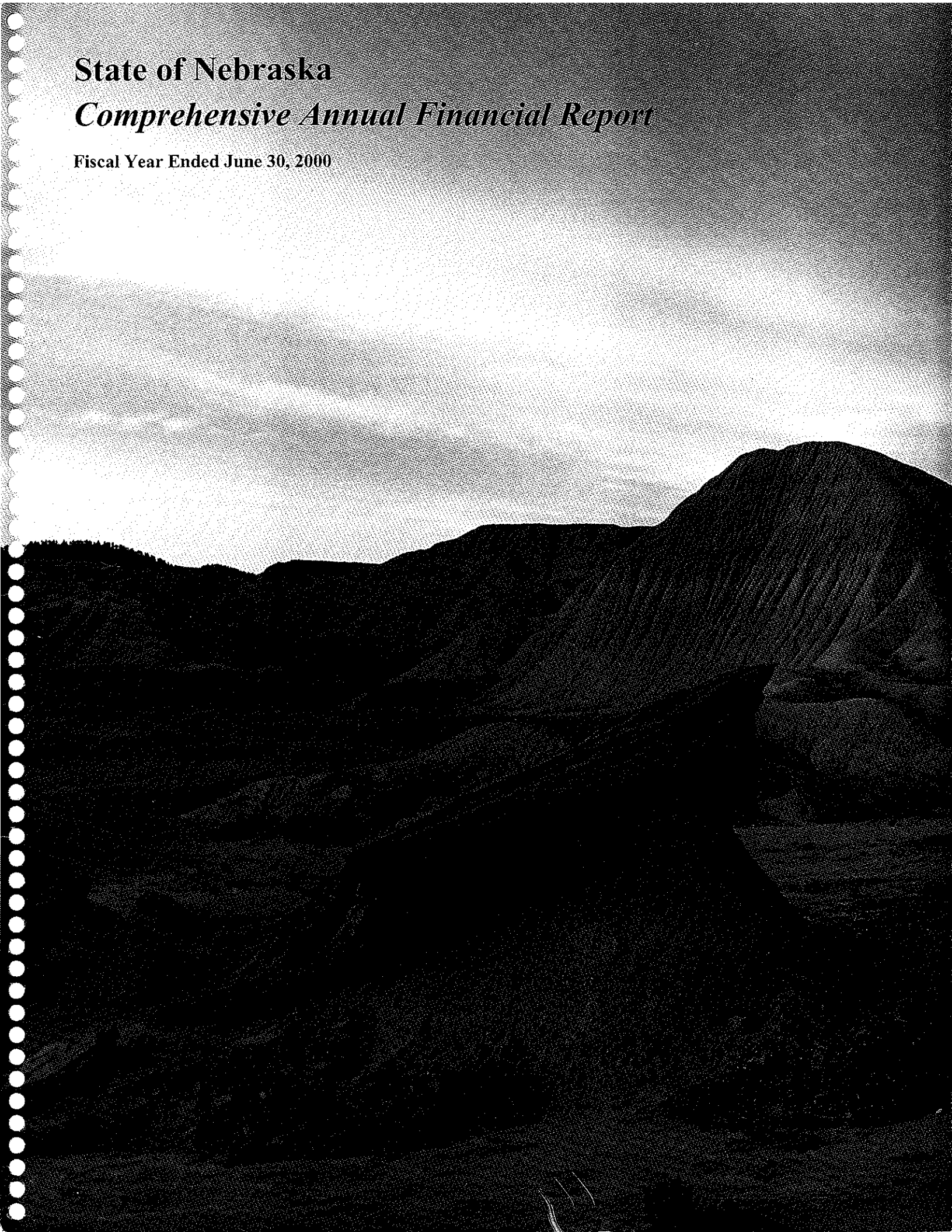


State of Nebraska

*Comprehensive Annual Financial Report*

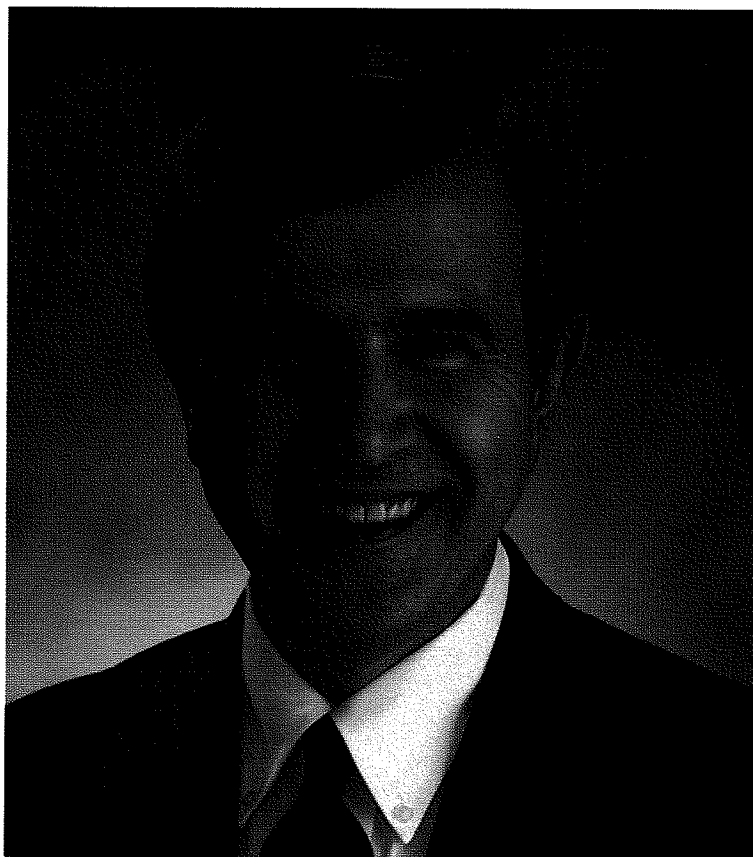
Fiscal Year Ended June 30, 2000



**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*

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2000

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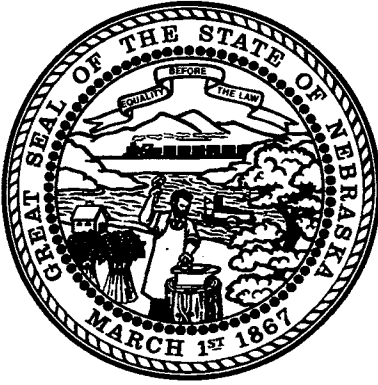
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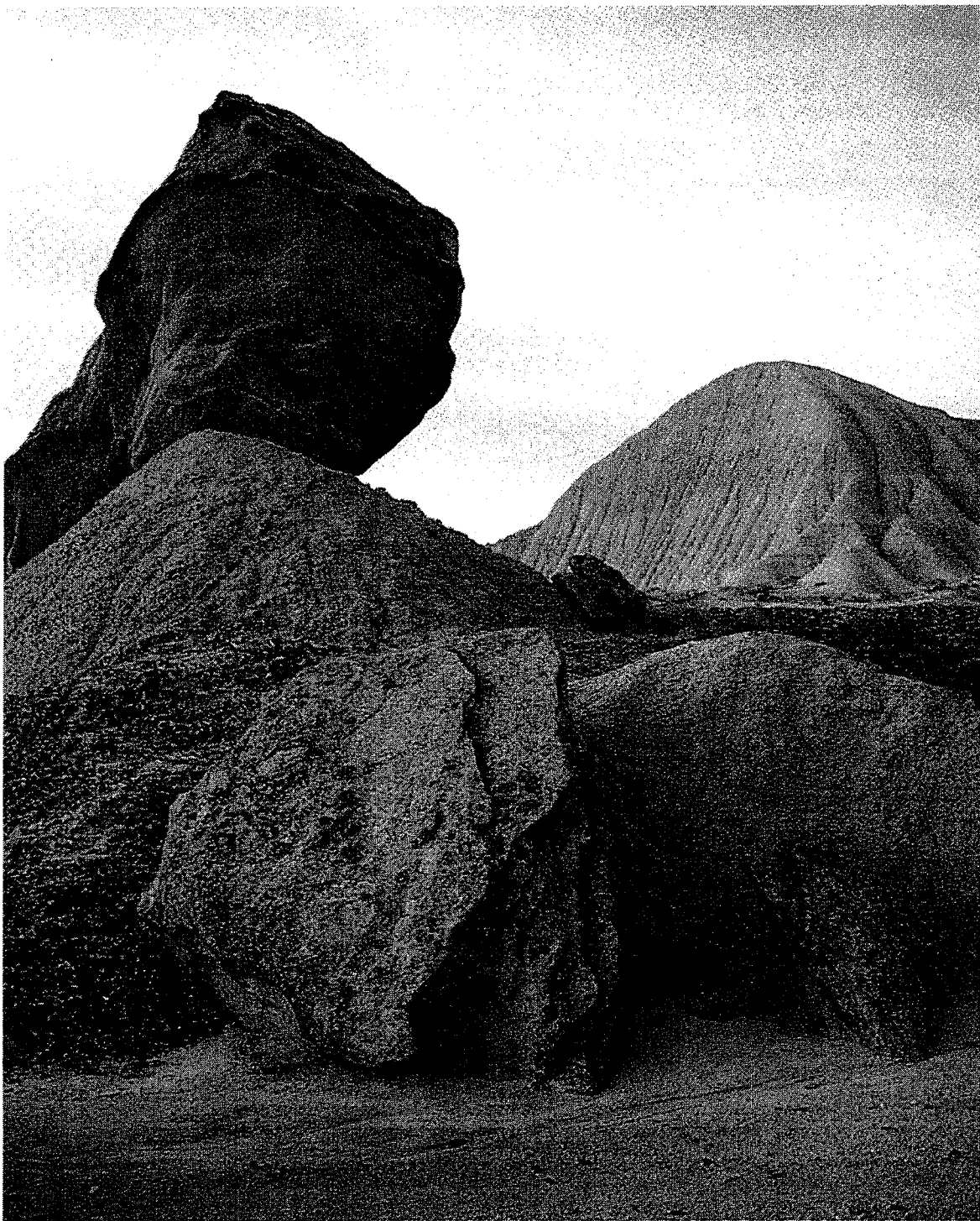
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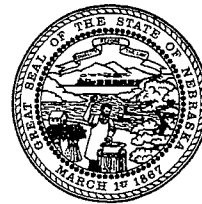
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# STATE OF NEBRASKA

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OFFICE OF THE GOVERNOR  
P.O. Box 94848  
Lincoln, Nebraska 68509-4848  
Phone: (402) 471-2244



**Mike Johanns**  
Governor

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,

A handwritten signature in black ink, appearing to read "Mike Johanns".

Mike Johanns  
Governor

## SELECTED STATE OFFICIALS

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### 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)

# STATE OF NEBRASKA



**Mike Johanns**  
Governor

## DEPARTMENT OF ADMINISTRATIVE SERVICES

**Lori McClurg**

Director

Suite 1315, State Capitol  
Lincoln, Nebraska 68509-4664

Phone (402) 471-2331

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.

	ACTUAL				PROJECTED	
	1996	1997	1998	1999	2000	2001
<b>Non-farm Employment:</b>						
Annual Totals	851,515	872,381	891,998	906,027	910,929	919,059
Growth Rates	2.2%	2.5%	2.2%	1.6%	0.5%	0.9%
<b>Non-farm Personal Income:</b>						
Annual Totals (in millions \$)	37,105	39,056	41,393	43,585	46,152	48,946
Growth Rates	6.1%	5.3%	6.0%	5.3%	5.9%	6.1%
<b>Net Taxable Retail Sales</b>						
<b>Growth Rates:</b>						
Total	6.2%	5.7%	6.7%	3.9%	4.5%	5.4%
Motor Vehicle Sales	9.8%	6.6%	9.6%	4.4%	5.6%	5.8%
Non-motor Vehicle Sales	5.7%	5.6%	6.3%	3.9%	4.4%	5.3%

## **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:

TYPE	PERCENT	DATE OF LAST CHANGE
Sales and Use Tax	5.0%	July 1, 1999
Corporate Income Tax	5.58% and 7.81%	January 1, 1991
Individual Income Tax	2.51% to 6.68%	January 1, 1997

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.

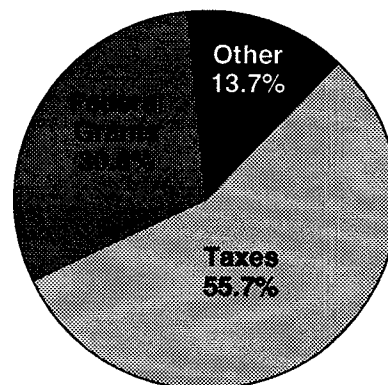
Revenue from various sources for fiscal year 2000 and the amount and percentage of increases and decreases in relation to the prior fiscal year are as follows (expressed in thousands):

REVENUES AND OTHER FINANCING SOURCES	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 1999	
			AMOUNT	PERCENTAGE
Income Tax	\$ 1,310,210	25.71%	\$ 110,711	9.23 %
Sales and Use Tax	1,083,692	21.26	215,072	24.76 %
Petroleum Tax	280,700	5.51	14,281	5.36 %
Other Taxes	165,154	3.24	6,026	3.79 %
Federal Grants and Contracts	1,557,699	30.56	157,260	11.23 %
Licenses, Fees and Permits	160,915	3.16	6,563	4.25 %
Charges for Services	78,647	1.54	3,304	4.39 %
Investment Income	70,163	1.38	14,286	25.57 %
Rents and Royalties	10,375	0.20	126	1.23 %
Other	175,356	3.44	65,914	60.23 %
Total Revenues	4,892,911	96.00	593,543	13.81 %
Other Financing Sources	203,691	4.00	80,871	65.85 %
Total Revenues and Other Financing Sources	\$ 5,096,602	100.00%	\$ 674,414	15.25 %

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.

REVENUES – 2000



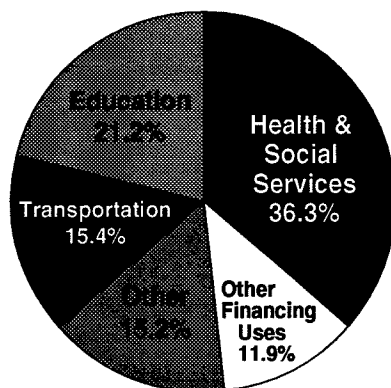
Expenditures and other financing uses for general government activities totaled \$4.94 billion for the fiscal year ending June 30, 2000, representing a 11.13 percent increase from 1999. General government expenditures by function for fiscal year 2000 and the amount and percentage of increases and decreases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

EXPENDITURES AND OTHER FINANCING USES	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 1999	
			AMOUNT	PERCENTAGE
Current:				
General Government	\$ 108,278	2.19%	\$ 12,731	13.32 %
Conservation of Natural Resources	95,824	1.94	13,775	16.79 %
Culture – Recreation	22,754	0.46	166	0.73 %
Economic Development and Assistance	80,559	1.63	5,887	7.88 %
Education	1,049,487	21.23	47,823	4.77 %
Health and Social Services	1,792,984	36.27	147,604	8.97 %
Public Safety	189,850	3.84	12,331	6.95 %
Regulation of Business and Professions	68,044	1.38	25,114	58.50 %
Transportation	759,972	15.37	101,543	15.42 %
Intergovernmental	106,795	2.16	(648)	(0.60)%
Capital Projects	66,478	1.34	43,301	186.83 %
Debt Service	14,353	0.29	8,456	143.39 %
Total Expenditures	4,355,378	88.11	418,083	10.62 %
Other Financing Uses	587,566	11.89	77,159	15.12 %
Total Expenditures and Other Financing Uses	<u>\$ 4,942,944</u>	<u>100.00%</u>	<u>\$ 495,242</u>	11.13 %

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 \$147.6 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.

**EXPENDITURES – 2000**



#### 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

The fund balance of the General Fund decreased by \$7.1 million to a total of \$271.3 million at June 30, 2000. The cash and investment balance of the General Fund was \$438.5 million. Current cash flow projections place the June 30, 2001, cash and investment balance at approximately \$487 million.

## 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 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.

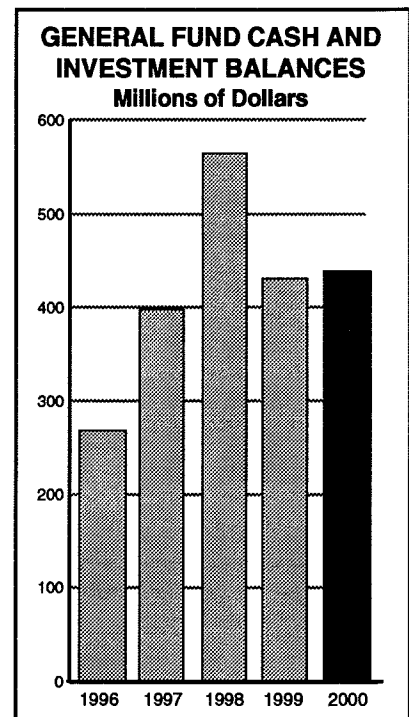
## Debt Administration

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.

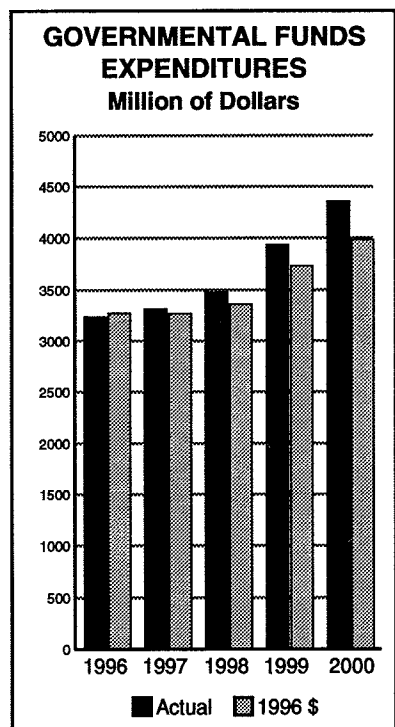
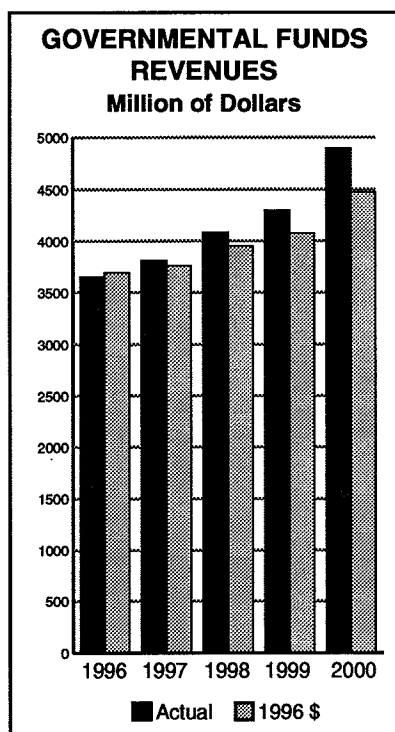
## General Fixed Assets

