the State does not yet have legal entitlement, are not recognized as revenue until the related expenditures are incurred. Generally, the State considers a one-year availability period for revenue recognition.

Expenditures are recorded when the related fund liability is incurred. Exceptions to the modified accrual expenditure recognition criteria include principal and interest on general long-term indebtedness which are recognized when due.

Proprietary fund types, pension trust funds, and nonexpendable trust funds utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Lottery Fund instant ticket revenue is recognized when tickets are sold to the retailer and on-line revenue is recognized after the drawing is completed for the respective wagers. Lottery Fund prize expense is recognized in the same period that ticket revenue is recognized based on the predetermined prize structure for each game.

In reporting the financial activity of its proprietary funds, the State applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

The College and University Funds are reported on the accrual basis of accounting except that depreciation related to plant fund assets is not recorded and revenues and expenditures of an academic term encompassing more than one fiscal year are reported solely in the fiscal year in which the program is predominately conducted.

### E. Cash and Cash Equivalents

In addition to bank accounts and petty cash, this classification includes all short-term investments such as certificates of deposit, repurchase agreements, and U.S. treasury bills having original maturities (remaining time to
maturity at acquisition) of three months or less. These investments are stated at cost, which at June 30, 2000, approximated market. Banks pledge collateral, as required by law, to guarantee State funds held in time and demand deposits.

F. Cash on Deposit with Fiscal Agents. Assets held by the trustees for the Nebraska Educational Telecommunications Facilities Corporation, the Nebraska State Building Corporation, the State Revolving Fund, and the Master Lease Purchase Program are reflected as cash on deposit with fiscal agents. Proceeds of College and University Revenue Bond issuances held in interest bearing accounts, awaiting disbursement, are also recorded as cash on deposit with fiscal agents in the Component Units column.

G. Investments. Investments as reported on the combined balance sheet include long-term investments. Law or other legal instruments may restrict these investments. All investments of the State and its component units are stated at fair value based on quoted market prices.

H. Receivables. Receivables are stated net of estimated allowances for uncollectible amounts, which are determined based upon past collection experience and current economic conditions.

I. Inventories. Inventories of materials and supplies are determined by both physical counts and through perpetual inventory systems. Governmental Fund inventories are recorded as expenditures when purchased, with the exception of the Highway and Health and Social Services Special Revenue Funds. The Highway Fund and the Health and Social Services Fund inventories are valued at average cost using the consumption method. Proprietary Funds’ and College and University Funds’ valuation method is primarily at the lower of cost (first-in, first-out) or market.

Food stamps and commodities on hand at June 30, 2000 are reflected as inventories, offset by a like amount of deferred revenue, in the Federal Special Revenue Fund. Food stamp inventory is reported at face value and commodities are reported at fair values established by the federal government at the date received. The amounts of food stamps and commodities distributed during the year, which approximated $62,854,000 and $6,728,000, respectively, are reflected as revenues and expenditures of the Special Revenue Funds.

J. Fixed Assets. General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All fixed assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

At June 30, 2000, buildings were valued at $315,728,000. Of this total, $201,727,000 was valued at estimated historical cost and $114,001,000 was valued at actual historical cost. The estimate of historical cost is based on appraised values as of October 31, 1986, indexed to date of acquisition. All buildings acquired after October 31, 1986, have been valued at historical cost.

Fixed assets do not include infrastructure such as highways, bridges and lighting systems, as these assets are immovable and of value only to the government. Art objects, collections of historical material and other artifacts, although considered valuable are not assigned a value for financial statement purposes. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Generally, equipment that has a cost in excess of $5,000 at the date of acquisition and has an expected useful life of two or more years is capitalized. Substantially all initial building costs, land and land improvements costing in excess of $50,000 are capitalized. Building improvements and renovations in excess of $50,000 are capitalized if a substantial portion of the life of the asset has expired and if the useful life of the asset has been extended as a result of the renovation or improvement.

Assets in the General Fixed Assets Account Group and the College and University Funds are not depreciated. Depreciation of machinery, equipment and buildings in the proprietary fund types is recorded using the straight-line method.

In proprietary funds the following estimated useful lives are used to compute depreciation:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>40 years</td>
</tr>
<tr>
<td>Equipment</td>
<td>3-10 years</td>
</tr>
</tbody>
</table>

K. Compensated Employee Absences. All permanent employees earn sick and annual leave. Temporary and intermittent employees and Board and Commission members are not eligible for paid leave.

State employees accrue vested annual leave at a variable rate based on years of service. Generally, accrued annual leave cannot exceed 35 days at the end of a calendar year. It is the State’s policy to liquidate unpaid annual leave at June 30 from future sources rather than currently available expendable resources. Accordingly, governmental and expendable trust funds recognize annual leave when it is paid. A long-term liability of $43,950,000 for the accumulated annual leave in governmental and
expendable trust funds has been recorded in the General Long-Term Debt Account Group as of June 30, 2000.

Employees accrue sick leave at a variable rate based on years of service. In general, accrued sick leave cannot exceed 180 days. Sick leave is not vested except upon death or upon reaching the retirement eligibility age of 55, at which time, the State is liable for 25 percent of the employee’s accumulated sick leave. It is the State’s policy to liquidate vested sick leave at June 30 from future resources rather than currently available expendable resources. Accordingly, governmental and expendable trust funds recognize sick leave when it is paid. A long-term liability of $36,259,000 for accumulated sick leave expected to be paid as termination payments in governmental and expendable trust funds has been recorded in the General Long-Term Debt Account Group as of June 30, 2000.

Some State agencies permit employees to accumulate compensatory leave rather than paying overtime. It is the State’s policy to liquidate compensatory leave at June 30 from future resources rather than currently available expendable resources. Accordingly, governmental and expendable trust funds recognize compensatory leave when it is paid. A long-term liability of $2,609,000 for the vested portion of the accumulated compensatory leave in governmental and expendable trust funds has been recorded in the General Long-Term Debt Account Group as of June 30, 2000.

All proprietary and similar trust funds recognize the expense and accrued liability when vacation and compensatory leave is earned or when sick leave is expected to be paid as termination payments.

The College and University Funds recognize the expense and accrued liability when sick and vacation leave is earned.

L. Fund Equity Reserves. Reservations of fund balance are established to identify the existence of assets that are not available for subsequent year appropriations (i.e., prepaid items and inventories) or have been legally segregated for specific purposes. Assets of legally restricted budgetary funds are an example of this type of reservation. Reservations of fund balance are also established for assets that are not current in nature, such as long-term loans receivable. Reservations of retained earnings are established for assets that are legally restricted for specific purposes and therefore not available to fund current operations. The Enterprise Fund has reserved retained earnings for long-term deposits with the Multi-State Lottery.

M. Interfund Transactions. Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. Totals - Memorandum Only. The “Totals - Memorandum Only” column represents an aggregation of individual account balances. The column is presented for overview informational purposes and does not present consolidated financial information since interfund balances and transactions have not been eliminated.

O. Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. Budgetary Process

The State’s biennial budget cycle ends on June 30 of the odd-numbered years. By September 15, prior to a biennium, all State agencies, including colleges and universities, must submit their budget requests for the biennium beginning the following July 1. The requests are submitted on forms that show estimated funding requirements by programs, subprograms, and activities. The Governor reviews the agency requests, establishes priorities, and presents the Legislature with one or more pieces of legislation covering the biennium. The Legislature holds hearings on the Governor’s proposed budget, adopts changes and presents final legislation to the Governor. The Governor can either: a) approve the appropriation bill in its entirety, b) veto the bill, or c) line item veto certain sections of the bill. Any vetoed bill or line item can be overridden by a three-fifths majority of the Legislature.

The approved appropriations set spending limits by fund type for programs within each agency. These limits may include up to five budgetary fund types. Thus, the legal level of control is fund type within program within agency. The central accounting system maintains this control. A separate publication titled “Annual Budgetary Report” shows the detail of this legal level of control. This publication is available from the Department of Administrative Services, Accounting Division.
Appropriations are made for each fiscal year of the biennium; balances at the end of the first fiscal year are carried over into the second fiscal year, unless directed otherwise by the Legislature. For most appropriations, balances lapse at the end of the biennium.

The budgetary fund types used by the State differ from the generic fund types presented in the general purpose financial statements. The budgetary funds, which are listed below, are generally segregated by revenue sources. Of these seven fund types, only the first five are subject to the spending limits set by the appropriations bills.

**General Fund.** To account for activities funded by general tax dollars, primarily sales and income taxes.

**Cash Reserve and Cash Funds.** To account for financial resources used as a reserve for the General Fund if the General Fund balance should become inadequate to meet current obligations, to account for the financing of goods or services provided by a State agency to individuals or entities outside State government on a cost-reimbursement basis, and to account for the revenues and expenditures related to highway construction.

**Construction Funds.** To account for financial resources to be used for the acquisition or construction of major capital facilities.

**Federal Funds.** To account for the financial resources related to the receipt and disbursement of funds generated from the federal government as a result of grants and contracts except for federal highway monies accounted for in the Cash Funds.

**Revolving Funds.** To account for the financing of goods or services provided by one State agency to another State agency on a cost-reimbursement basis.

**Trust Funds.** To account for assets held in a trustee capacity.

**Distributive Funds.** To account for assets held as an agent for individuals, private organizations, and other governments and/or other funds.

The accompanying general purpose financial statements were prepared by converting budgetary fund data into the fund format required by GAAP. The Cash Basis of accounting is used for all budgetary fund types.

All State budgetary expenditures for the general, cash, construction, federal and revolving fund types are made pursuant to appropriations that may be amended by the Legislature, upon approval by the Governor. State agencies may allocate appropriations between object of expenditure accounts, except that personal service expenditures that exceed limitations contained in the appropriations bill require Legislative amendment. Any changes in appropriations are made through an annual deficit bill or other legislation. Appropriations from the federal fund type are considered to be estimated and the Legislature has approved an administrative procedure for changing them. During fiscal year 2000, the Legislature passed a deficit appropriation bill that increased the allowable expenditure level in several of the programs.

The State utilizes encumbrance accounting to account for purchase orders, contracts, and other expenditure commitments. However, State law does not require that all encumbrances be recorded in the State’s centralized accounting system and as a result, the encumbrances that were recorded in the accounting system have not been included in the accompanying general purpose financial statements except for the impact as described below.

Under State budgetary procedures, appropriation balances related to outstanding encumbrances at the end of a biennium are lapsed and reappropriated in the first year of the next biennium. In addition, the State Budget Administrator is required by law to review all encumbrances at the end of each biennium. The effect of the State’s current procedures is to include in the budget columns of the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual the current year’s appropriations plus the amounts reappropriated for encumbrances outstanding at the end of the prior biennium. This procedure indicates the State’s intention to honor the encumbrances at the end of a biennium. The expenditure columns of the Statement include cash payments related to the appropriated and reappropriated amounts. For the year ended June 30, 2000, there were no budgetary funds in which expenditures exceeded appropriations.

Revenues are not budgeted for any funds except for the General Fund tax revenues. For financial reporting purposes, the budget columns for revenues on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are reflected as being equal to actual revenues for all other revenue categories.

There are no annual budgets prepared for Trust and Distributive Funds and as a result, no budgetary comparisons are presented.

A reconciliation of the budgetary versus GAAP fund equities as of June 30, 2000, follows:
### State of Nebraska

#### General Purpose Financial Statement Fund Equities

<table>
<thead>
<tr>
<th>(Dollars in Thousands)</th>
<th><strong>BUDGETARY FUND EQUITIES</strong></th>
<th><strong>PRIMARY GOVERNMENT</strong></th>
<th><strong>COMPONENT UNITS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOTAL</td>
<td>GENERAL</td>
<td>SPECIAL REVENUE</td>
</tr>
<tr>
<td></td>
<td><strong>GENERAL</strong></td>
<td><strong>SPECIAL</strong></td>
<td><strong>CAPITAL</strong></td>
</tr>
<tr>
<td>General</td>
<td>$313,238</td>
<td>$313,238</td>
<td>$ -</td>
</tr>
<tr>
<td>Cash</td>
<td>708,507</td>
<td>143,044</td>
<td>447,417</td>
</tr>
<tr>
<td>Construction</td>
<td>2,606</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Federal</td>
<td>6,399</td>
<td>-</td>
<td>5,196</td>
</tr>
<tr>
<td>Revolving</td>
<td>120,486</td>
<td>-</td>
<td>3,668</td>
</tr>
<tr>
<td>Budgetary fund equities classified into general purpose financial statement fund structure</td>
<td>$1,151,246</td>
<td>456,282</td>
<td>456,281</td>
</tr>
</tbody>
</table>

### Basis Differences:

- **Record amount due Colleges and Universities**: (17,178)
- **Record fixed assets**: -
- **Record taxes receivable**: 204,437
- **Record tax refund liability**: (223,086)
- **Record amount due pensions**: (14,522)
- **Record claims payable**: (63,747)
- **Record capitalized lease obligations**: -
- **Record other net accrued receivables, liabilities and inventories**: (70,840)
- **Record deferred federal revenue**: (17,913)
- **Other**: 1,165

### Entity Differences:

- **Record funds not budgeted**: -
- **Record entities not included in the accounting system**: 24,410

**GAAP fund equities**, **June 30, 2000**: $271,346, $850,191, $10,219, $22,889, $61,816, $6,367,993, $1,835,996

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### 3. Cash and Cash Equivalents and Investments

**Cash and Cash Equivalents.** "Cash and Cash Equivalents" as reported on the combined balance sheet are under the control of the State Treasurer or other administrative bodies as determined by law. All cash deposited with the State Treasurer is initially maintained in a pooled cash account. On a daily basis, the State Treasurer invests cash not needed for current operations with the State’s Investment Council that maintains a short-term investment pool for such investments. Interest earned on these investments is allocated to funds based on their percentage of the investment pool.

**Investments.** "Investments" as reported on the combined balance sheet include long-term investments. "Investments" are under the control of the State Treasurer or other administrative bodies as determined by law.

### 4. Deposits and Investments Portfolio

Listed below is a summary of the deposit and investment portfolio that comprises the Cash and Cash Equivalents and Investments on the June 30, 2000, combined balance sheet. All securities purchased or held must either be in the custody of the State or deposited with an agent in the State’s name.

**Deposits.** At June 30, 2000, the carrying amounts of the Primary Government’s deposits were $44,240,000 and the bank balances were $120,567,000. All bank balances were covered by federal depository insurance or by collateral held by the State’s agent in the State’s name.
State Statutes require that the aggregate amount of collateral securities deposited by a bank with the State Treasurer shall be at least one hundred two percent of the amount of public funds deposited in that bank, less the amount insured by the Federal Deposit Insurance Corporation. During the year the amount of public funds deposited with a bank occasionally exceeded the amount of collateral required by statute. The State Treasurer had compensating balance agreements with various banks totaling $14,530,000 at June 30, 2000.

At June 30, 2000, the carrying amounts of the Component Units' deposits were $8,283,000 and the bank balances were $9,193,000. Of the bank balances, $1,987,000 was covered by federal deposit insurance or by collateral held by the Component Units' agent in the Component Units' name, $278,000 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Component Units' name and $6,928,000 was not collateralized.

**INVESTMENTS – PRIMARY GOVERNMENT AT JUNE 30, 2000**

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>CATEGORY</th>
<th>TOTAL FAIR VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>U.S. Government Securities</td>
<td>$1,616,756</td>
<td>$1,155</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>1,006,460</td>
<td>-</td>
</tr>
<tr>
<td>Equity Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not on Securities Loan</td>
<td>1,410,386</td>
<td>-</td>
</tr>
<tr>
<td>On Securities Loan</td>
<td>1,876</td>
<td>-</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>202,143</td>
<td>-</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>8,978</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,246,599</strong></td>
<td><strong>$1,155</strong></td>
</tr>
</tbody>
</table>

**UNCATEGORIZED:**

Pooled Investment Contracts 1,060,496
Investment in U.S. Treasury Investment Pool 181,695
Investments held by Broker-Dealers
Under Securities Loans U.S. Government Securities 359,027
Corporate Bonds 10,814
Equity Securities 132,703
Securities Lending Short-term Collateral Investment Pool 513,292
Mutual Funds 1,810,333
Less: Component Unit Investment in State Investment Pool (227,877)
Total Investments $8,088,437
A reconciliation of deposits and investments for the Primary Government to the Combined Balance Sheet at June 30, 2000, is as follows (dollars in thousands):

**Disclosure Regarding Deposits and Investments:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investments</td>
<td>$8,088,437</td>
</tr>
<tr>
<td>Carrying amount of Deposits</td>
<td>44,240</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,132,677</strong></td>
</tr>
</tbody>
</table>

**Combined Balance Sheet:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$705,151</td>
</tr>
<tr>
<td>Cash on Deposit with Fiscal Agents</td>
<td>29,589</td>
</tr>
<tr>
<td>Investments</td>
<td>6,884,645</td>
</tr>
<tr>
<td>Invested Securities Lending Collateral</td>
<td>513,292</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,132,677</strong></td>
</tr>
</tbody>
</table>

**Securities Lending Transactions.** State Statute Section 72-1247, authorizes the State Investment Office to participate in securities lending transactions, where securities are loaned to broker-dealers and banks with a simultaneous agreement to return the collateral for the same securities in the future. The State's custodial bank administers the securities lending program and receives cash, United States government or government agency obligations, or convertible bonds at least equal in value to the market value of the loaned securities as collateral for securities of the type on loan at year-end. Securities lent at year-end for cash collateral are presented as unclassified in the preceding schedule of custodial risk; securities lent for securities collateral are classified according to the category for the collateral. At year-end, the State had no credit risk exposure to borrowers because the amounts the State owes the borrowers exceed the amounts the borrowers owe the State. The collateral securities can not be pledged or sold by the State unless the borrower defaults. There are no restrictions on the amount of securities that can be loaned, and there were no losses resulting from borrower default during the year.

Either the State or the borrowers can terminate all securities loans on demand. Cash collateral is invested in one of the lending agent's short-term investment pools that had average durations of 66 and 74 days. Because loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. There is no loss indemnification provided to the State by the contract with the custodian.

**Derivative Financial Instruments.** Derivative instruments are financial contracts whose underlying values depend on the values of one or more underlying assets, reference rates or financial indices. Futures represent commitments to purchase or sell securities or money market instruments at a future date and at a specific price. The State invests in futures contracts related to securities of the U.S. Government or Government Agency obligations, which are traded on organized exchanges, thereby minimizing the State's credit risk. The net change in the futures contract value is settled daily in cash with the exchanges. At June 30, 2000, the State held $140,876,000 of futures contracts.

A reconciliation of deposits and investments for the Component Units to the Combined Balance Sheet at June 30, 2000, is as follows (dollars in thousands):

**Disclosure Regarding Deposits and Investments:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investments</td>
<td>$595,642</td>
</tr>
<tr>
<td>Carrying amount of Deposits</td>
<td>6,283</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$603,925</strong></td>
</tr>
</tbody>
</table>

**Combined Balance Sheet:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$236,160</td>
</tr>
<tr>
<td>Cash on Deposit with Fiscal Agents</td>
<td>147,500</td>
</tr>
<tr>
<td>Investments</td>
<td>220,265</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$603,925</strong></td>
</tr>
</tbody>
</table>

### INVESTMENTS – COMPONENT UNITS AT JUNE 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Category</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>TOTAL FAIR VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Securities</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 124,865</td>
<td>$ 124,865</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>-</td>
<td>-</td>
<td>15,991</td>
<td>15,991</td>
</tr>
<tr>
<td>Equity Securities</td>
<td>-</td>
<td>-</td>
<td>85,786</td>
<td>85,786</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ 226,642</td>
<td>226,642</td>
</tr>
</tbody>
</table>

**UNCATEGORIZED:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual Funds</td>
<td>140,399</td>
</tr>
<tr>
<td>Real Estate</td>
<td>724</td>
</tr>
<tr>
<td>Investment in State Investment Pool</td>
<td>227,877</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td><strong>$595,642</strong></td>
</tr>
</tbody>
</table>

47
5. Due To/From Other Funds

Due To/From Other Funds at June 30, 2000, consists of the following (dollars in thousands):

<table>
<thead>
<tr>
<th>DUE FROM OTHER FUNDS</th>
<th>DUE TO OTHER FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$ 3,726</td>
</tr>
<tr>
<td>Special Revenue:</td>
<td></td>
</tr>
<tr>
<td>Licensing and Regulation</td>
<td>13</td>
</tr>
<tr>
<td>Highway Fund</td>
<td>174</td>
</tr>
<tr>
<td>Economic Development</td>
<td>540</td>
</tr>
<tr>
<td>Airport Development</td>
<td>79</td>
</tr>
<tr>
<td>Game and Parks</td>
<td>2,753</td>
</tr>
<tr>
<td>Energy Conservation</td>
<td>-</td>
</tr>
<tr>
<td>Federal Fund</td>
<td>39</td>
</tr>
<tr>
<td>Health and Social Services</td>
<td>202</td>
</tr>
<tr>
<td>Other Special Revenue</td>
<td>2,815</td>
</tr>
<tr>
<td></td>
<td>$ 6,615</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>3,396</td>
</tr>
<tr>
<td>Enterprise:</td>
<td></td>
</tr>
<tr>
<td>Lottery</td>
<td>-</td>
</tr>
<tr>
<td>Excess Liability</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Internal Service:</td>
<td></td>
</tr>
<tr>
<td>Correctional Services</td>
<td>332</td>
</tr>
<tr>
<td>Buildings and Grounds</td>
<td>172</td>
</tr>
<tr>
<td>General Services</td>
<td>2,011</td>
</tr>
<tr>
<td>Communications</td>
<td>2,239</td>
</tr>
<tr>
<td>Information Management Services</td>
<td>6,178</td>
</tr>
<tr>
<td>Transportation Services</td>
<td>1,463</td>
</tr>
<tr>
<td>Risk Management</td>
<td>24,788</td>
</tr>
<tr>
<td>Accounting Services</td>
<td>-</td>
</tr>
<tr>
<td>Other Internal Service</td>
<td>492</td>
</tr>
<tr>
<td></td>
<td>$ 37,675</td>
</tr>
<tr>
<td>Expendable Trust:</td>
<td></td>
</tr>
<tr>
<td>Easement Trust</td>
<td>3,275</td>
</tr>
<tr>
<td>Nonexpendable Trust:</td>
<td></td>
</tr>
<tr>
<td>Aeronautics Trust</td>
<td>-</td>
</tr>
<tr>
<td>Permanent School Fund</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>14</td>
</tr>
<tr>
<td>Pension Trust:</td>
<td></td>
</tr>
<tr>
<td>State Employees Retirement</td>
<td>-</td>
</tr>
<tr>
<td>School Retirement</td>
<td>14,141</td>
</tr>
<tr>
<td>Judges Retirement</td>
<td>129</td>
</tr>
<tr>
<td>State Patrol Retirement</td>
<td>645</td>
</tr>
<tr>
<td></td>
<td>14,915</td>
</tr>
<tr>
<td>Agency:</td>
<td></td>
</tr>
<tr>
<td>Payroll Withholding Fund</td>
<td>-</td>
</tr>
<tr>
<td>TOTALS</td>
<td>$ 69,616</td>
</tr>
</tbody>
</table>

The following is a summary of proprietary fund-type fixed assets at June 30, 2000 (dollars in thousands):

<table>
<thead>
<tr>
<th></th>
<th>ENTERPRISE FUNDS</th>
<th>INternal SERVICE FUNDS</th>
<th>PENSION TRUST FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery and equipment</td>
<td>$ 348</td>
<td>$ 65,085</td>
<td>-</td>
</tr>
<tr>
<td>Buildings</td>
<td>-</td>
<td>5,331</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>348</td>
<td>70,416</td>
<td>22</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(256)</td>
<td>(49,116)</td>
<td>(18)</td>
</tr>
<tr>
<td>Net fixed assets</td>
<td>$ 92</td>
<td>$ 21,300</td>
<td>$ 4</td>
</tr>
</tbody>
</table>

The following is a summary of component unit fixed assets at June 30, 2000 (dollars in thousands):

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Land Improvements</td>
<td>$ 108,131</td>
</tr>
<tr>
<td>Buildings and Other Improvements</td>
<td>868,544</td>
</tr>
<tr>
<td>Equipment and Library Racks</td>
<td>213,262</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>72,770</td>
</tr>
<tr>
<td></td>
<td>$ 1,262,697</td>
</tr>
</tbody>
</table>

6. Fixed Assets

The general fixed assets of the State are those fixed assets used in performance of general governmental functions. They do not include fixed assets of proprietary funds and the component units.

