

**AUDIT REPORT  
OF THE  
NEBRASKA STATE TREASURER  
JULY 1, 1999 THROUGH JUNE 30, 2000**

# NEBRASKA STATE TREASURER

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# NEBRASKA STATE TREASURER

## **BACKGROUND**

The State Treasurer as a constitutional officer is elected to a term of four years, and can be reelected for a second consecutive term. The State Treasurer receives and keeps all money of the State as designated by law. The Treasurer disburses these funds by electronic means or by warrants lawfully drawn upon the State Treasury. The Treasurer keeps a comprehensive account of all money received and disbursed. The Treasurer determines all banking relationships for the State, and selects a custodial bank for the State for custody of all securities purchased. Cash management, ensuring only lawfully drawn warrants are paid, and the administration of the Unclaimed Property Act are primary functions of the agency. The Treasurer also maximizes interest income by increasing the amount of money available for investment through enhanced cash management procedures and by increasing the electronic movement of money.

## **VISION AND MISSION AND PRINCIPLES STATEMENTS**

### Vision Statement

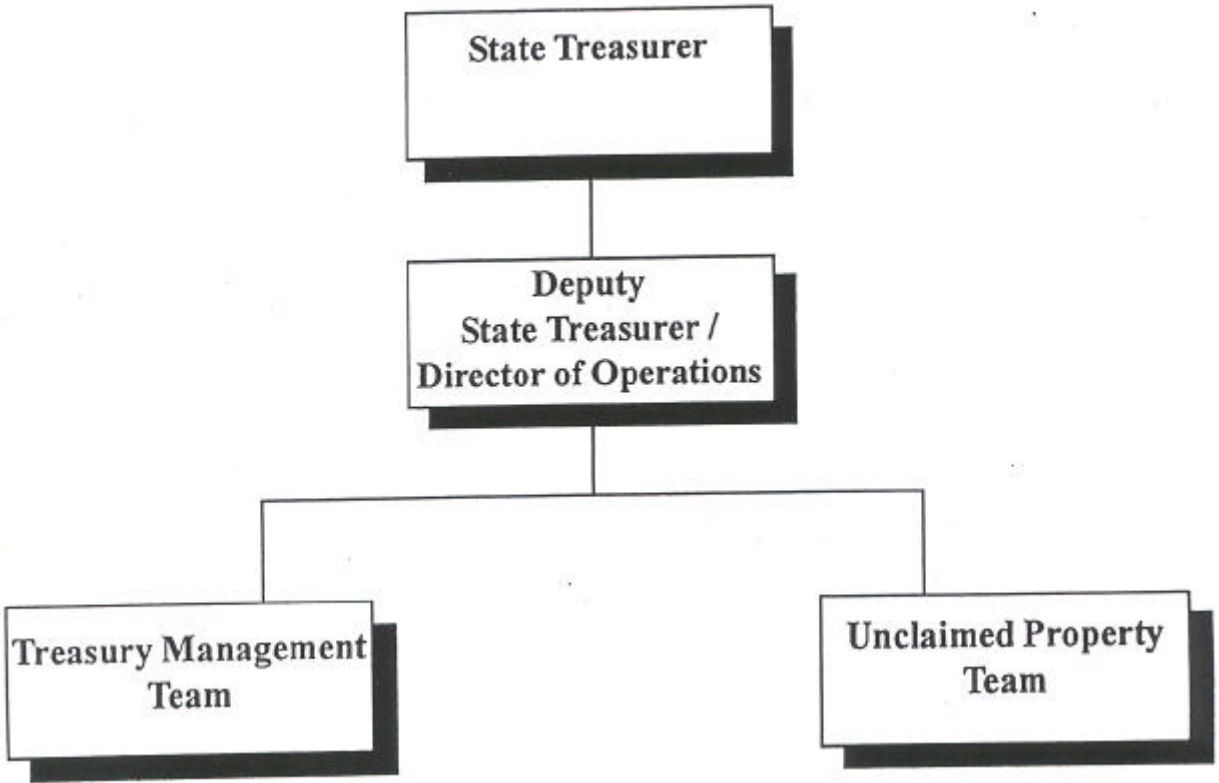
Our vision is to provide exceptionally outstanding customer service to Nebraska taxpayers, Nebraska businesses and government agencies as they interact with our office and to operate a cost-efficient, technologically advanced office in managing the State's financial resources.

### Mission and Principles Statement

The mission of the State Treasurer's Office is the prompt receipt and safekeeping of state funds, the distribution of those funds by electronic means or warrants lawfully drawn upon the State Treasury, and the return of unclaimed property to its rightful owners. The two guiding principles of this office are (1) to always remember who the boss is—the Nebraska taxpayer and (2) to save the Nebraska taxpayer money.