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,

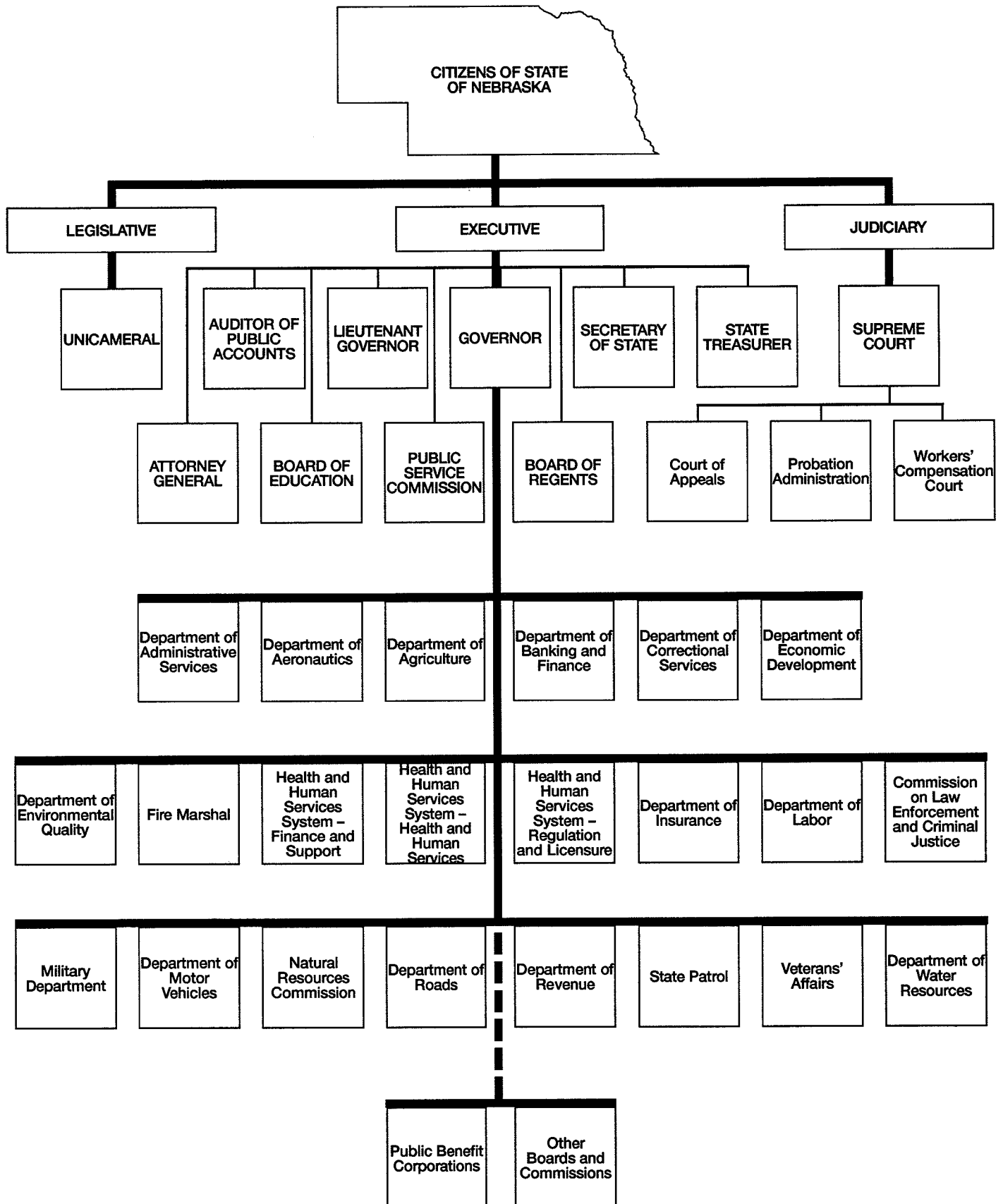


Lori McClurg  
Director, Department of  
Administrative Services



Paul Carlson  
State Accounting  
Administrator

# ORGANIZATION CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of  
Nebraska

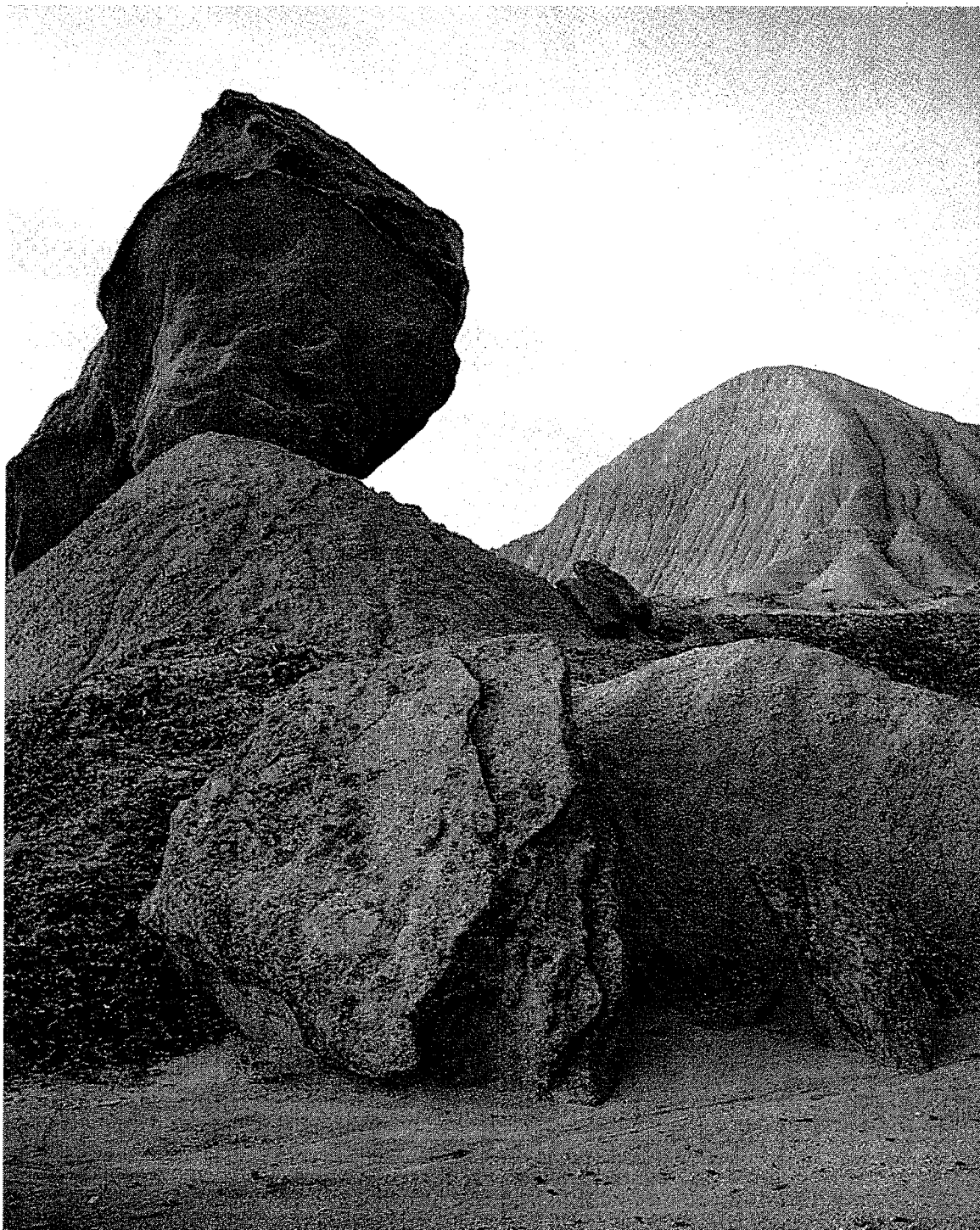
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1999

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.

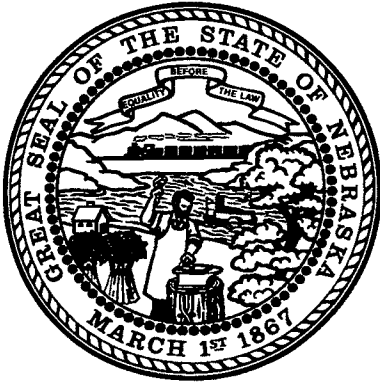


*Anne Spray Kinney*  
President

*Jeffrey L. Esser*  
Executive Director







## FINANCIAL SECTION

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## 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.

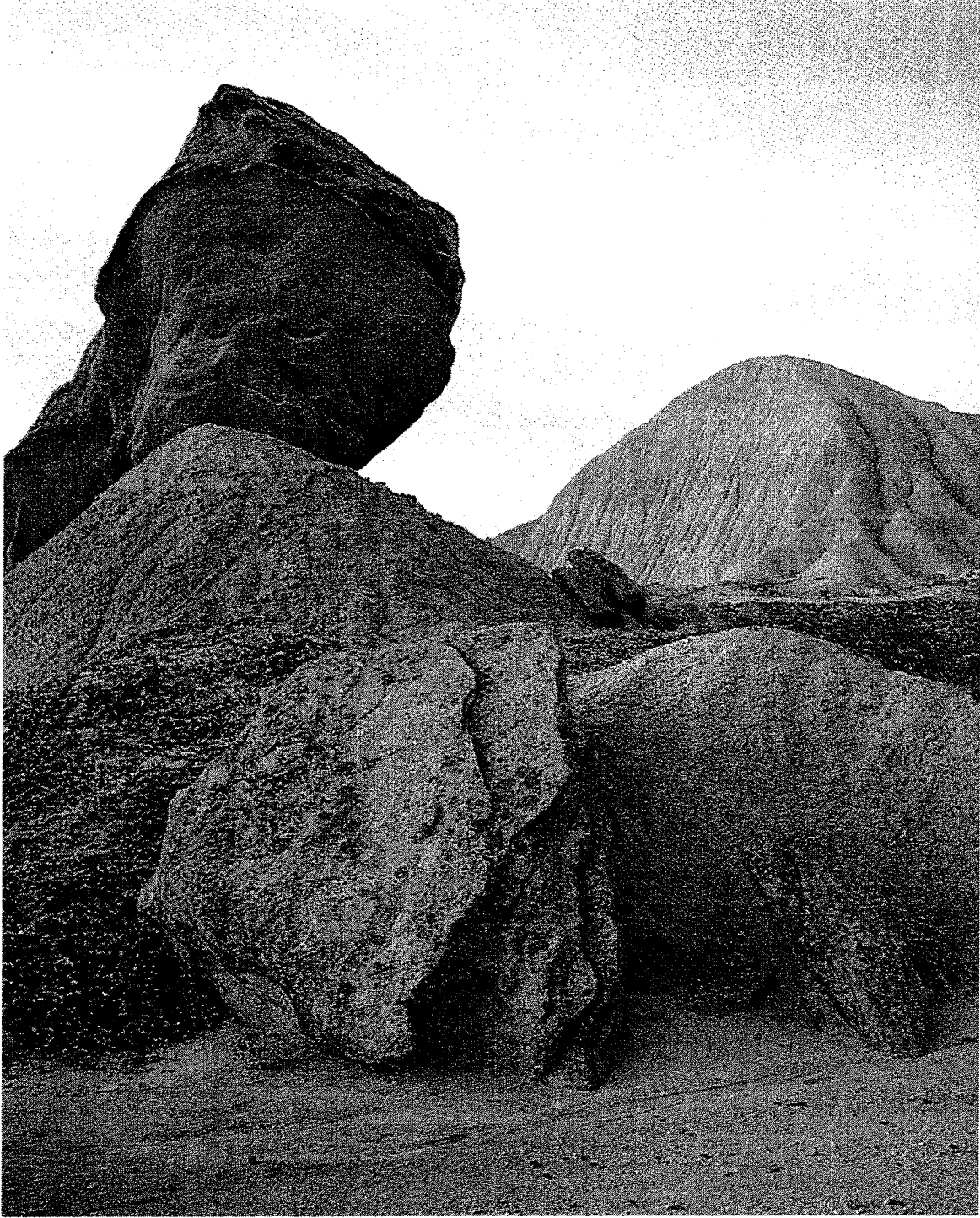
In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 2000, on our consideration of the State of Nebraska's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report 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



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# GENERAL PURPOSE FINANCIAL STATEMENTS

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## State of Nebraska

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

June 30, 2000

(Dollars in Thousands)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS
<b>ASSETS AND OTHER DEBITS:</b>			
Cash and Cash Equivalents	\$ 21,661	\$ 264,040	\$ 20,015
Cash on Deposit with Fiscal Agents	-	29,589	-
Investments	416,826	350,524	-
Invested Securities Lending Collateral	167,839	138,966	-
Investment in Joint Venture	-	-	-
Receivables, net of allowance			
Taxes	204,437	39,670	-
Due from Federal Government	-	212,872	-
Loans	33	111,639	-
Other	14,968	49,778	276
Due from Other Funds	3,726	6,615	3,396
Due from Primary Government	-	-	-
Inventories	-	26,859	-
Prepaid Items	77	144	-
Property, Plant, and Equipment, net	-	-	-
Other	362	567	-
Amount Available for Debt Service	-	-	-
Amount to be Provided For Debt Service	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 829,929</b>	<b>\$ 1,231,263</b>	<b>\$ 23,687</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
<b>LIABILITIES:</b>			
Accounts Payable and Accrued Liabilities	\$ 35,723	\$ 108,480	\$ 13,448
Tax Refunds Payable	223,086	5,034	-
Due to Other Governments	465	10,335	-
Deposits	1,394	12,945	-
Due to Other Funds	46,957	10,141	20
Due to Component Units	17,178	-	-
Obligations under Securities Lending	167,839	138,966	-
Claims Payable	63,747	76,689	-
Bonds Payable	-	-	-
Capital Lease Obligations	-	-	-
Obligations under Other Financing Arrangements	-	-	-
Accrued Compensated Absences	-	-	-
Deferred Revenue	2,194	18,019	-
Other	-	463	-
<b>TOTAL LIABILITIES</b>	<b>558,583</b>	<b>381,072</b>	<b>13,468</b>
<b>EQUITY AND OTHER CREDITS:</b>			
Investment in Fixed Assets	-	-	-
Contributed Capital	-	-	-
Retained Earnings:			
Reserved	-	-	-
Unreserved	-	-	-
Fund Balances:			
Reserved for:			
Long-Term Receivables	33	111,639	-
Inventories and Prepaid Items	77	11,678	-
Debt Service	-	6,704	-
Unemployment Compensation Benefits	-	-	-
Deferred Compensation Benefits	-	-	-
Endowment Principal	-	-	-
Pension Benefits	-	-	-
Unreserved:			
Designated for Colleges and Universities	-	-	-
Designated for Cash Shortages	131,736	-	-
Undesignated	139,500	720,170	10,219
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>271,346</b>	<b>850,191</b>	<b>10,219</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 829,929</b>	<b>\$ 1,231,263</b>	<b>\$ 23,687</b>

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

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	COMPONENT UNITS
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	PRIMARY GOVERNMENT	COLLEGES AND UNIVERSITIES
\$ 18,936	\$ 51,954	\$ 328,545	\$ -	\$ -	\$ 705,151	\$ 236,160
-	-	-	-	-	29,589	147,500
47,759	-	6,069,536	-	-	6,884,645	220,265
75	-	206,412	-	-	513,292	-
-	-	-	-	-	-	131,869
-	-	-	-	-	244,107	-
-	-	-	-	-	212,872	-
-	-	-	-	-	111,672	36,007
4,008	1,470	48,215	-	-	118,715	94,062
-	37,675	18,204	-	-	69,616	10,986
-	-	-	-	-	-	17,178
-	1,577	-	-	-	28,436	9,847
185	1,144	-	-	-	1,550	3,444
92	21,300	4	637,785	-	659,181	1,262,697
2,796	-	5,546	-	-	9,271	193
-	-	-	-	6,704	6,704	-
-	-	-	-	117,689	117,689	-
<u>\$ 73,851</u>	<u>\$ 115,120</u>	<u>\$ 6,676,462</u>	<u>\$ 637,785</u>	<u>\$ 124,393</u>	<u>\$ 9,712,490</u>	<u>\$ 2,170,208</u>
\$ 6,150	\$ 5,909	\$ 15,211	\$ -	\$ -	\$ 184,921	\$ 84,332
-	-	-	-	-	228,120	-
-	-	46,103	-	-	56,903	-
-	672	919	-	-	15,930	2,747
3,026	2,331	7,141	-	-	69,616	10,986
-	-	-	-	-	17,178	-
75	-	206,412	-	-	513,292	-
41,300	34,411	7,391	-	3,455	226,993	-
-	-	-	-	27,700	27,700	168,125
-	5,968	-	-	4,890	10,858	13,523
-	-	-	-	5,530	5,530	-
109	3,846	165	-	82,818	86,938	31,010
302	167	-	-	-	20,682	23,489
-	-	25,127	-	-	25,590	-
<u>50,962</u>	<u>53,304</u>	<u>308,469</u>	<u>-</u>	<u>124,393</u>	<u>1,490,251</u>	<u>334,212</u>
-	-	-	637,785	-	637,785	1,171,930
-	2,109	-	-	-	2,109	-
2,796	-	-	-	-	2,796	-
20,093	59,707	-	-	-	79,800	-
-	-	-	-	-	111,672	-
-	-	-	-	-	11,755	-
-	-	-	-	-	6,704	-
-	-	219,545	-	-	219,545	-
-	-	131,063	-	-	131,063	-
-	-	339,191	-	-	339,191	-
-	-	5,648,763	-	-	5,648,763	-
-	-	-	-	-	-	664,066
-	-	-	-	-	131,736	-
-	-	29,431	-	-	899,320	-
<u>22,889</u>	<u>61,816</u>	<u>6,367,993</u>	<u>637,785</u>	<u>-</u>	<u>8,222,239</u>	<u>1,835,996</u>
<u>\$ 73,851</u>	<u>\$ 115,120</u>	<u>\$ 6,676,462</u>	<u>\$ 637,785</u>	<u>\$ 124,393</u>	<u>\$ 9,712,490</u>	<u>\$ 2,170,208</u>

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State of Nebraska

# **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

(Dollars in Thousands)

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	EXPENDABLE TRUST	
<b>REVENUES:</b>					
Taxes	\$ 2,314,926	\$ 516,049	\$ 8,781	\$ 46,000	\$ 2,885,756
Federal Grants and Contracts	38	1,551,471	6,190	-	1,557,699
Licenses, Fees and Permits	18,751	142,164	-	-	160,915
Charges for Services	2,340	76,307	-	8,174	86,821
Participant Contributions	-	-	-	7,697	7,697
Investment Income	31,831	37,414	918	26,593	96,756
Rents and Royalties	2	10,373	-	435	10,810
Other	15,896	157,609	1,851	2,224	177,580
<b>TOTAL REVENUES</b>	<b>2,383,784</b>	<b>2,491,387</b>	<b>17,740</b>	<b>91,123</b>	<b>4,984,034</b>
<b>EXPENDITURES:</b>					
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	1,091,528	-	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
<b>TOTAL EXPENDITURES</b>	<b>1,927,456</b>	<b>2,361,444</b>	<b>66,478</b>	<b>68,563</b>	<b>4,423,941</b>
Excess of Revenues Over (Under) Expenditures	456,328	129,943	(48,738)	22,560	560,093
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In	28,155	69,388	75,512	-	173,055
Operating Transfers Out	(86,312)	(71,389)	-	(1,563)	(159,264)
Operating Transfers to Component Units	(405,485)	-	(24,380)	-	(429,865)
Proceeds from Bond Issuance	-	22,922	-	-	22,922
Proceeds from Other Financing Arrangements	-	7,530	-	-	7,530
Proceeds from Capital Leases	184	-	-	-	184
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(463,458)</b>	<b>28,451</b>	<b>51,132</b>	<b>(1,563)</b>	<b>(385,438)</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(7,130)	158,394	2,394	20,997	174,655
<b>FUND BALANCES, JULY 1</b>	<b>278,476</b>	<b>691,797</b>	<b>7,825</b>	<b>338,773</b>	<b>1,316,871</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 271,346</b>	<b>\$ 850,191</b>	<b>\$10,219</b>	<b>\$ 359,770</b>	<b>\$ 1,491,526</b>

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)

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
<b>REVENUES:</b>			
Taxes	\$ 2,238,244	\$ 2,315,821	\$ 77,577
Federal Grants and Contracts	38	38	-
Sales and Charges	21,000	21,000	-
Other	42,577	42,577	-
<b>TOTAL REVENUES</b>	<b>2,301,859</b>	<b>2,379,436</b>	<b>77,577</b>
<b>EXPENDITURES:</b>			
Current:			
General Government	90,673	81,865	8,808
Conservation of Natural Resources	44,663	34,052	10,611
Culture – Recreation	5,519	5,163	356
Economic Development and Assistance	10,231	5,573	4,658
Education	1,244,079	1,223,819	20,260
Health and Social Services	696,058	689,224	6,834
Public Safety	152,779	128,506	24,273
Regulation of Business and Professions	3,833	3,585	248
Transportation	662	586	76
Intergovernmental	99,603	98,383	1,220
Capital Projects	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,348,100</b>	<b>2,270,756</b>	<b>77,344</b>
Excess of Revenues Over (Under) Expenditures	(46,241)	108,680	154,921
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In	30,992	30,992	-
Operating Transfers Out	(117,356)	(117,356)	-
Other	(431)	(431)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(86,795)</b>	<b>(86,795)</b>	<b>-</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(133,036)	21,885	154,921
<b>FUND BALANCES, JULY 1</b>	<b>291,353</b>	<b>291,353</b>	<b>-</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 158,317</b>	<b>\$ 313,238</b>	<b>\$154,921</b>

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

CASH RESERVE AND CASH FUNDS			CONSTRUCTION FUNDS			FEDERAL FUNDS		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ 127,134	\$ 127,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
250,297	250,297	-	-	-	-	1,465,296	1,465,296	-
249,495	249,495	-	-	-	-	15,555	15,555	-
98,921	98,921	-	160	160	-	25,649	25,649	-
<u>725,847</u>	<u>725,847</u>	<u>-</u>	<u>160</u>	<u>160</u>	<u>-</u>	<u>1,506,500</u>	<u>1,506,500</u>	<u>-</u>
42,691	35,537	7,154	-	-	-	1,962	1,323	639
81,898	43,694	38,204	-	-	-	51,932	29,828	22,104
24,199	16,001	8,198	-	-	-	1,438	1,205	233
31,724	16,301	15,423	-	-	-	68,153	59,272	8,881
326,275	203,154	123,121	22,061	12,037	10,024	370,172	332,489	37,683
109,160	61,091	48,069	-	-	-	1,076,470	1,033,694	42,776
25,903	20,424	5,479	-	-	-	48,154	39,832	8,322
99,825	62,929	36,896	-	-	-	1,243	993	250
619,815	579,660	40,155	-	-	-	-	-	-
7,366	4,305	3,061	-	-	-	-	-	-
23,135	7,724	15,411	96,906	61,759	35,147	11,043	4,199	6,844
<u>1,391,991</u>	<u>1,050,820</u>	<u>341,171</u>	<u>118,967</u>	<u>73,796</u>	<u>45,171</u>	<u>1,630,567</u>	<u>1,502,835</u>	<u>127,732</u>
<u>(666,144)</u>	<u>(324,973)</u>	<u>341,171</u>	<u>(118,807)</u>	<u>(73,636)</u>	<u>45,171</u>	<u>(124,067)</u>	<u>3,665</u>	<u>127,732</u>
745,126	745,126	-	73,957	73,957	-	4,496	4,496	-
(426,017)	(426,017)	-	-	-	-	(4,500)	(4,500)	-
6,507	6,507	-	-	-	-	162	162	-
<u>325,616</u>	<u>325,616</u>	<u>-</u>	<u>73,957</u>	<u>73,957</u>	<u>-</u>	<u>158</u>	<u>158</u>	<u>-</u>
(340,528)	643	341,171	(44,850)	321	45,171	(123,909)	3,823	127,732
<u>707,864</u>	<u>707,864</u>	<u>-</u>	<u>2,285</u>	<u>2,285</u>	<u>-</u>	<u>2,576</u>	<u>2,576</u>	<u>-</u>
<u>\$ 367,336</u>	<u>\$ 708,507</u>	<u>\$ 341,171</u>	<u>\$ (42,565)</u>	<u>\$ 2,606</u>	<u>\$45,171</u>	<u>\$ (121,333)</u>	<u>\$ 6,399</u>	<u>\$ 127,732</u>