The following is a summary of changes in the general fixed assets account group during the fiscal year (dollars in thousands):

7. Bonds Payable

Article XIII of the State's Constitution prohibits the State from incurring debt in excess of one hundred thousand dollars. However, there is a provision in the Constitution that permits the issuance of revenue bonds for: (1) construction of highways; and (2) construction of water conservation and management structures. At June 30, 2000, there was no outstanding debt for either of these purposes.

The State created the NETC Leasing Corporation for the purpose of acquiring property to be leased to and purchased by the State. In February 2000, the NETC Leasing Corporation issued $22,515,000 of lease rental revenue bonds to construct and acquire digital television facilities and equipment and related facilities. The NETC Leasing Corporation is not subject to State constitutional restrictions on the incurrence of debt, which may apply to the State itself. The obligations outstanding at June 30, 2000 are collateralized by the revenues of the NETC Leasing Corporation, which consist primarily of rental paid by the State. Outstanding bonds payable are reported in the General Long-Term Debt Account Group.
The State created the Nebraska State Building Corporation (NSBC) to finance the purchase of a building used by the State for its data processing and general services operations. In September 1987, the NSBC issued $7,700,000 of lease revenue bonds to finance the purchase of the building. In June 1992, the NSBC issued $7,645,000 of lease revenue bonds to refund the 1987 bonds. The NSBC is not subject to State constitutional restrictions on the incurrence of debt, which may apply to the State itself. The obligations outstanding at June 30, 2000 are collateralized by the revenues of the NSBC, which consist primarily of building rental paid by the State. Outstanding bonds payable are reported in the General Long-Term Debt Account Group.

The Colleges and Universities issue bonds for various purposes including student housing, parking facilities and special event centers. Net revenues from student housing and dining facilities, special student fees and parking facilities fees are pledged to secure the appropriate issues. Outstanding bonds payable are reported in the College and University Funds.

All outstanding bond issues of the University of Nebraska Facilities Corporation and the Nebraska State College Facilities Corporation are general obligations of these corporations. They are separate legal entities that are not subject to State constitutional restrictions on the incurrence of debt, which may apply to the State itself. The obligations outstanding at June 30, 2000 are collateralized by a special allocation of a portion of the State cigarette tax. Outstanding bonds payable are reported in the College and University Funds.

<table>
<thead>
<tr>
<th>(Dollars in Thousands)</th>
<th>BALANCE JUNE 30, 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BONDS PAYABLE</strong></td>
<td></td>
</tr>
<tr>
<td><strong>PRINCIPAL GOVERNMENT</strong></td>
<td></td>
</tr>
<tr>
<td>NETC Leasing Corporation Issue</td>
<td>2000</td>
</tr>
<tr>
<td>Nebraska State Building Corporation Issue</td>
<td>1992</td>
</tr>
<tr>
<td><strong>COMPONENT UNITS</strong></td>
<td></td>
</tr>
<tr>
<td>Colleges and Universities Revenue Bonds</td>
<td>1996-1997</td>
</tr>
<tr>
<td>University of Nebraska Facilities Corporation Issues</td>
<td>1997-1998</td>
</tr>
<tr>
<td>Nebraska State Colleges Facilities Corporation Issues</td>
<td>1999</td>
</tr>
<tr>
<td><strong>Component Units Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>DEBT SERVICE REQUIREMENTS TO MATURITY</strong></th>
<th><strong>PRINCIPAL</strong></th>
<th><strong>INTEREST</strong></th>
<th><strong>TOTAL</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRINCIPAL GOVERNMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YEAR</td>
<td>PRINCIPAL</td>
<td>INTEREST</td>
<td>TOTAL</td>
</tr>
<tr>
<td>2001</td>
<td>2,030</td>
<td>1,520</td>
<td>3,550</td>
</tr>
<tr>
<td>2002</td>
<td>2,080</td>
<td>1,478</td>
<td>3,558</td>
</tr>
<tr>
<td>2003</td>
<td>2,185</td>
<td>1,373</td>
<td>3,558</td>
</tr>
<tr>
<td>2004</td>
<td>2,295</td>
<td>1,259</td>
<td>3,554</td>
</tr>
<tr>
<td>2005</td>
<td>2,420</td>
<td>1,137</td>
<td>3,557</td>
</tr>
<tr>
<td>Thereafter</td>
<td>16,690</td>
<td>3,342</td>
<td>20,032</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27,700</strong></td>
<td><strong>10,109</strong></td>
<td><strong>37,809</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>DEBT SERVICE REQUIREMENTS TO MATURITY</strong></th>
<th><strong>PRINCIPAL</strong></th>
<th><strong>INTEREST</strong></th>
<th><strong>TOTAL</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMPONENT UNITS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YEAR</td>
<td>PRINCIPAL</td>
<td>INTEREST</td>
<td>TOTAL</td>
</tr>
<tr>
<td>2001</td>
<td>10,280</td>
<td>8,147</td>
<td>18,427</td>
</tr>
<tr>
<td>2002</td>
<td>11,570</td>
<td>7,637</td>
<td>19,307</td>
</tr>
<tr>
<td>2003</td>
<td>12,685</td>
<td>7,074</td>
<td>19,759</td>
</tr>
<tr>
<td>2004</td>
<td>13,790</td>
<td>6,458</td>
<td>20,248</td>
</tr>
<tr>
<td>2005</td>
<td>13,030</td>
<td>5,833</td>
<td>18,863</td>
</tr>
<tr>
<td>Thereafter</td>
<td>106,670</td>
<td>23,745</td>
<td>130,415</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>168,125</strong></td>
<td><strong>58,894</strong></td>
<td><strong>227,019</strong></td>
</tr>
</tbody>
</table>

Changes in Primary Government bonds payable for fiscal year 2000 are summarized below (dollars in thousands):

- Balance at July 1, 1999 $5,550
- New Bonds Issued: NETC Leasing Corporation 22,515, Bonds Retired (365)
- Balance at June 30, 2000 $27,700

Changes in bonds payable for Component Units for fiscal year 2000 are summarized below (dollars in thousands):

- Balance at July 1, 1999 $164,700
- New Bonds Issued: Colleges and Universities 1,825, Nebraska State Colleges Facilities Corporation 6,845, Bonds Retired (5,245)
- Balance at June 30, 2000 $168,125

**Bond Defeasances – Component Units**

In 1993, the University of Nebraska Facilities Corporation issued $45,570,000 of Refunding Bonds, dated July 15, 1993, to defease outstanding 1990 bonds. In conjunction with the defeasance, the 1990 bonds maturing on or after January 1, 2001, are scheduled to
be called for redemption on July 1, 2000, at a price of 101 percent of the principal amount plus accrued interest. As a result, the 1990 bonds are considered defeased and the liability for these bonds has been removed from bonds payable. At June 30, 2000, $28,428,000 of 1990 bonds were outstanding and were called on July 1, 2000 under the terms described above.

On September 30, 1997, the University of Nebraska Facilities Corporation deposited $34,764,000 into an irrevocable trust with an escrow agent to defease 1993 Series Bonds. Outstanding bonds on July 1, 2005 will be redeemed at a price equal to the principal amount plus accrued interest. As a result, the 1993 bonds are considered to be defeased and the liability for these bonds has been removed from bonds payable. At June 30, 2000, $33,360,000 of 1993 bonds are outstanding.

8. Lease Commitments

Capital and Operating Leases. The State leases land, office facilities, equipment, and other assets under both capital and operating leases. Although the lease terms may vary, all leases are subject to annual appropriation by the Legislature.

The minimum annual lease payments and the present value of future minimum payments for capital leases as of June 30, 2000 are as follows (dollars in thousands):

<table>
<thead>
<tr>
<th>Year</th>
<th>PRIMARY GOVERNMENT</th>
<th>COMPONENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>INTERNAL SERVICE FUNDS</td>
<td>GENERAL LONG-TERM DEBT ACCOUNT GROUP</td>
</tr>
<tr>
<td>2001</td>
<td>$ 3,370</td>
<td>$ 786</td>
</tr>
<tr>
<td>2002</td>
<td>1,953</td>
<td>500</td>
</tr>
<tr>
<td>2003</td>
<td>785</td>
<td>419</td>
</tr>
<tr>
<td>2004</td>
<td>216</td>
<td>425</td>
</tr>
<tr>
<td>2005</td>
<td>5</td>
<td>409</td>
</tr>
<tr>
<td>Thereafter</td>
<td></td>
<td>4,957</td>
</tr>
<tr>
<td>Total Minimum Payments</td>
<td>6,329</td>
<td>7,496</td>
</tr>
<tr>
<td>Less: interest and executory costs</td>
<td>361</td>
<td>2,606</td>
</tr>
<tr>
<td>Present value of net minimum payments</td>
<td>$ 5,968</td>
<td>$ 4,890</td>
</tr>
</tbody>
</table>

Capital leases have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of property and equipment under capital leases as of June 30, 2000 (dollars in thousands):

<table>
<thead>
<tr>
<th>BUILDING</th>
<th>EQUIPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 20,844</td>
<td>$ 12,997</td>
</tr>
</tbody>
</table>

The minimum annual lease payments for operating leases as of June 30, 2000 are as follows (dollars in thousands):

<table>
<thead>
<tr>
<th>Year</th>
<th>PRIMARY GOVERNMENT</th>
<th>COMPONENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>INTERNAL SERVICE FUNDS</td>
<td>GENERAL LONG-TERM DEBT ACCOUNT GROUP</td>
</tr>
<tr>
<td>2001</td>
<td>$ 3,864</td>
<td>$ 4,003</td>
</tr>
<tr>
<td>2002</td>
<td>2,845</td>
<td>4,003</td>
</tr>
<tr>
<td>2003</td>
<td>2,845</td>
<td>4,001</td>
</tr>
<tr>
<td>2004</td>
<td>2,845</td>
<td>4,006</td>
</tr>
<tr>
<td>2005</td>
<td>2,845</td>
<td>4,002</td>
</tr>
<tr>
<td>Thereafter</td>
<td>18,732</td>
<td>25,854</td>
</tr>
<tr>
<td>Total</td>
<td>$ 33,976</td>
<td>$ 45,669</td>
</tr>
</tbody>
</table>

Primary Government operating lease payments for the year ended June 30, 2000 totaled $8,925,000.

Lessor Transactions. The State also is a lessee of property, primarily farm land leased by the Board of Educational Lands and Funds to farmers and ranchers. At June 30, 2000, the State owned approximately 1.5 million acres of land that was under lease. Under the terms of the leases, the annual payments are subject to change based on annual market analysis. Total rents of $23,459,000 were received under these and other lease agreements for the year ended June 30, 2000.

9. General Long-Term Debt

The following is a summary of changes in the general long-term debt account group during the fiscal year (dollars in thousands):

<table>
<thead>
<tr>
<th>BALANCE</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>JUNE 30</td>
<td>JUNE 30</td>
</tr>
<tr>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>ADDITIONS</td>
<td>DELETIONS</td>
</tr>
<tr>
<td>Claims Payable</td>
<td>$ 1,754</td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>5,550</td>
</tr>
<tr>
<td>Capital Lease Obligations</td>
<td>5,810</td>
</tr>
<tr>
<td>Obligations Under Other Financing Arrangements</td>
<td>10,700</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>79,845</td>
</tr>
<tr>
<td>Totals</td>
<td>$ 103,659</td>
</tr>
</tbody>
</table>

The additions in compensated absences represent a net
increase. “Claims Payable” consists of the long-term portion of Medicaid claims.

10. Obligations Under Other Financing Arrangements

The State has entered into special financing arrangements with certain public benefit corporations to fund certain grant programs. Under these arrangements, the State enters into an agreement with a public benefit corporation to issue debt and capitalize a loan program. Money is appropriated from special revenue sources other than State tax receipts to pay the debt service. This arrangement does not violate the constitutional restrictions on the incurrence of debt since debt service is being paid from user fees and not general tax revenues.

Between 1991 and 2000, the State entered into arrangements with the Nebraska Investment Finance Authority to capitalize loan programs to local units of government for wastewater and drinking water treatment facilities.

Changes in these financing arrangements for the fiscal year were as follows (dollars in thousands):

<table>
<thead>
<tr>
<th></th>
<th>BALANCE</th>
<th></th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JULY 1,</td>
<td></td>
<td>JUNE 30,</td>
</tr>
<tr>
<td></td>
<td>1999</td>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>Nebraska</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td>$10,700</td>
<td></td>
<td>$12,700</td>
</tr>
<tr>
<td>Finance Authority</td>
<td>$7,530</td>
<td></td>
<td>$5,530</td>
</tr>
</tbody>
</table>

A summary of the future minimum contractual obligations including interest at rates from 4.80 percent to 5.70 percent is as follows (dollars in thousands):

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PRINCIPAL</th>
<th>INTEREST</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$</td>
<td>$151</td>
<td>$151</td>
</tr>
<tr>
<td>2002</td>
<td>160</td>
<td>296</td>
<td>456</td>
</tr>
<tr>
<td>2003</td>
<td>245</td>
<td>286</td>
<td>531</td>
</tr>
<tr>
<td>2004</td>
<td>255</td>
<td>273</td>
<td>528</td>
</tr>
<tr>
<td>2005</td>
<td>270</td>
<td>260</td>
<td>530</td>
</tr>
<tr>
<td>Thereafter</td>
<td>4,600</td>
<td>1,685</td>
<td>6,285</td>
</tr>
<tr>
<td>Total</td>
<td>$5,530</td>
<td>$2,951</td>
<td>$8,481</td>
</tr>
</tbody>
</table>

11. Contributed Capital

Internal Service Fund contributed capital at June 30, 2000 consisted of the following (dollars in thousands):

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Correctional Services</td>
<td>$205</td>
</tr>
<tr>
<td>Information Management Services</td>
<td>1,824</td>
</tr>
<tr>
<td>Risk Management</td>
<td>21</td>
</tr>
<tr>
<td>Accounting Services</td>
<td>59</td>
</tr>
<tr>
<td>Total</td>
<td>2,109</td>
</tr>
</tbody>
</table>

There were no changes in contributed capital balances during the year.

12. Pension Plans

Plans Administered by the Public Employees Retirement Board

The Public Employees Retirement Board (the Board), which consists of seven members, was created in 1971 to administer the Nebraska retirement plans then in existence. Those plans were the School, State Employees’, Judges’ and State Patrol plans. In October of 1973, the Board assumed the administration of the Nebraska Counties Retirement System. The plans have been created in accordance with Internal Revenue Code, Sections 401(a) and 414(h). Contribution and benefit provisions are established by State law and may only be amended by the State Legislature.

The Board prepares separate reports for the defined contribution plans and for the defined benefit plans. Copies of these reports that include financial statements and required supplementary information for the plans may be obtained by writing to Public Employees Retirement Systems, P.O. Box 94816, Lincoln, NE 68509-4816, or by calling 402-471-2053.

Basis of Accounting. The financial statements of the plans are prepared using the accrual basis of accounting, and are included as pension trust funds in the accompanying general purpose financial statements. Plan member and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Plan Description and Funding Policy. By State law, there is to be an equitable allocation of expenses among the retirement systems administered by the Board, and all expenses shall be provided from the investment income earned by the various retirement funds. Following is a summary of each of these plans:

State Employees’ Retirement. This plan became effective January 1, 1964, and is a single-employer defined contribution plan established to provide benefits at retirement to general employees of the State. The amounts presented in the accompanying general purpose financial statements for the State Employees’ Retirement System are for the fiscal year ended December 31, 1999.

Participation in the plan is required for all permanent full-time employees upon reaching the age of 30 and completion of 24 months of continuous service. Each member contributes 4.33 percent of their compensation until $864 has been paid and 4.8 percent of pay for the rest of the calendar year. The State matches a member’s contribution at a rate of 156 percent.

As of December 31, 1999, there were 12,840 active members and 1,656 inactive members. Members
contributed $18,052,000 and the State contributed $26,154,000 during the year ended December 31, 1999, which was equal to required contributions.

**County Employees’ Retirement.** In 1973, the State Legislature brought the County Employees’ Retirement System under the administration of the Board. The amounts presented in the accompanying general purpose financial statements for the County Employees’ Retirement System are for the fiscal year ended December 31, 1999.

The plan is a multiple-employer defined contribution plan that covers employees of 91 of the 93 counties. Participation in the plan is required of all employees working 20 or more hours per week upon the completion of 12 months of continuous service and of all elected officials. County employees and elected officials contribute four percent and commissioned law enforcement personnel (for participating counties with an excess of 85,000 inhabitants) contribute six percent of their total compensation. The counties contribute six percent and eight percent, respectively. The State is not required to contribute to this plan.

As of December 31, 1999, there were 5,840 active members and 877 inactive members. Members contributed $5,041,000 and counties contributed $7,039,000 during the year ended December 31, 1999, which were equal to required contributions.

**School Retirement.** The School Retirement System is a cost-sharing multiple-employer defined benefit pension plan with 603 participating school districts. All regular public school employees in Nebraska, other than those who have their own retirement plan, are members of the system. The benefits are based on both service and contributions.

The State’s contribution is based on an annual actuarial valuation. The employees’ contribution is 7.25 percent of their total pay and the school district’s contribution is 101 percent of the employees’ contribution.

** Judges’ Retirement.** The Judges’ Retirement System is a single-employer defined benefit pension system. The membership includes judges and associate judges employed by the State for the Supreme Court, Court of Appeals, District Court, Workers’ Compensation Court, County Court, and Juvenile Court. Benefits are based on both service and final average salary. Benefits vest when the judge takes office.

Members’ contributions, a portion of court fees collected, and the State’s contribution, which is based on an annual actuarial valuation, fund the plan. The judges contribute six percent of their salary.

**State Patrol Retirement.** The State Patrol Retirement System is a single-employer defined benefit pension system for officers of the patrol. The benefits are based on a percentage of the final average salary multiplied by years of service, not to exceed 75 percent of the average salary. Participation is mandated upon employment.

Members are required to contribute eleven percent of their annual pay, which is matched by the State Patrol. The State’s contribution is based on an annual actuarial valuation.

The following schedule presents the primary actuarial assumptions used in the most recent actuarial reports for the single-employer defined benefit contribution plans:

<table>
<thead>
<tr>
<th>JUDGES’ Retirement</th>
<th>STATE PATROL RETIREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial Valuation Date</td>
<td>6/30/2000</td>
</tr>
<tr>
<td>Actuarial Cost Method</td>
<td>Frozen Entry Age</td>
</tr>
<tr>
<td>Amortization Method</td>
<td>Level Amount Closed</td>
</tr>
<tr>
<td>Amortization Period</td>
<td>25 Years</td>
</tr>
<tr>
<td>Mortality</td>
<td>1971 Group Annuity Table</td>
</tr>
<tr>
<td>Asset Valuation Method</td>
<td>5-year Smoothed Market</td>
</tr>
<tr>
<td>Actuarial Assumptions:</td>
<td></td>
</tr>
<tr>
<td>Investment Rate of Return **</td>
<td>8.0%</td>
</tr>
<tr>
<td>Projected Salary Increases **</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

** Includes assumed inflation of 3.8% per year.

The following table provides the schedules of funding progress for the single-employer defined benefit contribution plans:
The employees’ contribution rate to the defined benefit plan is set by the Commissioner of Labor at somewhere between zero and seven percent of earnings each year based on an annual review of the financial condition of the plan as presented by the insurance company’s actuaries. The employer contribution is based on an annual Actuarial Valuation Report and includes contributions for prior service. Retirement benefits are based on a percentage formula that includes the employee’s salary and years of credited service.

The July 1, 1999, net present value of assets available for benefits was $70,874,000 that exceeded the present value of future retirement benefits by $7,734,000. The average assumed rate of return used in determining the actuarial value of accumulated plan benefits was 7.5 percent.

The Nebraska Department of Labor’s required and actual current year employer contributions were $0. The total personal services for the Division of Employment was $14,454,000. The total payroll for the active participants in this plan was $5,992,000.

Component Units. The Teachers Insurance and Annuity Association (TIAA-CREF), a privately administered defined contribution retirement plan, provides individual retirement fund contracts for eligible employees of the State Colleges and Universities. Under the plan, eligible employees contribute 3.5 percent to 6.0 percent of monthly earnings and the institutions match the employees’ contributions plus an additional 1.5 percent to 2.5 percent of earnings. Participation in the plan is required upon reaching the age of 30 with two years of continuous service. Voluntary participation is permitted upon reaching the age of 25 and two years of continuous service. The plan benefits are fully vested at the date of contribution. The State assumes no liability for the plan other than payment of contributions.

The total payroll for the State Colleges and Universities for fiscal year 2000 was $543,817,000 of which $413,020,000 was covered by the plan. The institutions’
contributions were $29,900,000 or 7.24 percent of covered payroll and the employees' contributions were $21,671,000 or 5.25 percent of covered payroll.

13. Contingencies and Commitments

Grants and Contracts. The State participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the State.