NEBRASKA STATE TREASURER

ORGANIZATIONAL CHART



## NEBRASKA STATE TREASURER

### SUMMARY OF COMMENTS

During our audit of the Nebraska State Treasurer, we noted certain matters involving the internal control over financial reporting and other operational matters which are presented here. Comments and recommendations are intended to improve the internal control over financial reporting, ensure compliance, or result in operational efficiencies.

1. ***Allocation of Costs Between Programs:*** The State Treasurer has two programs for which they charge operating costs. The State Treasurer has common costs, which benefit both programs. The State Treasurer does not have documentation to support the allocation of common costs between these programs.
2. ***Cigarette Tax Allocation:*** The State Treasurer is required by Neb. Rev. Stat. Section 77-2602(1) to allocate cigarette tax collections to several different funds. During the fiscal year ending June 30, 2000 the State Treasurer did not allocate \$812,035 out of a total \$43,464,108 in cigarette taxes collected.

More detailed information on the above items is provided hereafter. It should be noted this report is critical in nature since it contains only our comments and recommendations on the areas noted for improvement.

Draft copies of this report were furnished to the State Treasurer to provide them an opportunity to review the report and to respond to the comments and recommendations included in this report. All formal responses received have been incorporated into this report. Where no response has been included, the State Treasurer declined to respond. Responses have been objectively evaluated and recognized, as appropriate, in the report. Responses that indicate corrective action has been taken were not verified at this time but will be verified in the next audit.

We appreciate the cooperation and courtesy extended to our auditors during the course of the audit.

## NEBRASKA STATE TREASURER

### COMMENTS AND RECOMMENDATIONS

#### 1. Allocation of Costs Between Programs

The legislature of the State of Nebraska approves spending authority for all State agencies through annual appropriations. The appropriations are made at the program level, and an agency's expenditures from a particular program should be expenditures which benefit that program. The State Treasurer has two programs (Treasury management program - 503 and unclaimed property program - 512) for which they charge operating costs. The State Treasurer has common costs, such as payroll, other operating, and fixed asset costs that benefit both programs. The State Treasurer should have a reasonable and documented basis for charging costs to each program.

Based upon discussion with the State Treasurer, there is a reasonable basis for how costs to particular programs are charged. For example, even though the State Treasurer's Office does not keep detailed time sheets to allocate payroll costs to each program, these costs are allocated based upon assignment of duties, daily observations by the State Treasurer, and knowledge of the employee's duties. Other expenditure allocations are based upon the purpose of the expenditures.

However, written documentation for the basis discussed above was not maintained. For this reason we were unable to determine whether the costs allocated and charged to each of the programs were reasonable.

We recommend the State Treasurer maintain written documentation for the basis of allocating common cost between programs.

**STATE TREASURER'S RESPONSE:** I OPERATE THE STATE TREASURER'S OFFICE IN A BUSINESSLIKE MANNER RATHER THAN A TYPICAL GOVERNMENT BUREAUCRACY. WE WORK VERY HARD TO OPERATE THE STATE TREASURER'S OFFICE IN A COST-EFFICIENT, TECHNOLOGICALLY ADVANCED MANNER IN MANAGING THE STATE'S FINANCIAL RESOURCES. BECAUSE WE ONLY HAVE 12 EMPLOYEES, WE'RE LIKE A SMALL BUSINESS AND I ENCOURAGE MY STAFF TO THINK AND ACT LIKE A SMALL BUSINESS RATHER THAN A GOVERNMENT BUREAUCRACY. AS SUCH, COMMUNICATIONS AND CONTACT AMONG MY EMPLOYEES IS DAILY AND FREQUENT. OUR FOCUS IS ON RESULTS RATHER THAN UNNECESSARY WRITTEN POLICIES.

THE STATE TREASURER'S OFFICE HAS A REASONABLE BASIS FOR ITS COST ALLOCATION, WHICH WAS EXPLAINED IN DETAIL TO YOUR AUDITORS. YOUR SECOND PARAGRAPH EVEN STATES "BASED UPON DISCUSSION WITH THE STATE TREASURER, THERE IS A REASONABLE BASIS FOR HOW COSTS TO PARTICULAR PROGRAMS ARE CHARGED." HOWEVER, BECAUSE WE ARE LIKE A SMALL BUSINESS, SOMETIMES THAT DOCUMENTATION IS NOT ALWAYS OF A WRITTEN NATURE.

THIS RECOMMENDATION IS A PERFECT EXAMPLE OF UNNECESSARY AND INEFFICIENT GOVERNMENT BUREAUCRATIC RED TAPE. THANKS FOR YOUR COMMENTS. WE WILL TAKE THEM UNDER ADVISEMENT.