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

(Dollars in Thousands)	REVOLVING FUNDS		
	BUDGET	ACTUAL	VARIANCE
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ -
Federal Grants and Contracts	373	373	-
Sales and Charges	321,932	321,932	-
Other	109,685	109,685	-
<b>TOTAL REVENUES</b>	<b>431,990</b>	<b>431,990</b>	<b>-</b>
<b>EXPENDITURES:</b>			
Current:			
General Government	157,386	130,836	26,550
Conservation of Natural Resources	-	-	-
Culture - Recreation	-	-	-
Economic Development and Assistance	982	445	537
Education	332,456	273,129	59,327
Health and Social Services	-	-	-
Public Safety	11,383	7,904	3,479
Regulation of Business and Professions	-	-	-
Transportation	-	-	-
Intergovernmental	-	-	-
Capital Projects	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>502,207</b>	<b>412,314</b>	<b>89,893</b>
Excess of Revenues Over (Under) Expenditures	(70,217)	19,676	89,893
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In	11,038	11,038	-
Operating Transfers Out	(12,487)	(12,487)	-
Other	1,173	1,173	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(276)</b>	<b>(276)</b>	<b>-</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(70,493)	19,400	89,893
<b>FUND BALANCES, JULY 1</b>	<b>101,096</b>	<b>101,096</b>	<b>-</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 30,603</b>	<b>\$ 120,496</b>	<b>\$ 89,893</b>

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

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)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 69,004	\$ 178,506	\$ -	\$ 247,510
Investment Income	-	-	21,010	21,010
Rents and Royalties	-	-	23,748	23,748
Other	-	843	6,538	7,381
<b>TOTAL OPERATING REVENUES</b>	<b>69,004</b>	<b>179,349</b>	<b>51,296</b>	<b>299,649</b>
<b>OPERATING EXPENSES:</b>				
Personal Services	1,161	32,340	1,313	34,814
Services and Supplies	15,542	84,731	1,842	102,115
Financial Assistance	-	-	1,387	1,387
Intergovernmental	-	-	28,442	28,442
Lottery Prizes	36,292	-	-	36,292
Insurance Claims	21,100	56,259	-	77,359
Depreciation	51	8,402	-	8,453
<b>TOTAL OPERATING EXPENSES</b>	<b>74,146</b>	<b>181,732</b>	<b>32,984</b>	<b>288,862</b>
Operating Income (Loss)	(5,142)	(2,383)	18,312	10,787
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment Income	3,726	2,839	-	6,565
Gain (Loss) on Sale of Fixed Assets	-	74	-	74
Other	-	(227)	-	(227)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>3,726</b>	<b>2,686</b>	<b>-</b>	<b>6,412</b>
Income (Loss) Before Operating Transfers	(1,416)	303	18,312	17,199
<b>OPERATING TRANSFERS:</b>				
Operating Transfers In	-	2,383	1,309	3,692
Operating Transfers Out	(17,042)	-	(441)	(17,483)
<b>TOTAL OPERATING TRANSFERS</b>	<b>(17,042)</b>	<b>2,383</b>	<b>868</b>	<b>(13,791)</b>
Net Income (Loss)	(18,458)	2,686	19,180	3,408
<b>RETAINED EARNINGS/FUND BALANCES, JULY 1</b>	<b>41,347</b>	<b>57,021</b>	<b>340,280</b>	<b>438,648</b>
<b>RETAINED EARNINGS/FUND BALANCES, JUNE 30</b>	<b>\$ 22,889</b>	<b>\$ 59,707</b>	<b>\$ 359,460</b>	<b>\$ 442,056</b>

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

# COMBINED STATEMENT OF CASH FLOWS

## ALL PROPRIETARY FUND TYPES

## AND NONEXPENDABLE TRUST FUNDS

For the Year Ended June 30, 2000

(Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received from Customers	\$ 69,864	\$ 8,363	\$ 30,203	\$ 108,430
Cash Received from Interfund Charges	-	164,906	93	164,999
Cash Paid to Employees	(1,138)	(31,582)	(1,313)	(34,033)
Cash Paid to Suppliers	(17,629)	(74,747)	(1,716)	(94,092)
Cash Paid for Financial Assistance	-	-	(1,387)	(1,387)
Cash Paid for Intergovernmental	-	-	(28,442)	(28,442)
Cash Paid for Lottery Prizes	(36,779)	-	-	(36,779)
Cash Paid for Insurance Claims	(6,300)	(52,311)	-	(58,611)
Cash Paid for Interfund Services	(477)	(11,921)	(95)	(12,493)
NET CASH FLOWS FROM OPERATING ACTIVITIES	7,541	2,708	(2,657)	7,592
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
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)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
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)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
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
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	13,812	52,731	16,281	82,824
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>\$ 18,936</u>	<u>\$ 51,954</u>	<u>\$ 19,571</u>	<u>\$ 90,461</u>

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)

(Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	
RECONCILIATION OF OPERATING INCOME TO NET CASH				
FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (5,142)	\$ (2,383)	\$ 18,312	\$ 10,787
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	51	8,402	-	8,453
Investment Income	-	-	(21,010)	(21,010)
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	891	(73)	16	834
(Increase) Decrease in Due from Other Funds	-	(5,681)	(6)	(5,687)
(Increase) Decrease in Inventories	-	(60)	-	(60)
(Increase) Decrease in Prepaid Expenses	(20)	68	-	48
(Increase) Decrease in Other Assets	95	-	-	95
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(3,104)	(1,231)	31	(4,304)
Increase (Decrease) in Deposits	-	-	(1)	(1)
Increase (Decrease) in Due to Other Funds	1	(273)	1	(271)
Increase (Decrease) in Claims Payable	14,800	3,948	-	18,748
Increase (Decrease) in Deferred Revenue	(31)	(9)	-	(40)
Total Adjustments	12,683	5,091	(20,969)	(3,195)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 7,541	\$ 2,708	\$ (2,657)	\$ 7,592

**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:**

Total Trust and Agency	\$ 328,545
Less: Expendable Trust	225,196
Pension Trust	8,907
Agency	74,871
<b>NONEXPENDABLE TRUST</b>	<b>\$ 19,571</b>

# COMBINING STATEMENT OF PLAN NET ASSETS

## PENSION TRUST FUNDS

June 30, 2000

(Dollars in Thousands)

	STATE EMPLOYEES RETIREMENT	COUNTY EMPLOYEES RETIREMENT	SCHOOL RETIREMENT	JUDGES RETIREMENT	STATE PATROL RETIREMENT	TOTALS
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 3	\$ 4	\$ 7,842	\$ 286	\$ 772	\$ 8,907
Investments:						
U.S. Government Securities	-	-	929,528	19,078	43,485	992,091
Corporate Bonds	-	-	547,554	11,238	25,616	584,408
Equity Securities	-	-	1,284,017	26,354	60,069	1,370,440
Municipal Bonds	-	-	7,560	155	354	8,069
Pooled Investment Contracts	754,139	172,935	-	-	-	927,074
Mutual Funds	-	-	1,609,381	33,031	75,291	1,717,703
Total Investments	754,139	172,935	4,378,040	89,856	204,815	5,599,785
Invested Securities Lending Collateral	2,258	100	189,200	3,883	8,851	204,292
Receivables:						
Contributions	909	268	5,308	48	-	6,533
Interest and Dividends	484	112	21,236	440	1,003	23,275
Total Receivables	1,393	380	26,544	488	1,003	29,808
Due from Other Funds	-	-	14,141	129	645	14,915
Property, Plant, and Equipment, net	-	-	4	-	-	4
TOTAL ASSETS	757,793	173,419	4,615,771	94,642	216,086	5,857,711
<b>LIABILITIES:</b>						
Accounts Payable and Accrued Liabilities	65	26	4,270	29	66	4,456
Due to Other Funds	4	-	31	-	-	35
Obligations under Securities Lending	2,258	100	189,200	3,883	8,851	204,292
Accrued Compensated Absences	11	9	137	4	4	165
TOTAL LIABILITIES	2,338	135	193,638	3,916	8,921	208,948
<b>FUND BALANCES RESERVED FOR PENSION BENEFITS</b>	<u>\$ 755,455</u>	<u>\$ 173,284</u>	<u>\$ 4,422,133</u>	<u>\$ 90,726</u>	<u>\$ 207,165</u>	<u>\$ 5,648,763</u>

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)

	STATE EMPLOYEES RETIREMENT	COUNTY EMPLOYEES RETIREMENT	SCHOOL RETIREMENT	JUDGES RETIREMENT	STATE PATROL RETIREMENT	TOTALS
<b>ADDITIONS:</b>						
Contributions:						
Member Contributions	\$ 18,052	\$ 5,041	\$ 69,657	\$ 689	\$ 1,856	\$ 95,295
State Contributions	26,154	-	14,102	72	2,203	42,531
Political Subdivision Contributions	-	7,039	70,030	-	-	77,069
Court Fees	-	-	-	474	-	474
Total Contributions	<u>44,206</u>	<u>12,080</u>	<u>153,789</u>	<u>1,235</u>	<u>4,059</u>	<u>215,369</u>
Investment Income:						
Net Appreciation (Depreciation) in						
Fair Value of Investments	87,676	19,056	228,288	4,709	10,755	350,484
Interest and Dividend Income	-	-	118,854	2,486	5,654	126,994
Securities Lending Income	45	7	14,886	306	696	15,940
Total Investment Income	<u>87,721</u>	<u>19,063</u>	<u>362,028</u>	<u>7,501</u>	<u>17,105</u>	<u>493,418</u>
Investment Expenses	-	-	9,049	188	428	9,665
Securities Lending Expenses	41	6	13,883	285	649	14,864
Total Investment Expense	<u>41</u>	<u>6</u>	<u>22,932</u>	<u>473</u>	<u>1,077</u>	<u>24,529</u>
Net Investment Income	<u>87,680</u>	<u>19,057</u>	<u>339,096</u>	<u>7,028</u>	<u>16,028</u>	<u>468,889</u>
TOTAL ADDITIONS	<u>131,886</u>	<u>31,137</u>	<u>492,885</u>	<u>8,263</u>	<u>20,087</u>	<u>684,258</u>
<b>DEDUCTIONS:</b>						
Benefits	46,501	15,776	100,442	3,080	6,909	172,708
Refunds	-	-	13,288	171	169	13,628
Administrative Expenses	453	251	1,940	38	41	2,723
TOTAL DEDUCTIONS	<u>46,954</u>	<u>16,027</u>	<u>115,670</u>	<u>3,289</u>	<u>7,119</u>	<u>189,059</u>
Net Increase	84,932	15,110	377,215	4,974	12,968	495,199
<b>FUND BALANCES RESERVED FOR PENSION BENEFITS:</b>						
BEGINNING OF YEAR	<u>670,523</u>	<u>158,174</u>	<u>4,044,918</u>	<u>85,752</u>	<u>194,197</u>	<u>5,153,564</u>
END OF YEAR	<u>\$ 755,455</u>	<u>\$ 173,284</u>	<u>\$ 4,422,133</u>	<u>\$ 90,726</u>	<u>\$ 207,165</u>	<u>\$ 5,648,763</u>

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)

	UNIVERSITY OF NEBRASKA	STATE COLLEGES	TOTALS
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 227,797	\$ 8,363	\$ 236,160
Cash on Deposit with Fiscal Agents	131,585	15,915	147,500
Investments	220,265	-	220,265
Investment in Joint Venture	131,869	-	131,869
Receivables, net of allowance			
Loans	33,288	2,719	36,007
Other	93,317	745	94,062
Due from Other Funds	10,864	122	10,986
Due from Primary Government	15,751	1,427	17,178
Inventories	9,759	88	9,847
Prepaid Expenses	3,357	87	3,444
Property, Plant, and Equipment	1,157,445	105,252	1,262,697
Other Assets	-	193	193
TOTAL ASSETS	<u>\$ 2,035,297</u>	<u>\$ 134,911</u>	<u>\$ 2,170,208</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES:</b>			
Accounts Payable and Accrued Liabilities	\$ 78,454	\$ 5,878	\$ 84,332
Deposits Held in Custody	2,489	258	2,747
Due to Other Funds	10,864	122	10,986
Bonds Payable	150,180	17,945	168,125
Capital Lease Obligations	13,311	212	13,523
Accrued Compensated Absences	31,010	-	31,010
Deferred Revenue	23,301	188	23,489
TOTAL LIABILITIES	<u>309,609</u>	<u>24,603</u>	<u>334,212</u>
<b>FUND BALANCES:</b>			
Unrestricted	158,963	4,149	163,112
Restricted	251,656	1,125	252,781
Federal Loan Programs Refundable	30,747	2,305	33,052
Quasi Endowment Designated	30,894	-	30,894
Trusted Insurance Programs	14,331	-	14,331
Unexpended Plant Funds	66,418	-	66,418
Renewals and Replacements	60,188	-	60,188
Retirement of Indebtedness	35,318	7,972	43,290
Net Investment in Plant	1,077,173	94,757	1,171,930
TOTAL FUND BALANCES	<u>1,725,688</u>	<u>110,308</u>	<u>1,835,996</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,035,297</u>	<u>\$ 134,911</u>	<u>\$ 2,170,208</u>

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

State of Nebraska

# 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)

	UNIVERSITY OF NEBRASKA	STATE COLLEGES	TOTALS
<b>REVENUES AND OTHER ADDITIONS:</b>			
Current Funds Revenues	\$ 452,825	\$ 26,985	\$ 479,810
Federal Grants and Contracts – Restricted	149,644	9,070	158,714
State Grants and Contracts – Restricted	11,531	104	11,635
Local Grants and Contracts – Restricted	2,358	1,249	3,607
Private Gifts, Grants and Contracts – Restricted	145,426	-	145,426
Investment Income – Restricted	15,145	954	16,099
Increase in Fair Value of Investments	4,956	-	4,956
Interest on Loans Receivable	651	58	709
U.S. Government Advances	655	-	655
Expended for Plant Facilities	87,933	9,077	97,010
Retirement of Indebtedness	4,310	935	5,245
Retirement of Capitalized Lease Obligations	2,417	-	2,417
Proceeds from Revenue Bonds, net of discount	-	8,625	8,625
Other Sources	667	441	1,108
<b>TOTAL REVENUES AND OTHER ADDITIONS</b>	<b>878,518</b>	<b>57,498</b>	<b>936,016</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>			
Educational and General Expenditures	903,704	59,113	962,817
Auxiliary Operations Expenditures	132,997	8,011	141,008
Indirect Costs Recovered	17,279	31	17,310
Loan Cancellations, Write-offs, and Allowances	550	115	665
Administrative and Collection Costs	1,122	34	1,156
Expended for Plant Facilities	79,304	7,824	87,128
Increase in Capital Lease Obligations	6,210	-	6,210
Retirement of Indebtedness	4,310	935	5,245
Interest on Indebtedness	7,434	766	8,200
Disposals and Other Reductions of Plant Facilities	8,763	841	9,604
Bond and Lease Financial Expenditures	-	48	48
Issuance of Bonds Payable, net of discount	-	8,670	8,670
Other Deductions	292	18	310
<b>TOTAL EXPENDITURES AND OTHER DEDUCTIONS</b>	<b>1,161,965</b>	<b>86,406</b>	<b>1,248,371</b>
<b>TRANSFERS:</b>			
Operating Transfers from Primary Government	394,418	35,447	429,865
<b>TOTAL TRANSFERS</b>	<b>394,418</b>	<b>35,447</b>	<b>429,865</b>
Net Increase (Decrease) for the Year	110,971	6,539	117,510
<b>FUND BALANCES, JULY 1</b>	<b>1,614,717</b>	<b>103,769</b>	<b>1,718,486</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 1,725,688</b>	<b>\$ 110,308</b>	<b>\$ 1,835,996</b>

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)

	UNIVERSITY OF NEBRASKA	STATE COLLEGES	TOTALS
<b>REVENUES:</b>			
Educational and General:			
Tuition and Fees	\$ 141,495	\$ 16,463	\$ 157,958
Federal Appropriations	6,240	-	6,240
Federal Grants and Contracts	149,373	9,114	158,487
State Grants and Contracts	10,898	260	11,158
Local Grants and Contracts	4,202	1,171	5,373
Private Gifts, Grants and Contracts	93,789	-	93,789
Endowment Income	3,631	-	3,631
Sales and Services of Educational Activities	36,695	-	36,695
Sales and Services of Health Care Entities	69,424	-	69,424
Sales and Services of Auxiliary Operations	124,694	9,767	134,461
Additions to Trusteed Insurance Funds	43,442	-	43,442
Other	12,338	699	13,037
<b>TOTAL REVENUES</b>	<b>696,221</b>	<b>37,474</b>	<b>733,695</b>
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>			
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
<b>TOTAL EDUCATIONAL AND GENERAL EXPENDITURES</b>	<b>903,704</b>	<b>59,110</b>	<b>962,814</b>
Auxiliary Operations	132,997	8,011	141,008
Mandatory Transfers, net	8,359	1,675	10,034
<b>TOTAL EXPENDITURES AND MANDATORY TRANSFERS</b>	<b>1,045,060</b>	<b>68,796</b>	<b>1,113,856</b>
<b>OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):</b>			
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)
<b>TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)</b>	<b>371,505</b>	<b>31,047</b>	<b>402,552</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<b>\$ 22,666</b>	<b>\$ (275)</b>	<b>\$ 22,391</b>

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

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 dependant 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:

Buildings	40 years
Equipment	3-10 years

**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:

## GENERAL PURPOSE FINANCIAL STATEMENT FUND EQUITIES

(Dollars in Thousands)	BUDGETARY FUND EQUITIES TOTAL	PRIMARY GOVERNMENT						COMPONENT UNITS
		GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	COLLEGES AND UNIVERSITIES
<b>PERSPECTIVE DIFFERENCES:</b>								
Classification of budgetary fund equities into Financial Statement fund structure:								
General	\$ 313,238	\$ 313,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash	708,507	143,044	447,417	16,182	1,037	4,234	7,318	89,275
Construction	2,606	-	-	1,940	-	-	-	666
Federal	6,399	-	5,196	2,081	-	-	-	(878)
Revolving	120,496	-	3,668	-	-	33,486	-	83,342
Budgetary fund equities classified into general purpose financial statement fund structure	<u>\$ 1,151,246</u>	456,282	456,281	20,203	1,037	37,720	7,318	172,405
<b>BASIS DIFFERENCES:</b>								
Record amount due Colleges and Universities		(17,178)	-	-	-	-	-	17,178
Record fixed assets		-	-	-	92	21,300	-	1,262,697
Record taxes receivable		204,437	39,670	-	-	-	-	-
Record tax refund liability		(223,086)	(5,034)	-	-	-	-	-
Record amount due pensions		(14,522)	-	-	-	-	-	-
Record claims payable		(63,747)	(76,689)	-	-	(34,411)	-	-
Record capitalized lease obligations		-	-	-	-	(5,968)	-	(13,523)
Record other net accrued receivables, liabilities and inventories		(70,840)	248,945	(9,984)	-	30,674	-	293,851
Record deferred federal revenue		-	(17,913)	-	-	-	-	-
Other		-	1,165	-	-	-	-	-
<b>ENTITY DIFFERENCES:</b>								
Record funds not budgeted		-	179,356	-	21,760	12,501	6,041,150	103,388
Record entities not included in the accounting system		-	24,410	-	-	-	319,525	-
GAAP fund equities, June 30, 2000		<u>\$ 271,346</u>	<u>\$ 850,191</u>	<u>\$ 10,219</u>	<u>\$ 22,889</u>	<u>\$ 61,816</u>	<u>\$ 6,367,993</u>	<u>\$ 1,835,996</u>

**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 depository 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.** State Statute Section 72-1246 authorizes the State Investment Officer to invest the State's funds in accordance with the prudent person rule. The State Investment Officer may not buy on margin, buy call options, or buy put options. Certain State entities are also allowed by statute to invest in real estate and other investments.

The State's investments are categorized to give an indication of the level of custodial risk assumed by the State at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the State's name.

The Pension Trust Funds own approximately 76 percent of the investments that are in Category 1.