All State agencies including institutions of higher education are required to comply with various federal regulations issued by the U.S. Office of Management and Budget if such agency or institution is a recipient of federal grants, contracts, or other sponsored agreements. Certain agencies or institutions may not be in total compliance with these regulations. Failure to comply may result in questions concerning the allowable of related direct and indirect charges pursuant to such agreements. It is believed that the ultimate disallowance pertaining to these regulations, if any, will not be material to the overall financial condition of the State.

Litigation. The State is named as a party in legal proceedings that occur in the normal course of governmental operations. Such litigation includes, but is not limited to, claims asserted against the State arising from alleged torts, alleged breaches of contract, condemnation proceedings and other alleged violations of State and Federal laws. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the State for these proceedings. It is the State’s opinion that the ultimate liability for these and other proceedings is not expected to have a material adverse effect on the State’s financial position.

The State also has been named as a party in legal proceedings that occur outside of the normal course of governmental operations. It is not possible at the present time to estimate the ultimate outcome or liability, if any, of the State for these proceedings. The effects of this litigation will be reflected in future years, as the uncertainties regarding the litigation are resolved.

Entergy Arkansas, Inc. and other interested parties have filed a suit against the State of Nebraska and other defendants for $98 million, alleging improper actions in the license review for the low-level radioactive waste facility for the Central Interstate Compact. Currently, a request for dismissal of the suit filed on behalf of the State and all defendants is on appeal to the Eight Circuit Court of Appeals. The State is vigorously defending this lawsuit. It is not possible at this time to estimate the outcome of this appeal or the ultimate liability, if any, of the State as a result of this proceeding.

On June 1, 2000, a District Court opined that the $1.25 million limit on the total amount of damages recoverable in a medical malpractice action was unconstitutional. This case has been appealed to the Nebraska Supreme Court. That court previously determined the Medical Malpractice Act constitutional. Should the court reverse its previous position, it is not possible, at the present time, to estimate the increase in liability to the Excess Liability Enterprise Fund should the limit be eliminated.

Construction Commitments. At June 30, 2000, the State had contractual commitments of approximately $311,863,000 for various highway and building projects. Funding of these future expenditures is expected to be provided as follows (dollars in thousands):

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal funds</td>
<td>$91,718</td>
</tr>
<tr>
<td>State funds</td>
<td>204,840</td>
</tr>
<tr>
<td>Local funds</td>
<td>15,305</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$311,863</strong></td>
</tr>
</tbody>
</table>

At June 30, 2000, the Colleges and Universities had contracted for the construction of several facilities that are estimated to cost $188,597,000. The approximate remaining costs to complete these facilities were $75,880,000, which will be financed as follows (dollars in thousands):

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>$1,706</td>
</tr>
<tr>
<td>University funds</td>
<td>14,203</td>
</tr>
<tr>
<td>Private gifts, grants and contracts</td>
<td>40,313</td>
</tr>
<tr>
<td>Bond funds</td>
<td>19,658</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$75,880</strong></td>
</tr>
</tbody>
</table>

14. Risk Management

Through the Department of Administrative Services, Divisions of Risk Management and State Personnel, the State maintains insurance and self-insurance programs. Workers’ compensation, employee liability and general liability are self-insured. The Colleges and Universities are self-insured for a portion of their comprehensive general and property losses. The Colleges and Universities purchase commercial insurance coverage for hospital professional liability. Motor vehicle liability is insured with a $5 million limit and a $300,000 retention per occurrence and employee dishonesty is insured with a $1 million limit with a $10,000 retention per incident. The State insures against property damage, maintaining a policy with a $250 million limit and a $100,000 retention per occurrence. The State also provides insurance for personal property damage. Settled claims have not exceeded this commercial insurance coverage in any of the past three years. The Division of State Personnel maintains health care and life insurance for eligible State employees. These activities are reported in the Risk Management Internal Service Fund.
State of Nebraska

Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The balance of claims liabilities is determined by an analysis of past, current, and future estimated loss experience. Because actual claims liabilities depend on such factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability may not result in an exact amount. Claims liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balances of claims liabilities during the years ended June 30, 2000, and 1999, were as follows (dollars in thousands):

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$30,463</td>
<td>$28,594</td>
</tr>
<tr>
<td>Current Year Claims and Changes in Estimates</td>
<td>58,259</td>
<td>78,153</td>
</tr>
<tr>
<td>Claim Payments</td>
<td>$(52,311)</td>
<td>$(76,284)</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$34,411</td>
<td>$30,463</td>
</tr>
</tbody>
</table>

15. Segment Information

The State maintains two enterprise funds. The Lottery Fund accounts for all receipts and expenses from the operations of the State Lottery. The Excess Liability Fund accounts for liability insurance coverage provided to health care providers.

Segment information for the fiscal year ended June 30, 2000, is as follows (dollars in thousands):

<table>
<thead>
<tr>
<th></th>
<th>LOTTERY</th>
<th>EXCESS LIABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$68,170</td>
<td>$834</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>51</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>52,463</td>
<td>21,832</td>
</tr>
<tr>
<td>Operating Income</td>
<td>15,656</td>
<td>(20,798)</td>
</tr>
<tr>
<td>Operating Transfers Out</td>
<td>(17,042)</td>
<td>-</td>
</tr>
<tr>
<td>Nonoperating Revenues</td>
<td>996</td>
<td>2,730</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>$(390)</td>
<td>$(18,058)</td>
</tr>
<tr>
<td>Current Assets</td>
<td>$14,914</td>
<td>$8,215</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>9,152</td>
<td>6,107</td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>$5,762</td>
<td>$2,108</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$17,802</td>
<td>$56,049</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>9,281</td>
<td>41,701</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>$5,541</td>
<td>$14,348</td>
</tr>
<tr>
<td>Long-Term Liabilities</td>
<td>109</td>
<td>35,594</td>
</tr>
<tr>
<td>Property, Plant and Equipment, Additions</td>
<td>$29</td>
<td>-</td>
</tr>
</tbody>
</table>

There were no operating grants, entitlements, tax or shared revenues, or capital contributions during the fiscal year ended June 30, 2000.

16. Joint Venture

On October 1, 1997, the Board of Regents of the University of Nebraska and Bishop Clarkson Memorial Hospital (Clarkson) entered into a Joint Operating Agreement forming the Nebraska Health System (NHS), a Nebraska nonprofit corporation. NHS is governed by a Board of Directors comprised of six members appointed by Clarkson and six members appointed by the Board of Regents. Upon dissolution of NHS, the University and Clarkson will share equally in the remaining assets. Because the University has an ongoing financial interest in NHS, the University is accounting for the joint venture using the equity method. Contributions to the joint venture by the University included cash, temporary investments, accounts receivable, investment reserves, equipment and debt resulting in a total initial investment of approximately $114,300,000. The University also entered into an operating lease arrangement with NHS for the lease of certain healthcare facilities. The University has recorded a fifty percent equity in earnings of NHS for the year ended June 30, 2000 totaling approximately $2,917,000. In addition, to the extent that sufficient funds are available as determined by the NHS Board of Directors, the University will receive an annual capital distribution. A distribution was declared in fiscal year 2000, of which the University received $3,500,000 in July 2000. This amount is accrued in the financial statements at June 30, 2000.

In connection with the Joint Operating Agreement, the Board of Regents also entered into an Academic Affiliation Agreement for Education and Research with NHS. In accordance with this agreement, the University will receive fifty percent of net revenues from the operations over 4.5 percent of the net revenues retained by NHS. For the year ended June 30, 2000, no additional revenues were received as net revenues of NHS did not exceed 4.5 percent.

Separate financial statements of NHS can be obtained from the Nebraska Health System, 42nd Street and Dewey Avenue, Omaha NE 68105.

17. Subsequent Event

On August 1, 2000, the University of Nebraska issued $6,555,000 of bonds to pay the costs of expanding and renovating the University of Nebraska at Kearney Student Union. Bond debt service requirements are to be paid from student fees and operations of residence halls, dormitories and other housing facilities.
18. Restatements

At June 30, 1999, certain fund balances were restated as follows:

<table>
<thead>
<tr>
<th>COMPONENT UNITS - COLLEGES AND UNIVERSITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESTATEMENT OF BEGINNING FUND BALANCE</td>
</tr>
<tr>
<td>(Dollars in Thousands)</td>
</tr>
<tr>
<td>UNIVER</td>
</tr>
<tr>
<td>CITY OF NEBRASKA</td>
</tr>
<tr>
<td>Fund Balance at June 30, 1999,</td>
</tr>
<tr>
<td>previously reported</td>
</tr>
<tr>
<td>Prior period adjustment</td>
</tr>
<tr>
<td>Fund Balance at June 30, 1999,</td>
</tr>
<tr>
<td>as restated</td>
</tr>
</tbody>
</table>

Subsequent to the issuance of the June 30, 1999 general purpose financial statements, the University of Nebraska determined that a bequest had been received directly by the University of Nebraska Foundation for the benefit of the University of Nebraska and was not recorded on the 1999 financial statements.
COMBINING AND INDIVIDUAL FUND STATEMENTS

SPECIAL REVENUE FUNDS

Specific revenues that are legally restricted to expenditure for particular activities are accounted for in Special Revenue Funds. A brief description of each fund follows.

**Licensing and Regulation.** This fund accounts for all activities of agencies, boards, and commissions whose primary function is licensing individuals and regulating industry and professions. This includes a diverse group of professions such as abstracters, medical professions, barbers, engineers, architects and accountants.

**Highway Fund.** This fund accounts for the activities of the Department of Motor Vehicles and the Department of Roads in relation to gas taxes and other highway user fees.

**Economic Development.** This fund accounts for activities to develop and promote the growth of industry, agriculture, commerce and tourism, and utilization of resources within Nebraska.

**Airport Development.** This fund accounts for the activities relating to aircraft fuels tax, which is administered by the Department of Aeronautics for the support and maintenance of public airports.

**Game and Parks.** This fund accounts for the activities related to the Nebraska Game and Parks Commission, which is responsible for the development and preservation of the fish and wildlife resources of Nebraska, and operation and administration of the State park system.

**Energy Conservation.** This fund accounts for activities relating to the oil and gas severance taxes as well as energy conservation and development activities. The State Energy Office is responsible for providing technical assistance on energy conservation and development, distributing funds for the school weatherization program, and administering and distributing federal funds provided to the State in the area of energy efficiency.

**Federal Fund.** This fund accounts for substantially all federal monies received by the State, except those received by the Highway Fund and the Colleges and Universities.

**Health and Social Services.** This fund accounts for activities of agencies, boards, and commissions relating to health care and social services.

**State Building Corporation.** This fund accounts for the activities of a blended component unit.

**NETC Leasing Corporation.** This fund accounts for the activities of a blended component unit.

**Other Special Revenue.** This fund accounts for various other revenues that must be used for specific purposes.
# State of Nebraska

## COMBINING BALANCE SHEET

### ALL SPECIAL REVENUE FUNDS

**June 30, 2000**

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th>LICENSING AND REGULATION</th>
<th>HIGHWAY FUND</th>
<th>ECONOMIC DEVELOPMENT</th>
<th>AIRPORT DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 40,876</td>
<td>$ 55,898</td>
<td>$ 10,695</td>
<td>$ 4,474</td>
</tr>
<tr>
<td>Cash on Deposit with Fiscal Agents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>64,711</td>
<td>59,194</td>
<td>17,358</td>
<td>-</td>
</tr>
<tr>
<td>Invested Securities Lending Collateral</td>
<td>26,056</td>
<td>23,835</td>
<td>6,089</td>
<td>-</td>
</tr>
<tr>
<td>Receivables, net of allowance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>98</td>
<td>39,382</td>
<td>-</td>
<td>151</td>
</tr>
<tr>
<td>Due from Federal Government</td>
<td>14</td>
<td>17,916</td>
<td>-</td>
<td>205</td>
</tr>
<tr>
<td>Loans</td>
<td>-</td>
<td>-</td>
<td>125</td>
<td>3,337</td>
</tr>
<tr>
<td>Other</td>
<td>3,065</td>
<td>16,150</td>
<td>1,168</td>
<td>95</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>13</td>
<td>174</td>
<td>540</td>
<td>79</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>10,280</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>29</td>
<td>6</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>19</td>
<td>-</td>
<td>540</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$ 134,881</strong></td>
<td><strong>$ 222,835</strong></td>
<td><strong>$ 37,415</strong></td>
<td><strong>$ 8,344</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND FUND BALANCES

**LIABILITIES:**

| Accounts Payable and Accrued Liabilities | $ 952 | $ 50,670 | $ 807 | $ 159 |
| Tax Refunds Payable | - | 5,034 | - | - |
| Due to Other Governments | 75 | 10,222 | - | - |
| Deposits | 1,965 | 473 | 540 | - |
| Due to Other Funds | 326 | 1,159 | 46 | 7 |
| Obligations under Securities Lending | 26,056 | 23,835 | 6,989 | - |
| Claims Payable | - | - | - | - |
| Deferred Revenue | - | - | - | - |
| Other | 13 | 99 | - | - |
| **TOTAL LIABILITIES** | **29,357** | **91,492** | **8,382** | **166** |

**FUND BALANCES:**

Reserved for:

| Long-Term Receivables | - | - | 125 | 3,337 |
| Inventories and Prepaid Items | 29 | 10,286 | - | 3 |
| Debt Service | - | - | - | - |
| Unreserved | 105,465 | 121,057 | 28,908 | 4,838 |
| **TOTAL FUND BALANCES** | **105,494** | **131,343** | **29,033** | **8,178** |

**TOTAL LIABILITIES AND FUND BALANCES**

<p>| | <strong>$ 134,881</strong> | <strong>$ 222,835</strong> | <strong>$ 37,415</strong> | <strong>$ 8,344</strong> |</p>
<table>
<thead>
<tr>
<th>GAME AND PARKS</th>
<th>ENERGY CONSERVATION</th>
<th>FEDERAL FUND</th>
<th>HEALTH AND SOCIAL SERVICES</th>
<th>STATE BUILDING CORPORATION</th>
<th>NETC LEASING CORPORATION</th>
<th>OTHER SPECIAL REVENUE</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 18,458</td>
<td>$ 9,781</td>
<td>$ 12,495</td>
<td>$ 77,331</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 34,032</td>
<td>$ 264,040</td>
</tr>
<tr>
<td>25,360</td>
<td>-</td>
<td>2,713</td>
<td>117,093</td>
<td>-</td>
<td>818</td>
<td>23,056</td>
<td>5,715</td>
</tr>
<tr>
<td>10,211</td>
<td>-</td>
<td>1,245</td>
<td>47,149</td>
<td>-</td>
<td>-</td>
<td>23,481</td>
<td>350,524</td>
</tr>
<tr>
<td>793</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>39</td>
<td>-</td>
<td>-</td>
<td>39,670</td>
</tr>
<tr>
<td>18,647</td>
<td>-</td>
<td>3,490</td>
<td>1,551</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>111,639</td>
</tr>
<tr>
<td>725</td>
<td>157</td>
<td>18,543</td>
<td>7,653</td>
<td>-</td>
<td>563</td>
<td>1,659</td>
<td>49,778</td>
</tr>
<tr>
<td>2,753</td>
<td>-</td>
<td>39</td>
<td>202</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>144,615</td>
</tr>
<tr>
<td>-</td>
<td>15,325</td>
<td>1,254</td>
<td>-</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>26,859</td>
</tr>
<tr>
<td>47</td>
<td>-</td>
<td>36</td>
<td>14</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>567,615</td>
</tr>
<tr>
<td>567,347</td>
<td>28,585</td>
<td>247,830</td>
<td>252,247</td>
<td>23,619</td>
<td>216,342</td>
<td>1,231,263</td>
<td></td>
</tr>
</tbody>
</table>

| $ 5,423       | $ 44                  | $ 45,452     | $ 977                     | -                         | $ 27                    | $ 3,969              | $ 108,480 |
| -             | -                    | -            | -                        | -                         | -                       | -                    | 5,034          |
| -             | -                    | -            | -                        | -                         | -                       | -                    | 10,335 |
| 118           | 2                    | 9,600        | 236                      | -                         | -                       | -                    | 12,945 |
| 10,211        | -                    | 1,245        | 47,149                   | -                         | -                       | 23,481               | 138,966 |
| 106           | -                    | 17,913       | -                        | -                         | -                       | -                    | 18,019 |
| 5             | -                    | 342          | -                        | -                         | 4                       | -                    | 463,172 |
| 15,863        | 46                   | 157,092      | 48,813                   | -                         | 27                      | 29,804              | 381,072 |

- 18,647  3,490  1,551  -  -  84,489  111,639
47  -  36  1,268  -  -  5,311  6,704
- - - 818 575  -  -  - 320,473 720,170
42,437 9,892 87,212 200,615  -  23,017 96,729 720,170
42,484 28,539 90,738 203,434 818 23,592 186,538 850,191

| TOTALS        | $ 58,347             | $ 28,585     | $ 247,830                | $ 252,247                | $ 818                   | $ 23,619            | $ 216,342        | $ 1,231,263 |

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State of Nebraska

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Licensing and Regulation</th>
<th>Highway Fund</th>
<th>Economic Development</th>
<th>Airport Development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 69,467</td>
<td>$ 393,936</td>
<td>$ 22,064</td>
<td>$ 1,749</td>
</tr>
<tr>
<td>Federal Grants and Contracts</td>
<td>221</td>
<td>211,339</td>
<td>6</td>
<td>12,317</td>
</tr>
<tr>
<td>Licenses, Fees and Permits</td>
<td>39,174</td>
<td>63,974</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>2,156</td>
<td>16,367</td>
<td>360</td>
<td>192</td>
</tr>
<tr>
<td>Investment Income</td>
<td>5,801</td>
<td>7,613</td>
<td>2,386</td>
<td>273</td>
</tr>
<tr>
<td>Rents and Royalties</td>
<td>-</td>
<td>313</td>
<td>-</td>
<td>756</td>
</tr>
<tr>
<td>Other</td>
<td>2,141</td>
<td>9,259</td>
<td>408</td>
<td>76</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>118,960</td>
<td>702,801</td>
<td>25,224</td>
<td>15,363</td>
</tr>
</tbody>
</table>

**EXPENDITURES:**

Current:
- General Government
- Conservation of Natural Resources
- Culture – Recreation
- Economic Development and Assistance
- Education
- Health and Social Services
- Public Safety
- Regulation of Business and Professions 62,437
- Transportation
- Intergovernmental
- Debt Service
- Principal
- Interest

**TOTAL EXPENDITURES** 62,437

Excess of Revenues Over (Under) Expenditures 56,523

**OTHER FINANCING SOURCES (USES):**

- Operating Transfers In 2,329
- Operating Transfers Out (22,789)
- Proceeds from Bond Issuance
- Proceeds from Other Financing Arrangements

**TOTAL OTHER FINANCING SOURCES (USES)** (20,460)

Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses 36,063

**FUND BALANCES, JULY 1** 69,431

**FUND BALANCES, JUNE 30**  $ 105,494

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>156,899</td>
<td>36,767</td>
<td>7,705</td>
<td></td>
</tr>
<tr>
<td></td>
<td>131,343</td>
<td>29,033</td>
<td>$ 8,178</td>
<td></td>
</tr>
</tbody>
</table>

60
<table>
<thead>
<tr>
<th>GAME AND PARKS</th>
<th>ENERGY CONSERVATION</th>
<th>FEDERAL FUND</th>
<th>HEALTH AND SOCIAL SERVICES</th>
<th>STATE BUILDING CORPORATION</th>
<th>NETC LEASING CORPORATION</th>
<th>OTHER SPECIAL REVENUE</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1,251</td>
<td>$ 300</td>
<td>$ -</td>
<td>$ 3,263</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 24,019</td>
<td>$ 516,049</td>
</tr>
<tr>
<td>7,384</td>
<td>-</td>
<td>1,317,280</td>
<td>245</td>
<td>-</td>
<td>-</td>
<td>2,679</td>
<td>1,551,471</td>
</tr>
<tr>
<td>16,361</td>
<td>-</td>
<td>-</td>
<td>1,200</td>
<td>-</td>
<td>-</td>
<td>21,455</td>
<td>142,164</td>
</tr>
<tr>
<td>3,589</td>
<td>31</td>
<td>12,036</td>
<td>27,590</td>
<td>-</td>
<td>-</td>
<td>13,986</td>
<td>76,307</td>
</tr>
<tr>
<td>2,971</td>
<td>628</td>
<td>1,813</td>
<td>8,579</td>
<td>45</td>
<td>495</td>
<td>6,810</td>
<td>37,414</td>
</tr>
<tr>
<td>7,000</td>
<td>-</td>
<td>18</td>
<td>212</td>
<td>680</td>
<td>-</td>
<td>1,394</td>
<td>10,373</td>
</tr>
<tr>
<td>884</td>
<td>261</td>
<td>22,550</td>
<td>112,210</td>
<td>-</td>
<td>445</td>
<td>9,375</td>
<td>157,609</td>
</tr>
<tr>
<td>39,440</td>
<td>1,220</td>
<td>1,353,697</td>
<td>153,299</td>
<td>725</td>
<td>940</td>
<td>79,718</td>
<td>2,491,387</td>
</tr>
</tbody>
</table>

- - 1,305 - 2 - 16,187 17,494 |
- 33,802 434 16,900 - - - 10,865 62,001 |
- 14,982 - 1,235 - - - 1,347 17,564 |
- - 57,507 - - - 775 74,990 |
- - 166,836 - - 32 16,100 182,968 |
- - 1,030,217 60,736 - - 575 1,091,528 |
- - 36,739 - - - 22,324 59,063 |
- - 998 - - - 1,031 64,466 |
- - - - - - 759,386 |
- - - - 365 - - 12,700 13,065 |

- 48,784 434 1,311,737 60,736 706 270 100,246 2,361,444 |

(9,344) 786 41,960 92,563 19 670 (20,528) 129,943 |

8,622 - - 861 - - 28,920 69,388 |
- - (13,133) - - (6,700) (71,389) |
- - - - - 22,922 - 22,922 |
- - - - - - 7,530 7,530 |

8,622 - (13,133) 861 - 22,922 29,750 28,451 |

(722) 786 28,827 93,424 19 23,592 9,222 158,394 |

43,206 27,753 61,911 110,010 799 - 177,316 691,797 |

$ 42,484 $ 28,539 $ 90,738 $ 203,434 $ 818 $ 23,592 $ 186,538 $ 850,191 |
ENTERPRISE FUNDS

Enterprise Funds are maintained to account for operations that are financed and operated in a manner similar to private business enterprises—where the costs of providing goods and services to the general public are financed primarily through user charges.