## NEBRASKA STATE TREASURER

### COMMENTS AND RECOMMENDATIONS

#### 2. Cigarette Tax Allocation

Neb. Rev. Stat. Section 77-2602(1) R.R.S. Supp. 1999 authorizes a tax on the distributing and selling of cigarettes, and establishes the process the State Treasurer uses to allocate the taxes collected. This statute allocates the taxes between the State General Fund, the Nebraska Outdoor Recreation Development Cash Fund, the Department of Health and Human Services Finance and Support Cash Fund, the City of Omaha Public Events Facilities Fund, the Building Renewal Allocation Fund, the Nebraska Capital Construction Fund, and the Municipal Infrastructure Redevelopment Fund.

During our review of the Cigarette Tax allocations for the fiscal year ending June 30, 2000, we noted the following:

- One deposit of cigarette tax collections in the amount of \$118,238 made in October 1999 was allocated in both September and October of 1999.
- During three different months in 1999, the State Treasurer under recorded the amount of cigarette tax collections by a combined \$930,273.

As a result, the State Treasurer under allocated \$812,035 in cigarette tax collections for the fiscal year ending June 30, 2000. The State General Fund was under allocated \$501,552, and the other six funds were under allocated a total of \$310,483.

We recommend the State Treasurer make the necessary corrections to the allocation for the fiscal year ending June 30, 2000.

In addition, we recommend the State Treasurer review the allocations for the current year and previous years to ensure similar misallocations were not made.

**STATE TREASURER'S RESPONSE:** WE AGREE AND THE NECESSARY CORRECTIONS HAVE BEEN MADE.

STATE OF NEBRASKA  
Auditor of Public Accounts



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NEBRASKA STATE TREASURER

**INDEPENDENT AUDITORS' REPORT**

We have audited the financial statements of the Nebraska State Treasurer as of and for the fiscal year ended June 30, 2000, as listed in the Table of Contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit a portion of the cash and investment balances of the Trust and Agency Funds (the Pension Trust funds) of \$4,558,933,947 at June 30, 2000, and the receipts of \$358,594,418, disbursements of \$20,707,452, and Other Financing Sources (Uses) of \$254,383,167 for the fiscal year ending June 30, 2000, nor did we audit a portion of the receipts, disbursements, and Other Financing Sources (Uses) for the following funds for the fiscal year ending June 30, 2000: Special Revenue Funds of \$395,360,482, \$0, \$1,739,556, respectively; Capital Project funds of \$42,805, \$73,771,740, and \$0, respectively; and the Excess Liability Fund of \$797,497, \$6,506,964, and \$0, respectively.



As more fully disclosed in Note 9 to the financial statements, certain funds of the State Treasurer are common funds with other State Agencies. Common funds are funds where other State agencies, other than the State Treasurer, record transactions through these funds. The above balances, and cash activity is subject to audit at these other State Agencies.

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Also as discussed in Note 1, the financial statements present only the Nebraska State Treasurer, and are not intended to present fairly the fund balances or the receipts and disbursements of the State of Nebraska in conformity with the cash receipts and disbursements basis of accounting.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we examined evidence regarding the cash and investment balances and cash activity as noted in paragraph three above, the financial statements referred to above present fairly, in all material respects, the fund balances of the Nebraska State Treasurer as of June 30, 2000, and the receipts and disbursements for the fiscal year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2000, on our consideration of the Nebraska State Treasurer's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The report on compliance and on internal control over financial reporting is an integral part of a Government Auditing Standards audit and should be considered in conjunction with the report on the financial statements.

The accompanying combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in such statements has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, except for the effects of such adjustments, if any, on the combining statements as might have been determined to be necessary had we examined evidence regarding the cash and investment balances, and cash activity as noted in paragraph three above, is fairly stated in all material respects in relation to the financial statements taken as a whole.

September 29, 2000



Manager

NEBRASKA STATE TREASURER  
**COMBINED STATEMENT OF ASSETS AND FUND BALANCES AND OTHER CREDITS ARISING FROM CASH TRANSACTIONS**  
**ALL FUND TYPES AND GENERAL FIXED ASSETS ACCOUNT GROUP**  
June 30, 2000