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

(Dollars in Thousands)	CATEGORY			TOTAL FAIR VALUE
	1	2	3	
U.S. Government Securities	\$ 1,616,756	\$ 1,155	\$ -	\$ 1,617,911
Corporate Bonds	1,006,460	-	-	1,006,460
Equity Securities				
Not on Securities Loan	1,410,386	-	-	1,410,386
On Securities Loan	1,876			1,876
Commercial Paper	202,143	-	-	202,143
Municipal Bonds	8,978	-	-	8,978
	<u>\$ 4,246,599</u>	<u>\$ 1,155</u>	<u>\$ -</u>	<u>4,247,754</u>
UNCATEGORIZED:				
Pooled Investment Contracts				1,060,496
Investment in U.S. Treasury				
Investment Pool				181,895
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				<u>\$ 8,088,437</u>

## State of Nebraska

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:

Total Investments	\$ 8,088,437
Carrying amount of Deposits	44,240
Total	<u>\$ 8,132,677</u>

### Combined Balance Sheet:

Cash and Cash Equivalents	\$ 705,151
Cash on Deposit with Fiscal Agents	29,589
Investments	6,884,645
Invested Securities Lending Collateral	513,292
Total	<u>\$ 8,132,677</u>

**Securities Lending Transactions.** State Statute Section 72-1247, authorizes the State Investment Officer 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:

Total Investments	\$ 595,642
Carrying amount of Deposits	8,283
Total	<u>\$ 603,925</u>

### Combined Balance Sheet:

Cash and Cash Equivalents	\$ 236,160
Cash on Deposit with Fiscal Agents	147,500
Investments	220,265
Total	<u>\$ 603,925</u>

## INVESTMENTS – COMPONENT UNITS AT JUNE 30, 2000

(Dollars in Thousands)

	CATEGORY			TOTAL FAIR VALUE
	1	2	3	
U.S. Government Securities	\$ -	\$ -	\$ 124,865	\$ 124,865
Corporate Bonds	-	-	15,991	15,991
Equity Securities	-	-	85,786	85,786
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,642</u>	226,642
UNCATEGORIZED:				
Mutual Funds				140,399
Real Estate				724
Investment in State Investment Pool				227,877
Total Investments				<u>\$ 595,642</u>

# State of Nebraska

## 5. Due To/From Other Funds

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

	<b>DUE FROM OTHER FUNDS</b>	<b>DUE TO OTHER FUNDS</b>
General	\$ 3,726	\$ 46,957
Special Revenue:		
Licensing and Regulation	13	326
Highway Fund	174	1,159
Economic Development	540	46
Airport Development	79	7
Game and Parks	2,753	118
Energy Conservation	-	2
Federal Fund	39	6,094
Health and Social Services	202	110
Other Special Revenue	2,815	2,279
	<u>6,615</u>	<u>10,141</u>
Capital Projects	3,396	20
Enterprise:		
Lottery	-	3,015
Excess Liability	-	11
	<u>-</u>	<u>3,026</u>
Internal Service:		
Correctional Services	332	12
Buildings and Grounds	172	50
General Services	2,011	578
Communications	2,239	26
Information Management Services	6,178	21
Transportation Services	1,463	48
Risk Management	24,788	1,511
Accounting Services	-	73
Other Internal Service	492	12
	<u>37,675</u>	<u>2,331</u>
Expendable Trust:		
Escheat Trust	3,275	2
Nonexpendable Trust:		
Aeronautics Trust	-	40
Permanent School Fund	14	3,280
	<u>14</u>	<u>3,320</u>
Pension Trust:		
State Employees Retirement	-	4
School Retirement	14,141	31
Judges Retirement	129	-
State Patrol Retirement	645	-
	<u>14,915</u>	<u>35</u>
Agency:		
Payroll Withholding Fund	-	3,784
<b>TOTALS</b>	<u>\$ 69,616</u>	<u>\$ 69,616</u>

## 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):

	<b>BALANCE JULY 1, 1999</b>	<b>ADDITIONS</b>	<b>DELETIONS</b>	<b>BALANCE JUNE 30, 2000</b>
Land	\$ 39,187	\$ 35	\$ -	\$ 39,222
Buildings	308,227	14,490	6,989	315,728
Equipment	186,793	22,130	8,552	200,371
Construction in Progress	16,739	68,048	2,323	82,464
	<u>\$ 550,946</u>	<u>\$ 104,703</u>	<u>\$ 17,864</u>	<u>\$ 637,785</u>

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

	<b>ENTERPRISE FUNDS</b>	<b>INTERNAL SERVICE FUNDS</b>	<b>PENSION TRUST FUNDS</b>
Machinery and equipment	\$ 348	\$ 65,085	\$ 22
Buildings	-	5,331	-
Total	348	70,416	22
Less: accumulated depreciation	(256)	(49,116)	(18)
Net fixed assets	<u>\$ 92</u>	<u>\$ 21,300</u>	<u>\$ 4</u>

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

Land and Land Improvements	\$ 108,131
Buildings and Other Improvements	868,544
Equipment and Library Books	213,252
Construction in Progress	72,770
	<u>\$ 1,262,697</u>

## 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.

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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.

(Dollars in Thousands)				BALANCE JUNE 30, 2000
BONDS PAYABLE				
PRIMARY GOVERNMENT				
NETC Leasing Corporation Issue	2000	2001-2010	4.35%-6.00%	\$ 22,515
Nebraska State Building Corporation Issue	1992	1992-2009	5.65%-6.50%	5,185
Primary Government Total				<u>\$ 27,700</u>
COMPONENT UNITS				
Colleges and Universities Revenue Bonds	1966-1997	1966-2016	4.20%-5.90%	\$ 57,395
University of Nebraska Facilities Corporation Issues	1997-1998	1997-2009	3.80%-5.25%	103,885
Nebraska State Colleges Facilities Corporation Issues	1999	2001-2009	4.00%-5.05%	6,845
Component Units Total				<u>\$ 168,125</u>

### PRIMARY GOVERNMENT DEBT SERVICE REQUIREMENTS TO MATURITY

(Dollars in Thousands)

YEAR	PRINCIPAL	INTEREST	TOTAL
2001	\$ 2,030	\$ 1,520	\$ 3,550
2002	2,080	1,478	3,558
2003	2,185	1,373	3,558
2004	2,295	1,259	3,554
2005	2,420	1,137	3,557
Thereafter	16,690	3,342	20,032
Total	<u>\$ 27,700</u>	<u>\$ 10,109</u>	<u>\$ 37,809</u>

### COMPONENT UNITS DEBT SERVICE REQUIREMENTS TO MATURITY

(Dollars in Thousands)

YEAR	PRINCIPAL	INTEREST	TOTAL
2001	\$ 10,280	\$ 8,147	\$ 18,427
2002	11,670	7,637	19,307
2003	12,685	7,074	19,759
2004	13,790	6,458	20,248
2005	13,030	5,833	18,863
Thereafter	106,670	23,745	130,415
Total	<u>\$ 168,125</u>	<u>\$ 58,894</u>	<u>\$ 227,019</u>

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	<u>\$ 27,700</u>

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	<u>\$ 168,125</u>

### 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

## State of Nebraska

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):

YEAR	PRIMARY GOVERNMENT		COMPONENT
	GENERAL		UNITS
	LONG-TERM		COLLEGE
	INTERNAL	DEBT	AND
	SERVICE	ACCOUNT	UNIVERSITY
	FUNDS	GROUP	FUNDS
2001	\$ 3,370	\$ 786	\$ 3,969
2002	1,953	500	3,508
2003	785	419	1,930
2004	216	425	1,803
2005	5	409	1,801
Thereafter	-	4,957	3,665
Total Minimum Payments	6,329	7,496	16,676
Less: interest and executory costs	361	2,606	3,153
Present value of net minimum payments	<u>\$ 5,968</u>	<u>\$ 4,890</u>	<u>\$ 13,523</u>

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):

	PRIMARY GOVERNMENT		COMPONENT
	GENERAL		UNITS
	FIXED ASSET		COLLEGE
	INTERNAL	ACCOUNT	AND
	SERVICE	GROUP	UNIVERSITY
	FUNDS		FUNDS
Buildings	\$ -	\$ 4,565	\$ 10,082
Equipment	12,799	1,407	10,092
Less: accumulated depreciation	(8,014)	-	-
Carrying value	<u>\$ 4,785</u>	<u>\$ 5,972</u>	<u>\$ 20,174</u>

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

YEAR	PRIMARY GOVERNMENT	COMPONENT UNITS
2001	\$ 3,864	\$ 4,003
2002	2,845	4,003
2003	2,845	4,001
2004	2,845	4,006
2005	2,845	4,002
Thereafter	18,732	25,854
Total	<u>\$ 33,976</u>	<u>\$ 45,869</u>

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

**Lessor Transactions.** The State also is a lessor 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):

	BALANCE			BALANCE
	JULY 1,			JUNE 30,
	1999	ADDITIONS	DELETIONS	2000
Claims Payable	\$ 1,754	\$ 4,219	\$ 2,518	\$ 3,455
Bonds Payable	5,550	22,515	365	27,700
Capital Lease Obligations	5,810	184	1,104	4,890
Obligations Under Other Financing Arrangements	10,700	7,530	12,700	5,530
Compensated Absences	79,845	2,973	-	82,818
Totals	<u>\$ 103,659</u>	<u>\$ 37,421</u>	<u>\$ 16,687</u>	<u>\$ 124,393</u>

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):

	BALANCE JULY 1, 1999	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2000
Nebraska Investment Finance Authority	\$ 10,700	\$ 7,530	\$ 12,700	\$ 5,530

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):

YEAR	PRINCIPAL	INTEREST	TOTAL
2001	\$ -	\$ 151	\$ 151
2002	160	296	456
2003	245	286	531
2004	255	273	528
2005	270	260	530
Thereafter	4,600	1,685	6,285
Total	\$ 5,530	\$ 2,951	\$ 8,481

## 11. Contributed Capital

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

Correctional Services	\$ 205
Information Management Services	1,824
Risk Management	21
Accounting Services	59
Total	\$ 2,109

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:

	JUDGES' RETIREMENT	STATE PATROL RETIREMENT
Actuarial Valuation Date	6/30/2000	6/30/2000
Actuarial Cost Method	Frozen Entry Age	Frozen Entry Age
Amortization Method	Level Amount Closed	Level Amount Closed
Amortization Period	25 Years	14 Years
Mortality	1971 Group Annuity Table	1983 Group Annuity Table
Asset Valuation Method	5-year Smoothed Market	5-year Smoothed Market
Actuarial Assumptions:		
Investment Rate of Return **	8.0%	8.0%
Projected Salary Increases **	5.0%	Graded 7.0% to 4.5%

\*\* 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:

**UNAUDITED REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS**

(Dollars in Thousands)

	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(a-b) Excess of Assets over AAL	(a/b) Funded Ratio	(c) Covered Payroll	((a-b)/c) Excess as a Percentage of Covered Payroll
<b>Judges'</b>							
	6/30/00	\$ 84,483	\$ 84,483	\$ -	100.0 %	\$ 13,913	- %
	6/30/99	75,522	75,522	-	100.0	13,463	-
	6/30/98	67,542	67,542	-	100.0	12,729	-
<b>State Patrol</b>							
	6/30/00	\$ 193,020	\$ 169,546	\$ 23,474	113.8 %	\$ 15,789	148.7 %
	6/30/99	171,124	162,223	8,901	105.5	14,987	59.4
	6/30/98	150,958	108,661	42,297	138.9	13,995	302.2

**UNAUDITED THREE-YEAR TREND INFORMATION**  
(Dollars in Thousands)

YEAR ENDED JUNE 30	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED	NET PENSION OBLIGATION
<b>School</b>			
2000	\$ 14,102	100%	\$ -
1999	27,638	100	-
1998	13,511	100	-
<b>Judges'</b>			
2000	\$ -	- %	\$ -
1999	-	-	-
1998	-	-	-
<b>State Patrol</b>			
2000	\$ 2,204	100%	\$ -
1999	2,190	100	-
1998	1,715	100	-

### Other Plans

**Department of Labor, Division of Employment Security Retirement Plan.** As of July 1, 1999, the date of the most recent actuarial valuation, there were 193 current or former employees of the Nebraska Department of Labor, Employment Security Division (Federal Special Revenue Fund) who were participants (170 active; 23 inactive) in a defined benefit retirement plan administered by the Principal Financial Group (plan carrier). The plan is fully funded through participants' contributions and special federal revenues from the U.S. Department of Labor, Employment and Training Administration, which flow through the Federal Special Revenue Fund, and is accounted as a non-contributing plan (no State General Fund Revenues).

The plan includes only employees hired by the Nebraska Department of Labor, Employment Security Division prior to July 1, 1984. Employees becoming eligible for retirement plan participation subsequent to that date are covered by the State Employees' Retirement plan.

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 allowability 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):

Federal funds	\$ 91,718
State funds	204,840
Local funds	15,305
	<u>\$ 311,863</u>

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):

State appropriations	\$ 1,706
University funds	14,203
Private gifts, grants and contracts	40,313
Bond funds	19,658
	<u>\$ 75,880</u>

## 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.

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):

	Fiscal Year	
	2000	1999
Beginning Balance	\$ 30,463	\$ 28,594
Current Year Claims and Changes in Estimates	56,259	78,153
Claim Payments	(52,311)	(76,284)
Ending Balance	<u>\$ 34,411</u>	<u>\$ 30,463</u>

## 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):

	LOTTERY	EXCESS LIABILITY
Operating Revenue	\$ 68,170	\$ 834
Operating Expenses:		
Depreciation	51	-
Other	52,463	21,632
Operating Income	15,656	(20,798)
Operating Transfers Out	(17,042)	-
Nonoperating Revenues	996	2,730
Net Income (Loss)	<u>\$ (390)</u>	<u>\$ (18,068)</u>
Current Assets	\$ 14,914	\$ 8,215
Current Liabilities	9,152	6,107
Net Working Capital	<u>\$ 5,762</u>	<u>\$ 2,108</u>
Total Assets	\$ 17,802	\$ 56,049
Total Liabilities	9,261	41,701
Retained Earnings	<u>\$ 8,541</u>	<u>\$ 14,348</u>
Long-Term Liabilities	<u>\$ 109</u>	<u>\$ 35,594</u>
Property, Plant and Equipment, Additions	<u>\$ 29</u>	<u>\$ -</u>

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, 42<sup>nd</sup> 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:

<b>COMPONENT UNITS - COLLEGES AND UNIVERSITIES</b> <b>RESTATEMENT OF BEGINNING FUND BALANCE</b> (Dollars in Thousands)	
	<b>UNIVERSITY</b> <b>OF NEBRASKA</b>
Fund Balance at June 30, 1999, previously reported	\$ 1,482,320
Prior period adjustment	<u>132,397</u>
Fund Balance at June 30, 1999, as restated	<u><u>\$ 1,614,717</u></u>

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.

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# COMBINING AND INDIVIDUAL FUND STATEMENTS

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## SPECIAL REVENUE FUNDS

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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)

	LICENSING AND REGULATION	HIGHWAY FUND	ECONOMIC DEVELOPMENT	AIRPORT DEVELOPMENT
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 40,876	\$ 55,898	\$ 10,695	\$ 4,474
Cash on Deposit with Fiscal Agents	-	-	-	-
Investments	64,711	59,194	17,358	-
Invested Securities Lending Collateral	26,056	23,835	6,989	-
Receivables, net of allowance				
Taxes	98	39,382	-	151
Due from Federal Government	14	17,916	-	205
Loans	-	-	125	3,337
Other	3,065	16,150	1,168	95
Due from Other Funds	13	174	540	79
Inventories	-	10,280	-	-
Prepaid Items	29	6	-	3
Other	19	-	540	-
<b>TOTAL ASSETS</b>	<b>\$ 134,881</b>	<b>\$ 222,835</b>	<b>\$ 37,415</b>	<b>\$ 8,344</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
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	-	-
<b>TOTAL LIABILITIES</b>	<b>29,387</b>	<b>91,492</b>	<b>8,382</b>	<b>166</b>
<b>FUND BALANCES:</b>				
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
<b>TOTAL FUND BALANCES</b>	<b>105,494</b>	<b>131,343</b>	<b>29,033</b>	<b>8,178</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 134,881</b>	<b>\$ 222,835</b>	<b>\$ 37,415</b>	<b>\$ 8,344</b>



GAME AND PARKS	ENERGY CONSERVATION	FEDERAL FUND	HEALTH AND SOCIAL SERVICES	STATE BUILDING CORPORATION	NETC LEASING CORPORATION	OTHER SPECIAL REVENUE	TOTALS
\$ 18,458	\$ 9,781	\$ 12,495	\$ 77,331	\$ -	\$ -	\$ 34,032	\$ 264,040
-	-	-	-	818	23,056	5,715	29,589
25,360	-	2,713	117,093	-	-	64,095	350,524
10,211	-	1,245	47,149	-	-	23,481	138,966
-	-	-	-	-	-	39	39,670
793	-	193,944	-	-	-	-	212,872
-	18,647	3,490	1,551	-	-	84,489	111,639
725	157	18,543	7,653	-	563	1,659	49,778
2,753	-	39	202	-	-	2,815	6,615
-	-	15,325	1,254	-	-	-	26,859
47	-	36	14	-	-	9	144
-	-	-	-	-	-	8	567
<u>\$ 58,347</u>	<u>\$ 28,585</u>	<u>\$ 247,830</u>	<u>\$ 252,247</u>	<u>\$ 818</u>	<u>\$ 23,619</u>	<u>\$ 216,342</u>	<u>\$ 1,231,263</u>
\$ 5,423	\$ 44	\$ 45,452	\$ 977	\$ -	\$ 27	\$ 3,969	\$ 108,480
-	-	-	-	-	-	-	5,034
-	-	-	-	-	-	38	10,335
-	-	9,699	235	-	-	33	12,945
118	2	6,094	110	-	-	2,279	10,141
10,211	-	1,245	47,149	-	-	23,481	138,966
-	-	76,689	-	-	-	-	76,689
106	-	17,913	-	-	-	-	18,019
5	-	-	342	-	-	4	463
<u>15,863</u>	<u>46</u>	<u>157,092</u>	<u>48,813</u>	<u>-</u>	<u>27</u>	<u>29,804</u>	<u>381,072</u>
-	18,647	3,490	1,551	-	-	84,489	111,639
47	-	36	1,268	-	-	9	11,678
-	-	-	-	818	575	5,311	6,704
<u>42,437</u>	<u>9,892</u>	<u>87,212</u>	<u>200,615</u>	<u>-</u>	<u>23,017</u>	<u>96,729</u>	<u>720,170</u>
<u>42,484</u>	<u>28,539</u>	<u>90,738</u>	<u>203,434</u>	<u>818</u>	<u>23,592</u>	<u>186,538</u>	<u>850,191</u>
<u>\$ 58,347</u>	<u>\$ 28,585</u>	<u>\$ 247,830</u>	<u>\$ 252,247</u>	<u>\$ 818</u>	<u>\$ 23,619</u>	<u>\$ 216,342</u>	<u>\$ 1,231,263</u>

State of Nebraska

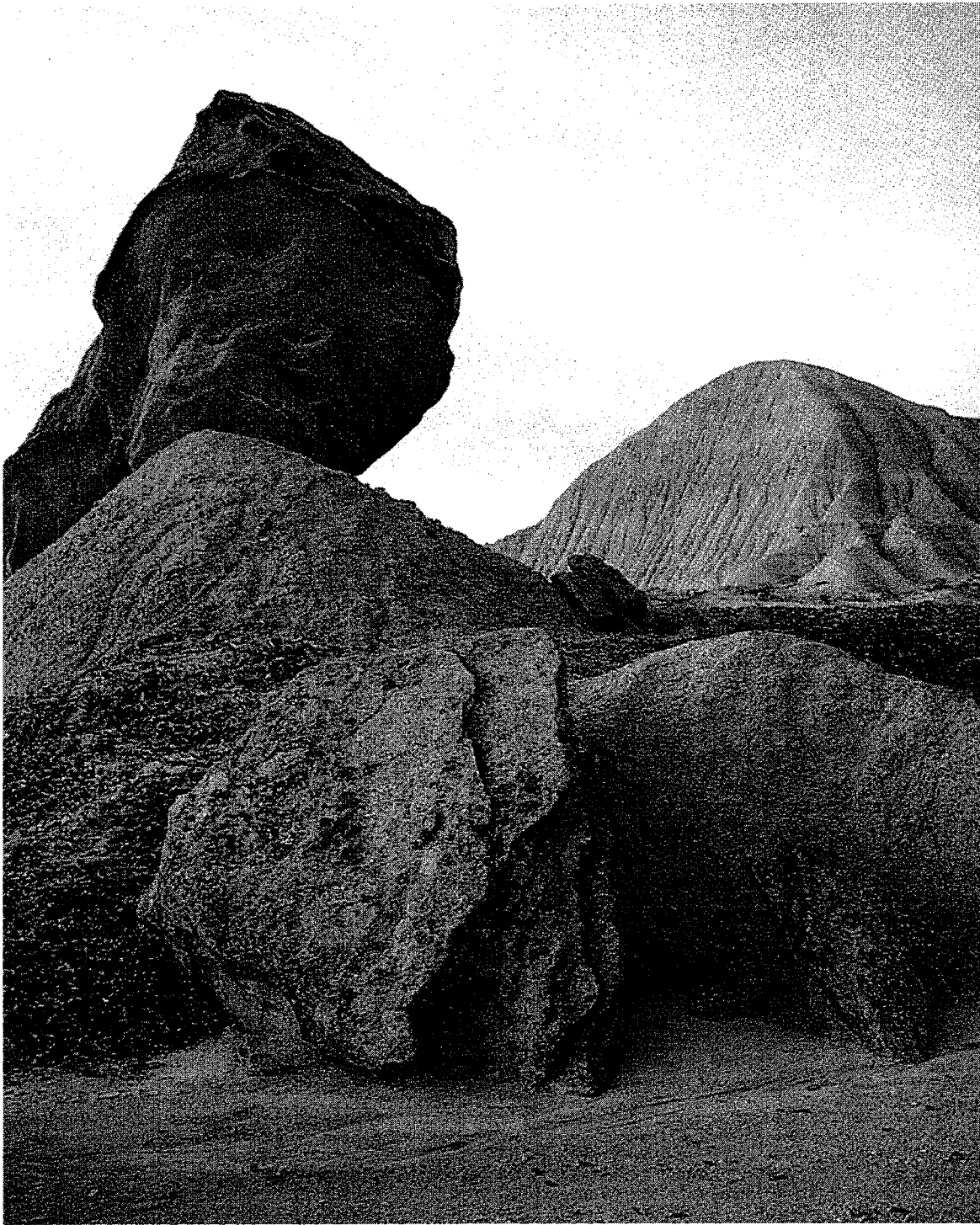
# **COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL SPECIAL REVENUE FUNDS**

For the Year Ended June 30, 2000

(Dollars in Thousands)