**Lottery Fund.** This fund accounts for all receipts and expenses from the operations of the State Lottery.

**Excess Liability Fund.** This fund accounts for the activity resulting from implementation of the Nebraska Hospital-Medical Liability Act. Revenues are primarily insurance premiums from certain health care providers and a surcharge levied on all health care providers in Nebraska. Expenses from the fund are used to pay judgments against the insured health care provider.
State of Nebraska

COMBINING BALANCE SHEET
ENTERPRISE FUNDS
June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LOTTERY</th>
<th>EXCESS LIABILITY</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$11,264</td>
<td>$7,672</td>
<td>$18,936</td>
</tr>
<tr>
<td>Receivables, net of allowance</td>
<td>3,465</td>
<td>543</td>
<td>4,008</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>185</td>
<td>-</td>
<td>185</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td>14,914</td>
<td>8,215</td>
<td>23,129</td>
</tr>
<tr>
<td>RESTRICTED ASSETS:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term Deposits</td>
<td>2,796</td>
<td>-</td>
<td>2,796</td>
</tr>
<tr>
<td>NONCURRENT ASSETS:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term Investments</td>
<td>-</td>
<td>47,759</td>
<td>47,759</td>
</tr>
<tr>
<td>Invested Securities Lending Collateral</td>
<td>-</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Property, Plant and Equipment, net</td>
<td>92</td>
<td>-</td>
<td>92</td>
</tr>
<tr>
<td>TOTAL NONCURRENT ASSETS</td>
<td>92</td>
<td>47,834</td>
<td>47,926</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$17,802</td>
<td>$56,049</td>
<td>$73,851</td>
</tr>
</tbody>
</table>

LIABILITIES AND RETAINED EARNINGS

CURRENT LIABILITIES:

| | LOTTERY | EXCESS LIABILITY | TOTALS |
| Accounts Payable and Accrued Liabilities | $6,137 | $13 | $6,150 |
| Due to Other Funds | 3,015 | 11 | 3,026 |
| Claims Payable | - | 5,781 | 5,781 |
| Deferred Revenue | - | 302 | 302 |
| TOTAL CURRENT LIABILITIES | 9,152 | 6,107 | 15,259 |

NONCURRENT LIABILITIES:

| | LOTTERY | EXCESS LIABILITY | TOTALS |
| Accrued Compensated Absences | 109 | - | 109 |
| Obligations under Securities Lending | - | 75 | 75 |
| Claims Payable | - | 35,519 | 35,519 |
| TOTAL NONCURRENT LIABILITIES | 109 | 35,594 | 35,703 |
| TOTAL LIABILITIES | 9,261 | 41,701 | 50,962 |

RETAINED EARNINGS:

| | LOTTERY | EXCESS LIABILITY | TOTALS |
| Reserved for Lottery Prizes | 2,796 | - | 2,796 |
| Unreserved | 5,745 | 14,348 | 20,093 |
| TOTAL RETAINED EARNINGS | 8,541 | 14,348 | 22,889 |
| TOTAL LIABILITIES AND RETAINED EARNINGS | $17,802 | $56,049 | $73,851 |
State of Nebraska

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS ENTERPRISE FUNDS

For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>LOTTERY</th>
<th>EXCESS LIABILITY</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$ 68,170</td>
<td>$ 834</td>
<td>$ 69,004</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>$ 68,170</td>
<td>$ 834</td>
<td>$ 69,004</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Services</td>
<td>1,161</td>
<td>-</td>
<td>1,161</td>
</tr>
<tr>
<td>Services and Supplies</td>
<td>15,010</td>
<td>532</td>
<td>15,542</td>
</tr>
<tr>
<td>Lottery Prizes</td>
<td>36,292</td>
<td>-</td>
<td>36,292</td>
</tr>
<tr>
<td>Insurance Claims</td>
<td>-</td>
<td>21,100</td>
<td>21,100</td>
</tr>
<tr>
<td>Depreciation</td>
<td>51</td>
<td>-</td>
<td>51</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>52,514</td>
<td>21,832</td>
<td>74,346</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>15,656</td>
<td>(20,798)</td>
<td>(5,142)</td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>996</td>
<td>2,730</td>
<td>3,726</td>
</tr>
<tr>
<td><strong>TOTAL NONOPERATING REVENUES (EXPENSES)</strong></td>
<td>996</td>
<td>2,730</td>
<td>3,726</td>
</tr>
<tr>
<td>Income (Loss) Before Operating Transfers</td>
<td>16,652</td>
<td>(18,068)</td>
<td>(1,416)</td>
</tr>
<tr>
<td><strong>OPERATING TRANSFERS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers Out</td>
<td>(17,042)</td>
<td>-</td>
<td>(17,042)</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>(390)</td>
<td>(18,068)</td>
<td>(18,458)</td>
</tr>
<tr>
<td><strong>RETRAINED EARNINGS, JULY 1</strong></td>
<td>8,931</td>
<td>32,416</td>
<td>41,347</td>
</tr>
<tr>
<td><strong>RETRAINED EARNINGS, JUNE 30</strong></td>
<td>$ 8,541</td>
<td>$ 14,348</td>
<td>$ 22,889</td>
</tr>
</tbody>
</table>
### COMBINING STATEMENT OF CASH FLOWS
#### ENTERPRISE FUNDS
For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Lottery</th>
<th>Excess Liability</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Received from Customers</td>
<td>$69,061</td>
<td>$803</td>
<td>$69,864</td>
</tr>
<tr>
<td>Cash Paid to Employees</td>
<td>(1,138)</td>
<td>-</td>
<td>(1,138)</td>
</tr>
<tr>
<td>Cash Paid to Suppliers</td>
<td>(17,287)</td>
<td>(342)</td>
<td>(17,629)</td>
</tr>
<tr>
<td>Cash Paid for Lottery Prizes</td>
<td>(36,779)</td>
<td>-</td>
<td>(36,779)</td>
</tr>
<tr>
<td>Cash Paid for Insurance Claims</td>
<td>-</td>
<td>(6,300)</td>
<td>(6,300)</td>
</tr>
<tr>
<td>Cash Paid for Interfund Services</td>
<td>(288)</td>
<td>(189)</td>
<td>(477)</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td>13,569</td>
<td>(6,028)</td>
<td>7,541</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers Out</td>
<td>(15,544)</td>
<td></td>
<td>(15,544)</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</strong></td>
<td>(15,544)</td>
<td></td>
<td>(15,544)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM CAPITAL AND RELATED FINANCING:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition and Construction of Capital Assets</td>
<td>(29)</td>
<td></td>
<td>(29)</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</strong></td>
<td>(29)</td>
<td></td>
<td>(29)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Investment Securities</td>
<td>-</td>
<td>(122,955)</td>
<td>(122,955)</td>
</tr>
<tr>
<td>Proceeds from Sale of Investment Securities</td>
<td>-</td>
<td>131,554</td>
<td>131,554</td>
</tr>
<tr>
<td>Interest and Dividend Income</td>
<td>826</td>
<td>3,731</td>
<td>4,557</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td>826</td>
<td>12,330</td>
<td>13,156</td>
</tr>
<tr>
<td><strong>NET INCREASE (DECREASE) IN CASH</strong></td>
<td>(1,178)</td>
<td>6,302</td>
<td>5,124</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS, JULY 1</strong></td>
<td>12,442</td>
<td>1,370</td>
<td>13,812</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS, JUNE 30</strong></td>
<td>$11,264</td>
<td>$7,672</td>
<td>$18,936</td>
</tr>
</tbody>
</table>

**RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Lottery</th>
<th>Excess Liability</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)</td>
<td>$15,656</td>
<td>$(20,798)</td>
<td>$(5,142)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income to net cash flows from operating activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>51</td>
<td></td>
<td>51</td>
</tr>
<tr>
<td>Change in Assets and Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) Decrease in Accounts Receivable</td>
<td>891</td>
<td></td>
<td>891</td>
</tr>
<tr>
<td>(Increase) Decrease in Prepaid Expenses</td>
<td>(20)</td>
<td></td>
<td>(20)</td>
</tr>
<tr>
<td>(Increase) Decrease in Other Assets</td>
<td>95</td>
<td></td>
<td>95</td>
</tr>
<tr>
<td>Increase (Decrease) in Accounts Payable and Accrued Liabilities</td>
<td>(3,107)</td>
<td>3</td>
<td>(3,104)</td>
</tr>
<tr>
<td>Increase (Decrease) in Due to Other Funds</td>
<td>3</td>
<td>(2)</td>
<td>1</td>
</tr>
<tr>
<td>Increase (Decrease) in Claims Payable</td>
<td>-</td>
<td>14,800</td>
<td>14,800</td>
</tr>
<tr>
<td>Increase (Decrease) in Deferred Revenue</td>
<td>-</td>
<td>(31)</td>
<td>(31)</td>
</tr>
<tr>
<td><strong>Total adjustments</strong></td>
<td>(2,087)</td>
<td>14,770</td>
<td>12,683</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td>$13,569</td>
<td>(6,028)</td>
<td>$7,541</td>
</tr>
</tbody>
</table>
INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the operations of State agencies that provide goods and services to other departments or agencies within State government on a cost-reimbursement basis. The State has the following internal service funds:

Correctional Services. The activities of Cornhusker State Industries in the Department of Correctional Services are accounted for in this fund.

Buildings and Grounds. The activities of the Department of Administrative Services, Building Division, for space rental, office and storage, and operating the parking areas are accounted for in this fund.

General Services. This fund accounts for the operations of central services provided by the Department of Administrative Services, Materiel Division. These operations are the central mailroom, printing, central stores, purchasing services, surplus State property, and other miscellaneous office services.

Communications. This fund accounts for the activities of the central communications network maintained by the Department of Administrative Services, Communications Division.

Information Management Services. The central data processing operations maintained by the Department of Administrative Services, Information Management Services Division, are accounted for in this fund.

Transportation Services Bureau. This fund accounts for the operations of the central motor pool, which is under the Department of Administrative Services, Transportation Services Bureau.

Risk Management. The activities of the Department of Administrative Services, Division of Risk Management, which include workers' compensation and general liability claims, and of the State Employees Insurance Fund, which include life and health insurance programs, are accounted for in this fund.

Accounting Services. The accounting operations maintained by the Department of Administrative Services, Accounting Division, are accounted for in this fund.

Other Internal Service Funds. This fund accounts for the micrographics services and warehousing of records by the Records Management Division of the Secretary of State, the activities of the Investment Council, and the temporary employee pool maintained by the Department of Administrative Services, Division of State Personnel.
State of Nebraska  
**COMBINING BALANCE SHEET**  
**INTERNAL SERVICE FUNDS**  
June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>CORRECTIONAL SERVICES</th>
<th>BUILDINGS AND GROUNDS</th>
<th>GENERAL SERVICES</th>
<th>COMMUNICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT ASSETS:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 3,866</td>
<td>$ 4,791</td>
<td>$ 5,715</td>
<td>$ 5,631</td>
</tr>
<tr>
<td>Receivables, net of allowance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts</td>
<td>284</td>
<td>8</td>
<td>21</td>
<td>353</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>57</td>
<td>78</td>
<td>88</td>
<td>81</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>332</td>
<td>172</td>
<td>2,011</td>
<td>2,239</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,326</td>
<td>-</td>
<td>246</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>-</td>
<td>645</td>
<td>392</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>$5,865</td>
<td>$5,694</td>
<td>$8,473</td>
<td>$8,304</td>
</tr>
</tbody>
</table>

| Property, Plant and Equipment, net | 5,044 | 375 | 2,126 | 475 |
| **TOTAL ASSETS** | $10,909 | $6,069 | $10,599 | $8,779 |

| **LIABILITIES AND FUND EQUITY** |  |  |  |  |
| **CURRENT LIABILITIES:**       |  |  |  |  |
| Accounts Payable and Accrued Liabilities | $271 | $631 | $831 | $2,184 |
| Deposits                        | -  | -   | 672  | -   |
| Due to Other Funds              | 12 | 50  | 578  | 26  |
| Claims Payable                  | -  | -   | -    | -   |
| Capital Lease Obligations       | -  | 141 | -    | -   |
| Deferred Revenue                | -  | -   | -    | 167 |
| **TOTAL CURRENT LIABILITIES**   | 283 | 822 | 2,081 | 2,377 |

| **NONCURRENT LIABILITIES:**     |  |  |  |  |
| Capital Lease Obligations       | -  | 104 | -    | -   |
| Accrued Compensated Absences    | 248 | 1,049 | 290 | 143 |
| Claims Payable                  | -  | -   | -    | -   |
| **TOTAL NONCURRENT LIABILITIES**| 248 | 1,153 | 290 | 143 |
| **TOTAL LIABILITIES**           | 531 | 1,975 | 2,371 | 2,520 |

<p>| <strong>FUND EQUITY:</strong>               |  |  |  |  |
| Contributed Capital             | 205 | -   | -    | -   |
| Retained Earnings               | 10,173 | 4,094 | 8,228 | 6,259 |
| <strong>TOTAL FUND EQUITY</strong>           | 10,378 | 4,094 | 8,228 | 6,259 |
| <strong>TOTAL LIABILITIES AND FUND EQUITY</strong> | $10,909 | $6,069 | $10,599 | $8,779 |</p>
<table>
<thead>
<tr>
<th>INFORMATION MANAGEMENT SERVICES</th>
<th>TRANSPORTATION SERVICES</th>
<th>RISK MANAGEMENT SERVICES</th>
<th>ACCOUNTING SERVICES</th>
<th>OTHER INTERNAL SERVICE</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 12,371</td>
<td>$ 2,395</td>
<td>$ 14,926</td>
<td>$ 987</td>
<td>$ 1,272</td>
<td>$ 51,954</td>
</tr>
<tr>
<td>34</td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>732</td>
</tr>
<tr>
<td>109</td>
<td>41</td>
<td>236</td>
<td>35</td>
<td>13</td>
<td>738</td>
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<tr>
<td>6,178</td>
<td>1,463</td>
<td>24,788</td>
<td>-</td>
<td>492</td>
<td>37,675</td>
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<tr>
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<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,577</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>107</td>
<td>1,144</td>
</tr>
<tr>
<td>18,692</td>
<td>3,934</td>
<td>39,950</td>
<td>1,022</td>
<td>1,886</td>
<td>93,820</td>
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<tr>
<td>4,392</td>
<td>8,766</td>
<td>-</td>
<td>12</td>
<td>110</td>
<td>21,300</td>
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<tr>
<td>$ 23,084</td>
<td>$ 12,700</td>
<td>$ 39,950</td>
<td>$ 1,034</td>
<td>$ 1,996</td>
<td>$ 115,120</td>
</tr>
</tbody>
</table>

| $ 1,553                        | $ 103                  | $ 140                   | $ 32                | $ 164                 | $ 5,909 |
| -                              | -                      | -                       | -                   | -                     | 672    |
| 21                             | 48                     | 1,511                   | 73                  | 12                    | 2,331  |
| -                              | -                      | 9,200                   | -                   | -                     | 9,200  |
| 2,961                          | -                      | 9,200                   | -                   | 18                    | 3,150  |
| -                              | -                      | -                       | -                   | 167                   | 167    |
| 4,565                          | 151                    | 10,851                  | 105                 | 194                   | 21,429 |

| 2,714                          | -                      | -                       | -                   | -                     | 2,818  |
| 1,776                          | 44                     | 5                       | 147                 | 144                   | 3,846  |
| -                              | -                      | 25,211                  | -                   | -                     | 25,211 |
| 4,490                          | 44                     | 25,216                  | 147                 | 144                   | 31,875 |
| 9,055                          | 195                    | 36,067                  | 252                 | 338                   | 53,304 |

| 1,824                          | -                      | 21                      | 59                  | -                     | 2,109  |
| 12,205                         | 12,505                 | 3,862                   | 723                 | 1,658                 | 59,707 |
| 14,029                         | 12,505                 | 3,883                   | 782                 | 1,658                 | 61,816 |

| $ 23,084                       | $ 12,700               | $ 39,950                | $ 1,034             | $ 1,996               | $ 115,120 |
# COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

**INTERNAL SERVICE FUNDS**

For the Year Ended June 30, 2000

<table>
<thead>
<tr>
<th></th>
<th>CORRECTIONAL SERVICES</th>
<th>BUILDINGS AND GROUNDS</th>
<th>GENERAL SERVICES</th>
<th>COMMUNICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING REVENUES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$ 6,612</td>
<td>$ 23,829</td>
<td>$ 15,068</td>
<td>$ 18,914</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>123</td>
<td>41</td>
<td>71</td>
</tr>
<tr>
<td>TOTAL OPERATING REVENUES</td>
<td>6,612</td>
<td>23,952</td>
<td>15,109</td>
<td>18,985</td>
</tr>
</tbody>
</table>

| OPERATING EXPENSES: |                        |                        |                  |                 |
| Personal Services  | 2,195                  | 7,380                  | 2,040            | 1,048           |
| Services and Supplies | 3,676              | 16,365                 | 12,001           | 16,498          |
| Insurance Claims   | -                      | -                      | -                | -               |
| Depreciation       | 193                    | 192                    | 778              | 267             |
| TOTAL OPERATING EXPENSES | 6,064          | 23,937                 | 14,819           | 17,813          |

| Operating Income (Loss) | 548 | 15 | 290 | 1,172 |

| NONOPERATING REVENUES (EXPENSES): |                        |                        |                  |                 |
| Investment Income | 198 | 305 | 317 | 252 |
| Gain (Loss) on Sale of Fixed Assets | (20) | - | (230) | 4 |
| Other | - | (16) | - | - |
| TOTAL NONOPERATING REVENUES, NET | 178 | 289 | 87 | 256 |

| Income (Loss) Before Operating Transfers | 726 | 304 | 377 | 1,428 |

| OPERATING TRANSFERS: |                        |                        |                  |                 |
| Operating Transfers In | - | - | - | - |
| Net Income (Loss) | 726 | 304 | 377 | 1,428 |

<p>| RETAINED EARNINGS, JULY 1 | 9,447 | 3,790 | 7,851 | 4,831 |
| RETAINED EARNINGS, JUNE 30 | $ 10,173 | $ 4,094 | $ 8,228 | $ 6,259 |</p>
<table>
<thead>
<tr>
<th>INFORMATION MANAGEMENT SERVICES</th>
<th>TRANSPORTATION SERVICES</th>
<th>RISK MANAGEMENT SERVICES</th>
<th>ACCOUNTING SERVICES</th>
<th>OTHER INTERNAL SERVICE</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 49,518</td>
<td>$ 4,571</td>
<td>$ 50,507</td>
<td>$ 1,762</td>
<td>$ 7,725</td>
<td>$ 178,506</td>
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<tr>
<td>31</td>
<td>56</td>
<td>83</td>
<td>19</td>
<td>419</td>
<td>843</td>
</tr>
<tr>
<td>49,549</td>
<td>4,627</td>
<td>50,590</td>
<td>1,781</td>
<td>8,144</td>
<td>179,349</td>
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<tr>
<td>12,952</td>
<td>427</td>
<td>135</td>
<td>885</td>
<td>5,278</td>
<td>32,340</td>
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<tr>
<td>31,560</td>
<td>997</td>
<td>273</td>
<td>781</td>
<td>2,580</td>
<td>84,731</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>56,259</td>
<td>-</td>
<td>-</td>
<td>56,259</td>
</tr>
<tr>
<td>4,637</td>
<td>2,211</td>
<td>-</td>
<td>5</td>
<td>119</td>
<td>8,402</td>
</tr>
<tr>
<td>49,149</td>
<td>3,635</td>
<td>56,667</td>
<td>1,671</td>
<td>7,977</td>
<td>181,732</td>
</tr>
<tr>
<td>400</td>
<td>992</td>
<td>(6,077)</td>
<td>110</td>
<td>167</td>
<td>(2,383)</td>
</tr>
<tr>
<td>375</td>
<td>181</td>
<td>998</td>
<td>167</td>
<td>46</td>
<td>2,839</td>
</tr>
<tr>
<td>59</td>
<td>261</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>74</td>
</tr>
<tr>
<td>(244)</td>
<td>38</td>
<td>-</td>
<td>-</td>
<td>(5)</td>
<td>(227)</td>
</tr>
<tr>
<td>190</td>
<td>480</td>
<td>998</td>
<td>167</td>
<td>41</td>
<td>2,686</td>
</tr>
<tr>
<td>590</td>
<td>1,472</td>
<td>(5,079)</td>
<td>277</td>
<td>208</td>
<td>303</td>
</tr>
<tr>
<td>2,383</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,383</td>
</tr>
<tr>
<td>2,973</td>
<td>1,472</td>
<td>(5,079)</td>
<td>277</td>
<td>208</td>
<td>2,686</td>
</tr>
<tr>
<td>9,232</td>
<td>11,033</td>
<td>8,941</td>
<td>446</td>
<td>1,450</td>
<td>57,021</td>
</tr>
<tr>
<td>$ 12,205</td>
<td>$ 12,505</td>
<td>$ 3,862</td>
<td>$ 723</td>
<td>$ 1,658</td>
<td>$ 59,707</td>
</tr>
</tbody>
</table>
State of Nebraska

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>CORRECTIONAL SERVICES</th>
<th>BUILDINGS AND GROUNDS</th>
<th>GENERAL SERVICES</th>
<th>COMMUNICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Received from Customers</td>
<td>$ 671</td>
<td>$ 551</td>
<td>$ 99</td>
<td>$ 1,388</td>
</tr>
<tr>
<td>Cash Received from Interfund Charges</td>
<td>5,924</td>
<td>23,452</td>
<td>14,294</td>
<td>16,963</td>
</tr>
<tr>
<td>Cash Paid to Employees</td>
<td>(2,155)</td>
<td>(7,071)</td>
<td>(1,983)</td>
<td>(1,001)</td>
</tr>
<tr>
<td>Cash Paid to Suppliers</td>
<td>(2,958)</td>
<td>(15,032)</td>
<td>(10,838)</td>
<td>(15,099)</td>
</tr>
<tr>
<td>Cash Paid for Insurance Claims</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Paid for Interfund Services</td>
<td>(730)</td>
<td>(1,377)</td>
<td>(926)</td>
<td>(720)</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td>752</td>
<td>523</td>
<td>646</td>
<td>1,531</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:** |                        |                        |                  |                |
| Interfund Loans             | -                      | -                      | -                | -              |
| General Fund Transfer       | -                      | -                      | -                | -              |
| **NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | -                      | -                      | -                | -              |

| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** |                        |                        |                  |                |
| Acquisition and Construction of Capital Assets  | (353)                  | (51)                   | (1,105)          | (171)          |
| Proceeds from Sale of Fixed Assets               | -                      | -                      | 3                | 4              |
| Principal Paid on Capital Leases                  | -                      | (155)                  | -                | -              |
| Interest Paid on Capital Leases                   | -                      | (16)                   | -                | -              |
| **NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | (353)                  | (222)                  | (1,102)          | (167)          |

| **CASH FLOWS FROM INVESTING ACTIVITIES:** |                        |                        |                  |                |
| Investment Income                        | 189                    | 292                    | 310              | 218            |
| **NET CASH FLOWS FROM INVESTING ACTIVITIES** | 189                    | 292                    | 310              | 218            |
| **NET INCREASE (DECREASE) IN CASH**        | 588                    | 593                    | (146)            | 1,582          |

| **CASH AND CASH EQUIVALENTS, JULY 1**    | 3,278                   | 4,198                   | 5,861            | 4,049          |
| **CASH AND CASH EQUIVALENTS, JUNE 30**   | $ 3,866                 | $ 4,791                 | $ 5,715          | $ 5,631        |

| **RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:** |                        |                        |                  |                |
| Operating Income (Loss)                     | $ 548                   | $ 15                    | $ 290            | $ 1,172        |
| Adjustments to reconcile operating income to net cash flows from operating activities: |                        |                        |                  |                |
| Depreciation                               | 193                    | 192                    | 778              | 267            |
| Change in Assets and Liabilities:          |                        |                        |                  |                |
| (Increase) Decrease in Accounts Receivable | (81)                   | 1                      | 1                | 14             |
| (Increase) Decrease in Due from Other Funds | 64                     | 50                     | (717)            | (639)          |
| (Increase) Decrease in Inventories         | (34)                   | -                      | (26)             | -              |
| (Increase) Decrease in Prepaid Expenses     | -                      | 27                     | 36               | -              |
| Increase (Decrease) in Accounts Payable and Accrued Liabilities | 64                     | 251                    | 474              | 722            |
| Increase (Decrease) in Due to Other Funds   | (2)                    | (13)                   | (190)            | 4              |
| Increase (Decrease) in Claims Payable      | -                      | -                      | -                | -              |
| Increase (Decrease) in Deferred Revenue     | -                      | -                      | -                | (9)            |
| **Total Adjustments**                      | 204                    | 508                    | 356              | 359            |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES** | $ 752                  | $ 523                   | $ 646            | $ 1,531        |

**NONCASH TRANSACTIONS** (dollars in thousands):

Noncash transactions are investing and financing activities that affect assets and liabilities but do not result in cash receipts or payments.