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type	Account Group	Totals
	General	Special Revenue	Capital Projects	Excess Liability Fund	Trust and Agency	General Fixed Assets	(Memorandum Only)
<b><u>Assets</u></b>							
Cash in State Treasury	\$ 142,159,429	\$ 1,845,336	\$ 1,916,460	\$ 7,736,876	\$ 45,062,047	\$ -	\$ 198,720,148
Investments	-	5,911,091	-	47,088,349	4,886,307,998	-	4,939,307,438
Stock Securities	-	-	-	-	1,983,148	-	1,983,148
Deposit with Vendors	1,132	-	-	-	2,070	-	3,202
Change Fund	1,000	-	-	-	-	-	1,000
Property, Plant, and Equipment	-	-	-	-	-	231,066	231,066
 Total Assets	 <u>\$ 142,161,561</u>	 <u>\$ 7,756,427</u>	 <u>\$ 1,916,460</u>	 <u>\$ 54,825,225</u>	 <u>\$4,933,355,263</u>	 <u>\$ 231,066</u>	 <u>\$5,140,246,002</u>
 <b><u>Fund Balances and Other Credits</u></b>							
Other Credits,							
Investment in Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,066	\$ 231,066
Fund Balances:							
Reserved for:							
Postage	1,132	-	-	-	2,070	-	3,202
Endowment Principal	-	-	-	-	334,374,624	-	334,374,624
Pension Benefits	-	-	-	-	4,558,933,947	-	4,558,933,947
Due to Other Funds/Government	-	-	-	-	34,750,102	-	34,750,102
Unreserved:							
Designated for Cash Shortages	142,159,429	-	-	-	-	-	142,159,429
Undesignated	<u>1,000</u>	<u>7,756,427</u>	<u>1,916,460</u>	<u>54,825,225</u>	<u>5,294,520</u>	<u>-</u>	<u>69,793,632</u>
 Total Fund Balances and Other Credits	 <u>\$ 142,161,561</u>	 <u>\$ 7,756,427</u>	 <u>\$ 1,916,460</u>	 <u>\$ 54,825,225</u>	 <u>\$4,933,355,263</u>	 <u>\$ 231,066</u>	 <u>\$5,140,246,002</u>

See Notes to Financial Statements.

NEBRASKA STATE TREASURER  
**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES**  
For the Fiscal Year Ended June 30, 2000

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Excess Liability Fund	Trust and Agency	
RECEIPTS:						
Appropriations	\$ 27,646,911	\$ -	\$ -	\$ -	\$ -	\$ 27,646,911
Taxes	135,329	393,008,709	-	-	1,341,775	394,485,813
Sales and Charges	4,729,660	59,189,819	-	597,422	7,790,940	72,307,841
Miscellaneous	28,404,536	7,023,878	119,785	1,614,312	384,580,189	421,742,700
<b>TOTAL RECEIPTS</b>	<b>60,916,436</b>	<b>459,222,406</b>	<b>119,785</b>	<b>2,211,734</b>	<b>393,712,904</b>	<b>916,183,265</b>
DISBURSEMENTS:						
Personal Services	283,352	-	46,183	-	171,311	500,846
Operating	91,650	7,558	11,412,536	6,812,008	25,138,312	43,462,064
Travel	5,678	-	4,760	-	5,900	16,338
Capital Outlay	39,785	-	62,275,245	-	13,720	62,328,750
Government Aid	27,226,446	8,043,628	33,016	-	7,435,653	42,738,743
<b>TOTAL DISBURSEMENTS</b>	<b>27,646,911</b>	<b>8,051,186</b>	<b>73,771,740</b>	<b>6,812,008</b>	<b>32,764,896</b>	<b>149,046,741</b>
Excess of Receipts Over (Under) Disbursements	33,269,525	451,171,220	(73,651,955)	(4,600,274)	360,948,008	767,136,524
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	-	-	-	5,629,984	5,629,984
Operating Transfers In	49,202,810	24,089,445	73,957,000	-	46,317,103	193,566,358
Operating Transfers In From State General Fund	94,656,169	-	-	-	-	94,656,169
Operating Transfers Out	(147,269,526)	(477,392,487)	-	-	(13,656,161)	(638,318,174)
Deposits to State General Fund	(33,269,525)	-	-	-	-	(33,269,525)
Stock Transfers					(161,242)	(161,242)
Distributive Activity:						
Ins	5,074,126	5,403,990	-	-	233,811,163	244,289,279
Outs	(5,204,274)	(5,558,990)	-	-	(232,429,676)	(243,192,940)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(36,810,220)</b>	<b>(453,458,042)</b>	<b>73,957,000</b>	<b>-</b>	<b>39,511,171</b>	<b>(376,800,091)</b>
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(3,540,695)	(2,286,822)	305,045	(4,600,274)	400,459,179	390,336,433
FUND BALANCE, JULY 1, 1999	145,702,256	10,043,249	1,611,415	59,425,499	4,532,896,084	4,749,678,503
FUND BALANCE, JUNE 30, 2000	\$ 142,161,561	\$ 7,756,427	\$ 1,916,460	\$ 54,825,225	\$ 4,933,355,263	\$ 5,140,014,936

See Notes to Financial Statements.