	LICENSING AND REGULATION	HIGHWAY FUND	ECONOMIC DEVELOPMENT	AIRPORT DEVELOPMENT
<b>REVENUES:</b>				
Taxes	\$ 69,467	\$ 393,936	\$ 22,064	\$ 1,749
Federal Grants and Contracts	221	211,339	6	12,317
Licenses, Fees and Permits	39,174	63,974	-	-
Charges for Services	2,156	16,367	360	192
Investment Income	5,801	7,613	2,386	273
Rents and Royalties	-	313	-	756
Other	2,141	9,259	408	76
<b>TOTAL REVENUES</b>	<b>118,960</b>	<b>702,801</b>	<b>25,224</b>	<b>15,363</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Culture – Recreation	-	-	-	-
Economic Development and Assistance	-	-	16,708	-
Education	-	-	-	-
Health and Social Services	-	-	-	-
Public Safety	-	-	-	-
Regulation of Business and Professions	62,437	-	-	-
Transportation	-	744,055	-	15,331
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>62,437</b>	<b>744,055</b>	<b>16,708</b>	<b>15,331</b>
Excess of Revenues Over (Under) Expenditures	56,523	(41,254)	8,516	32
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	2,329	22,215	6,000	441
Operating Transfers Out	(22,789)	(6,517)	(22,250)	-
Proceeds from Bond Issuance	-	-	-	-
Proceeds from Other Financing Arrangements	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(20,460)</b>	<b>15,698</b>	<b>(16,250)</b>	<b>441</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	36,063	(25,556)	(7,734)	473
<b>FUND BALANCES, JULY 1</b>	<b>69,431</b>	<b>156,899</b>	<b>36,767</b>	<b>7,705</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 105,494</b>	<b>\$ 131,343</b>	<b>\$ 29,033</b>	<b>\$ 8,178</b>

GAME AND PARKS	ENERGY CONSERVATION	FEDERAL FUND	HEALTH AND SOCIAL SERVICES	STATE BUILDING CORPORATION	NETC LEASING CORPORATION	OTHER SPECIAL REVENUE	TOTALS
\$ 1,251	\$ 300	\$ -	\$ 3,263	\$ -	\$ -	\$ 24,019	\$ 516,049
7,384	-	1,317,280	245	-	-	2,679	1,551,471
16,361	-	-	1,200	-	-	21,455	142,164
3,589	31	12,036	27,590	-	-	13,986	76,307
2,971	628	1,813	8,579	45	495	6,810	37,414
7,000	-	18	212	680	-	1,394	10,373
884	261	22,550	112,210	-	445	9,375	157,609
<u>39,440</u>	<u>1,220</u>	<u>1,353,697</u>	<u>153,299</u>	<u>725</u>	<u>940</u>	<u>79,718</u>	<u>2,491,387</u>
-	-	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
-	-	-	-	-	-	17,631	17,631
-	-	-	-	365	-	12,700	13,065
-	-	-	-	339	238	711	1,288
<u>48,784</u>	<u>434</u>	<u>1,311,737</u>	<u>60,736</u>	<u>706</u>	<u>270</u>	<u>100,246</u>	<u>2,361,444</u>
<u>(9,344)</u>	<u>786</u>	<u>41,960</u>	<u>92,563</u>	<u>19</u>	<u>670</u>	<u>(20,528)</u>	<u>129,943</u>
8,622	-	-	861	-	-	28,920	69,388
-	-	(13,133)	-	-	-	(6,700)	(71,389)
-	-	-	-	-	22,922	-	22,922
-	-	-	-	-	-	7,530	7,530
<u>8,622</u>	<u>-</u>	<u>(13,133)</u>	<u>861</u>	<u>-</u>	<u>22,922</u>	<u>29,750</u>	<u>28,451</u>
(722)	786	28,827	93,424	19	23,592	9,222	158,394
<u>43,206</u>	<u>27,753</u>	<u>61,911</u>	<u>110,010</u>	<u>799</u>	<u>-</u>	<u>177,316</u>	<u>691,797</u>
<u>\$ 42,484</u>	<u>\$ 28,539</u>	<u>\$ 90,738</u>	<u>\$ 203,434</u>	<u>\$ 818</u>	<u>\$ 23,592</u>	<u>\$ 186,538</u>	<u>\$ 850,191</u>



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## ENTERPRISE FUNDS

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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)

	LOTTERY	EXCESS LIABILITY	TOTALS
<b>ASSETS</b>			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 11,264	\$ 7,672	\$ 18,936
Receivables, net of allowance	3,465	543	4,008
Prepaid Items	185	-	185
TOTAL CURRENT ASSETS	14,914	8,215	23,129
RESTRICTED ASSETS:			
Long-Term Deposits	2,796	-	2,796
NONCURRENT ASSETS:			
Long-Term Investments	-	47,759	47,759
Invested Securities Lending Collateral	-	75	75
Property, Plant and Equipment, net	92	-	92
TOTAL NONCURRENT ASSETS	92	47,834	47,926
TOTAL ASSETS	\$ 17,802	\$ 56,049	\$ 73,851
<b>LIABILITIES AND RETAINED EARNINGS</b>			
CURRENT LIABILITIES:			
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:			
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:			
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)			
	LOTTERY	EXCESS LIABILITY	TOTALS
<b>OPERATING REVENUES:</b>			
Charges for Services	\$ 68,170	\$ 834	\$ 69,004
TOTAL OPERATING REVENUES	68,170	834	69,004
<b>OPERATING EXPENSES:</b>			
Personal Services	1,161	-	1,161
Services and Supplies	15,010	532	15,542
Lottery Prizes	36,292	-	36,292
Insurance Claims	-	21,100	21,100
Depreciation	51	-	51
TOTAL OPERATING EXPENSES	52,514	21,632	74,146
Operating Income (Loss)	15,656	(20,798)	(5,142)
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment Income	996	2,730	3,726
TOTAL NONOPERATING REVENUES (EXPENSES)	996	2,730	3,726
Income (Loss) Before Operating Transfers	16,652	(18,068)	(1,416)
<b>OPERATING TRANSFERS:</b>			
Operating Transfers Out	(17,042)	-	(17,042)
Net Income (Loss)	(390)	(18,068)	(18,458)
<b>RETAINED EARNINGS, JULY 1</b>	8,931	32,416	41,347
<b>RETAINED EARNINGS, JUNE 30</b>	\$ 8,541	\$ 14,348	\$ 22,889

## State of Nebraska

# COMBINING STATEMENT OF CASH FLOWS

## ENTERPRISE FUNDS

For the Year Ended June 30, 2000

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Customers	\$ 69,061	\$ 803	\$ 69,864
Cash Paid to Employees	(1,138)	-	(1,138)
Cash Paid to Suppliers	(17,287)	(342)	(17,629)
Cash Paid for Lottery Prizes	(36,779)	-	(36,779)
Cash Paid for Insurance Claims	-	(6,300)	(6,300)
Cash Paid for Interfund Services	(288)	(189)	(477)
NET CASH FLOWS FROM OPERATING ACTIVITIES	13,569	(6,028)	7,541
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating Transfers Out	(15,544)	-	(15,544)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	(15,544)	-	(15,544)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING:</b>			
Acquisition and Construction of Capital Assets	(29)	-	(29)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(29)	-	(29)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Investment Securities	-	(122,955)	(122,955)
Proceeds from Sale of Investment Securities	-	131,554	131,554
Interest and Dividend Income	826	3,731	4,557
NET CASH FLOWS FROM INVESTING ACTIVITIES	826	12,330	13,156
NET INCREASE (DECREASE) IN CASH	(1,178)	6,302	5,124
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	12,442	1,370	13,812
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	\$ 11,264	\$ 7,672	\$ 18,936
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	\$ 15,656	\$ (20,798)	\$ (5,142)
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	51	-	51
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	891	-	891
(Increase) Decrease in Prepaid Expenses	(20)	-	(20)
(Increase) Decrease in Other Assets	95	-	95
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(3,107)	3	(3,104)
Increase (Decrease) in Due to Other Funds	3	(2)	1
Increase (Decrease) in Claims Payable	-	14,800	14,800
Increase (Decrease) in Deferred Revenue	-	(31)	(31)
Total adjustments	(2,087)	14,770	12,683
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 13,569</b>	<b>\$ (6,028)</b>	<b>\$ 7,541</b>



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## INTERNAL SERVICE FUNDS

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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)

	CORRECTIONAL SERVICES	BUILDINGS AND GROUNDS	GENERAL SERVICES	COMMUNICATIONS
<b>ASSETS</b>				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 3,866	\$ 4,791	\$ 5,715	\$ 5,631
Receivables, net of allowance				
Accounts	284	8	21	353
Accrued Interest	57	78	88	81
Due from Other Funds	332	172	2,011	2,239
Inventories	1,326	-	246	-
Prepaid Items	-	645	392	-
TOTAL CURRENT ASSETS	<u>5,865</u>	<u>5,694</u>	<u>8,473</u>	<u>8,304</u>
Property, Plant and Equipment, net	<u>5,044</u>	<u>375</u>	<u>2,126</u>	<u>475</u>
TOTAL ASSETS	<u>\$ 10,909</u>	<u>\$ 6,069</u>	<u>\$ 10,599</u>	<u>\$ 8,779</u>
<b>LIABILITIES AND FUND EQUITY</b>				
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	<u>283</u>	<u>822</u>	<u>2,081</u>	<u>2,377</u>
NONCURRENT LIABILITIES:				
Capital Lease Obligations	-	104	-	-
Accrued Compensated Absences	248	1,049	290	143
Claims Payable	-	-	-	-
TOTAL NONCURRENT LIABILITIES	<u>248</u>	<u>1,153</u>	<u>290</u>	<u>143</u>
TOTAL LIABILITIES	<u>531</u>	<u>1,975</u>	<u>2,371</u>	<u>2,520</u>
FUND EQUITY:				
Contributed Capital	205	-	-	-
Retained Earnings	<u>10,173</u>	<u>4,094</u>	<u>8,228</u>	<u>6,259</u>
TOTAL FUND EQUITY	<u>10,378</u>	<u>4,094</u>	<u>8,228</u>	<u>6,259</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 10,909</u>	<u>\$ 6,069</u>	<u>\$ 10,599</u>	<u>\$ 8,779</u>

INFORMATION MANAGEMENT SERVICES	TRANSPORTATION SERVICES	RISK MANAGEMENT	ACCOUNTING SERVICES	OTHER INTERNAL SERVICE	TOTALS
\$ 12,371	\$ 2,395	\$ 14,926	\$ 987	\$ 1,272	\$ 51,954
34	30	-	-	2	732
109	41	236	35	13	738
6,178	1,463	24,788	-	492	37,675
-	5	-	-	-	1,577
-	-	-	-	107	1,144
<u>18,692</u>	<u>3,934</u>	<u>39,950</u>	<u>1,022</u>	<u>1,886</u>	<u>93,820</u>
4,392	8,766	-	12	110	21,300
<u>\$ 23,084</u>	<u>\$ 12,700</u>	<u>\$ 39,950</u>	<u>\$ 1,034</u>	<u>\$ 1,996</u>	<u>\$ 115,120</u>
\$ 1,553	\$ 103	\$ 140	\$ 32	\$ 164	\$ 5,909
-	-	-	-	-	672
21	48	1,511	73	12	2,331
-	-	9,200	-	-	9,200
2,991	-	-	-	18	3,150
-	-	-	-	-	167
<u>4,565</u>	<u>151</u>	<u>10,851</u>	<u>105</u>	<u>194</u>	<u>21,429</u>
2,714	-	-	-	-	2,818
1,776	44	5	147	144	3,846
-	-	25,211	-	-	25,211
<u>4,490</u>	<u>44</u>	<u>25,216</u>	<u>147</u>	<u>144</u>	<u>31,875</u>
<u>9,055</u>	<u>195</u>	<u>36,067</u>	<u>252</u>	<u>338</u>	<u>53,304</u>
1,824	-	21	59	-	2,109
<u>12,205</u>	<u>12,505</u>	<u>3,862</u>	<u>723</u>	<u>1,658</u>	<u>59,707</u>
<u>14,029</u>	<u>12,505</u>	<u>3,883</u>	<u>782</u>	<u>1,658</u>	<u>61,816</u>
<u>\$ 23,084</u>	<u>\$ 12,700</u>	<u>\$ 39,950</u>	<u>\$ 1,034</u>	<u>\$ 1,996</u>	<u>\$ 115,120</u>

State of Nebraska

# **COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS INTERNAL SERVICE FUNDS**

For the Year Ended June 30, 2000

(Dollars in Thousands)

	<b>CORRECTIONAL SERVICES</b>	<b>BUILDINGS AND GROUNDS</b>	<b>GENERAL SERVICES</b>	<b>COMMUNICATIONS</b>
<b>OPERATING REVENUES:</b>				
Charges for Services	\$ 6,612	\$ 23,829	\$ 15,068	\$ 18,914
Other	-	123	41	71
<b>TOTAL OPERATING REVENUES</b>	<b>6,612</b>	<b>23,952</b>	<b>15,109</b>	<b>18,985</b>
<b>OPERATING EXPENSES:</b>				
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
<b>TOTAL OPERATING EXPENSES</b>	<b>6,064</b>	<b>23,937</b>	<b>14,819</b>	<b>17,813</b>
 Operating Income (Loss)	 548	 15	 290	 1,172
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment Income	198	305	317	252
Gain (Loss) on Sale of Fixed Assets	(20)	-	(230)	4
Other	-	(16)	-	-
<b>TOTAL NONOPERATING REVENUES, NET</b>	<b>178</b>	<b>289</b>	<b>87</b>	<b>256</b>
 Income (Loss) Before Operating Transfers	 726	 304	 377	 1,428
<b>OPERATING TRANSFERS:</b>				
Operating Transfers In	-	-	-	-
 Net Income (Loss)	 726	 304	 377	 1,428
 <b>RETAINED EARNINGS, JULY 1</b>	 <b>9,447</b>	 <b>3,790</b>	 <b>7,851</b>	 <b>4,831</b>
<b>RETAINED EARNINGS, JUNE 30</b>	<b>\$ 10,173</b>	<b>\$ 4,094</b>	<b>\$ 8,228</b>	<b>\$ 6,259</b>

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

## State of Nebraska

# COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2000

(Dollars in Thousands)

	CORRECTIONAL SERVICES	BUILDINGS AND GROUNDS	GENERAL SERVICES	COMMUNICATIONS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received from Customers	\$ 671	\$ 551	\$ 99	\$ 1,388
Cash Received from Interfund Charges	5,924	23,452	14,294	16,963
Cash Paid to Employees	(2,155)	(7,071)	(1,983)	(1,001)
Cash Paid to Suppliers	(2,958)	(15,032)	(10,838)	(15,099)
Cash Paid for Insurance Claims	-	-	-	-
Cash Paid for Interfund Services	(730)	(1,377)	(926)	(720)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>752</u>	<u>523</u>	<u>646</u>	<u>1,531</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Interfund Loans	-	-	-	-
General Fund Transfer	-	-	-	-
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
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	<u>(353)</u>	<u>(222)</u>	<u>(1,102)</u>	<u>(167)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment Income	<u>189</u>	<u>292</u>	<u>310</u>	<u>218</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>189</u>	<u>292</u>	<u>310</u>	<u>218</u>
NET INCREASE (DECREASE) IN CASH	588	593	(146)	1,582
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<u>3,278</u>	<u>4,198</u>	<u>5,861</u>	<u>4,049</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>\$ 3,866</u>	<u>\$ 4,791</u>	<u>\$ 5,715</u>	<u>\$ 5,631</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	<u>\$ 548</u>	<u>\$ 15</u>	<u>\$ 290</u>	<u>\$ 1,172</u>
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	<u>204</u>	<u>508</u>	<u>356</u>	<u>359</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 752</u>	<u>\$ 523</u>	<u>\$ 646</u>	<u>\$ 1,531</u>

**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.

INFORMATION MANAGEMENT SERVICES	TRANSPORTATION SERVICES	RISK MANAGEMENT	ACCOUNTING SERVICES	OTHER INTERNAL SERVICE	TOTALS
\$ 1,084	\$ 29	\$ 254	\$ 7	\$ 4,280	\$ 8,363
48,582	3,892	46,336	1,774	3,689	164,906
(12,666)	(420)	(135)	(877)	(5,274)	(31,582)
(27,488)	(226)	(1,345)	(120)	(1,641)	(74,747)
-	-	(52,311)	-	-	(52,311)
(5,896)	(786)	(119)	(664)	(703)	(11,921)
<u>3,616</u>	<u>2,489</u>	<u>(7,320)</u>	<u>120</u>	<u>351</u>	<u>2,708</u>
-	-	1,500	-	-	1,500
<u>2,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,383</u>
<u>2,383</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>3,883</u>
(178)	(4,830)	-	(9)	(58)	(6,755)
59	845	-	-	-	911
(3,667)	-	-	-	(156)	(3,978)
(244)	-	-	-	(5)	(265)
<u>(4,030)</u>	<u>(3,985)</u>	<u>-</u>	<u>(9)</u>	<u>(219)</u>	<u>(10,087)</u>
<u>342</u>	<u>186</u>	<u>995</u>	<u>144</u>	<u>43</u>	<u>2,719</u>
<u>342</u>	<u>186</u>	<u>995</u>	<u>144</u>	<u>43</u>	<u>2,719</u>
2,311	(1,310)	(4,825)	255	175	(777)
<u>10,060</u>	<u>3,705</u>	<u>19,751</u>	<u>732</u>	<u>1,097</u>	<u>52,731</u>
<u>\$12,371</u>	<u>\$ 2,395</u>	<u>\$ 14,926</u>	<u>\$ 987</u>	<u>\$ 1,272</u>	<u>\$ 51,954</u>
<u>\$ 400</u>	<u>\$ 992</u>	<u>\$ (6,077)</u>	<u>\$ 110</u>	<u>\$ 167</u>	<u>\$ (2,383)</u>
4,637	2,211	-	5	119	8,402
(3)	(5)	-	-	-	(73)
120	(701)	(4,000)	-	142	(5,681)
-	-	-	-	-	(60)
-	-	-	-	5	68
(1,503)	49	(1,196)	(11)	(81)	(1,231)
(35)	(57)	5	16	(1)	(273)
-	-	3,948	-	-	3,948
-	-	-	-	-	(9)
<u>3,216</u>	<u>1,497</u>	<u>(1,243)</u>	<u>10</u>	<u>184</u>	<u>5,091</u>
<u>\$ 3,616</u>	<u>\$ 2,489</u>	<u>\$ (7,320)</u>	<u>\$ 120</u>	<u>\$ 351</u>	<u>\$ 2,708</u>

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# TRUST AND AGENCY FUNDS

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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**

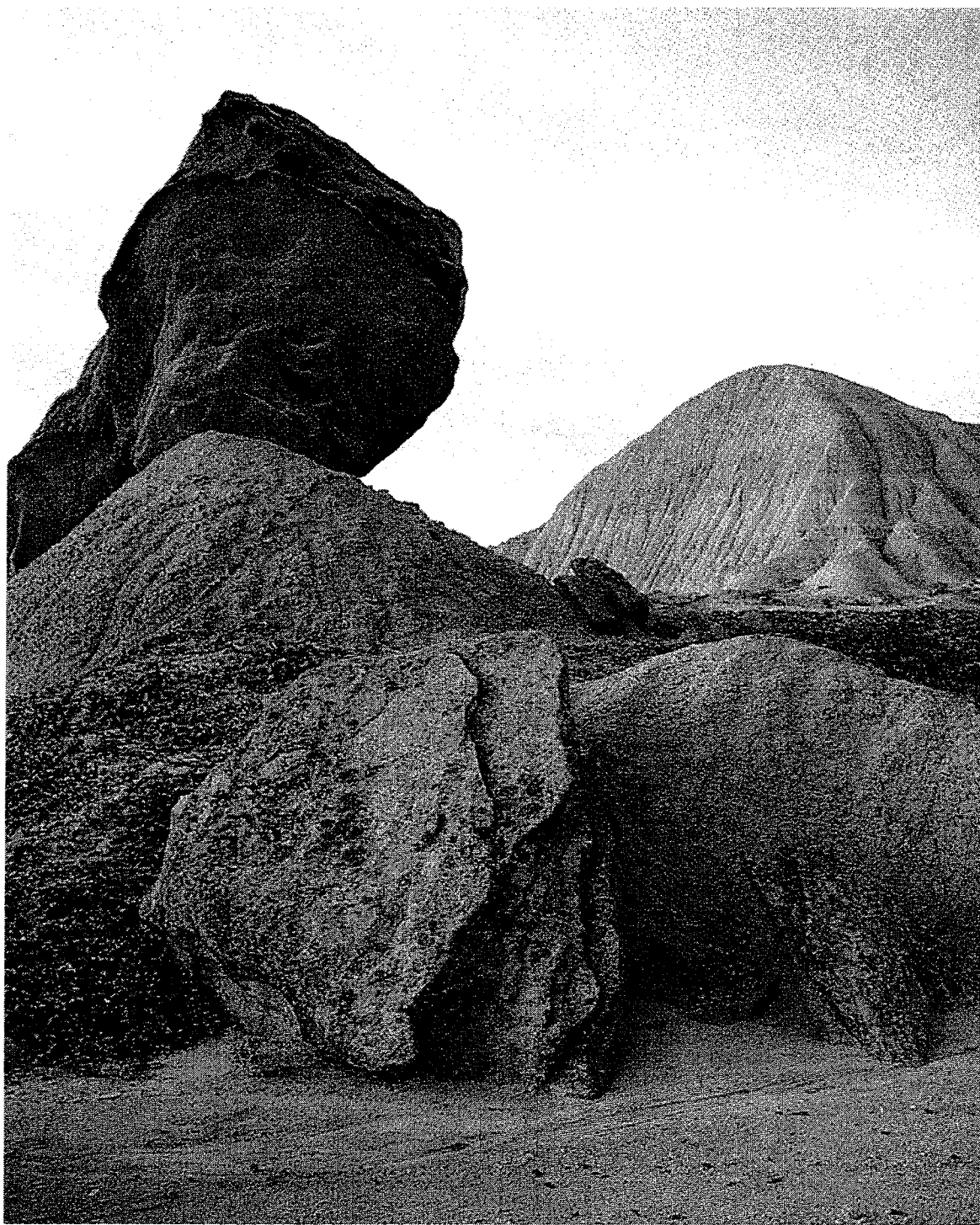
State Employees' Retirement, County Employees' Retirement, Judges' Retirement, State Patrol Retirement, and School Retirement Systems.