The following noncash transactions occurred during the year: Information Management Services and Buildings and Grounds Funds acquired fixed assets through capital leases of $2,899 and $46, respectively.
<table>
<thead>
<tr>
<th>INFORMATION MANAGEMENT SERVICES</th>
<th>TRANSPORTATION SERVICES</th>
<th>RISK MANAGEMENT SERVICES</th>
<th>ACCOUNTING SERVICES</th>
<th>OTHER INTERNAL SERVICE TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1,084</td>
<td>$ 29</td>
<td>$ 254</td>
<td>$ 7</td>
<td>$ 4,280</td>
</tr>
<tr>
<td>48,582</td>
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<td>46,336</td>
<td>1,774</td>
<td>3,689</td>
</tr>
<tr>
<td>(12,666)</td>
<td>(420)</td>
<td>(135)</td>
<td>(877)</td>
<td>(6,274)</td>
</tr>
<tr>
<td>(27,488)</td>
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<td>(120)</td>
<td>(1,641)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(52,311)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5,896)</td>
<td>(766)</td>
<td>(119)</td>
<td>(664)</td>
<td>(703)</td>
</tr>
<tr>
<td>3,616</td>
<td>2,489</td>
<td>(7,320)</td>
<td>120</td>
<td>351</td>
</tr>
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</tr>
<tr>
<td>2,383</td>
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<td></td>
<td></td>
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</tr>
<tr>
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<td></td>
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<tr>
<td>(4,030)</td>
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<td>(219)</td>
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<td>995</td>
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<td>43</td>
</tr>
<tr>
<td>342</td>
<td>186</td>
<td>995</td>
<td>144</td>
<td>43</td>
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<td>2,311</td>
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<td>1,097</td>
</tr>
<tr>
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<td>$ 14,926</td>
<td>$ 987</td>
<td>$ 1,272</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 400</td>
<td>$ 992</td>
<td>($ 6,077)</td>
<td>$ 110</td>
<td>$ 167</td>
</tr>
<tr>
<td>4,637</td>
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<td>119</td>
</tr>
<tr>
<td>(3)</td>
<td>(5)</td>
<td></td>
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<tr>
<td>120</td>
<td>(701)</td>
<td>(4,000)</td>
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<td>(1,196)</td>
<td>(11)</td>
<td>(81)</td>
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<tr>
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<td>16</td>
<td>(1)</td>
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<tr>
<td>3,216</td>
<td>1,497</td>
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<td>184</td>
</tr>
<tr>
<td>$ 3,616</td>
<td>$ 2,489</td>
<td>$ (7,320)</td>
<td>$ 120</td>
<td>$ 351</td>
</tr>
</tbody>
</table>
TRUST AND AGENCY FUNDS

Trust and agency funds are used to account for assets held by the State of Nebraska in a fiduciary capacity. The State has the following trust and agency funds:

EXPENDABLE TRUST FUNDS

Unemployment Compensation Fund. This fund accounts for the State’s unemployment compensation benefits. Revenues consist of taxes assessed on employers to pay benefits to qualified unemployed persons.

Deferred Compensation Fund. This fund accounts for activities in the State’s deferred compensation plan organized in accordance with Section 457 of the Internal Revenue Code.

Second Injury Fund. This fund accounts for assessments from insurance carriers and self-insurers. Compensation payments are made to employees on the basis of combined disabilities, part of which were pre-existing at the time of employment.

Vocational Rehabilitation Fund. This fund provides rehabilitation services to employees to restore the employee to gainful employment. Funding comes from assessments to insurance companies and self-insurers.

Canteen and Welfare Fund. This fund provides general entertainment at correctional facilities for youth and adult offenders. Revenues are from vending sales, projects, donations and gifts.

Escheat Trust Fund. This fund makes payments to rightful owners for financial assets turned over to the State Treasurer because the assets were left unclaimed at corporations, business associations, banking and financial organizations, insurance companies, utilities and public authorities. If the rightful owners cannot be located, excess funds are transferred to the Permanent School Fund.

Other Expendable Trust Funds. Amos Trust, Agriculture and University Land Lease, Public Service Commission Trust Account, and Miscellaneous Expendable Trust.

NONEXPENDABLE TRUST FUNDS

Aeronautics Trust Fund. This fund receives proceeds from the sale of state-owned airfields. Investment income is used to pay for expenses of the Department of Aeronautics.

Nebraska Veterans’ Aid Fund. This fund accounts for the investment activity of a General Fund contribution made in a prior year. Earnings on the investment are used to provide emergency financial assistance to eligible veterans and dependents.

Permanent School Fund. This fund receives proceeds from any sale of the school lands held in trust for public education, payments for easements and rights-of-way over these lands, royalties and severance taxes paid on oil, gas and minerals produced from this lands, escheats, unclaimed property and other items provided by law. The net income earned on this fund is distributed annually to the K – 12 public schools by the Commissioner of Education as provided by law.

Permanent Endowment Fund. This fund receives the proceeds of sales of land and investments endowed to the University by the Federal Government. This fund is under the control of the Board of Educational Lands and Funds, which is a part of the primary government. Income on these funds is used for support and maintenance of the University.

Agriculture Endowment Fund. This fund receives the proceeds of sales of land and investments endowed to the University Agriculture College by the Federal Government. This fund is under the control of the Board of Educational Lands and Funds, which is a part of the primary government. Income from this fund is used for support and maintenance of the Agriculture College.

Other Nonexpendable Trust Funds. Normal School Endowment, J.J. Soukup, and Miscellaneous Nonexpendable Trust.
PENSION TRUST FUNDS
State Employees' Retirement, County Employees' Retirement, Judges' Retirement, State Patrol Retirement, and School Retirement Systems.

AGENCY FUNDS
Local Government Fund. This fund receives money for redistribution to counties and other political subdivisions.

Payroll Withholding Fund. This fund receives all payroll funds needed to pay employees, the Federal Government, other State agencies, and payroll vendors.

Other Agency Funds. Ohio College Library Service, Severance Tax Fund, Court Ordered Settlement, County Court Trust Funds, the Department of Correctional Services Inmate Trust Funds, and the Department of Public Institutions Trust Funds.
State of Nebraska

**COMBINING BALANCE SHEET**

**ALL TRUST AND AGENCY FUNDS**

**June 30, 2000**

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th>EXPENDABLE</th>
<th>NONEXPENDABLE</th>
<th>PENSION</th>
<th>AGENCY</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TRUST</td>
<td>TRUST</td>
<td>TRUST</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 225,196</td>
<td>$ 19,571</td>
<td>$ 8,907</td>
<td>$ 74,871</td>
<td>$ 328,545</td>
</tr>
<tr>
<td>Investments</td>
<td>131,050</td>
<td>338,701</td>
<td>5,596,785</td>
<td>-</td>
<td>6,069,536</td>
</tr>
<tr>
<td>Invested Securities Lending Collateral</td>
<td>-</td>
<td>2,120</td>
<td>204,292</td>
<td>-</td>
<td>206,412</td>
</tr>
<tr>
<td>Loans, Accounts and Other Receivables, net</td>
<td>15,925</td>
<td>1,969</td>
<td>29,808</td>
<td>513</td>
<td>48,215</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>3,275</td>
<td>14</td>
<td>14,915</td>
<td>-</td>
<td>18,204</td>
</tr>
<tr>
<td>Property, Plant, and Equipment, net</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>2,546</td>
<td>3,000</td>
<td>-</td>
<td>-</td>
<td>5,546</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$377,992</strong></td>
<td><strong>$365,375</strong></td>
<td><strong>$6,857,711</strong></td>
<td><strong>$75,384</strong></td>
<td><strong>$6,676,462</strong></td>
</tr>
</tbody>
</table>

**LIABILITIES AND FUND BALANCES:**

**LIABILITIES:**

| Accounts Payable and Accrued Liabilities | $ 10,048 | $ 182 | $ 4,456 | $ 525 | $ 15,211 |
| Due to Other Governments                | -        | -     | -       | 46,103 | 46,103 |
| Deposits                                 | 626      | 293   | -       | -     | 919 |
| Due to Other Funds                       | 2        | 3,320 | 35      | 3,784 | 7,141 |
| Obligations under Securities Lending     | -        | 2,120 | 204,292 | -     | 206,412 |
| Claims Payable                           | 7,391    | -     | -       | -     | 7,391 |
| Accrued Compensated Absences             | -        | -     | 165     | -     | 165 |
| Other                                     | 155      | -     | -       | 24,972 | 25,127 |
| **TOTAL LIABILITIES**                    | **18,222** | **5,915** | **208,948** | **75,384** | **308,469** |

**FUND BALANCES:**

Reserved For:

| Unemployment Compensation Benefits       | 219,545  | - | - | - | 219,545 |
| Deferred Compensation Benefits           | 131,063  | - | - | - | 131,063 |
| Endowment Principal                      | -        | 339,191 | - | - | 339,191 |
| Pension Benefits                         | -        | - | 5,648,763 | - | 5,648,763 |
| Unreserved                                | 9,162    | 20,269 | - | - | 29,431 |
| **TOTAL FUND BALANCES**                  | **359,770** | **359,460** | **5,648,763** | **-** | **6,367,993** |

**TOTAL LIABILITIES AND FUND BALANCES**

<table>
<thead>
<tr>
<th>EXPENDABLE</th>
<th>NONEXPENDABLE</th>
<th>PENSION</th>
<th>AGENCY</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRUST</td>
<td>TRUST</td>
<td>TRUST</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 377,992</td>
<td>$ 365,375</td>
<td>$ 5,857,711</td>
<td>$ 75,384</td>
<td>$ 6,676,462</td>
</tr>
</tbody>
</table>
State of Nebraska
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>UNEMPLOYMENT COMPENSATION</th>
<th>DEFERRED COMPENSATION</th>
<th>SECOND INJURY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 212,662</td>
<td>$ 6</td>
<td>$ 3,871</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>131,050</td>
<td></td>
</tr>
<tr>
<td>Other Receivables, net of allowance</td>
<td>15,710</td>
<td>9</td>
<td>55</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 228,372</td>
<td>$ 131,065</td>
<td>$ 3,926</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND FUND BALANCES** |                      |                       |               |
| **LIABILITIES:**                |                      |                       |               |
| Accounts Payable and Accrued Liabilities | $ 1,314            | $ 2                   | $ -           |
| Deposits                        | 14                    | -                     | -             |
| Due to Other Funds              | -                     | -                     | -             |
| Claims Payable                  | 7,391                 | -                     | -             |
| Other                           | 108                   | -                     | -             |
| **TOTAL LIABILITIES**           | 8,827                 | 2                     | -             |

| **FUND BALANCES:** |                      |                       |               |
| Reserved for:      |                      |                       |               |
| Unemployment Compensation Benefits | 219,545        | -                     | -             |
| Deferred Compensation Benefits   | -               | 131,063              | -             |
| Unreserved          | -                     | -                     | 3,926         |
| **TOTAL FUND BALANCES** | 219,545        | 131,063              | 3,926         |

**TOTAL LIABILITIES AND FUND BALANCES**

<p>| | | | |
|                                |                      |                       |               |
| $ 228,372                      | $ 131,065             | $ 3,926               |               |</p>
<table>
<thead>
<tr>
<th>Vocational Rehabilitation</th>
<th>Canteen and Welfare</th>
<th>Escheat Trust</th>
<th>Other</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,266</td>
<td>$1,943</td>
<td>$3,271</td>
<td>$1,177</td>
<td>$225,196</td>
</tr>
<tr>
<td>39</td>
<td>30</td>
<td>50</td>
<td>32</td>
<td>15,925</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>3,275</td>
<td>-</td>
<td>3,275</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>1,934</td>
<td>612</td>
<td>2,546</td>
</tr>
<tr>
<td><strong>$2,305</strong></td>
<td><strong>$1,973</strong></td>
<td><strong>$8,530</strong></td>
<td><strong>$1,821</strong></td>
<td><strong>$377,992</strong></td>
</tr>
</tbody>
</table>

| -                          | $184                | $8,528       | $20   | $10,048 |
| -                          | -                   | 2            | 612   | 626    |
| -                          | -                   | -            | -     | 2      |
| -                          | 47                  | -            | -     | 155    |
| -                          | 231                 | 8,530        | 632   | 18,222 |

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2,305</td>
<td>1,742</td>
<td>-</td>
<td>1,189</td>
<td>219,545</td>
</tr>
<tr>
<td>2,305</td>
<td>1,742</td>
<td>-</td>
<td>1,189</td>
<td>131,063</td>
</tr>
<tr>
<td><strong>$2,305</strong></td>
<td><strong>$1,973</strong></td>
<td><strong>$8,530</strong></td>
<td><strong>$1,821</strong></td>
<td><strong>$377,992</strong></td>
</tr>
</tbody>
</table>
State of Nebraska

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS

For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>UNEMPLOYMENT COMPENSATION</th>
<th>DEFERRED COMPENSATION</th>
<th>SECOND INJURY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment Taxes</td>
<td>$ 46,000</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>-</td>
<td>-</td>
<td>4,125</td>
</tr>
<tr>
<td>Participant Contributions</td>
<td>-</td>
<td>7,697</td>
<td>-</td>
</tr>
<tr>
<td>Investment Income</td>
<td>13,771</td>
<td>12,235</td>
<td>61</td>
</tr>
<tr>
<td>Rents and Royalties</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Escheat Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Donations</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>65</td>
<td>9</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>59,771</td>
<td>19,997</td>
<td>4,195</td>
</tr>
</tbody>
</table>

| **EXPENDITURES:**      |                           |                       |               |
| General Government     | 193                       | 178                   | -             |
| Education              | -                         | -                     | -             |
| Health and Social Services | -                      | -                     | 899           |
| Unemployment Claims    | 55,249                    | -                     | -             |
| Deferred Compensation Benefits | -               | 5,734                 | -             |
| **TOTAL EXPENDITURES** | 55,442                    | 5,912                 | 899           |

Excess of Revenues Over (Under) Expenditures

4,329                                  14,085        3,296

| **OTHER FINANCING SOURCES (USES):** |                           |                       |               |
| Operating Transfers Out              | -                         | -                     | -             |
| **TOTAL OTHER FINANCING SOURCES (USES)** | -                       | -                     | -             |

Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses

4,329                                  14,085        3,296

<table>
<thead>
<tr>
<th></th>
<th>FUND BALANCES, JULY 1</th>
<th></th>
<th>FUND BALANCES, JUNE 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>215,216</td>
<td>116,978</td>
<td>630</td>
</tr>
<tr>
<td></td>
<td>$ 219,545</td>
<td>$ 131,063</td>
<td>$ 3,926</td>
</tr>
</tbody>
</table>

80
<table>
<thead>
<tr>
<th>VOCATIONAL REHABILITATION</th>
<th>CANTEEN AND WELFARE</th>
<th>ESCHÉAT TRUST</th>
<th>OTHER</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 46,000</td>
</tr>
<tr>
<td>-</td>
<td>4,049</td>
<td>-</td>
<td>-</td>
<td>8,174</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,697</td>
</tr>
<tr>
<td>165</td>
<td>111</td>
<td>186</td>
<td>64</td>
<td>26,593</td>
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<tr>
<td>-</td>
<td>6</td>
<td>429</td>
<td>-</td>
<td>435</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>1,459</td>
<td>-</td>
<td>1,459</td>
</tr>
<tr>
<td>-</td>
<td>124</td>
<td>-</td>
<td>281</td>
<td>405</td>
</tr>
<tr>
<td>-</td>
<td>48</td>
<td>-</td>
<td>238</td>
<td>360</td>
</tr>
<tr>
<td>165</td>
<td>4,338</td>
<td>1,645</td>
<td>1,012</td>
<td>91,123</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>425</td>
<td>-</td>
<td>796</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>880</td>
<td>880</td>
</tr>
<tr>
<td>769</td>
<td>4,236</td>
<td>-</td>
<td>-</td>
<td>5,904</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>55,249</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,734</td>
</tr>
<tr>
<td>769</td>
<td>4,236</td>
<td>425</td>
<td>880</td>
<td>68,563</td>
</tr>
<tr>
<td>(604)</td>
<td>102</td>
<td>1,220</td>
<td>132</td>
<td>22,560</td>
</tr>
<tr>
<td>(254)</td>
<td>-</td>
<td>(1,220)</td>
<td>(89)</td>
<td>(1,563)</td>
</tr>
<tr>
<td>(254)</td>
<td>-</td>
<td>(1,220)</td>
<td>(89)</td>
<td>(1,563)</td>
</tr>
<tr>
<td>(858)</td>
<td>102</td>
<td>-</td>
<td>43</td>
<td>20,997</td>
</tr>
<tr>
<td>3,163</td>
<td>1,640</td>
<td>-</td>
<td>1,146</td>
<td>338,773</td>
</tr>
<tr>
<td>$ 2,305</td>
<td>$ 1,742</td>
<td>$ -</td>
<td>$ 1,189</td>
<td>$ 359,770</td>
</tr>
</tbody>
</table>
State of Nebraska

COMBINING BALANCE SHEET
NONEXPENDABLE TRUST FUNDS

June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>AERONAUTICS</th>
<th>NEBRASKA VETERANS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TRUST</td>
<td>AID</td>
</tr>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 40</td>
<td>$ 1,582</td>
</tr>
<tr>
<td>Investments</td>
<td>6,107</td>
<td>30,775</td>
</tr>
<tr>
<td>Invested Securities Lending Collateral</td>
<td>1,851</td>
<td>24</td>
</tr>
<tr>
<td>Other Receivables, net of allowance</td>
<td>75</td>
<td>165</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 8,073</td>
<td>$ 32,546</td>
</tr>
</tbody>
</table>

**LIABILITIES AND FUND BALANCES**

|                     |                  |                   |
|                     | NEBRASKA VETERANS |
| **LIABILITIES:**    |                  |                   |
| Accounts Payable and Accrued Liabilities | - | $ 9 |
| Deposits            | -                | -                 |
| Due to Other Funds  | 40               | -                 |
| Obligations under Securities Lending | 1,851 | 24 |
| **TOTAL LIABILITIES** | 1,891 | 33 |

**FUND BALANCES:**

|                     |                  |                   |
| Reserved for Endowment Principal | 6,182 | 30,775 |
| Unreserved              | -                | 1,738             |
| **TOTAL FUND BALANCES** | 6,182 | 32,513 |

**TOTAL LIABILITIES AND FUND BALANCES**

<p>| | | |
|                     |                  |                   |
| $ 8,073              | $ 32,546          |                   |</p>
<table>
<thead>
<tr>
<th>PERMANENT SCHOOL FUND</th>
<th>PERMANENT ENDOWMENT</th>
<th>AGRICULTURE ENDOWMENT</th>
<th>OTHER</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 17,309</td>
<td>$ 215</td>
<td>$ 63</td>
<td>$ 362</td>
<td>$ 19,571</td>
</tr>
<tr>
<td>298,709</td>
<td>844</td>
<td>1,858</td>
<td>408</td>
<td>338,701</td>
</tr>
<tr>
<td>228</td>
<td>-</td>
<td>2</td>
<td>15</td>
<td>2,120</td>
</tr>
<tr>
<td>1,701</td>
<td>7</td>
<td>9</td>
<td>12</td>
<td>1,969</td>
</tr>
<tr>
<td>14</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>3,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,000</td>
</tr>
<tr>
<td>$ 320,961</td>
<td>$ 1,066</td>
<td>$ 1,932</td>
<td>$ 797</td>
<td>$ 365,375</td>
</tr>
</tbody>
</table>

| $ 145                | $ 8                 | $ 18                  | $ 2   | $ 182  |
| 68                   | -                   | -                     | 225   | 293    |
| 3,280                | -                   | -                     | -     | 3,320  |
| 228                  | -                   | 2                     | 15    | 2,120  |
| 3,721                | 8                   | 20                    | 242   | 5,915  |

| 298,709              | 1,058               | 1,912                 | 555   | 339,191 |
| 18,531               | -                   | -                     | -     | 20,269  |
| 317,240              | 1,058               | 1,912                 | 555   | 359,460 |
| $ 320,961            | $ 1,066             | $ 1,932               | $ 797 | $ 365,375 |

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State of Nebraska  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES NONEXPENDABLE TRUST FUNDS**  
For the Year Ended June 30, 2000