NEBRASKA STATE TREASURER  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE**  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2000

	GENERAL FUND			CASH FUND			TOTAL FUNDS (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
		(BUDGETARY BASIS)	FAVORABLE (UNFAVORABLE)		(BUDGETARY BASIS)	FAVORABLE (UNFAVORABLE)		(BUDGETARY BASIS)	FAVORABLE (UNFAVORABLE)
RECEIPTS:									
Appropriations	\$ -	\$ 27,646,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,646,911	\$ -
Taxes	-	135,329	-	-	6,032,000	-	-	6,167,329	-
Sales and Charges	-	4,729,660	-	-	185,903	-	-	4,915,563	-
Miscellaneous	-	28,404,536	-	-	253,302	-	-	28,657,838	-
<b>TOTAL RECEIPTS</b>	-	60,916,436	-	-	6,471,205	-	-	67,387,641	-
DISBURSEMENTS:									
Personal Services	-	283,352	-	-	171,311	-	475,912	454,663	21,249
Operating	-	91,650	-	-	122,816	-	231,019	214,466	16,553
Travel	-	5,678	-	-	5,900	-	7,100	11,578	(4,478)
Capital Outlay	-	39,785	-	-	13,720	-	34,239	53,505	(19,266)
Government Aid	-	27,226,446	-	-	8,043,628	-	37,467,801	35,270,074	2,197,727
Total Budgeted	27,654,814	27,646,911	7,903	10,561,257	8,357,375	2,203,882	38,216,071	36,004,286	2,211,785
Under (Over Budgeted (Note ))	(721)	-	(721)	-	-	-	(721)	-	(721)
<b>TOTAL DISBURSEMENTS</b>	27,654,093	27,646,911	7,182	10,561,257	8,357,375	2,203,882	38,215,350	36,004,286	2,211,064
Excess of Receipts Over (Under) Disbursements		<u>33,269,525</u>			<u>(1,886,170)</u>			<u>31,383,355</u>	
OTHER FINANCING SOURCES (USES):									
Operating Transfers In		22,743,505			1,139,104			23,882,609	
Operating Transfers In From State General Fund		94,656,169						94,656,169	
Operating Transfers Out		(117,269,526)			(2,342,443)			(119,611,969)	
Deposit to State General Fund		(33,269,525)			-			(33,269,525)	
(NET) Distributive Activity:									
Ins		5,074,126			-			5,074,126	
Outs		<u>(5,204,274)</u>			<u>-</u>			<u>(5,204,274)</u>	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<u>(33,269,525)</u>			<u>(1,203,339)</u>			<u>(34,472,864)</u>	
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses			-		(3,089,509)			(3,089,509)	
FUND BALANCES, JULY 1, 1999		<u>2,132</u>			<u>3,836,276</u>			<u>3,838,408</u>	
FUND BALANCES, JUNE 30, 2000		<u>\$ 2,132</u>			<u>\$ 746,767</u>			<u>\$ 748,899</u>	

See Notes to Financial Statements.

NEBRASKA STATE TREASURER  
NOTES TO FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2000

**1. Summary of Significant Accounting Policies**

The accounting policies of the Nebraska State Treasurer are on the basis of accounting as described in the Nebraska Accounting System Manual.

- A. Reporting Entity.** The Nebraska State Treasurer (the Agency) is a State agency established under and governed by the laws of the State of Nebraska. As such, the Agency is exempt from State and Federal income taxes. The financial statements include all funds of the Agency. The Agency has also considered all potential component units for which it is financially accountable, and other organizations which are fiscally dependent on the Agency, or the significance of their relationship with the Agency are such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board 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 Agency 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 Agency.

These financial statements present the Nebraska State Treasurer. No component units were identified. The Nebraska State Treasurer is part of the primary government for the State of Nebraska's reporting entity.

The State Treasurer, by State Statute has responsibilities over many funds of the State. To account for these responsibilities the State has established funds, which are "common" to more than one State agency. Common funds are funds in which more than one agency can record transactions. As such, certain transactions, which are processed through these common funds of the State Treasurer and other State agencies, are the responsibility of the other State agencies. See Note 9 for a summary of activity for which the State Treasurer is responsible.