**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)	EXPENDABLE TRUST	NONEXPENDABLE TRUST	PENSION TRUST	AGENCY	TOTALS
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 225,196	\$ 19,571	\$ 8,907	\$ 74,871	\$ 328,545
Investments	131,050	338,701	5,599,785	-	6,069,536
Invested Securities Lending Collateral	-	2,120	204,292	-	206,412
Loans, Accounts and Other Receivables, net	15,925	1,969	29,808	513	48,215
Due from Other Funds	3,275	14	14,915	-	18,204
Property, Plant, and Equipment, net	-	-	4	-	4
Other	2,546	3,000	-	-	5,546
<b>TOTAL ASSETS</b>	<b>\$ 377,992</b>	<b>\$ 365,375</b>	<b>\$ 5,857,711</b>	<b>\$ 75,384</b>	<b>\$ 6,676,462</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
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
<b>TOTAL LIABILITIES</b>	<b>18,222</b>	<b>5,915</b>	<b>208,948</b>	<b>75,384</b>	<b>308,469</b>
<b>FUND BALANCES:</b>					
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
<b>TOTAL FUND BALANCES</b>	<b>359,770</b>	<b>359,460</b>	<b>5,648,763</b>	<b>-</b>	<b>6,367,993</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 377,992</b>	<b>\$ 365,375</b>	<b>\$ 5,857,711</b>	<b>\$ 75,384</b>	<b>\$ 6,676,462</b>

State of Nebraska

# COMBINING BALANCE SHEET EXPENDABLE TRUST FUNDS

June 30, 2000

(Dollars in Thousands)

	UNEMPLOYMENT COMPENSATION	DEFERRED COMPENSATION	SECOND INJURY
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 212,662	\$ 6	\$ 3,871
Investments	-	131,050	-
Other Receivables, net of allowance	15,710	9	55
Due from Other Funds	-	-	-
Other	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 228,372</b>	<b>\$ 131,065</b>	<b>\$ 3,926</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts Payable and Accrued Liabilities	\$ 1,314	\$ 2	\$ -
Deposits	14	-	-
Due to Other Funds	-	-	-
Claims Payable	7,391	-	-
Other	108	-	-
<b>TOTAL LIABILITIES</b>	<b>8,827</b>	<b>2</b>	<b>-</b>
<b>FUND BALANCES:</b>			
Reserved for:			
Unemployment Compensation Benefits	219,545	-	-
Deferred Compensation Benefits	-	131,063	-
Unreserved	-	-	3,926
<b>TOTAL FUND BALANCES</b>	<b>219,545</b>	<b>131,063</b>	<b>3,926</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 228,372</b>	<b>\$ 131,065</b>	<b>\$ 3,926</b>

VOCATIONAL REHABILITATION	CANTEEN AND WELFARE	ESCHEAT TRUST	OTHER	TOTALS
\$ 2,266	\$ 1,943	\$ 3,271	\$ 1,177	\$ 225,196
-	-	-	-	131,050
39	30	50	32	15,925
-	-	3,275	-	3,275
-	-	1,934	612	2,546
<u>\$ 2,305</u>	<u>\$ 1,973</u>	<u>\$ 8,530</u>	<u>\$ 1,821</u>	<u>\$ 377,992</u>
\$ -	\$ 184	\$ 8,528	\$ 20	\$ 10,048
-	-	-	612	626
-	-	2	-	2
-	-	-	-	7,391
-	47	-	-	155
<u>-</u>	<u>231</u>	<u>8,530</u>	<u>632</u>	<u>18,222</u>
-	-	-	-	219,545
-	-	-	-	131,063
2,305	1,742	-	1,189	9,162
<u>2,305</u>	<u>1,742</u>	<u>-</u>	<u>1,189</u>	<u>359,770</u>
<u>\$ 2,305</u>	<u>\$ 1,973</u>	<u>\$ 8,530</u>	<u>\$ 1,821</u>	<u>\$ 377,992</u>

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)

	UNEMPLOYMENT COMPENSATION	DEFERRED COMPENSATION	SECOND INJURY
<b>REVENUES:</b>			
Unemployment Taxes	\$ 46,000	\$ -	\$ -
Charges for Services	-	-	4,125
Participant Contributions	-	7,697	-
Investment Income	13,771	12,235	61
Rents and Royalties	-	-	-
Escheat Revenue	-	-	-
Donations	-	-	-
Other	-	65	9
<b>TOTAL REVENUES</b>	<u>59,771</u>	<u>19,997</u>	<u>4,195</u>
<b>EXPENDITURES:</b>			
General Government	193	178	-
Education	-	-	-
Health and Social Services	-	-	899
Unemployment Claims	55,249	-	-
Deferred Compensation Benefits	-	5,734	-
<b>TOTAL EXPENDITURES</b>	<u>55,442</u>	<u>5,912</u>	<u>899</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>4,329</u>	<u>14,085</u>	<u>3,296</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers Out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>4,329</u>	<u>14,085</u>	<u>3,296</u>
<b>FUND BALANCES, JULY 1</b>	<u>215,216</u>	<u>116,978</u>	<u>630</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 219,545</u>	<u>\$ 131,063</u>	<u>\$ 3,926</u>

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

State of Nebraska

# COMBINING BALANCE SHEET NONEXPENDABLE TRUST FUNDS

June 30, 2000

(Dollars in Thousands)

	AERONAUTICS TRUST	NEBRASKA VETERANS AID
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 40	\$ 1,582
Investments	6,107	30,775
Invested Securities Lending Collateral	1,851	24
Other Receivables, net of allowance	75	165
Due from Other Funds	-	-
Other	-	-
TOTAL ASSETS	<u>\$ 8,073</u>	<u>\$ 32,546</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES:</b>		
Accounts Payable and Accrued Liabilities	\$ -	\$ 9
Deposits	-	-
Due to Other Funds	40	-
Obligations under Securities Lending	1,851	24
TOTAL LIABILITIES	<u>1,891</u>	<u>33</u>
<b>FUND BALANCES:</b>		
Reserved for Endowment Principal	6,182	30,775
Unreserved	-	1,738
TOTAL FUND BALANCES	<u>6,182</u>	<u>32,513</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,073</u>	<u>\$ 32,546</u>



PERMANENT SCHOOL FUND	PERMANENT ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
\$ 17,309	\$ 215	\$ 63	\$ 362	\$ 19,571
298,709	844	1,858	408	338,701
228	-	2	15	2,120
1,701	7	9	12	1,969
14	-	-	-	14
3,000	-	-	-	3,000
<u>\$ 320,961</u>	<u>\$ 1,066</u>	<u>\$ 1,932</u>	<u>\$ 797</u>	<u>\$ 365,375</u>
\$ 145	\$ 8	\$ 18	\$ 2	\$ 182
68	-	-	225	293
3,280	-	-	-	3,320
228	-	2	15	2,120
<u>3,721</u>	<u>8</u>	<u>20</u>	<u>242</u>	<u>5,915</u>
298,709	1,058	1,912	555	339,191
18,531	-	-	-	20,269
<u>317,240</u>	<u>1,058</u>	<u>1,912</u>	<u>555</u>	<u>359,460</u>
<u>\$ 320,961</u>	<u>\$ 1,066</u>	<u>\$ 1,932</u>	<u>\$ 797</u>	<u>\$ 365,375</u>

State of Nebraska

# **COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES NONEXPENDABLE TRUST FUNDS**

For the Year Ended June 30, 2000

(Dollars in Thousands)

	<b>AERONAUTICS TRUST</b>	<b>NEBRASKA VETERANS AID</b>
<b>OPERATING REVENUES:</b>		
Investment Income	\$ 366	\$ 1,905
Rents and Royalties	-	-
Other	-	5
<b>TOTAL OPERATING REVENUES</b>	<u>366</u>	<u>1,910</u>
<b>OPERATING EXPENSES:</b>		
Personal Services	-	-
Services and Supplies	76	57
Financial Assistance	-	1,387
Intergovernmental	-	-
<b>TOTAL OPERATING EXPENSES</b>	<u>76</u>	<u>1,444</u>
Operating Income	290	466
<b>OPERATING TRANSFERS:</b>		
Operating Transfers In	-	-
Operating Transfers Out	(441)	-
Net Income (Loss)	(151)	466
<b>FUND BALANCES, JULY 1</b>	<u>6,333</u>	<u>32,047</u>
<b>FUND BALANCES, JUNE 30</b>	<u><u>\$ 6,182</u></u>	<u><u>\$ 32,513</u></u>

PERMANENT SCHOOL FUND	PERMANENT ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
\$ 18,532	\$ 55	\$ 114	\$ 38	\$ 21,010
23,748	-	-	-	23,748
6,375	158	-	-	6,538
<u>48,655</u>	<u>213</u>	<u>114</u>	<u>38</u>	<u>51,296</u>
1,313	-	-	-	1,313
1,582	32	70	25	1,842
-	-	-	-	1,387
28,442	-	-	-	28,442
<u>31,337</u>	<u>32</u>	<u>70</u>	<u>25</u>	<u>32,984</u>
17,318	181	44	13	18,312
1,309	-	-	-	1,309
-	-	-	-	(441)
18,627	181	44	13	19,180
298,613	877	1,868	542	340,280
<u>\$ 317,240</u>	<u>\$ 1,058</u>	<u>\$ 1,912</u>	<u>\$ 555</u>	<u>\$ 359,460</u>

State of Nebraska

# COMBINING STATEMENT OF CASH FLOWS NONEXPENDABLE TRUST FUNDS

For the Year Ended June 30, 2000

(Dollars in Thousands)

	AERONAUTICS TRUST	NEBRASKA VETERANS AID
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ -	\$ 5
Cash Received from Interfund Charges	-	-
Cash Paid to Employees	-	-
Cash Paid to Suppliers	(76)	(48)
Cash Paid for Financial Assistance	-	(1,387)
Cash Paid for Intergovernmental	-	-
Cash Paid for Interfund Services	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	(76)	(1,430)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Operating Transfers In	-	-
Operating Transfers Out	(439)	-
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	(439)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Investment Securities	(1,886)	(38,195)
Proceeds from Sale of Investment Securities	1,873	38,383
Interest and Dividend Income	530	1,019
NET CASH FLOWS FROM INVESTING ACTIVITIES	517	1,207
NET INCREASE (DECREASE) IN CASH	2	(223)
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<b>38</b>	<b>1,805</b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>\$ 40</b>	<b>\$ 1,582</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating Income	\$ 290	\$ 466
Adjustments to reconcile operating income to net cash flows from operating activities:		
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	-	-
Total Adjustments	(366)	(1,896)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ (76)</b>	<b>\$ (1,430)</b>

PERMANENT SCHOOL FUND	PERMANENT ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
\$ 30,040	\$ 158	\$ -	\$ -	\$ 30,203
93	-	-	-	93
(1,313)	-	-	-	(1,313)
(1,469)	(31)	(67)	(25)	(1,716)
-	-	-	-	(1,387)
(28,442)	-	-	-	(28,442)
(95)	-	-	-	(95)
<u>(1,186)</u>	<u>127</u>	<u>(67)</u>	<u>(25)</u>	<u>(2,657)</u>
1,816	-	-	-	1,816
-	-	-	-	(439)
<u>1,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,377</u>
(379,543)	(1,048)	(2,306)	(398)	(423,376)
372,393	1,054	2,317	398	416,418
9,846	29	59	45	11,528
<u>2,696</u>	<u>35</u>	<u>70</u>	<u>45</u>	<u>4,570</u>
3,326	162	3	20	3,290
<u>13,983</u>	<u>53</u>	<u>60</u>	<u>342</u>	<u>16,281</u>
<u>\$ 17,309</u>	<u>\$ 215</u>	<u>\$ 63</u>	<u>\$ 362</u>	<u>\$ 19,571</u>
\$ 17,318	\$ 181	\$ 44	\$ 13	\$ 18,312
(18,532)	(55)	(114)	(38)	(21,010)
16	-	-	-	16
(6)	-	-	-	(6)
18	1	3	-	31
(1)	-	-	-	(1)
<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<u>(18,504)</u>	<u>(54)</u>	<u>(111)</u>	<u>(38)</u>	<u>(20,969)</u>
<u>\$ (1,186)</u>	<u>\$ 127</u>	<u>\$ (67)</u>	<u>\$ (25)</u>	<u>\$ (2,657)</u>

State of Nebraska

# COMBINING STATEMENT OF PLAN NET ASSETS PENSION TRUST FUNDS

June 30, 2000

(Dollars in Thousands)

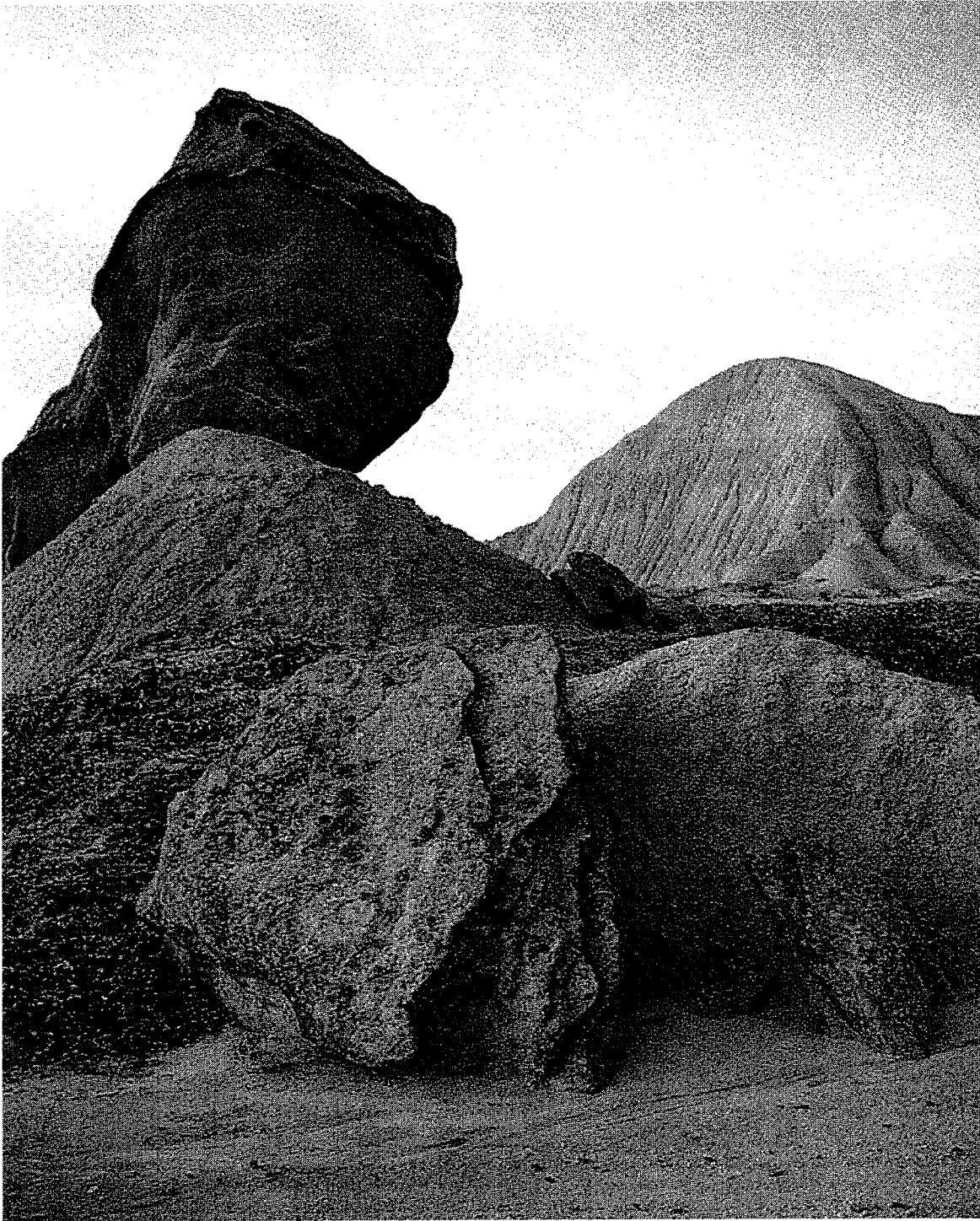
	STATE EMPLOYEES RETIREMENT	COUNTY EMPLOYEES RETIREMENT	SCHOOL RETIREMENT	JUDGES RETIREMENT	STATE PATROL RETIREMENT	TOTALS
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 3	\$ 4	\$ 7,842	\$ 286	\$ 772	\$ 8,907
Investments:						
U.S. Government Securities	-	-	929,528	19,078	43,485	992,091
Corporate Bonds	-	-	547,554	11,238	25,616	584,408
Equity Securities	-	-	1,284,017	26,354	60,069	1,370,440
Municipal Bonds	-	-	7,560	155	354	8,069
Pooled Investment Contracts	754,139	172,935	-	-	-	927,074
Mutual Funds	-	-	1,609,381	33,031	75,291	1,717,703
Total Investments	<u>754,139</u>	<u>172,935</u>	<u>4,378,040</u>	<u>89,856</u>	<u>204,815</u>	<u>5,599,785</u>
Invested Securities Lending Collateral	2,258	100	189,200	3,883	8,851	204,292
Receivables:						
Contributions	909	268	5,308	48	-	6,533
Interest and Dividends	<u>484</u>	<u>112</u>	<u>21,236</u>	<u>440</u>	<u>1,003</u>	<u>23,275</u>
Total Receivables	<u>1,393</u>	<u>380</u>	<u>26,544</u>	<u>488</u>	<u>1,003</u>	<u>29,808</u>
Due from Other Funds	-	-	14,141	129	645	14,915
Property, Plant, and Equipment, net	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>
TOTAL ASSETS	<u>757,793</u>	<u>173,419</u>	<u>4,615,771</u>	<u>94,642</u>	<u>216,086</u>	<u>5,857,711</u>
<b>LIABILITIES:</b>						
Accounts Payable and Accrued Liabilities	65	26	4,270	29	66	4,456
Due to Other Funds	4	-	31	-	-	35
Obligations under Securities Lending	2,258	100	189,200	3,883	8,851	204,292
Accrued Compensated Absences	<u>11</u>	<u>9</u>	<u>137</u>	<u>4</u>	<u>4</u>	<u>165</u>
TOTAL LIABILITIES	<u>2,338</u>	<u>135</u>	<u>193,638</u>	<u>3,916</u>	<u>8,921</u>	<u>208,948</u>
<b>FUND BALANCES RESERVED FOR PENSION BENEFITS</b>	<u>\$ 755,455</u>	<u>\$ 173,284</u>	<u>\$ 4,422,133</u>	<u>\$ 90,726</u>	<u>\$ 207,165</u>	<u>\$ 5,648,763</u>

## State of Nebraska

# COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS

For the Year Ended June 30, 2000

(Dollars in Thousands)	BALANCE JULY 1, 1999	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2000
<b>LOCAL GOVERNMENT FUND</b>				
ASSETS				
Cash and Cash Equivalents	\$ 43,113	\$ 255,305	\$ 252,890	\$ 45,528
Other Receivables, net of allowance	372	1,476	1,417	431
TOTAL ASSETS	<u>\$ 43,485</u>	<u>\$ 256,781</u>	<u>\$ 254,307</u>	<u>\$ 45,959</u>
LIABILITIES				
Due to Other Governments	<u>\$ 43,485</u>	<u>\$ 256,781</u>	<u>\$ 254,307</u>	<u>\$ 45,959</u>
<b>PAYROLL WITHHOLDING FUND</b>				
ASSETS				
Cash and Cash Equivalents	\$ 1,712	\$ 1,622,212	\$ 1,619,471	\$ 4,453
Due from Other Funds	1,887	-	1,887	-
TOTAL ASSETS	<u>\$ 3,599</u>	<u>\$ 1,622,212</u>	<u>\$ 1,621,358</u>	<u>\$ 4,453</u>
LIABILITIES				
Due to Other Governments	\$ (970)	\$ 279,509	\$ 278,395	\$ 144
Employee Withholding and State Contributions	-	1,300,576	1,300,051	525
Due to Other Funds	4,569	42,127	42,912	3,784
TOTAL LIABILITIES	<u>\$ 3,599</u>	<u>\$ 1,622,212</u>	<u>\$ 1,621,358</u>	<u>\$ 4,453</u>
<b>OTHER FUNDS</b>				
ASSETS				
Cash and Cash Equivalents	\$ 18,801	\$ 109,828	\$ 103,739	\$ 24,890
Other Receivables, net of allowance	71	337	326	82
TOTAL ASSETS	<u>\$ 18,872</u>	<u>\$ 110,165</u>	<u>\$ 104,065</u>	<u>\$ 24,972</u>
LIABILITIES				
Other	<u>\$ 18,872</u>	<u>\$ 110,165</u>	<u>\$ 104,065</u>	<u>\$ 24,972</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
ASSETS				
Cash and Cash Equivalents	\$ 63,626	\$ 1,987,345	\$ 1,976,100	\$ 74,871
Other Receivables, net of allowance	443	1,813	1,743	513
Due from Other Funds	1,887	-	1,887	-
TOTAL ASSETS	<u>\$ 65,956</u>	<u>\$ 1,989,158</u>	<u>\$ 1,979,730</u>	<u>\$ 75,384</u>
LIABILITIES				
Due to Other Governments	\$ 42,515	\$ 536,290	\$ 532,702	\$ 46,103
Employee Withholding and State Contributions	-	1,300,576	1,300,051	525
Due to Other Funds	4,569	42,127	42,912	3,784
Other	18,872	110,165	104,065	24,972
TOTAL LIABILITIES	<u>\$ 65,956</u>	<u>\$ 1,989,158</u>	<u>\$ 1,979,730</u>	<u>\$ 75,384</u>





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## GENERAL FIXED ASSETS ACCOUNT GROUP

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The General Fixed Assets Account Group is maintained to account for fixed assets acquired or constructed for used by the State, other than those accounted for in proprietary funds, fiduciary funds, and College and University funds.