<table>
<thead>
<tr>
<th></th>
<th>AERONAUTICS TRUST</th>
<th>NEBRASKA VETERANS AID</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>$ 366</td>
<td>$ 1,905</td>
</tr>
<tr>
<td>Rents and Royalties</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>366</td>
<td>1,910</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
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</tr>
<tr>
<td>Personal Services</td>
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<td>-</td>
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<tr>
<td>Services and Supplies</td>
<td>76</td>
<td>57</td>
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<tr>
<td>Financial Assistance</td>
<td>-</td>
<td>1,387</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>76</td>
<td>1,444</td>
</tr>
<tr>
<td>Operating Income</td>
<td>290</td>
<td>466</td>
</tr>
<tr>
<td><strong>OPERATING TRANSFERS:</strong></td>
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</tr>
<tr>
<td>Operating Transfers In</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Operating Transfers Out</td>
<td>(441)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Income (Loss)</strong></td>
<td>(151)</td>
<td>466</td>
</tr>
<tr>
<td><strong>FUND BALANCES, JULY 1</strong></td>
<td>$6,333</td>
<td>32,047</td>
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<tr>
<td><strong>FUND BALANCES, JUNE 30</strong></td>
<td>$6,182</td>
<td>$32,513</td>
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<tr>
<td>PERMANENT SCHOOL</td>
<td>PERMANENT ENDOWMENT</td>
<td>AGRICULTURE ENDOWMENT</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>FUND</td>
<td></td>
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</tr>
<tr>
<td>$ 18,532</td>
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</tr>
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<td>23,748</td>
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<td>6,375</td>
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<td>48,655</td>
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<td>114</td>
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<td>1,313</td>
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<td></td>
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<tr>
<td>1,582</td>
<td>32</td>
<td>70</td>
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<tr>
<td>28,442</td>
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<tr>
<td>31,337</td>
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<td>70</td>
</tr>
<tr>
<td>17,318</td>
<td>181</td>
<td>44</td>
</tr>
<tr>
<td>1,309</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18,627</td>
<td>181</td>
<td>44</td>
</tr>
<tr>
<td>298,613</td>
<td>877</td>
<td>1,866</td>
</tr>
<tr>
<td>$ 317,240</td>
<td>$ 1,058</td>
<td>$ 1,912</td>
</tr>
</tbody>
</table>

85
# COMBINING STATEMENT OF CASH FLOWS
## NONEXPENDABLE TRUST FUNDS

For the Year Ended June 30, 2000

<table>
<thead>
<tr>
<th>(Dollars in Thousands)</th>
<th>AERONAUTICS TRUST</th>
<th>NEBRASKA VETERANS AID</th>
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</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Received from Customers</td>
<td>$ -</td>
<td>$ 5</td>
</tr>
<tr>
<td>Cash Received from Interfund Charges</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash Paid to Employees</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash Paid to Suppliers</td>
<td>(76)</td>
<td>(48)</td>
</tr>
<tr>
<td>Cash Paid for Financial Assistance</td>
<td>-</td>
<td>(1,367)</td>
</tr>
<tr>
<td>Cash Paid for Intergovernmental</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash Paid for Interfund Services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td>(76)</td>
<td>(1,430)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers In</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating Transfers Out</td>
<td>(439)</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</strong></td>
<td>(439)</td>
<td>-</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Investment Securities</td>
<td>(1,886)</td>
<td>(38,195)</td>
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<tr>
<td>Proceeds from Sale of Investment Securities</td>
<td>1,873</td>
<td>38,383</td>
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<tr>
<td>Interest and Dividend Income</td>
<td>530</td>
<td>1,019</td>
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<tr>
<td><strong>NET CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td>517</td>
<td>1,207</td>
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<tr>
<td><strong>NET INCREASE (DECREASE) IN CASH</strong></td>
<td>2</td>
<td>(223)</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS, JULY 1</strong></td>
<td>38</td>
<td>1,805</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS, JUNE 30</strong></td>
<td>$ 40</td>
<td>$ 1,582</td>
</tr>
</tbody>
</table>

**RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:**

Operating Income | $ 290 | $ 466 |

Adjustments to reconcile operating income to net cash flows from operating activities:

<p>| Investment Income | (366) | (1,905) |
| Change in Assets and Liabilities: | | |
| (Increase) Decrease in Accounts Receivable | - | - |
| (Increase) Decrease in Due from Other Funds | - | - |
| Increase (Decrease) in Accounts Payable and Accrued Liabilities | - | 9 |
| Increase (Decrease) in Deposits | - | - |
| Increase (Decrease) in Due to Other Funds | - | - |
| <strong>Total Adjustments</strong> | (366) | (1,896) |
| <strong>NET CASH FLOWS FROM OPERATING ACTIVITIES</strong> | $ (76) | $ (1,430) |</p>
<table>
<thead>
<tr>
<th>PERMANENT SCHOOL FUND</th>
<th>PERMANENT ENDOWMENT</th>
<th>AGRICULTURE ENDOWMENT</th>
<th>OTHER</th>
<th>TOTALS</th>
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<tr>
<td>$ 30,040</td>
<td>$ 158</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 30,203</td>
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<tr>
<td>93</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>93</td>
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<tr>
<td>(1,313)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,313)</td>
</tr>
<tr>
<td>(1,469)</td>
<td>(31)</td>
<td>(67)</td>
<td>(25)</td>
<td>(1,716)</td>
</tr>
<tr>
<td>(28,442)</td>
<td>-</td>
<td>-</td>
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<td>(28,442)</td>
</tr>
<tr>
<td>(95)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(95)</td>
</tr>
<tr>
<td>(1,186)</td>
<td>127</td>
<td>(67)</td>
<td>(25)</td>
<td>(2,657)</td>
</tr>
<tr>
<td></td>
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<td></td>
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<tr>
<td>1,816</td>
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<td>-</td>
<td>-</td>
<td>1,816</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>(439)</td>
</tr>
<tr>
<td>1,816</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,377</td>
</tr>
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<tr>
<td>(379,543)</td>
<td>(1,048)</td>
<td>(2,306)</td>
<td>(398)</td>
<td>(423,376)</td>
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<td>416,418</td>
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<td>9,846</td>
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<td>35</td>
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<td>3,326</td>
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<td>3,290</td>
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<td>13,983</td>
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<tr>
<td>$ 17,318</td>
<td>$ 181</td>
<td>$ 44</td>
<td>$ 13</td>
<td>$ 18,312</td>
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<tr>
<td>(18,532)</td>
<td>(55)</td>
<td>(114)</td>
<td>(38)</td>
<td>(21,010)</td>
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<tr>
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<td>-</td>
<td>16</td>
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<td>(6)</td>
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<td>(6)</td>
</tr>
<tr>
<td>18</td>
<td>1</td>
<td>3</td>
<td>-</td>
<td>31</td>
</tr>
<tr>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
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<tr>
<td>1</td>
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<td>1</td>
</tr>
<tr>
<td>(18,504)</td>
<td>(54)</td>
<td>(111)</td>
<td>(38)</td>
<td>(20,969)</td>
</tr>
<tr>
<td></td>
<td>$ (1,186)</td>
<td>$ (67)</td>
<td>$ (25)</td>
<td>$ (2,657)</td>
</tr>
</tbody>
</table>
### State of Nebraska

**COMBINING STATEMENT OF PLAN NET ASSETS**

**PENSION TRUST FUNDS**

**June 30, 2000**

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>STATE EMPLOYEES RETIREMENT</th>
<th>COUNTY EMPLOYEES RETIREMENT</th>
<th>SCHOOL RETIREMENT</th>
<th>JUDGES RETIREMENT</th>
<th>STATE PATROL RETIREMENT</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 3</td>
<td>$ 4</td>
<td>$ 7,842</td>
<td>$ 286</td>
<td>$ 772</td>
<td>$ 8,907</td>
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<tr>
<td>Investments:</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>U.S. Government Securities</td>
<td>-</td>
<td>-</td>
<td>929,528</td>
<td>19,078</td>
<td>43,485</td>
<td>992,091</td>
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<td>Corporate Bonds</td>
<td>-</td>
<td>-</td>
<td>547,554</td>
<td>11,238</td>
<td>25,616</td>
<td>584,408</td>
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<td>Equity Securities</td>
<td>-</td>
<td>-</td>
<td>1,284,017</td>
<td>26,354</td>
<td>60,069</td>
<td>1,370,440</td>
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<tr>
<td>Municipal Bonds</td>
<td>-</td>
<td>-</td>
<td>7,560</td>
<td>155</td>
<td>354</td>
<td>8,069</td>
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<tr>
<td>Pooled Investment Contracts</td>
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<td>172,935</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Mutual Funds</td>
<td>-</td>
<td>-</td>
<td>1,609,381</td>
<td>33,031</td>
<td>75,291</td>
<td>1,717,703</td>
</tr>
<tr>
<td>Total Investments</td>
<td>754,139</td>
<td>172,935</td>
<td>4,378,040</td>
<td>89,856</td>
<td>204,815</td>
<td>5,599,785</td>
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<tr>
<td>Invested Securities Lending Collateral</td>
<td>2,258</td>
<td>100</td>
<td>189,200</td>
<td>3,883</td>
<td>8,851</td>
<td>204,292</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Contributions</td>
<td>909</td>
<td>268</td>
<td>5,308</td>
<td>48</td>
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<td>6,533</td>
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<td>Interest and Dividends</td>
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<td>112</td>
<td>21,236</td>
<td>440</td>
<td>1,003</td>
<td>23,275</td>
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<tr>
<td>Total Receivables</td>
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<td>380</td>
<td>26,544</td>
<td>488</td>
<td>1,003</td>
<td>29,808</td>
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<tr>
<td>Due from Other Funds</td>
<td>-</td>
<td>-</td>
<td>14,141</td>
<td>129</td>
<td>645</td>
<td>14,915</td>
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<tr>
<td>Property, Plant, and Equipment, net</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>4</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>757,793</td>
<td>173,419</td>
<td>4,615,771</td>
<td>94,842</td>
<td>216,086</td>
<td>5,857,711</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>STATE EMPLOYEES RETIREMENT</th>
<th>COUNTY EMPLOYEES RETIREMENT</th>
<th>SCHOOL RETIREMENT</th>
<th>JUDGES RETIREMENT</th>
<th>STATE PATROL RETIREMENT</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>65</td>
<td>26</td>
<td>4,270</td>
<td>29</td>
<td>66</td>
<td>4,456</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>4</td>
<td>-</td>
<td>31</td>
<td>-</td>
<td>-</td>
<td>35</td>
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<tr>
<td>Obligations under Securities Lending</td>
<td>2,258</td>
<td>100</td>
<td>189,200</td>
<td>3,883</td>
<td>8,851</td>
<td>204,292</td>
</tr>
<tr>
<td>Accrued Compensated Absences</td>
<td>11</td>
<td>9</td>
<td>137</td>
<td>4</td>
<td>4</td>
<td>165</td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>2,338</td>
<td>135</td>
<td>193,838</td>
<td>3,916</td>
<td>8,921</td>
<td>208,948</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>STATE EMPLOYEES RETIREMENT</th>
<th>COUNTY EMPLOYEES RETIREMENT</th>
<th>SCHOOL RETIREMENT</th>
<th>JUDGES RETIREMENT</th>
<th>STATE PATROL RETIREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FUND BALANCES RESERVED FOR PENSION BENEFITS</strong></td>
<td>$ 755,455</td>
<td>$ 173,284</td>
<td>$ 4,422,133</td>
<td>$ 90,726</td>
<td>$ 207,165</td>
</tr>
<tr>
<td>Local Government Fund</td>
<td>Balance July 1, 1999</td>
<td>Additions</td>
<td>Reductions</td>
<td>Balance June 30, 2000</td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td>----------------------</td>
<td>-----------</td>
<td>------------</td>
<td>----------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
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<tr>
<td><strong>Total Assets</strong></td>
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<td>$256,781</td>
<td>$254,307</td>
<td>$45,959</td>
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<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to Other Governments</td>
<td>$43,485</td>
<td>$256,781</td>
<td>$254,307</td>
<td>$45,959</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payroll Withholding Fund</th>
<th>Balance July 1, 1999</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance June 30, 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,712</td>
<td>$1,622,212</td>
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<tr>
<td>Due from Other Funds</td>
<td>1,887</td>
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<td>1,887</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$3,599</td>
<td>$1,622,212</td>
<td>$1,621,358</td>
<td>$4,453</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to Other Governments</td>
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<td>1,300,051</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
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<td>$1,622,212</td>
<td>$1,621,358</td>
<td>$4,453</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Funds</th>
<th>Balance July 1, 1999</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance June 30, 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
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<tr>
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<td>Other Receivables, net of allowance</td>
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<td>337</td>
<td>326</td>
<td>82</td>
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<td><strong>Total Assets</strong></td>
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<td>$110,165</td>
<td>$104,065</td>
<td>$24,972</td>
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<td><strong>Liabilities</strong></td>
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<td></td>
</tr>
<tr>
<td>Other</td>
<td>$18,872</td>
<td>$110,165</td>
<td>$104,065</td>
<td>$24,972</td>
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</table>

<table>
<thead>
<tr>
<th>Totals - All Agency Funds</th>
<th>Balance July 1, 1999</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance June 30, 2000</th>
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<tbody>
<tr>
<td><strong>Assets</strong></td>
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<td></td>
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<tr>
<td>Cash and Cash Equivalents</td>
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<td>Other Receivables, net of allowance</td>
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<td>1,813</td>
<td>1,743</td>
<td>513</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>1,887</td>
<td></td>
<td>1,887</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
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<td><strong>Liabilities</strong></td>
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<tr>
<td>Due to Other Governments</td>
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<tr>
<td>Employee Withholding and State Contributions</td>
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<td>1,300,051</td>
<td>525</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>4,569</td>
<td>42,127</td>
<td>42,912</td>
<td>3,784</td>
</tr>
<tr>
<td>Other</td>
<td>18,872</td>
<td>110,165</td>
<td>104,065</td>
<td>24,972</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$65,956</td>
<td>$1,989,158</td>
<td>$1,979,730</td>
<td>$75,384</td>
</tr>
</tbody>
</table>
The General Fixed Assets Account Group is maintained to account for fixed assets acquired or constructed for use by the State, other than those accounted for in proprietary funds, fiduciary funds, and College and University funds.
### SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

**June 30, 2000**

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>FUNCTION</th>
<th>LAND</th>
<th>BUILDINGS</th>
<th>EQUIPMENT</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$ 2,395</td>
<td>$ 63,760</td>
<td>$ 1,561</td>
<td>$ 67,716</td>
</tr>
<tr>
<td>Conservation of Natural Resources</td>
<td>32,890</td>
<td>31,481</td>
<td>21,668</td>
<td>86,049</td>
</tr>
<tr>
<td>Culture – Recreation</td>
<td>1,510</td>
<td>5,644</td>
<td>158</td>
<td>7,312</td>
</tr>
<tr>
<td>Economic Development and Assistance</td>
<td>146</td>
<td>16,093</td>
<td>1,918</td>
<td>18,157</td>
</tr>
<tr>
<td>Education</td>
<td>-</td>
<td>22,838</td>
<td>30,310</td>
<td>53,148</td>
</tr>
<tr>
<td>Health and Social Services</td>
<td>77</td>
<td>43,959</td>
<td>9,822</td>
<td>53,838</td>
</tr>
<tr>
<td>Public Safety</td>
<td>1,388</td>
<td>97,128</td>
<td>23,786</td>
<td>122,302</td>
</tr>
<tr>
<td>Regulation of Business and Professions</td>
<td>-</td>
<td>86</td>
<td>3,126</td>
<td>3,212</td>
</tr>
<tr>
<td>Transportation</td>
<td>816</td>
<td>34,759</td>
<td>108,022</td>
<td>143,597</td>
</tr>
<tr>
<td><strong>TOTAL BY FUNCTION</strong></td>
<td>$ 39,222</td>
<td>$ 315,728</td>
<td>$ 200,371</td>
<td>555,321</td>
</tr>
</tbody>
</table>

| Construction in progress                      |        |           |           |         |
| **TOTAL GENERAL FIXED ASSETS**                |        |           |           | $ 637,785 |

### SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

For the Year Ended June 30, 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>FUNCTION</th>
<th>BALANCE JULY 1, 1999</th>
<th>ADDITIONS</th>
<th>DELETIONS</th>
<th>BALANCE JUNE 30, 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$ 67,651</td>
<td>$ 258</td>
<td>$ 193</td>
<td>$ 67,716</td>
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<tr>
<td>Conservation of Natural Resources</td>
<td>78,156</td>
<td>10,353</td>
<td>2,490</td>
<td>86,019</td>
</tr>
<tr>
<td>Culture – Recreation</td>
<td>7,318</td>
<td>-</td>
<td>6</td>
<td>7,312</td>
</tr>
<tr>
<td>Economic Development and Assistance</td>
<td>17,757</td>
<td>709</td>
<td>309</td>
<td>18,157</td>
</tr>
<tr>
<td>Education</td>
<td>56,930</td>
<td>1,885</td>
<td>5,667</td>
<td>53,148</td>
</tr>
<tr>
<td>Health and Social Services</td>
<td>54,486</td>
<td>1,321</td>
<td>1,949</td>
<td>53,858</td>
</tr>
<tr>
<td>Public Safety</td>
<td>121,838</td>
<td>2,585</td>
<td>2,121</td>
<td>122,302</td>
</tr>
<tr>
<td>Regulation of Business and Professions</td>
<td>2,882</td>
<td>887</td>
<td>357</td>
<td>3,212</td>
</tr>
<tr>
<td>Transportation</td>
<td>127,189</td>
<td>18,857</td>
<td>2,449</td>
<td>143,597</td>
</tr>
<tr>
<td><strong>TOTAL BY FUNCTION</strong></td>
<td>534,207</td>
<td>36,655</td>
<td>15,541</td>
<td>555,231</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>16,739</td>
<td>68,048</td>
<td>2,323</td>
<td>82,464</td>
</tr>
<tr>
<td><strong>TOTAL GENERAL FIXED ASSETS</strong></td>
<td>$ 550,946</td>
<td>$ 104,703</td>
<td>$ 17,864</td>
<td>$ 637,785</td>
</tr>
</tbody>
</table>
State of Nebraska  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY SOURCE**  
June 30, 2000  
(Dollars in Thousands)  

**GENERAL FIXED ASSETS:**  
- Land $39,222  
- Buildings 315,728  
- Equipment 200,371  
- Construction In Progress 82,464  

**TOTAL GENERAL FIXED ASSETS** $637,785  

**INVESTMENT IN GENERAL FIXED ASSETS:**  
- General Fund 166,514  
- Special Revenue Funds 194,492  
- Capital Projects Funds 157,542  
- Trust and Agency Funds 1,129  
- Donations 8,518  
- Original Inventory – Source Uncertain 109,590  

**TOTAL INVESTMENT IN GENERAL FIXED ASSETS** $637,785
The Statistical Section presents comparative data for the past ten years, and other pertinent information involving taxes, revenues, expenditures, demographic data and other miscellaneous statistics.

The statistical data is presented to give report users a better historical perspective and assist in assessing current financial status and trends of the governmental unit. Economic data is presented to allow a broader understanding of the economic and social environment in which State government operates.
State of Nebraska

**TEN YEAR SCHEDULE OF REVENUES AND EXPENDITURES – ALL GOVERNMENTAL FUND TYPES**

1991 – 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>$688,359</td>
<td>$758,832</td>
<td>$780,823</td>
<td>$835,934</td>
</tr>
<tr>
<td>Sales and Use</td>
<td>616,577</td>
<td>664,202</td>
<td>653,455</td>
<td>746,429</td>
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<tr>
<td>Petroleum</td>
<td>218,767</td>
<td>221,485</td>
<td>227,228</td>
<td>247,134</td>
</tr>
<tr>
<td>Excise</td>
<td>72,622</td>
<td>73,105</td>
<td>77,693</td>
<td>92,912</td>
</tr>
<tr>
<td>Business and Franchise</td>
<td>28,344</td>
<td>35,799</td>
<td>35,591</td>
<td>44,140</td>
</tr>
<tr>
<td>Other</td>
<td>8,743</td>
<td>5,325</td>
<td>19,782</td>
<td>17,980</td>
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<tr>
<td><strong>Total Taxes</strong></td>
<td>1,633,412</td>
<td>1,758,748</td>
<td>1,794,572</td>
<td>1,984,529</td>
</tr>
<tr>
<td>Licenses, Fees and Permits</td>
<td>97,177</td>
<td>100,340</td>
<td>106,958</td>
<td>123,279</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>42,895</td>
<td>44,440</td>
<td>47,965</td>
<td>62,089</td>
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<tr>
<td>Investment Income</td>
<td>47,007</td>
<td>36,396</td>
<td>24,320</td>
<td>24,100</td>
</tr>
<tr>
<td>Rents and Royalties</td>
<td>4,708</td>
<td>6,870</td>
<td>6,265</td>
<td>7,212</td>
</tr>
<tr>
<td>Other</td>
<td>14,748</td>
<td>18,597</td>
<td>27,331</td>
<td>35,737</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>$2,556,542</td>
<td>$2,793,747</td>
<td>$2,866,992</td>
<td>$3,215,452</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>$64,280</td>
<td>$69,351</td>
<td>$70,275</td>
<td>$72,535</td>
</tr>
<tr>
<td>Conservation of Natural Resources</td>
<td>57,774</td>
<td>51,027</td>
<td>55,860</td>
<td>58,582</td>
</tr>
<tr>
<td>Culture – Recreation</td>
<td>12,974</td>
<td>13,755</td>
<td>14,501</td>
<td>14,912</td>
</tr>
<tr>
<td>Economic Development and Assistance</td>
<td>55,921</td>
<td>54,401</td>
<td>55,684</td>
<td>54,401</td>
</tr>
<tr>
<td>Education</td>
<td>572,174</td>
<td>628,539</td>
<td>653,332</td>
<td>684,364</td>
</tr>
<tr>
<td>Health and Social Services</td>
<td>780,718</td>
<td>891,526</td>
<td>967,959</td>
<td>1,101,284</td>
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<tr>
<td>Public Safety</td>
<td>109,616</td>
<td>120,773</td>
<td>109,404</td>
<td>155,750</td>
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<tr>
<td>Regulation of Business and Professions</td>
<td>31,651</td>
<td>38,100</td>
<td>40,647</td>
<td>44,290</td>
</tr>
<tr>
<td>Transportation</td>
<td>454,116</td>
<td>477,160</td>
<td>511,154</td>
<td>543,010</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>99,874</td>
<td>157,538</td>
<td>124,316</td>
<td>93,941</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>7,698</td>
<td>4,839</td>
<td>10,552</td>
<td>3,886</td>
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<tr>
<td>Debt Service</td>
<td></td>
<td>1,201</td>
<td>1,221</td>
<td>2,413</td>
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<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>$2,246,796</td>
<td>$2,508,010</td>
<td>$2,614,905</td>
<td>$2,829,348</td>
</tr>
</tbody>
</table>