- B. Basis of Accounting.** The accounting records of the Agency are maintained and the Agency's financial statements were prepared on the basis of cash receipts and disbursements. Under this method, revenues are recognized when received and expenditures are recognized when paid. This presentation differs from governmental generally accepted accounting principles (GAAP) which requires the use of the modified accrual basis for governmental, expendable trust, and agency fund types and the accrual basis for proprietary, nonexpendable trust, and pension trust fund types. Under the modified accrual basis of accounting, revenues are recognized when they are considered susceptible to accrual and expenditures are recognized when the liability is incurred. Except for reporting

NEBRASKA STATE TREASURER

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

escheat property and for reporting liabilities and interfund transfers relating to escheat property (an escheat is the reversion of property to a governmental entity in the absence of legal claimants or heirs). The escheat property of the State of Nebraska is reported in the State Treasurer's expendable trust fund, fund number 6128. In accordance with GAAP, escheat revenue should be reduced and a fund liability reported to the extent that it is probable that escheat property will be reclaimed and paid to claimants. Payments to claimants would reduce the liability. Under the accrual basis of accounting, revenues are recognized when earned and expenditures are recognized when the liability is incurred.

- C. **Fund Accounting.** The accounts and records of the Agency are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts which record receipts, disbursements, and the fund balance. The fixed asset account group is a financial reporting device designed to provide accountability over fixed assets. The fund types and account group presented on the financial statements are those required by GAAP and include:

**General Fund.** Reflects transactions related to resources received and used for those general operating services traditionally provided by 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 Funds.** Reflect transactions related to resources received and used for the acquisition, construction, or improvement of permanent facilities.

**Excess Liability Fund.** Reflect transactions used to account for excess liability fund operations which are financed and operated in the manner similar to private business or where the governing body has decided the determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

**Trust and Agency Funds.** Reflect transactions related to assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

**General Fixed Assets Account Group.** Used to account for general fixed assets of the Agency .

NEBRASKA STATE TREASURER  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

This fund type classification differs from the budgetary fund types used by the Nebraska Accounting System.

The fund types established by the Nebraska Accounting System that are used by the Agency are:

**1000 - General Fund** - accounts for all financial resources not required to be accounted for in another fund.

**2000 - Cash Funds** - account for receipts generated by specific activities from sources outside of State government and the disbursements directly related to the generation of the receipts.

**3000 - Construction Funds** - account for the receipts and disbursements associated with the acquisition or construction of capital facilities.

**6000 - Trust Funds** - account for assets held by the State in a trustee capacity. Disbursements are made in accordance with the terms of the trust. No appropriation control is established for this fund type.

**7000 - Distributive Funds** - account for assets held by the State as an agent for individuals, private organizations, other governments, and/or other funds. No appropriation control is established for this fund type.

- D. Budgetary Process.** The State's biennial budget cycle ends on June 30 of the odd-numbered years. By September 15, prior to a biennium, the Agency and all other State agencies must submit their budget request for the biennium beginning the following July 1. There are no annual budgets prepared for Trust and Distributive funds. The requests are submitted on forms that show estimated funding requirements by programs, sub-programs, and activities. The Executive Branch reviews the requests, establishes priorities, and balances the budget within the estimated resources available during the upcoming biennium. The Governor's budget bill is submitted to the Legislature in January. The Legislature considers revisions to the bill and submits the revised appropriation bill to the Governor for signature. 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 appropriations that are approved will generally set spending limits for a particular program within the agency. Within the agency/program, the Legislature

NEBRASKA STATE TREASURER

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

may provide funding from one 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 usually made for each year of the biennium with unexpended balances being reappropriated at the end of the first year of the biennium. For most appropriations, balances lapse at the end of the biennium.

All State budgetary disbursements for the general, and cash fund types are made pursuant to the appropriations that may be amended by the Legislature, upon approval by the Governor. State agencies may reallocate the appropriations between major object of expenditure accounts except that the Legislature's approval is required to exceed the personal service limitations contained in the appropriations bill. Increases in total general, cash, construction, and revolving fund appropriations must also be approved by the Legislature as a deficit appropriations bill.

The Agency utilizes encumbrance accounting to account for purchase orders, contracts, and other disbursement 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 financial statements except for the impact as described below.

Under State budgetary procedures, appropriation balances related to outstanding encumbrances at the end of the biennium are lapsed and reappropriated in the first year of the next biennium. The effect of the Agency's current procedure is to include in the budget columns, Total Disbursements line, of the Statement of Receipts, Disbursements, 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 Agency's intention to honor the encumbrances at the end of a biennium. The disbursements 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 disbursements exceeded appropriations.

Budgets for object of expenditure accounts are included in the Nebraska Department of Administrative Services Budget Status Report. They are budgeted



NEBRASKA STATE TREASURER

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. Summary of Significant Accounting Policies (Continued)

at the program level and not within separate budgetary fund types for the program. As a result, for financial reporting purposes, budget amounts for object of expenditure accounts are shown only for total budgeted funds.