State of Nebraska  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY FUNCTION**  
June 30, 2000

(Dollars in Thousands)

<b>FUNCTION</b>	<b>LAND</b>	<b>BUILDINGS</b>	<b>EQUIPMENT</b>	<b>TOTALS</b>
General Government	\$ 2,395	\$ 63,760	\$ 1,561	\$ 67,716
Conservation of Natural Resources	32,890	31,461	21,668	86,019
Culture – Recreation	1,510	5,644	158	7,312
Economic Development and Assistance	146	16,093	1,918	18,157
Education	-	22,838	30,310	53,148
Health and Social Services	77	43,959	9,822	53,858
Public Safety	1,388	97,128	23,786	122,302
Regulation of Business and Professions	-	86	3,126	3,212
Transportation	816	34,759	108,022	143,597
TOTAL BY FUNCTION	<u>\$ 39,222</u>	<u>\$ 315,728</u>	<u>\$ 200,371</u>	555,321
Construction in progress				82,464
TOTAL GENERAL FIXED ASSETS				<u>\$ 637,785</u>

State of Nebraska  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**BY FUNCTION**  
For the Year Ended June 30, 2000

(Dollars in Thousands)

<b>FUNCTION</b>	<b>BALANCE JULY 1, 1999</b>	<b>ADDITIONS</b>	<b>DELETIONS</b>	<b>BALANCE JUNE 30, 2000</b>
General Government	\$ 67,651	\$ 258	\$ 193	\$ 67,716
Conservation of Natural Resources	78,156	10,353	2,490	86,019
Culture – Recreation	7,318	-	6	7,312
Economic Development and Assistance	17,757	709	309	18,157
Education	56,930	1,885	5,667	53,148
Health and Social Services	54,486	1,321	1,949	53,858
Public Safety	121,838	2,585	2,121	122,302
Regulation of Business and Professions	2,882	687	357	3,212
Transportation	127,189	18,857	2,449	143,597
TOTAL BY FUNCTION	534,207	36,655	15,541	555,321
Construction in progress	16,739	68,048	2,323	82,464
TOTAL GENERAL FIXED ASSETS	<u>\$ 550,946</u>	<u>\$ 104,703</u>	<u>\$ 17,864</u>	<u>\$ 637,785</u>

State of Nebraska

# **SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE**

June 30, 2000

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(Dollars in Thousands)

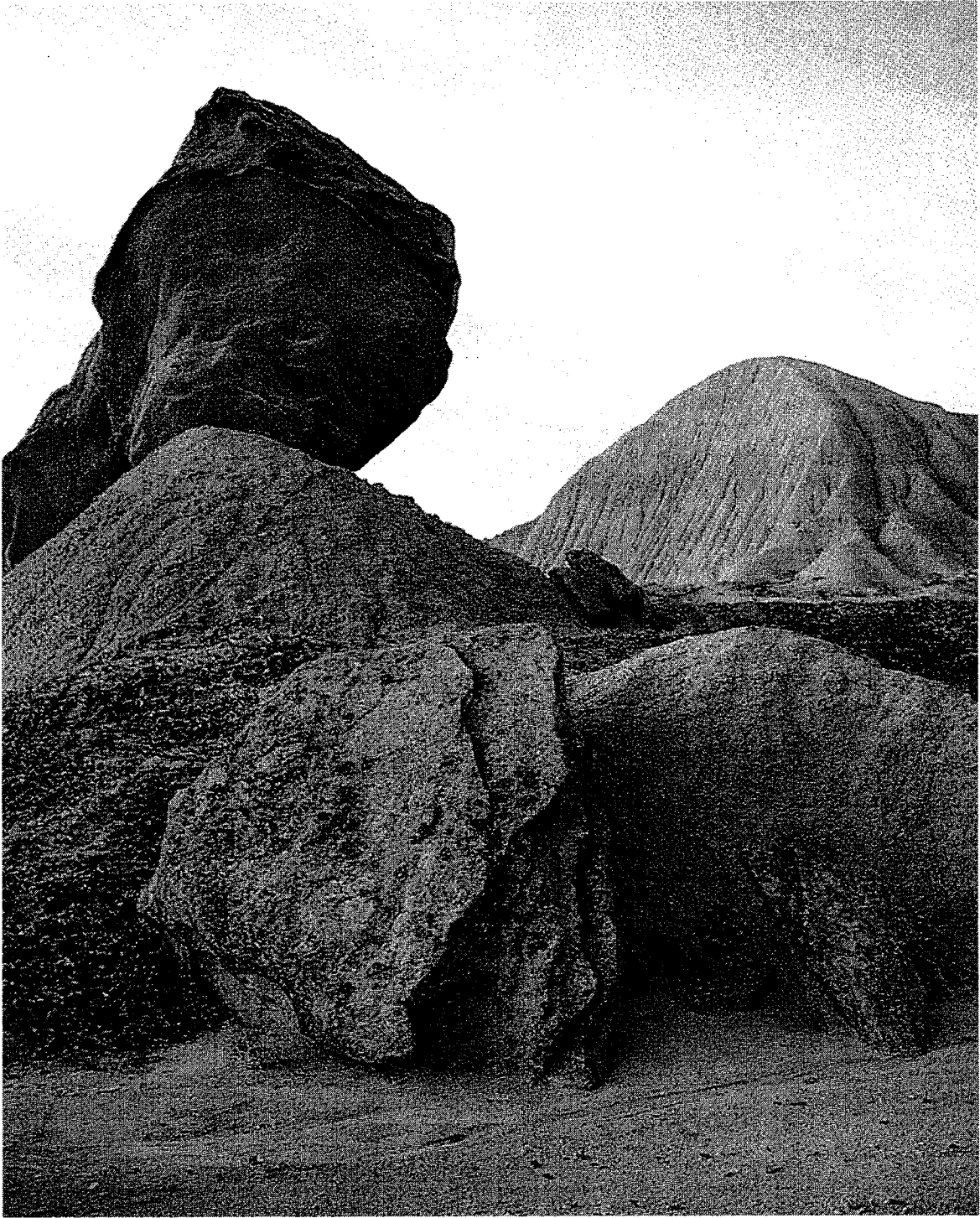
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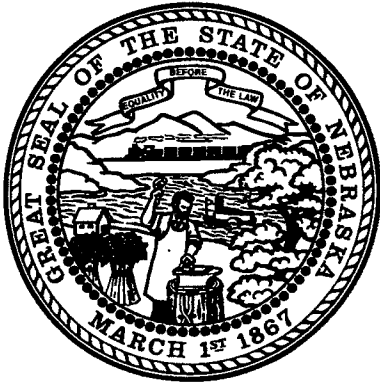
**GENERAL FIXED ASSETS:**

Land	\$ 39,222
Buildings	315,728
Equipment	200,371
Construction In Progress	82,464
<b>TOTAL GENERAL FIXED ASSETS</b>	<b><u>\$ 637,785</u></b>

**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
<b>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</b>	<b><u>\$ 637,785</u></b>





## STATISTICAL SECTION

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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)

	1991	1992	1993	1994
<b>REVENUES:</b>				
Taxes:				
Income	\$ 688,359	\$ 758,832	\$ 780,823	\$ 835,934
Sales and Use	616,577	664,202	653,455	746,429
Petroleum	218,767	221,485	227,228	247,134
Excise	72,622	73,105	77,693	92,912
Business and Franchise	28,344	35,799	35,591	44,140
Other	8,743	5,325	19,782	17,980
Total Taxes	<u>1,633,412</u>	<u>1,758,748</u>	<u>1,794,572</u>	<u>1,984,529</u>
Federal Grants and Contracts	716,595	828,356	859,581	978,526
Licenses, Fees and Permits	97,177	100,340	106,958	123,279
Charges for Services	42,895	44,440	47,965	62,069
Investment Income	47,007	36,396	24,320	24,100
Rents and Royalties	4,708	6,870	6,265	7,212
Other	14,748	18,597	27,331	35,737
TOTAL REVENUES	<u>\$ 2,556,542</u>	<u>\$ 2,793,747</u>	<u>\$ 2,866,992</u>	<u>\$ 3,215,452</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	\$ 64,280	\$ 69,351	\$ 70,275	\$ 72,535
Conservation of Natural Resources	57,774	51,027	55,860	58,582
Culture – Recreation	12,974	13,755	14,501	14,912
Economic Development and Assistance	55,921	54,401	55,684	54,401
Education	572,174	628,539	653,332	684,364
Health and Social Services	780,718	891,526	967,959	1,101,264
Public Safety	109,616	120,773	109,404	155,750
Regulation of Business and Professions	31,651	38,100	40,647	44,290
Transportation	454,116	477,160	511,154	543,010
Intergovernmental	99,874	157,538	124,316	93,941
Capital Projects	7,698	4,639	10,552	3,886
Debt Service	-	1,201	1,221	2,413
TOTAL EXPENDITURES	<u>\$ 2,246,796</u>	<u>\$ 2,508,010</u>	<u>\$ 2,614,905</u>	<u>\$ 2,829,348</u>

SOURCE: Department of Administrative Services, Accounting Division.  
Nebraska Comprehensive Annual Financial Report

1995	1996	1997	1998	1999	2000
\$ 867,037	\$ 947,508	\$ 1,075,095	\$ 1,121,849	\$ 1,199,499	\$ 1,310,210
774,012	824,590	857,684	910,437	868,620	1,083,692
255,278	240,605	266,852	269,761	266,419	280,700
93,822	99,007	93,715	94,557	94,142	95,324
42,786	32,435	33,195	31,486	40,396	42,095
13,616	16,097	22,679	25,480	24,590	27,735
<u>2,046,551</u>	<u>2,160,242</u>	<u>2,349,220</u>	<u>2,453,570</u>	<u>2,493,666</u>	<u>2,839,756</u>
1,112,819	1,191,748	1,130,846	1,263,946	1,400,439	1,557,699
131,832	138,288	145,598	146,128	154,352	160,915
69,008	75,372	73,571	68,634	75,343	78,647
34,091	41,187	56,258	77,317	55,877	70,163
7,787	7,934	9,015	9,598	10,249	10,375
39,478	37,553	44,453	68,571	109,442	175,356
<u>\$ 3,441,566</u>	<u>\$ 3,652,324</u>	<u>\$ 3,808,961</u>	<u>\$ 4,087,764</u>	<u>\$ 4,299,368</u>	<u>\$ 4,892,911</u>
\$ 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	798,440	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	3,298	3,467	5,897	14,353
<u>\$ 3,076,270</u>	<u>\$ 3,238,767</u>	<u>\$ 3,315,838</u>	<u>\$ 3,481,585</u>	<u>\$ 3,937,295</u>	<u>\$ 4,355,378</u>

# SCHEDULE OF BUDGETARY FUND CONVERSION TABLE

For the Year Ended June 30, 2000

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS
General	General	State Treasurer	Funds 1000, 1100
Special Revenue	Licensing and Regulation	Secretary of State	Funds 2091, 2092
		Department of Agriculture	Funds 2075, 2076, 2079, 2080, 2081, 2082, 2085, 2087, 2088, 2089, 2178, 2181, 2182, 2185, 2187, 2188
		Department of Education	Funds 2131, 2139, 2148
		Public Service Commission	Funds 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2169, 2170, 2176, 2431
		Department of Revenue	Funds 2159, 2162, 2166, 2167, 2169, 2170, 2176, 2431
		Department of Banking and Finance	Funds 2191, 2192
		Health and Human Services System	Funds 2263, 2800
		Fire Marshall	Fund 2211
		Department of Insurance	Funds 2221, 6223
		Department of Labor	Funds 2230, 2231, 2234, 2235, 2236, 2237
		Electrical Board	Fund 2121
		Racing Commission	Funds 2361, 2362, 2364
		Brand Committee	Fund 2391
		Motor Vehicle Industry Licensing Board	Fund 2401
		Real Estate Commission	Fund 2411
		Board of Barber Examiners	Fund 2451
		Real Estate Appraiser Board	Fund 2531
		Oil & Gas Conservation Commission	Fund 2571
		Board of Examiners for Professional Engineers and Architects	Fund 2581
		Board of Geologists	Fund 2591
		Board of Examiners for Land Surveyors	Fund 2621
		Board of Public Accountancy	Fund 2631
		Abstracters Board of Examiners	Fund 2661
		Board of Examiners for Landscape Architects	Fund 2731
		Power Review Board	Fund 2741
		Department of Environmental Quality	Funds 2833, 2835, 2838, 2841, 2842, 2843, 2844, 2845, 2847, 2849
	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	Department of Agriculture	Funds 2083, 2084, 2180, 2184
		Wheat Development, Utilization, and Marketing Board	Fund 2950
		Dairy Industry Development Board	Fund 2610
		Oil & Gas Conservation Commission	Fund 6571
		Ethanol Board	Funds 2160, 2602
		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



State of Nebraska

# **SCHEDULE OF BUDGETARY FUND CONVERSION TABLE (Continued)**

For the Year Ended June 30, 2000

<b>FINANCIAL STATEMENT FUND TYPE</b>	<b>FINANCIAL STATEMENT FUND TITLE</b>	<b>AGENCY</b>	<b>FUND NUMBERS</b>
Special Revenue (Cont'd.)	Economic Development (Cont'd.)	Railway Council	Funds 2901, 5901
		Grain Sorghum Development, Utilization, and Marketing Board	Fund 2190
		Rural Development Commission	Fund 2074
	Airport Development	State Treasurer	Fund 7759
		Department of Aeronautics	Fund 2171
	Game and Parks	Game and Parks Commission	Funds 2328, 2329, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2341, 2342, 2343
		Economic Development	Fund 2725
	Energy Conservation	Governor's Office	Funds 2812, 2813, 6811
		Department of Administrative Services	Fund 2654
	Federal	Legislative Council	Funds 4030, 4031
		Governor's Office	Fund 4811
		Supreme Court	Funds 4050, 4051, 4052
		Attorney General	Fund 4111
		Department of Education	Funds 4134, 4148
		Board of Pardons	Fund 4151
		Department of Revenue	Fund 4161
		Department of Agriculture	Funds 4182, 4183, 4184, 4185, 4186, 4190, 4192, 4193, 4195, 4197
		Health and Human Services System	Funds 4202, 4205, 4207, 4260, 4261, 4264, 4268, 4810, 4812
		Fire Marshal	Fund 4121
		Department of Labor	Funds 4231, 4232, 4233, 4235, 4236
		Department of Motor Vehicles	Funds 4242, 4792
		Department of Roads	Funds 4272, 4273
		Department of Water Resources	Fund 4291
		Military Department	Funds 4311, 4312, 4313, 4326
		Game and Parks Commission	Funds 4332, 4333
		Workers' Compensation Court	Fund 4371
		Commission on the Status of Women	Fund 4381
		Department of Correctional Services	Funds 4252, 4813
		Postsecondary Education	Fund 4481
		Historical Society	Funds 4541, 4542
		Natural Resources Commission	Fund 4552
		Oil & Gas Conservation Commission	Fund 4571
		Ethanol Board	Fund 4601
		State Patrol	Fund 4641
		Department of Administrative Services	Funds 4000, 4653
		Equal Opportunity Commission	Funds 4671, 4673, 4674
		Arts Council	Fund 4691
		Department of Economic Development	Funds 4721, 4722, 4723, 4724, 4728, 4729, 4730
		Commission on Law Enforcement and Criminal Justice	Funds 4781, 4782
		Department of Environmental Quality	Funds 4840, 4841, 4842, 4843, 4844, 4845
		Commission on Deaf and Hard of Hearing	Fund 4820
		Commission on Public Advocacy	Funds 4941, 4942
		Rural Development Commission	Fund 4081

# SCHEDULE OF BUDGETARY FUND CONVERSION TABLE (Continued)

For the Year Ended June 30, 2000

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS
Special Revenue (Cont'd.)	Health and Social Services	Health and Human Services System	Funds 2175, 2201, 2202, 2206, 2208, 2252, 2253, 2254, 2255, 2256, 2260, 2261, 2262, 2264, 2265, 2266, 6262, 6263, 6264, 6812, 6840, 6841, 7261, 7262, 7263
		Foster Care Review Board	Fund 2701
	Other Special Revenue	Commission for the Deaf and Hard of Hearing	Fund 2821
		Legislative Council	Funds 2030, 2033
		Governor's Office	Funds 2040, 2041, 5040, 6041
		Supreme Court	Funds 2051, 2052, 2054, 2055, 2056
		Secretary of State	Funds 2094, 2095, 2611
		Auditor of Public Accounts	Fund 2101
		Attorney General	Funds 2111, 2112, 5111
		State Treasurer	Funds 2126, 2127, 2128, 2129, 6692, 7999
		Department of Education	Funds 2130, 2132, 2133, 2135, 2136, 2137, 2138, 2147, 2149, 5132
		Department of Revenue	Funds 2157, 2158, 2161, 2163, 2165 2168, 5162, 6163
		Department of Agriculture	Funds 2078, 2179, 2195, 5181
		Fire Marshal	Funds 2122, 2123, 2125
		Department of Labor	Fund 2232
		Department of Motor Vehicles	Funds 2134, 2245
		Department of Veterans' Affairs	Fund 2281
		Department of Water Resources	Fund 2687
		Military Department	Funds 2311, 2312
		Board of Educational Lands and Funds	Funds 2321, 2323
		Library Commission	Funds 2340, 4345, 6834
		Liquor Control Commission	Fund 2350
		Workers' Compensation Court	Fund 2373
		Commission on the Status of Women	Fund 2381
		Department of Correctional Services	Funds 2469, 5461
		Educational Telecommunications Commission	Funds 2471, 2472, 6472
		Coordinating Commission for Postsecondary Education	Funds 2481, 6481
		Historical Society	Funds 2541, 2561, 6181, 6542, 6543, 6544
		Natural Resources Commission	Funds 2551, 2552, 2553, 2554, 2555, 2660
		State Patrol	Funds 2641, 2643, 2644, 2645, 2646
		Department of Administrative Services	Funds 2651, 2655, 2656, 2658, 2666, 2801, 5165, 5664, 5802, 5803, 5804, 6651, 7654
		Commission on Mexican-Americans	Fund 2681
		Arts Council	Funds 2690, 2692, 6691
		Commission on Indian Affairs	Fund 2722
		Commission on Law Enforcement and Criminal Justice	Funds 2780, 2781, 2782, 2783
		Commission for Technical Community Colleges	Fund 2831
		Department of Environmental Quality	Funds 2834, 2836, 2837, 2839, 2840, 2846, 2848, 2863, 6845, 6846, 6847, 6848

# SCHEDULE OF BUDGETARY FUND CONVERSION TABLE (Continued)

For the Year Ended June 30, 2000

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS
Special Revenue (Cont'd.)	Other Special Revenue (Cont'd.)	Accountability and Disclosure Commission	Funds 2871, 2872
		Tax Equalization and Review Commission	Fund 2931
		Commission on Public Advocacy	Funds 2941, 2942
		Department of Property Assessment and Taxation	Fund 2155
Capital Projects	Capital Projects	State Treasurer	Funds 3300, 3800
		Health and Human Services System	Funds 2251, 4251
		Department of Correctional Services	Fund 3246
		Educational Telecommunications Commission	Fund 4471
		Department of Administrative Services	Funds 2652, 2667, 2668, 2669, 3202
		Commission on Law Enforcement and Criminal Justice	Fund 3278
Enterprise	Lottery	Department of Revenue	Funds 2156, 6161, 6162
	Excess Liability	State Treasurer	Fund 6222
Internal Service	Correctional Services	Department of Correctional Services	Fund 5251
	Buildings and Grounds	Department of Administrative Services	Funds 2650, 5650, 5655, 6652
	General Services	Department of Administrative Services	Funds 5651, 5654, 5658
	Communications	Department of Administrative Services	Funds 2653, 5653
	Information Management	Department of Administrative Services	Funds 2665, 5652, 5656
	Transportation Services	Department of Administrative Services	Fund 5657
	Risk Management	Department of Administrative Services	Funds 2891, 2892, 2893, 5891, 5892, 6892, 6893
	Accounting Services	Department of Administrative Services	Fund 5665
	Other Internal Service	Secretary of State	Funds 2093, 5090
		Department of Correctional Services	Fund 5270
Department of Administrative Services		Fund 5801	
Investment Council		Fund 2751	
Expendable Trust	Amos Trust	State Treasurer	Fund 6130
	Unemployment Compensation	Department of Labor	Funds 6231, 6232, 7231
	Deferred Compensation	Public Employees Retirement Board	Funds 2854, 7653
	Ag & Univ Land Lease	Board of Educational Lands and Funds	Fund 6332
	Second Injury	Workers' Compensation Court	Fund 6371
	Vocational Rehabilitation	Workers' Compensation Court	Fund 6372
	Canteen & Welfare	Health and Human Services System	Funds 6803, 6805, 6810, 6820, 6822, 6823, 6825, 6830
		Department of Correctional Services	Funds 6251, 6252
	Escheat Trust	State Treasurer	Funds 2120, 6128
	PSC Trust Account	Public Service Commission	Fund 6142
	Miscellaneous Trust	Department of Education	Fund 6131
		Health and Human Services System	Fund 6826
		Department of Correctional Services	Funds 6253, 6461, 6464, 6465
		Educational Telecommunications Commission	Fund 6471
		State Historical Society	Fund 6541