**SOURCE:** Department of Administrative Services, Accounting Division. Nebraska Comprehensive Annual Financial Report
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>$</td>
<td>867,037</td>
<td>$947,508</td>
<td>$1,075,095</td>
<td>$1,121,849</td>
<td>$1,199,499</td>
<td>$1,310,210</td>
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<tr>
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<td>774,012</td>
<td>824,590</td>
<td>857,684</td>
<td>910,437</td>
<td>868,620</td>
<td>1,083,692</td>
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<tr>
<td></td>
<td>265,278</td>
<td>240,605</td>
<td>266,852</td>
<td>269,761</td>
<td>266,419</td>
<td>280,700</td>
</tr>
<tr>
<td></td>
<td>93,822</td>
<td>99,007</td>
<td>93,715</td>
<td>94,557</td>
<td>94,142</td>
<td>95,324</td>
</tr>
<tr>
<td></td>
<td>42,786</td>
<td>32,435</td>
<td>33,195</td>
<td>31,486</td>
<td>40,396</td>
<td>42,095</td>
</tr>
<tr>
<td></td>
<td>13,616</td>
<td>16,097</td>
<td>22,679</td>
<td>26,480</td>
<td>24,590</td>
<td>27,735</td>
</tr>
<tr>
<td></td>
<td>2,046,551</td>
<td>2,160,242</td>
<td>2,349,220</td>
<td>2,453,570</td>
<td>2,493,666</td>
<td>2,839,756</td>
</tr>
<tr>
<td>1,112,819</td>
<td>1,191,748</td>
<td>1,130,846</td>
<td>1,263,946</td>
<td>1,400,439</td>
<td>1,557,699</td>
<td>1,557,699</td>
</tr>
<tr>
<td>131,832</td>
<td>138,288</td>
<td>145,598</td>
<td>146,128</td>
<td>154,352</td>
<td>160,915</td>
<td>160,915</td>
</tr>
<tr>
<td>69,008</td>
<td>75,372</td>
<td>73,571</td>
<td>68,634</td>
<td>75,343</td>
<td>78,647</td>
<td>78,647</td>
</tr>
<tr>
<td>34,091</td>
<td>41,187</td>
<td>56,258</td>
<td>77,317</td>
<td>55,877</td>
<td>70,183</td>
<td>70,183</td>
</tr>
<tr>
<td>7,787</td>
<td>7,934</td>
<td>9,015</td>
<td>9,598</td>
<td>10,249</td>
<td>10,375</td>
<td>10,375</td>
</tr>
<tr>
<td>39,476</td>
<td>37,553</td>
<td>44,453</td>
<td>66,571</td>
<td>109,442</td>
<td>175,356</td>
<td>175,356</td>
</tr>
<tr>
<td>$3,441,566</td>
<td>$3,652,324</td>
<td>$3,808,961</td>
<td>$4,087,764</td>
<td>$4,299,366</td>
<td>$4,892,911</td>
<td></td>
</tr>
</tbody>
</table>

|       | $77,080   | $74,523   | $94,022   | $92,498   | $95,547   | $108,278  |
|       | 62,144    | 66,495    | 67,638    | 73,637    | 82,049    | 95,824    |
|       | 17,309    | 17,714    | 20,094    | 21,311    | 22,588    | 22,754    |
|       | 59,904    | 64,202    | 68,133    | 71,240    | 74,672    | 80,559    |
|       | 740,086   | 765,638   | 796,440   | 824,594   | 1,001,664 | 1,049,487 |
|       | 1,241,041 | 1,331,763 | 1,341,460 | 1,467,679 | 1,645,380 | 1,792,984 |
|       | 166,367   | 152,065   | 152,321   | 170,797   | 177,519   | 189,850   |
|       | 46,508    | 49,458    | 44,464    | 42,367    | 42,930    | 68,044    |
|       | 569,731   | 622,521   | 622,525   | 600,750   | 658,429   | 759,972   |
|       | 90,287    | 87,286    | 91,544    | 94,841    | 107,443   | 106,795   |
|       | 3,234     | 4,288     | 11,899    | 18,404    | 23,177    | 66,478    |
|       | 2,579     | 2,814     | 3,288     | 3,467     | 5,897     | 14,353    |
## SCHEDULE OF BUDGETARY FUND CONVERSION TABLE

For the Year Ended June 30, 2000

<table>
<thead>
<tr>
<th>General</th>
<th>General</th>
<th>State Treasurer</th>
<th>Funds 1000, 1100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Revenue</td>
<td>Licensing and Regulation</td>
<td>Secretary of State</td>
<td>Funds 2091, 2092</td>
</tr>
<tr>
<td></td>
<td>Department of Agriculture</td>
<td>Funds 2075, 2076, 2079, 2080, 2081, 2082, 2085, 2087, 2088, 2089, 2178, 2181, 2182, 2185, 2187, 2188</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Department of Education</td>
<td>Funds 2131, 2139, 2148</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public Service Commission</td>
<td>Funds 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2169, 2170, 2176, 2431</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Department of Revenue</td>
<td>Funds 2159, 2162, 2166, 2167, 2169, 2170, 2176, 2431</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Department of Banking and Finance</td>
<td>Funds 2191, 2192</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Health and Human Services System</td>
<td>Funds 2263, 2800</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fire Marshall</td>
<td>Fund 2211</td>
<td></td>
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<tr>
<td></td>
<td>Department of Insurance</td>
<td>Funds 2221, 6223</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Department of Labor</td>
<td>Funds 2230, 2231, 2234, 2235, 2236, 2237</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electrical Board</td>
<td>Fund 2121</td>
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</tr>
<tr>
<td></td>
<td>Racing Commission</td>
<td>Funds 2361, 2362, 2364</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Brand Committee</td>
<td>Fund 2391</td>
<td></td>
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<tr>
<td></td>
<td>Motor Vehicle Industry Licensing Board</td>
<td>Fund 2401</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Real Estate Commission</td>
<td>Fund 2411</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Board of Barber Examiners</td>
<td>Fund 2451</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Real Estate Appraiser Board</td>
<td>Fund 2531</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Oil &amp; Gas Conservation Commission</td>
<td>Fund 2571</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Board of Examiners for Professional Engineers and Architects</td>
<td>Fund 2581</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Board of Geologists</td>
<td>Fund 2591</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Board of Examiners for Land Surveyors</td>
<td>Fund 2621</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Board of Public Accountancy</td>
<td>Fund 2631</td>
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</tr>
<tr>
<td></td>
<td>Abstracters Board of Examiners</td>
<td>Fund 2661</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Board of Examiners for Landscape Architects</td>
<td>Fund 2731</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Power Review Board</td>
<td>Fund 2741</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Department of Environmental Quality</td>
<td>Funds 2833, 2835, 2838, 2841, 2842, 2843, 2844, 2845, 2847, 2849</td>
<td></td>
</tr>
</tbody>
</table>

### Highway

| State Treasurer | Funds 6124, 6246 |
| Department of Revenue | Fund 7162 |
| Department of Motor Vehicles | Funds 2243, 2244, 7241 |
| Department of Roads | Funds 2270, 2271, 2272, 2671, 2672, 6271, 7757 |

### Economic Development

<p>| Department of Agriculture | Funds 2083, 2084, 2180, 2184 |
| Wheat Development, Utilization, and Marketing Board | Fund 2950 |
| Dairy Industry Development Board | Fund 2610 |
| Oil &amp; Gas Conservation Commission | Fund 6571 |
| Ethanol Board | Funds 2160, 2802 |
| Department of Economic Development | Funds 2183, 2186, 2331, 2721, 2723, 2724, 2727 |
| Dry Bean Development | Fund 2860 |
| Corn Development, Utilization, and Marketing Board | Fund 2189 |</p>
<table>
<thead>
<tr>
<th>FINANCIAL STATEMENT FUND TYPE</th>
<th>FINANCIAL STATEMENT FUND TITLE</th>
<th>AGENCY</th>
<th>FUND NUMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Revenue (Cont'd.)</td>
<td>Economic Development (Cont'd.)</td>
<td>Railway Council</td>
<td>Funds 2901, 5801</td>
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<td></td>
<td>Fund 7263</td>
</tr>
<tr>
<td></td>
<td>University of Nebraska</td>
<td></td>
<td>Funds 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 4504, 4900, 4920, 4930, 5501, 5503, 5504, 5505, 6496, 6501, 6503, 6504, 6505, 6506, 6507, 6509</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>University of Nebraska</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Funds 2502, 2511, 2512, 2514, 2515, 2520, 2521, 2522, 2523, 2525, 3250, 3251, 4512, 4513, 4514, 4515, 4517, 4518, 4910, 5502, 5511, 5514, 5515, 5519, 6502, 6512, 6514, 6515, 6519, 6520, 6521, 6551, 6552, 6553, 6556</td>
</tr>
<tr>
<td>Public Benefit Corporation</td>
<td>University of Nebraska</td>
<td></td>
<td>Funds 6508, 6522</td>
</tr>
<tr>
<td></td>
<td>Facilities Corporation</td>
<td></td>
<td>Funds 6493, 6495</td>
</tr>
</tbody>
</table>
# State of Nebraska

## REVENUE BOND COVERAGE
### COLLEGES AND UNIVERSITIES
#### 1991 – 2000

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>DEDICATED REVENUES</th>
<th>RELATED EXPENSES</th>
<th>NET REVENUES AVAILABLE FOR DEBT SERVICE</th>
<th>DEBT SERVICE REQUIREMENT</th>
<th>COVERAGE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>$36,342</td>
<td>$28,727</td>
<td>$7,615</td>
<td>$4,380</td>
<td>1.74</td>
</tr>
<tr>
<td>1992</td>
<td>38,633</td>
<td>29,922</td>
<td>8,711</td>
<td>5,572</td>
<td>1.56</td>
</tr>
<tr>
<td>1993</td>
<td>40,167</td>
<td>31,082</td>
<td>9,085</td>
<td>5,747</td>
<td>1.58</td>
</tr>
<tr>
<td>1994</td>
<td>45,730</td>
<td>36,743</td>
<td>8,987</td>
<td>5,694</td>
<td>1.58</td>
</tr>
<tr>
<td>1995</td>
<td>49,059</td>
<td>38,680</td>
<td>10,379</td>
<td>5,825</td>
<td>1.78</td>
</tr>
<tr>
<td>1996</td>
<td>52,928</td>
<td>43,464</td>
<td>9,464</td>
<td>6,054</td>
<td>1.56</td>
</tr>
<tr>
<td>1997</td>
<td>54,029</td>
<td>44,852</td>
<td>9,377</td>
<td>7,175</td>
<td>1.31</td>
</tr>
<tr>
<td>1998</td>
<td>56,878</td>
<td>46,176</td>
<td>10,702</td>
<td>7,736</td>
<td>1.38</td>
</tr>
<tr>
<td>1999</td>
<td>48,965</td>
<td>38,267</td>
<td>10,698</td>
<td>8,072</td>
<td>1.33</td>
</tr>
<tr>
<td>2000</td>
<td>52,176</td>
<td>40,774</td>
<td>11,402</td>
<td>7,454</td>
<td>1.53</td>
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</table>

**SOURCE:** University of Nebraska and State Colleges.
<table>
<thead>
<tr>
<th>YEAR</th>
<th>NEBRASKA</th>
<th>PERCENT CHANGE</th>
<th>UNITED STATES</th>
<th>PERCENT CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940</td>
<td>1,315,834</td>
<td></td>
<td>132,122,446</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>1,325,510</td>
<td>0.74 %</td>
<td>152,271,417</td>
<td>15.25 %</td>
</tr>
<tr>
<td>1960</td>
<td>1,411,921</td>
<td>6.52</td>
<td>180,671,158</td>
<td>18.65</td>
</tr>
<tr>
<td>1970</td>
<td>1,485,333</td>
<td>5.20</td>
<td>205,052,174</td>
<td>13.49</td>
</tr>
<tr>
<td>1971</td>
<td>1,508,000</td>
<td>1.53</td>
<td>207,661,000</td>
<td>1.27</td>
</tr>
<tr>
<td>1972</td>
<td>1,528,000</td>
<td>1.33</td>
<td>209,886,000</td>
<td>1.08</td>
</tr>
<tr>
<td>1973</td>
<td>1,533,000</td>
<td>0.33</td>
<td>211,909,000</td>
<td>0.96</td>
</tr>
<tr>
<td>1974</td>
<td>1,537,000</td>
<td>0.26</td>
<td>213,854,000</td>
<td>0.92</td>
</tr>
<tr>
<td>1975</td>
<td>1,544,000</td>
<td>0.46</td>
<td>215,973,000</td>
<td>0.99</td>
</tr>
<tr>
<td>1976</td>
<td>1,552,000</td>
<td>0.52</td>
<td>218,035,000</td>
<td>0.95</td>
</tr>
<tr>
<td>1977</td>
<td>1,555,000</td>
<td>0.19</td>
<td>220,239,000</td>
<td>1.01</td>
</tr>
<tr>
<td>1978</td>
<td>1,565,000</td>
<td>0.64</td>
<td>222,585,000</td>
<td>1.07</td>
</tr>
<tr>
<td>1979</td>
<td>1,574,000</td>
<td>0.58</td>
<td>225,055,000</td>
<td>1.11</td>
</tr>
<tr>
<td>1980</td>
<td>1,569,825</td>
<td>(0.27)</td>
<td>227,224,681</td>
<td>0.96</td>
</tr>
<tr>
<td>1981</td>
<td>1,577,000</td>
<td>0.46</td>
<td>229,466,000</td>
<td>0.99</td>
</tr>
<tr>
<td>1982</td>
<td>1,586,000</td>
<td>0.57</td>
<td>231,664,000</td>
<td>0.96</td>
</tr>
<tr>
<td>1983</td>
<td>1,597,000</td>
<td>0.69</td>
<td>233,792,000</td>
<td>0.92</td>
</tr>
<tr>
<td>1984</td>
<td>1,605,000</td>
<td>0.50</td>
<td>235,825,000</td>
<td>0.87</td>
</tr>
<tr>
<td>1985</td>
<td>1,606,000</td>
<td>0.06</td>
<td>237,324,000</td>
<td>0.89</td>
</tr>
<tr>
<td>1986</td>
<td>1,588,000</td>
<td>(0.50)</td>
<td>240,133,000</td>
<td>0.83</td>
</tr>
<tr>
<td>1987</td>
<td>1,594,000</td>
<td>(0.25)</td>
<td>242,289,000</td>
<td>0.90</td>
</tr>
<tr>
<td>1988</td>
<td>1,602,000</td>
<td>0.50</td>
<td>244,499,000</td>
<td>0.91</td>
</tr>
<tr>
<td>1989</td>
<td>1,611,000</td>
<td>0.56</td>
<td>246,619,000</td>
<td>0.95</td>
</tr>
<tr>
<td>1990</td>
<td>1,578,417</td>
<td>(2.02)</td>
<td>249,439,545</td>
<td>1.06</td>
</tr>
<tr>
<td>1991</td>
<td>1,591,000</td>
<td>0.80</td>
<td>252,124,000</td>
<td>1.08</td>
</tr>
<tr>
<td>1992</td>
<td>1,603,000</td>
<td>0.75</td>
<td>255,022,000</td>
<td>1.14</td>
</tr>
<tr>
<td>1993</td>
<td>1,613,000</td>
<td>0.62</td>
<td>257,753,000</td>
<td>1.08</td>
</tr>
<tr>
<td>1994</td>
<td>1,623,000</td>
<td>0.62</td>
<td>260,292,000</td>
<td>0.99</td>
</tr>
<tr>
<td>1995</td>
<td>1,636,000</td>
<td>0.80</td>
<td>262,761,000</td>
<td>0.95</td>
</tr>
<tr>
<td>1996</td>
<td>1,649,000</td>
<td>0.79</td>
<td>265,179,000</td>
<td>0.92</td>
</tr>
<tr>
<td>1997</td>
<td>1,657,000</td>
<td>0.49</td>
<td>267,636,000</td>
<td>0.93</td>
</tr>
<tr>
<td>1998</td>
<td>1,661,000</td>
<td>0.24</td>
<td>270,248,000</td>
<td>0.98</td>
</tr>
<tr>
<td>1999</td>
<td>1,666,000</td>
<td>0.30</td>
<td>272,691,000</td>
<td>0.90</td>
</tr>
</tbody>
</table>

| 1940-1999 | 26.61 % | 106.39 % |

**SOURCE:** U.S. Bureau of the Census
## State of Nebraska

### COMPARATIVE UNEMPLOYMENT

#### NEBRASKA AND UNITED STATES

#### 1950 – 1999

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TOTAL LABOR FORCE</th>
<th>TOTAL EMPLOYMENT</th>
<th>UNEMPLOYMENT</th>
<th>NEBRASKA UNEMPLOYMENT AS PERCENT OF LABOR FORCE</th>
<th>UNITED STATES UNEMPLOYMENT AS PERCENT OF LABOR FORCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>608,500</td>
<td>590,600</td>
<td>17,900</td>
<td>2.9%</td>
<td>5.2%</td>
</tr>
<tr>
<td>1960</td>
<td>630,200</td>
<td>613,000</td>
<td>17,200</td>
<td>2.7%</td>
<td>5.5%</td>
</tr>
<tr>
<td>1970(a)</td>
<td>631,700</td>
<td>612,300</td>
<td>19,400</td>
<td>3.1%</td>
<td>4.9%</td>
</tr>
<tr>
<td>1971</td>
<td>644,000</td>
<td>620,500</td>
<td>23,500</td>
<td>3.6%</td>
<td>5.9%</td>
</tr>
<tr>
<td>1972</td>
<td>666,300</td>
<td>643,800</td>
<td>22,500</td>
<td>3.4%</td>
<td>5.6%</td>
</tr>
<tr>
<td>1973</td>
<td>688,900</td>
<td>666,200</td>
<td>22,700</td>
<td>3.3%</td>
<td>4.9%</td>
</tr>
<tr>
<td>1974</td>
<td>719,500</td>
<td>688,600</td>
<td>30,900</td>
<td>4.3%</td>
<td>5.8%</td>
</tr>
<tr>
<td>1975</td>
<td>706,000</td>
<td>663,200</td>
<td>42,800</td>
<td>6.1%</td>
<td>8.5%</td>
</tr>
<tr>
<td>1976</td>
<td>717,100</td>
<td>680,900</td>
<td>36,200</td>
<td>5.0%</td>
<td>7.7%</td>
</tr>
<tr>
<td>1977(b)</td>
<td>790,000</td>
<td>722,000</td>
<td>28,000</td>
<td>3.7%</td>
<td>7.1%</td>
</tr>
<tr>
<td>1978</td>
<td>772,000</td>
<td>749,000</td>
<td>23,000</td>
<td>3.0%</td>
<td>6.1%</td>
</tr>
<tr>
<td>1979</td>
<td>771,000</td>
<td>747,000</td>
<td>24,000</td>
<td>3.1%</td>
<td>5.8%</td>
</tr>
<tr>
<td>1980</td>
<td>763,000</td>
<td>732,000</td>
<td>31,000</td>
<td>4.1%</td>
<td>7.1%</td>
</tr>
<tr>
<td>1981</td>
<td>777,000</td>
<td>745,000</td>
<td>32,000</td>
<td>4.1%</td>
<td>7.6%</td>
</tr>
<tr>
<td>1982</td>
<td>789,000</td>
<td>741,000</td>
<td>48,000</td>
<td>6.1%</td>
<td>9.7%</td>
</tr>
<tr>
<td>1983</td>
<td>791,000</td>
<td>746,000</td>
<td>45,000</td>
<td>5.7%</td>
<td>9.6%</td>
</tr>
<tr>
<td>1984</td>
<td>796,000</td>
<td>761,000</td>
<td>35,000</td>
<td>4.4%</td>
<td>7.5%</td>
</tr>
<tr>
<td>1985</td>
<td>806,000</td>
<td>762,000</td>
<td>44,000</td>
<td>5.5%</td>
<td>7.2%</td>
</tr>
<tr>
<td>1986</td>
<td>813,000</td>
<td>772,000</td>
<td>41,000</td>
<td>5.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>1987</td>
<td>812,000</td>
<td>772,000</td>
<td>40,000</td>
<td>4.9%</td>
<td>6.2%</td>
</tr>
<tr>
<td>1988</td>
<td>818,000</td>
<td>789,000</td>
<td>29,000</td>
<td>3.5%</td>
<td>5.5%</td>
</tr>
<tr>
<td>1989</td>
<td>812,000</td>
<td>787,000</td>
<td>25,000</td>
<td>3.1%</td>
<td>5.3%</td>
</tr>
<tr>
<td>1990</td>
<td>814,489</td>
<td>796,352</td>
<td>18,137</td>
<td>2.2%</td>
<td>5.5%</td>
</tr>
<tr>
<td>1991</td>
<td>835,206</td>
<td>812,074</td>
<td>23,132</td>
<td>2.8%</td>
<td>6.7%</td>
</tr>
<tr>
<td>1992</td>
<td>838,477</td>
<td>813,076</td>
<td>25,401</td>
<td>3.0%</td>
<td>7.4%</td>
</tr>
<tr>
<td>1993</td>
<td>858,400</td>
<td>835,581</td>
<td>22,819</td>
<td>2.7%</td>
<td>6.8%</td>
</tr>
<tr>
<td>1994</td>
<td>880,246</td>
<td>854,975</td>
<td>25,271</td>
<td>2.9%</td>
<td>6.1%</td>
</tr>
<tr>
<td>1995</td>
<td>898,113</td>
<td>874,357</td>
<td>23,756</td>
<td>2.6%</td>
<td>5.6%</td>
</tr>
<tr>
<td>1996</td>
<td>909,932</td>
<td>883,284</td>
<td>26,648</td>
<td>2.9%</td>
<td>5.7%</td>
</tr>
<tr>
<td>1997</td>
<td>906,256</td>
<td>882,615</td>
<td>23,641</td>
<td>2.6%</td>
<td>5.3%</td>
</tr>
<tr>
<td>1998</td>
<td>916,440</td>
<td>891,709</td>
<td>24,731</td>
<td>2.7%</td>
<td>4.5%</td>
</tr>
<tr>
<td>1999(c)</td>
<td>911,100</td>
<td>885,045</td>
<td>26,055</td>
<td>2.9%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

(a) Data for 1970 and later are based on a Labor Force concept rather than the Work Force used previously, and are not strictly comparable with data for previous years.

(b) Data for 1977 and later are not comparable to prior years because of changes in the method of estimating the labor force.

(c) 1999 numbers are preliminary. Numbers for 1996 to 1999 revised to March 1998 benchmark.