Receipts are not budgeted and therefore there are no budgeted amounts shown on the Budget and Actual Statement.

The State Treasurer's Cash Reserve Fund – 1100 is not a budgeted fund.

The State Treasurer's financial statements include two Capital Project funds (the State Building Fund - Fund 3300 and the S/N Capital Construction Fund - Fund 3800). These two funds are common funds with other state agencies. Common funds are funds in which more than one agency can record transactions. The State Treasurer is responsible to transfer the needed resources from the State's General Fund to other State agencies, as funds are needed for capital disbursements, in accordance with legislative appropriations. All the disbursements, and the related budget for these funds, are recorded in these other State agencies.

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

A reconciliation of the budgetary fund classifications versus GAAP fund classifications as of June 30, 2000 follows:

	BUDGETARY					
	FUND	FINANCIAL STATEMENT FUND BALANCES				
	BALANCES					
			Special	Capital	Excess	
	Total	General	Revenue	Projects	Liability	Trust and
					Fund	Agency
PERSPECTIVE DIFFERENCES:						
Classifications of budgetary fund						
Balances into Financial						
Statement fund structure:						
General	\$ 2,132	\$ 2,132	\$ -	\$ -	\$ -	\$ -
Cash	746,767	-	729,390	-	-	17,377
Budgetary fund balances classified						
Into Financial Statement fund						
structure	\$ 748,899	2,132	729,390	-	-	17,377
Entity Difference:						
Record funds not budgeted		142,159,429	7,027,037	1,916,460	54,825,225	4,933,337,886
Financial Statement Fund Balances						
June 30, 2000		\$142,161,561	\$ 7,756,427	\$ 1,916,460	\$ 54,825,225	\$ 4,933,355,263

NEBRASKA STATE TREASURER

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

- E. Fixed Assets.** General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as disbursements in governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Assets on hand as of June 30, 2000 have been recorded at cost by the Agency. Generally, equipment which has a cost in excess of \$1,000 at the date of acquisition and has an expected useful life of two or more years is capitalized.

Assets in the general fixed assets account group are not depreciated. The cost of normal maintenance and repairs that do not add to the value of the asset or extend asset life is not capitalized.

- F. Cash in State Treasury.** Cash in the State Treasury represents the cash balance of a fund as reflected on the Nebraska Accounting System. Investment of all available cash is made by the State Investment Officer on a daily basis based on total bank balances. Investment income is distributed based on the average daily book cash balance of funds designated for investment. Determination of whether or not a fund is considered designated for investment is done on an individual fund basis. All of the funds of the Agency, except for funds 7163 and 7999, were designated for investment during fiscal year 2000.

- G. Investments.** Investments are long-term. Law or other legal instruments may restrict these investments. All investments are reported on the cash basis. The earnings and changes in value of the investment incurred during the month are not recorded on the accounting system until the following month. Thus, for the fiscal year ending June 30, 2000, the earnings and changes in value of the investment would not have been recorded in the accounting system until July 2000. This is different than how investments would be reported in accordance with GAAP. Under GAAP, investments would be stated at fair market value.

- H. Distributive Activity.** Distributive Activity transactions would be those recorded directly to a fund's liability accounts rather than through a receipt or disbursement account. These transactions represent funds received by the State Treasurer or some other State agencies which are owed to some individual, organization, or other government agency or are deposits which will be returned on completion of some specified requirement.

- I. Inventories.** Disbursements for items of an inventory nature are considered expended at the time of purchase rather than at the time of consumption.

NEBRASKA STATE TREASURER  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

**J. Compensated Absences.** All permanent employees working for the Agency earn sick and annual leave and are allowed to accumulate compensatory leave rather than being paid overtime. Temporary and intermittent employees are not eligible for paid leave. Under GAAP the vested portion of the employee's compensated absences is recorded in the Long Term Debt Account Group for governmental funds and amounts related to proprietary funds and non-expendable trust funds would be reflected separately in those funds. Under the 'receipts and disbursements basis of accounting' the balances which would be reported in the Long Term Debt Account Group are not reported as they do not represent balances arising from Cash Transactions.

**K. Receipts.** The major account titles and descriptions as established by the Nebraska Accounting System that are used by the Agency are:

**Appropriations.** Appropriations are granted by the Legislature to make disbursements and to incur obligations. The amount of appropriations reported as receipts is the amount spent.

**Taxes.** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

**Sales and Charges.** Income derived from sales of merchandise and commodities, compensation for services rendered, and charges for various licenses, permits, and fees.