# SCHEDULE OF BUDGETARY FUND CONVERSION TABLE (Continued)

For the Year Ended June 30, 2000

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS
Nonexpendable Trust	Miscellaneous	State Treasurer	Funds 6122, 6126
	Aeronautics Trust	Department of Aeronautics	Fund 6170
	Normal School Endowment	Board of Educational Lands and Funds	Fund 6328
	Veterans Aid	Board of Educational Lands and Funds	Fund 6333
		Department of Veterans' Affairs	Fund 6320
	Permanent School	Department of Education	Fund 6136
		Board of Educational Lands and Funds	Funds 2322, 6334
	Permanent University	Board of Educational Lands and Funds	Fund 6335
	Agriculture Endowment	Board of Educational Lands and Funds	Fund 6513
	J.J. Soukup	Office of Risk Management	Fund 6891
	Insurance Investment Income	State Treasurer	Fund 6123
	State Employees Retirement	Public Employees Retirement Board	Funds 2855, 6853
	County Employees Retirement	Public Employees Retirement Board	Funds 2856, 6854
Pension Trust	School Retirement	Public Employees Retirement Board	Funds 2851, 6325, 6330, 6336, 6337, 6850, 6851, 6858, 6859
	Judges Retirement	Public Employees Retirement Board	Funds 2853, 6323, 6857
	State Patrol Retirement	Public Employees Retirement Board	Funds 2852, 6327, 6856
Agency	Local Government	State Treasurer	Funds 6125, 7121, 7122, 7163, 7752, 7764
		Department of Education	Funds 7131, 7132, 7133
		Department of Insurance	Fund 6224
	Ohio College Library	Library Commission	Fund 7341
	Short-Term Investment Pool	Investment Council	Fund 7750
	Payroll Withholding	Department of Administrative Services	Funds 6801, 7655, 7801
	Severance Tax	State Treasurer	Fund 7761
	Court Ordered Settlement	Attorney General	Fund 6111
		Department of Banking and Finance	Fund 6191
		Department of Motor Vehicles	Fund 6241
		Health and Human Services System	Fund 7263
	Higher Education	State Colleges	Funds 2501, 2503, 2504, 2505, 2506, 2507, 2508, 4504, 4900, 4920, 4930, 5501, 5503, 5504, 5505, 6496, 6501, 6503, 6504, 6505, 6506, 6507, 6509
		University of Nebraska	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, 6656
Public Benefit Corporation	University of Nebraska	University of Nebraska	Funds 6508, 6522
	Facilities Corporation		
	Nebraska State Colleges Facilities Corporation	State Colleges	Funds 6493, 6495

State of Nebraska

# REVENUE BOND COVERAGE COLLEGES AND UNIVERSITIES

1991 – 2000

(Dollars in Thousands)

FISCAL YEAR	DEDICATED REVENUES	RELATED EXPENSES	NET REVENUES AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENT	COVERAGE RATIO
1991	\$ 36,342	\$ 28,727	\$ 7,615	\$ 4,380	1.74
1992	38,633	29,922	8,711	5,572	1.56
1993	40,167	31,082	9,085	5,747	1.58
1994	45,730	36,743	8,987	5,694	1.58
1995	49,059	38,680	10,379	5,825	1.78
1996	52,928	43,464	9,464	6,084	1.56
1997	54,029	44,652	9,377	7,175	1.31
1998	56,878	46,176	10,702	7,736	1.38
1999	48,965	38,267	10,698	8,072	1.33
2000	52,176	40,774	11,402	7,454	1.53

**SOURCE:** University of Nebraska and State Colleges.

State of Nebraska

# COMPARATIVE POPULATION GROWTH NEBRASKA AND UNITED STATES

1940 – 1999 (As of July 1)

YEAR	NEBRASKA	PERCENT CHANGE	UNITED STATES	PERCENT CHANGE
1940	1,315,834		132,122,446	
1950	1,325,510	0.74 %	152,271,417	15.25 %
1960	1,411,921	6.52	180,671,158	18.65
1970	1,485,333	5.20	205,052,174	13.49
1971	1,508,000	1.53	207,661,000	1.27
1972	1,528,000	1.33	209,896,000	1.08
1973	1,533,000	0.33	211,909,000	0.96
1974	1,537,000	0.26	213,854,000	0.92
1975	1,544,000	0.46	215,973,000	0.99
1976	1,552,000	0.52	218,035,000	0.95
1977	1,555,000	0.19	220,239,000	1.01
1978	1,565,000	0.64	222,585,000	1.07
1979	1,574,000	0.58	225,055,000	1.11
1980	1,569,825	(0.27)	227,224,681	0.96
1981	1,577,000	0.46	229,466,000	0.99
1982	1,586,000	0.57	231,664,000	0.96
1983	1,597,000	0.69	233,792,000	0.92
1984	1,605,000	0.50	235,825,000	0.87
1985	1,606,000	0.06	237,924,000	0.89
1986	1,598,000	(0.50)	240,133,000	0.93
1987	1,594,000	(0.25)	242,289,000	0.90
1988	1,602,000	0.50	244,499,000	0.91
1989	1,611,000	0.56	246,819,000	0.95
1990	1,578,417	(2.02)	249,439,545	1.06
1991	1,591,000	0.80	252,124,000	1.08
1992	1,603,000	0.75	255,002,000	1.14
1993	1,613,000	0.62	257,753,000	1.08
1994	1,623,000	0.62	260,292,000	0.99
1995	1,636,000	0.80	262,761,000	0.95
1996	1,649,000	0.79	265,179,000	0.92
1997	1,657,000	0.49	267,636,000	0.93
1998	1,661,000	0.24	270,248,000	0.98
1999	1,666,000	0.30	272,691,000	0.90
1940-1999		26.61 %		106.39 %

SOURCE: U.S. Bureau of the Census

## State of Nebraska

# COMPARATIVE UNEMPLOYMENT NEBRASKA AND UNITED STATES

1950 – 1999

YEAR	TOTAL LABOR FORCE	TOTAL EMPLOYMENT	UNEMPLOYMENT	NEBRASKA UNEMPLOYMENT AS PERCENT OF LABOR FORCE	UNITED STATES UNEMPLOYMENT AS PERCENT OF LABOR FORCE
1950	608,500	590,600	17,900	2.9%	5.2%
1960	630,200	613,000	17,200	2.7	5.5
1970(a)	631,700	612,300	19,400	3.1	4.9
1971	644,000	620,500	23,500	3.6	5.9
1972	666,300	643,800	22,500	3.4	5.6
1973	688,900	666,200	22,700	3.3	4.9
1974	719,500	688,600	30,900	4.3	5.6
1975	706,000	663,200	42,800	6.1	8.5
1976	717,100	680,900	36,200	5.0	7.7
1977(b)	750,000	722,000	28,000	3.7	7.1
1978	772,000	749,000	23,000	3.0	6.1
1979	771,000	747,000	24,000	3.1	5.8
1980	763,000	732,000	31,000	4.1	7.1
1981	777,000	745,000	32,000	4.1	7.6
1982	789,000	741,000	48,000	6.1	9.7
1983	791,000	746,000	45,000	5.7	9.6
1984	796,000	761,000	35,000	4.4	7.5
1985	806,000	762,000	44,000	5.5	7.2
1986	813,000	772,000	41,000	5.0	7.0
1987	812,000	772,000	40,000	4.9	6.2
1988	818,000	789,000	29,000	3.5	5.5
1989	812,000	787,000	25,000	3.1	5.3
1990	814,489	796,352	18,137	2.2	5.5
1991	835,206	812,074	23,132	2.8	6.7
1992	838,477	813,076	25,401	3.0	7.4
1993	858,400	835,581	22,819	2.7	6.8
1994	880,246	854,975	25,271	2.9	6.1
1995	898,113	874,357	23,756	2.6	5.6
1996	909,932	883,284	26,648	2.9	5.7
1997	906,256	882,615	23,641	2.6	5.3
1998	916,440	891,709	24,731	2.7	4.5
1999(c)	911,100	885,045	26,055	2.9	4.2

(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:** Nebraska Statistics – 1950-1983 Nebraska Statistical Handbook, Nebraska Department of Economic Development;  
1984-1999 Nebraska Department of Labor, Labor Market Information  
United States Unemployment – U.S. Census Bureau of Labor Statistics.

State of Nebraska

# TOTAL PERSONAL AND PER CAPITA INCOME NEBRASKA, UNITED STATES AND THE PLAINS

1990 – 1999

YEAR	NEBRASKA		UNITED STATES		PLAINS (a)	
	PERSONAL INCOME (IN MILLIONS)	PER CAPITA INCOME	PERSONAL INCOME (IN MILLIONS)	PER CAPITA INCOME	PERSONAL INCOME (IN MILLIONS)	PER CAPITA INCOME
1990	\$ 27,858	\$ 18,088	\$ 4,774,005	\$ 19,584	\$ 315,716	\$ 18,217
1991	28,729	18,766	4,963,545	20,089	327,448	18,842
1992	30,812	19,688	5,260,922	21,082	349,261	19,928
1993	31,785	20,167	5,469,485	21,718	358,347	20,389
1994	33,029	21,168	5,741,050	22,581	380,442	21,558
1995	36,293	22,196	6,192,235	23,562	410,645	22,363
1996	39,618	24,045	6,538,103	24,651	439,948	23,802
1997	40,722	24,590	6,928,762	25,874	462,250	24,861
1998	42,949	25,861	7,383,687	27,322	491,292	26,282
1999	45,065	27,049	7,783,152	28,452	514,176	27,350

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

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

State of Nebraska

# TEN LARGEST PRIVATE EMPLOYERS

1999

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

SOURCE: Nebraska Department of Economic Development, Research Division



## State of Nebraska

**TRANSPORTATION RELATED STATISTICS**

1990 – 1999

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>STATE HIGHWAY MILEAGE BY SURFACE TYPE (a)</b>										
<b>RURAL</b>										
Gravel	79	79	74	74	74	51	44	44	44	44
Asphalt, Bitumen	7,774	7,801	7,786	7,794	7,794	7,834	7,849	7,819	7,841	7,901
Concrete, Brick	1,514	1,485	1,484	1,453	1,449	1,445	1,455	1,487	1,453	1,391
<b>TOTAL RURAL</b>	<b>9,367</b>	<b>9,365</b>	<b>9,344</b>	<b>9,321</b>	<b>9,317</b>	<b>9,330</b>	<b>9,348</b>	<b>9,350</b>	<b>9,338</b>	<b>9,336</b>
<b>MUNICIPAL</b>										
Asphalt, Bitumen	321	325	331	342	347	353	351	344	350	351
Concrete, Brick	260	261	274	281	279	277	270	276	279	282
<b>TOTAL MUNICIPAL</b>	<b>581</b>	<b>586</b>	<b>605</b>	<b>623</b>	<b>626</b>	<b>630</b>	<b>621</b>	<b>620</b>	<b>629</b>	<b>633</b>
<b>TOTAL RURAL AND MUNICIPAL</b>	<b>9,948</b>	<b>9,951</b>	<b>9,949</b>	<b>9,944</b>	<b>9,943</b>	<b>9,960</b>	<b>9,969</b>	<b>9,970</b>	<b>9,967</b>	<b>9,969</b>
<b>MILES OF CONSTRUCTION ON STATE HIGHWAYS (a)</b>										
Rural	493	414	340	469	376	625	624	569	503	748
Municipal	26	23	16	24	29	34	23	32	26	29
<b>TOTAL RURAL AND MUNICIPAL</b>	<b>519</b>	<b>437</b>	<b>356</b>	<b>493</b>	<b>405</b>	<b>659</b>	<b>647</b>	<b>601</b>	<b>529</b>	<b>777</b>
<b>MOTOR VEHICLE REGISTRATIONS (b)</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										
Farm	147,982	128,969	140,095	149,403	148,664	148,181	148,051	149,471	148,433	149,034
Other	273,065	247,831	269,195	288,608	272,685	279,781	282,717	293,413	308,661	322,128
Motorcycles	22,375	20,264	19,582	18,882	19,084	18,696	18,094	18,441	19,344	20,612
All Other	275,003	266,178	296,302	301,757	264,965	290,287	277,320	283,090	290,589	305,089
<b>TOTAL</b>	<b>1,636,147</b>	<b>1,502,045</b>	<b>1,620,635</b>	<b>1,699,317</b>	<b>1,660,536</b>	<b>1,693,045</b>	<b>1,703,434</b>	<b>1,725,787</b>	<b>1,778,828</b>	<b>1,835,446</b>

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)

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

SOURCE: Economic Research Service, U.S. Department of Agriculture.

State of Nebraska

## NEBRASKA HOUSING UNITS AUTHORIZED FOR CONSTRUCTION

1990 – 1999

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

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

YEAR	IMPORTING DEALERS	DIESEL FUELS	GASOHOL	TOTAL	PERCENT CHANGE
1990	474,744,464	189,772,081	291,658,752	956,175,297	(0.79)%
1991	401,151,347	184,069,676	338,655,895	923,876,918	(3.38)
1992	396,493,898	207,628,838	360,390,088	964,512,824	4.40
1993	502,952,626	222,520,682	278,733,437	1,004,206,745	4.12
1994	525,261,561	228,490,205	230,802,731	984,554,497	(1.96)
1995	587,503,297	248,461,579	238,027,521	1,073,992,397	9.08
1996	636,785,443	255,896,982	183,903,344	1,076,585,769	0.24
1997	629,887,065	286,107,488	206,250,862	1,122,245,415	4.24
1998	661,061,910	316,724,293	189,956,805	1,167,743,008	4.05
1999	655,569,949	342,368,345	213,395,320	1,211,333,614	3.73

SOURCE: Nebraska Department of Revenue Annual Report.

## State of Nebraska

**BANK DEMAND AND TIME DEPOSITS**

1990 – 1999

(Dollars in Millions)				
YEAR	DEMAND DEPOSITS	TIME DEPOSITS	TOTAL DEPOSITS	PERCENT CHANGE
1990	\$ 2,806	\$ 14,828	\$ 17,634	9.71 %
1991	2,901	15,682	18,583	5.38
1992	3,175	16,440	19,615	5.55
1993	3,221	17,655	20,876	6.43
1994	3,246	17,413	20,659	(1.04)
1995	3,506	19,051	22,557	9.19
1996	3,713	19,546	23,259	3.11
1997	3,293	18,313	21,606	(7.11)
1998	3,440	19,601	23,041	6.64
1999	3,297	19,705	23,002	(0.17)

NOTE: This data represents balances at December 31.

SOURCE: Federal Deposit Insurance Corporation.

State of Nebraska

# **PUBLIC AND STATE OPERATED ENROLLMENT PREKINDERGARTEN – GRADE 12**

1990/91 – 1999/00

ACADEMIC YEAR	PRE KDG. AND KDG.	GRADES 1 – 3	GRADES 4 – 6	GRADES 7 – 9	GRADES 10 – 12	TOTAL ALL GRADES
1990 – 1991	24,559	66,933	65,380	60,832	55,826	273,530
1991 – 1992	24,702	66,877	67,366	63,261	56,766	278,972
1992 – 1993	24,667	66,313	67,139	65,603	58,157	281,879
1993 – 1994	24,600	65,258	67,374	68,270	58,957	284,459
1994 – 1995	25,304	64,171	67,092	69,186	60,680	286,433
1995 – 1996	25,779	64,010	66,957	68,796	62,842	288,384
1996 – 1997	25,599	64,800	66,058	69,937	65,023	291,417
1997 – 1998	25,543	65,014	64,721	70,452	66,389	292,119
1998 – 1999	25,740	64,664	64,256	69,991	66,485	291,136
1999 – 2000	25,219	63,118	64,409	69,099	66,386	288,231

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

State of Nebraska

# **PUBLIC HIGHER EDUCATION INSTITUTIONS TOTAL FALL HEADCOUNT ENROLLMENT**

1990 – 1999

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>COLLEGES AND UNIVERSITIES:</b>										
Chadron State College	3,065	3,413	3,190	3,021	3,189	3,063	2,905	2,931	2,809	2,768
Kearney State College (1)	9,899									
Peru State College	1,526	1,558	1,527	1,601	1,665	1,754	1,774	1,807	1,695	1,664
Wayne State College	3,512	3,925	3,761	3,765	3,886	3,868	3,828	3,839	3,835	3,601
University of Nebraska										
Lincoln (2)	24,598	24,803	24,752	24,695	24,089	24,578	24,189	23,104	22,669	22,394
Omaha	15,811	15,986	16,227	15,899	15,051	14,691	14,474	13,710	13,274	13,264
Kearney		8,573	8,374	8,045	7,584	7,620	7,680	7,133	6,849	6,780
Medical Center	2,444	2,631	2,759	2,703	2,778	2,770	2,718	2,618	2,599	2,590
<b>TOTAL COLLEGES AND UNIVERSITIES</b>	<b>60,855</b>	<b>60,889</b>	<b>60,590</b>	<b>59,729</b>	<b>58,242</b>	<b>58,344</b>	<b>57,568</b>	<b>55,142</b>	<b>53,730</b>	<b>53,061</b>
<b>COMMUNITY COLLEGES</b>										
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	10,686	10,666	10,759	11,213	11,583	11,658
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	2,248	2,591	2,308	2,291	1,960	2,008	1,704	1,836
<b>TOTAL COMMUNITY COLLEGES</b>	<b>26,697</b>	<b>28,109</b>	<b>29,748</b>	<b>30,777</b>	<b>31,198</b>	<b>30,977</b>	<b>33,396</b>	<b>34,049</b>	<b>35,124</b>	<b>35,129</b>
<b>TOTAL ALL INSTITUTIONS</b>	<b>87,552</b>	<b>88,998</b>	<b>90,338</b>	<b>90,506</b>	<b>89,440</b>	<b>89,321</b>	<b>90,964</b>	<b>89,191</b>	<b>88,854</b>	<b>88,190</b>

**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

State of Nebraska

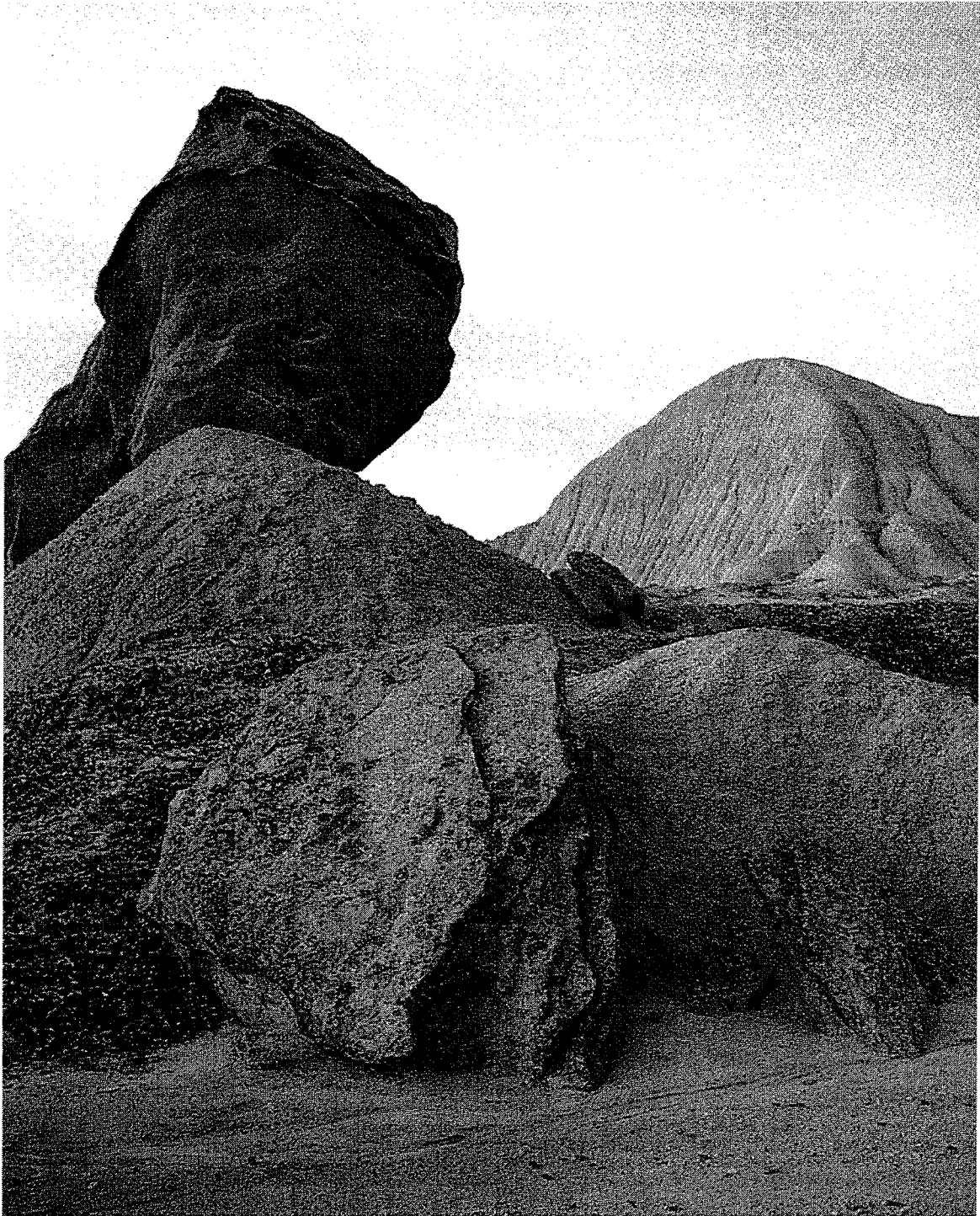
## MISCELLANEOUS STATISTICS

June 30, 2000

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Date Entered Union	March 1, 1867 (37th State)
Form of Government	Legislative – Executive – Judicial
Land Area	77,358 square miles (16th largest in U.S.)
Elevation	840 to 5,424 feet above sea level
Capital	Lincoln
Largest City	Omaha
Origin of Name	From Oto Indian word "Nebrathka" meaning "flat water"
Nickname	Cornhusker State (from method of harvesting or "husking" corn by hand)
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

**SOURCE:** Nebraska Blue Book, 1998-99.



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