**SOURCE:**
- 1984-1999 Nebraska Department of Labor, Labor Market Information
State of Nebraska

TOTAL PERSONAL AND PER CAPITA INCOME
NEBRASKA, UNITED STATES AND THE PLAINS
1990 – 1999

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NEBRASKA PERSONAL INCOME (IN MILLIONS)</th>
<th>NEBRASKA PER CAPITA INCOME</th>
<th>UNITED STATES PERSONAL INCOME (IN MILLIONS)</th>
<th>UNITED STATES PER CAPITA INCOME</th>
<th>PLAINS (a) PERSONAL INCOME (IN MILLIONS)</th>
<th>PLAINS (a) PER CAPITA INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$27,858</td>
<td>$18,088</td>
<td>$4,774,005</td>
<td>$19,584</td>
<td>$315,716</td>
<td>$18,217</td>
</tr>
<tr>
<td>1991</td>
<td>28,729</td>
<td>18,766</td>
<td>4,963,545</td>
<td>20,089</td>
<td>327,448</td>
<td>18,842</td>
</tr>
<tr>
<td>1992</td>
<td>30,812</td>
<td>19,588</td>
<td>5,260,922</td>
<td>21,082</td>
<td>349,261</td>
<td>19,928</td>
</tr>
<tr>
<td>1993</td>
<td>31,785</td>
<td>20,167</td>
<td>5,469,485</td>
<td>21,718</td>
<td>358,347</td>
<td>20,389</td>
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<tr>
<td>1994</td>
<td>33,029</td>
<td>21,168</td>
<td>5,741,050</td>
<td>22,581</td>
<td>380,442</td>
<td>21,558</td>
</tr>
<tr>
<td>1995</td>
<td>36,293</td>
<td>22,196</td>
<td>6,192,235</td>
<td>23,562</td>
<td>410,645</td>
<td>22,363</td>
</tr>
<tr>
<td>1996</td>
<td>39,618</td>
<td>24,045</td>
<td>6,538,103</td>
<td>24,651</td>
<td>439,948</td>
<td>23,802</td>
</tr>
<tr>
<td>1997</td>
<td>40,722</td>
<td>24,590</td>
<td>6,928,762</td>
<td>25,874</td>
<td>462,250</td>
<td>24,861</td>
</tr>
<tr>
<td>1998</td>
<td>42,949</td>
<td>25,861</td>
<td>7,383,687</td>
<td>27,322</td>
<td>491,292</td>
<td>26,282</td>
</tr>
<tr>
<td>1999</td>
<td>45,065</td>
<td>27,049</td>
<td>7,783,152</td>
<td>28,452</td>
<td>514,176</td>
<td>27,350</td>
</tr>
</tbody>
</table>

(a) States included in the Plains are Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.


State of Nebraska

TEN LARGEST PRIVATE EMPLOYERS
1999

<table>
<thead>
<tr>
<th>NAME OF COMPANY</th>
<th>RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iowa Beef Processors, Inc.</td>
<td>1</td>
</tr>
<tr>
<td>Union Pacific Railroad Co.</td>
<td>2</td>
</tr>
<tr>
<td>First Data Resources</td>
<td>3</td>
</tr>
<tr>
<td>Werner Enterprises</td>
<td>4</td>
</tr>
<tr>
<td>Alegent Health, Inc.</td>
<td>5</td>
</tr>
<tr>
<td>ConAgra, Inc.</td>
<td>6</td>
</tr>
<tr>
<td>Mutual of Omaha</td>
<td>7</td>
</tr>
<tr>
<td>Wal-Mart</td>
<td>8</td>
</tr>
<tr>
<td>Nebraska Health System</td>
<td>9</td>
</tr>
<tr>
<td>Nebraska Methodist Health System</td>
<td>10</td>
</tr>
</tbody>
</table>

SOURCE: Nebraska Department of Economic Development, Research Division
## State of Nebraska

### TRANSPORTATION RELATED STATISTICS

**1990 – 1999**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STATE HIGHWAY MILEAGE BY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SURFACE TYPE (a)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RURAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gravel</td>
<td>79</td>
<td>79</td>
<td>74</td>
<td>74</td>
<td>74</td>
<td>51</td>
<td>44</td>
<td>44</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>Asphalt, Bitumen</td>
<td>7,774</td>
<td>7,801</td>
<td>7,786</td>
<td>7,794</td>
<td>7,794</td>
<td>7,834</td>
<td>7,849</td>
<td>7,819</td>
<td>7,841</td>
<td>7,901</td>
</tr>
<tr>
<td>Concrete, Brick</td>
<td>1,514</td>
<td>1,485</td>
<td>1,484</td>
<td>1,453</td>
<td>1,449</td>
<td>1,445</td>
<td>1,455</td>
<td>1,487</td>
<td>1,453</td>
<td>1,391</td>
</tr>
<tr>
<td><strong>TOTAL RURAL</strong></td>
<td>9,367</td>
<td>9,365</td>
<td>9,344</td>
<td>9,321</td>
<td>9,317</td>
<td>9,330</td>
<td>9,348</td>
<td>9,350</td>
<td>9,338</td>
<td>9,336</td>
</tr>
<tr>
<td><strong>MUNICIPAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asphalt, Bitumen</td>
<td>321</td>
<td>325</td>
<td>331</td>
<td>342</td>
<td>347</td>
<td>353</td>
<td>351</td>
<td>344</td>
<td>350</td>
<td>351</td>
</tr>
<tr>
<td>Concrete, Brick</td>
<td>260</td>
<td>261</td>
<td>274</td>
<td>281</td>
<td>279</td>
<td>277</td>
<td>270</td>
<td>276</td>
<td>279</td>
<td>282</td>
</tr>
<tr>
<td><strong>TOTAL MUNICIPAL</strong></td>
<td>581</td>
<td>586</td>
<td>605</td>
<td>623</td>
<td>626</td>
<td>630</td>
<td>621</td>
<td>620</td>
<td>629</td>
<td>633</td>
</tr>
<tr>
<td><strong>TOTAL RURAL AND MUNICIPAL</strong></td>
<td>9,948</td>
<td>9,951</td>
<td>9,949</td>
<td>9,944</td>
<td>9,943</td>
<td>9,960</td>
<td>9,969</td>
<td>9,970</td>
<td>9,967</td>
<td>9,969</td>
</tr>
</tbody>
</table>

| **MILES OF CONSTRUCTION ON STATE HIGHWAYS (a)** |      |      |      |      |      |      |      |      |      |      |
| Rural  | 493  | 414  | 340  | 469  | 376  | 625  | 624  | 569  | 503  | 748  |
| Municipal | 26   | 23   | 16   | 24   | 29   | 34   | 23   | 26   | 29   |      |
| **TOTAL RURAL AND MUNICIPAL** | 519  | 437  | 356  | 493  | 405  | 659  | 647  | 601  | 529  | 777  |

| **MOTOR VEHICLE REGISTRATIONS (b)** |      |      |      |      |      |      |      |      |      |      |
| Automobiles      | 917,722| 838,803| 895,461| 940,667| 955,138| 956,100| 977,252| 981,372| 1,011,801| 1,038,583|
| Trucks           | 147,992| 128,969| 140,095| 149,403| 148,664| 148,181| 148,051| 149,471| 148,433| 149,034|
| Farm             | 273,065| 247,831| 269,195| 288,608| 272,685| 279,781| 232,717| 293,413| 308,661| 322,128|
| Other            | 22,375| 20,264| 19,582| 18,882| 19,084| 18,696| 18,094| 18,441| 19,344| 20,612|
| Motorcycles      | 275,003| 266,178| 296,302| 301,757| 284,965| 290,287| 277,320| 283,090| 290,589| 305,089|
| **TOTAL**        | 1,636,147| 1,502,045| 1,620,635| 1,699,317| 1,680,536| 1,693,045| 1,703,434| 1,725,787| 1,778,828| 1,835,446|

**SOURCE:**
(a) Nebraska Department of Roads.
(b) Nebraska Department of Motor Vehicles.
State of Nebraska

NEBRASKA CASH RECEIPTS FROM
FARM MARKETING AND GOVERNMENT PAYMENTS
1990 – 1999

(Dollars in Millions)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>CROPS</th>
<th>LIVESTOCK AND LIVESTOCK PRODUCTS</th>
<th>TOTAL CROPS AND LIVESTOCK</th>
<th>GOVERNMENT PAYMENTS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$2,637.9</td>
<td>$6,076.2</td>
<td>$8,714.1</td>
<td>$624.6</td>
<td>$9,338.7</td>
</tr>
<tr>
<td>1991</td>
<td>3,064.9</td>
<td>5,933.3</td>
<td>8,998.2</td>
<td>490.7</td>
<td>9,488.9</td>
</tr>
<tr>
<td>1992</td>
<td>3,009.6</td>
<td>5,675.7</td>
<td>8,685.3</td>
<td>478.7</td>
<td>9,164.0</td>
</tr>
<tr>
<td>1993</td>
<td>3,018.3</td>
<td>5,853.0</td>
<td>8,871.3</td>
<td>806.3</td>
<td>9,677.6</td>
</tr>
<tr>
<td>1994</td>
<td>3,101.8</td>
<td>5,398.9</td>
<td>8,500.7</td>
<td>348.2</td>
<td>8,848.9</td>
</tr>
<tr>
<td>1995</td>
<td>3,837.0</td>
<td>5,146.1</td>
<td>8,983.1</td>
<td>507.3</td>
<td>9,490.4</td>
</tr>
<tr>
<td>1996</td>
<td>3,922.7</td>
<td>5,318.7</td>
<td>9,241.4</td>
<td>388.8</td>
<td>9,630.2</td>
</tr>
<tr>
<td>1997</td>
<td>4,297.8</td>
<td>5,507.2</td>
<td>9,805.0</td>
<td>454.6</td>
<td>10,259.6</td>
</tr>
<tr>
<td>1998</td>
<td>3,905.8</td>
<td>5,124.4</td>
<td>9,030.2</td>
<td>796.9</td>
<td>9,827.1</td>
</tr>
<tr>
<td>1999</td>
<td>3,130.2</td>
<td>5,424.9</td>
<td>8,555.1</td>
<td>1,322.1</td>
<td>9,877.2</td>
</tr>
</tbody>
</table>


State of Nebraska

NEBRASKA HOUSING UNITS AUTHORIZED FOR CONSTRUCTION
1990 – 1999

<table>
<thead>
<tr>
<th>YEAR</th>
<th>HOUSING UNITS AUTHORIZED</th>
<th>PERCENT CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>6,750</td>
<td>11.75 %</td>
</tr>
<tr>
<td>1991</td>
<td>6,235</td>
<td>(7.63)</td>
</tr>
<tr>
<td>1992</td>
<td>6,745</td>
<td>8.18</td>
</tr>
<tr>
<td>1993</td>
<td>7,751</td>
<td>14.91</td>
</tr>
<tr>
<td>1994</td>
<td>7,877</td>
<td>1.63</td>
</tr>
<tr>
<td>1995</td>
<td>8,164</td>
<td>3.64</td>
</tr>
<tr>
<td>1996</td>
<td>10,091</td>
<td>23.60</td>
</tr>
<tr>
<td>1997</td>
<td>9,880</td>
<td>(2.09)</td>
</tr>
<tr>
<td>1998</td>
<td>9,560</td>
<td>(3.24)</td>
</tr>
<tr>
<td>1999</td>
<td>8,696</td>
<td>(9.04)</td>
</tr>
</tbody>
</table>

SOURCE: U.S. Dept. of Commerce, Bureau of the Census, Current Construction Reports, Housing Units Authorized by Building Permits
### State of Nebraska

#### MOTOR FUELS NET TAXABLE GALLONS

1990 – 1999

<table>
<thead>
<tr>
<th>YEAR</th>
<th>IMPORTING DEALERS</th>
<th>DIESEL FUELS</th>
<th>GASOHOL</th>
<th>TOTAL</th>
<th>PERCENT CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>474,744,464</td>
<td>189,772,081</td>
<td>291,658,752</td>
<td>956,175,297</td>
<td>(0.79)%</td>
</tr>
<tr>
<td>1991</td>
<td>401,151,347</td>
<td>184,069,676</td>
<td>338,655,895</td>
<td>923,876,818</td>
<td>(3.38)%</td>
</tr>
<tr>
<td>1992</td>
<td>396,493,898</td>
<td>207,628,838</td>
<td>360,390,088</td>
<td>964,512,824</td>
<td>4.40%</td>
</tr>
<tr>
<td>1993</td>
<td>502,952,626</td>
<td>222,520,682</td>
<td>278,733,437</td>
<td>1,004,206,745</td>
<td>4.12%</td>
</tr>
<tr>
<td>1994</td>
<td>525,261,561</td>
<td>228,490,205</td>
<td>230,802,731</td>
<td>984,554,497</td>
<td>(1.96)%</td>
</tr>
<tr>
<td>1995</td>
<td>587,503,297</td>
<td>248,461,579</td>
<td>238,027,521</td>
<td>1,073,992,397</td>
<td>9.08%</td>
</tr>
<tr>
<td>1996</td>
<td>636,785,443</td>
<td>255,896,982</td>
<td>183,903,344</td>
<td>1,076,585,769</td>
<td>0.24%</td>
</tr>
<tr>
<td>1997</td>
<td>629,887,065</td>
<td>286,107,488</td>
<td>206,250,862</td>
<td>1,122,245,415</td>
<td>4.24%</td>
</tr>
<tr>
<td>1998</td>
<td>661,061,910</td>
<td>316,724,293</td>
<td>189,956,805</td>
<td>1,167,743,008</td>
<td>4.05%</td>
</tr>
<tr>
<td>1999</td>
<td>655,569,949</td>
<td>342,368,345</td>
<td>213,395,320</td>
<td>1,211,333,614</td>
<td>3.73%</td>
</tr>
</tbody>
</table>

**SOURCE:** Nebraska Department of Revenue Annual Report.

### State of Nebraska

#### BANK DEMAND AND TIME DEPOSITS

1990 – 1999

<table>
<thead>
<tr>
<th>YEAR</th>
<th>DEMAND DEPOSITS</th>
<th>TIME DEPOSITS</th>
<th>TOTAL DEPOSITS</th>
<th>PERCENT CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$2,806</td>
<td>$14,828</td>
<td>$17,634</td>
<td>9.71 %</td>
</tr>
<tr>
<td>1991</td>
<td>2,901</td>
<td>15,882</td>
<td>18,783</td>
<td>5.38%</td>
</tr>
<tr>
<td>1992</td>
<td>3,175</td>
<td>16,440</td>
<td>19,615</td>
<td>5.55%</td>
</tr>
<tr>
<td>1993</td>
<td>3,221</td>
<td>17,655</td>
<td>20,876</td>
<td>6.43%</td>
</tr>
<tr>
<td>1994</td>
<td>3,246</td>
<td>17,413</td>
<td>20,659</td>
<td>(1.04)%</td>
</tr>
<tr>
<td>1995</td>
<td>3,506</td>
<td>19,051</td>
<td>22,557</td>
<td>9.19%</td>
</tr>
<tr>
<td>1996</td>
<td>3,713</td>
<td>19,546</td>
<td>23,259</td>
<td>3.11%</td>
</tr>
<tr>
<td>1997</td>
<td>3,293</td>
<td>18,313</td>
<td>21,606</td>
<td>(7.11)%</td>
</tr>
<tr>
<td>1998</td>
<td>3,440</td>
<td>19,601</td>
<td>23,041</td>
<td>6.64%</td>
</tr>
<tr>
<td>1999</td>
<td>3,297</td>
<td>19,705</td>
<td>23,002</td>
<td>(0.17)%</td>
</tr>
</tbody>
</table>

**NOTE:** This data represents balances at December 31.

**SOURCE:** Federal Deposit Insurance Corporation.
### PUBLIC AND STATE OPERATED ENROLLMENT

#### PREKINDERGARTEN – GRADE 12

**1990/91 – 1999/00**

<table>
<thead>
<tr>
<th>ACADEMIC YEAR</th>
<th>PRE KG. AND KG.</th>
<th>GRADES 1 – 3</th>
<th>GRADES 4 – 6</th>
<th>GRADES 7 – 9</th>
<th>GRADES 10 – 12</th>
<th>TOTAL ALL GRADES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993 – 1994</td>
<td>24,600</td>
<td>65,258</td>
<td>67,374</td>
<td>68,270</td>
<td>58,957</td>
<td>284,459</td>
</tr>
<tr>
<td>1994 – 1995</td>
<td>25,304</td>
<td>64,171</td>
<td>67,092</td>
<td>69,186</td>
<td>60,680</td>
<td>286,433</td>
</tr>
<tr>
<td>1995 – 1996</td>
<td>25,779</td>
<td>64,010</td>
<td>66,957</td>
<td>68,796</td>
<td>62,842</td>
<td>288,384</td>
</tr>
<tr>
<td>1997 – 1998</td>
<td>25,543</td>
<td>65,014</td>
<td>64,721</td>
<td>70,452</td>
<td>66,389</td>
<td>292,119</td>
</tr>
<tr>
<td>1998 – 1999</td>
<td>25,740</td>
<td>64,664</td>
<td>64,256</td>
<td>69,991</td>
<td>66,485</td>
<td>291,136</td>
</tr>
<tr>
<td>1999 – 2000</td>
<td>25,219</td>
<td>63,118</td>
<td>64,409</td>
<td>69,099</td>
<td>68,386</td>
<td>288,231</td>
</tr>
</tbody>
</table>

**SOURCE:** Statistics and Facts About Nebraska Schools, Nebraska Department of Education.

### PUBLIC HIGHER EDUCATION INSTITUTIONS

#### TOTAL FALL HEADCOUNT ENROLLMENT

**1990 – 1999**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COLLEGES AND UNIVERSITIES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chadron State College</td>
<td>3,065</td>
<td>3,413</td>
<td>3,190</td>
<td>3,021</td>
<td>3,189</td>
<td>3,063</td>
<td>2,905</td>
<td>2,931</td>
<td>2,809</td>
<td>2,768</td>
</tr>
<tr>
<td>Kearney State College (1)</td>
<td>9,899</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peru State College</td>
<td>1,526</td>
<td>1,558</td>
<td>1,527</td>
<td>1,601</td>
<td>1,665</td>
<td>1,754</td>
<td>1,774</td>
<td>1,807</td>
<td>1,695</td>
<td>1,664</td>
</tr>
<tr>
<td>University of Nebraska</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lincoln (2)</td>
<td>24,598</td>
<td>24,803</td>
<td>24,752</td>
<td>24,695</td>
<td>24,089</td>
<td>24,578</td>
<td>24,189</td>
<td>23,104</td>
<td>22,869</td>
<td>22,394</td>
</tr>
<tr>
<td>Omaha</td>
<td>15,911</td>
<td>15,986</td>
<td>16,227</td>
<td>15,899</td>
<td>15,051</td>
<td>14,691</td>
<td>14,474</td>
<td>13,710</td>
<td>13,274</td>
<td>13,264</td>
</tr>
<tr>
<td>Kearney</td>
<td>8,573</td>
<td>8,374</td>
<td>8,045</td>
<td>7,584</td>
<td>7,620</td>
<td>7,680</td>
<td>7,133</td>
<td>6,849</td>
<td>6,780</td>
<td></td>
</tr>
<tr>
<td>Medical Center</td>
<td>2,444</td>
<td>2,631</td>
<td>2,759</td>
<td>2,703</td>
<td>2,778</td>
<td>2,778</td>
<td>2,718</td>
<td>2,618</td>
<td>2,599</td>
<td>2,590</td>
</tr>
<tr>
<td><strong>TOTAL COLLEGES AND UNIVERSITIES:</strong></td>
<td>60,855</td>
<td>60,889</td>
<td>60,590</td>
<td>59,729</td>
<td>58,242</td>
<td>58,344</td>
<td>57,568</td>
<td>55,142</td>
<td>53,730</td>
<td>53,081</td>
</tr>
</tbody>
</table>

| **COMMUNITY COLLEGES:** |      |      |      |      |      |      |      |      |      |      |
| Central CC (3)          | 4,214| 4,463| 4,885| 4,686| 5,011| 5,839| 6,476| 6,743| 7,474| 7,095|
| Metropolitan CC         | 8,520| 9,573| 10,301| 10,978| 10,666| 10,759| 11,213| 11,583| 11,658| 11,736|
| Mid-Plains CC           | 2,891| 2,880| 3,055| 3,337| 2,934| 2,528| 2,925| 2,694| 2,487| 2,518|
| Northeast CC            | 2,815| 3,172| 3,257| 3,408| 3,612| 3,413| 4,235| 4,440| 4,754| 4,671|
| Southeast CC            | 6,317| 5,839| 6,002| 5,777| 6,647| 6,240| 7,041| 6,951| 7,122| 7,351|
| Western CC              | 1,940| 2,182| 2,246| 2,591| 2,308| 2,291| 1,960| 2,008| 1,704| 1,836|
| **TOTAL COMMUNITY COLLEGES:** | 26,697| 28,109| 29,748| 30,777| 31,198| 30,977| 33,396| 34,049| 35,124| 35,129|
| **TOTAL ALL INSTITUTIONS:** | 87,552| 88,998| 90,338| 90,506| 89,440| 89,321| 90,064| 89,191| 88,854| 88,190|

**NOTE:**
1. Kearney State College became the University of Nebraska at Kearney in 1991.
2. University of Nebraska-Lincoln count includes NCTA-Curtis for all years.
3. Central CC reporting under continuous enrollment practice abandoned in 1996. Enrollment numbers have been retroactively changed to the reporting practice consistent with that of the other Community Colleges.

**SOURCE:** Nebraska Coordinating Commission for Postsecondary Education

110
State of Nebraska
MISCELLANEOUS STATISTICS
June 30, 2000

<table>
<thead>
<tr>
<th>Date Entered Union</th>
<th>March 1, 1867 (37th State)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form of Government</td>
<td>Legislative – Executive – Judicial</td>
</tr>
<tr>
<td>Land Area</td>
<td>77,356 square miles (18th largest in U.S.)</td>
</tr>
<tr>
<td>Elevation</td>
<td>840 to 5,424 feet above sea level</td>
</tr>
<tr>
<td>Capital</td>
<td>Lincoln</td>
</tr>
<tr>
<td>Largest City</td>
<td>Omaha</td>
</tr>
<tr>
<td>Origin of Name</td>
<td>From Oto Indian word “Nebrathka” meaning “flat water”</td>
</tr>
<tr>
<td>Nickname</td>
<td>Cornhusker State (from method of harvesting or “husking” corn by hand)</td>
</tr>
</tbody>
</table>

Recreation:
- Fish Hatcheries: 5
- State Parks: 8
- Historical Parks: 10
- Recreation and Wildlife Management Areas: 312

State Police Protection:
- Number of Troops: 6
- Number of Patrolmen: 415

Acknowledgments

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Ramona Hartley
Steve Lortz
Tim Baker

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