**Miscellaneous.** Receipts from sources not covered by other major categories.

**L. Disbursements.** The major account titles and descriptions as established by the Nebraska Accounting System that are used by the Agency are:

**Personal Services.** Salaries, wages, and related employee benefits provided for all persons employed by a government.

**Operating.** Disbursements directly related to a program's primary service activities.

**Travel.** All travel disbursements for any state officer, employee, or member of any commission, council, committee, or board of the State.

NEBRASKA STATE TREASURER  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

**1. Summary of Significant Accounting Policies (Concluded)**

**Capital Outlay.** Disbursements which result in the acquisition of or an addition to fixed assets. Fixed assets are resources of a long-term character owned or held by the government.

**Government Aid.** Payment of Federal and/or State money to governmental subdivisions, State agencies, local health and welfare offices, individuals, etc., in furtherance of local activities and accomplishment of State programs.

**M. Fund Balance Reservations.** Reservations of fund balance are established to identify the existence of assets that have been legally segregated for specific purposes.

**2. Totals**

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.

**3. Investments**

Neb. Rev. Stat. Section 72-1247 R.S. Supp., 1998 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. The Agency's investments are categorized to give an indication of the level of custodial risk assumed by the Agency at year-end. Category 1 includes investments that are insured, registered, or for which the securities are held by the State or its agent in the State's name. The investments of the Agency are either categorized as Category 1 or not categorized as required by Governmental Accounting Standards Statement number 3.

Government Agency Obligations	\$ 107,541,421
Corporate Bonds	42,081,447
US Treasury Obligations	18,313,546
Municipal Bonds	893,298
Equity Securities	171,533,826
Total Category 1	<hr/> 340,363,538
Investments (Not Categorized)	
Mutual Funds	23,141,532
Pooled Cash Investments	21,935,506
Investments (Not Audited)	
Pension Trust Investments	4,553,866,862
Total Investments	<hr/> \$ 4,939,307,438 <hr/>

NEBRASKA STATE TREASURER

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. **Investments (Concluded)**

Neb. Rev. Stat. Section 72-1247, R.R.S. 1998, 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 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. At year-end, there was no credit risk exposure to borrowers because the amounts owed the borrowers exceeded the amounts the borrowers owe the State. The collateral securities cannot be pledged or sold 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.

Generally, either the State or the borrowers can terminate securities loans on demand. Cash collateral is invested in one of the lending agent's short-term investment pools. 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. At June 30, 2000, there was \$2,151,933 on securities loan.

4. **Contingencies and Commitments**

**Risk Management.** The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and health care insurance. The Agency, as part of the primary government for the State, participates in the State's risk management program. The Nebraska Department of Administrative Services (DAS) Division of Risk Management is responsible for maintaining the insurance and self-insurance programs for the State. The State generally self-insures for general liability and workers compensation. The State has chosen to purchase insurance for:

1. Motor vehicle liability which is insured for the first \$5 million of exposure per accident. Insurance is also purchased for medical payments, physical damage and uninsured and underinsured motorists with various limits and deductibles.
2. Health care insurance for employees selecting certain coverage options. All health care insurance was purchased.
3. Crime coverage with a limit of \$1 million for each loss with a \$10,000 retention per incident.

NEBRASKA STATE TREASURER

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. **Contingencies and Commitments (Concluded)**

4. Real and personal property on a blanket basis for losses up to \$250,000,000 with a self-insured retention of \$100,000 per loss occurrence. The perils of Flood and Earthquake are covered up to \$9,000,000. Newly acquired properties are only covered up to \$1,000,000 for 60 days or until the value of the property is reported to the insurance company.

No settlements exceeded commercial insurance coverage in any of the past three fiscal years. Health care insurance is funded in the Risk Management Internal Service Fund through a combination of employee and State contributions. Workers compensation is also funded in the Risk Management Internal Service Fund through assessments on each agency based on total agency payroll and past experience. Tort claims, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters would be funded through the State General Fund or by individual agency assessments as directed by the Legislature, unless covered by purchased insurance. No amounts for estimated claims have been reported in the Nebraska State Treasurer's financial statements.

**Litigation.** The potential amount of liability involved in litigation pending against the Agency, if any, could not be determined at this time. However, it is the Agency's opinion that final settlement of those matters should not have an adverse effect on the Agency's ability to administer current programs. Any judgement against the Agency would have to be processed through the State Claims Board and be approved by the Legislature.

5. **State Employees Retirement Plan (Plan)**

The Plan is a single-employer defined contribution plan administered by the Public Employees Retirement Agency in accordance with the provisions of the State Employees Retirement Act and may be amended through legislative action. In the defined contribution plan, retirement benefits depend on total contributions, investment earnings, and the investment options selected. Membership in the Plan is required of all permanent full-time employees on reaching the age of thirty and completion of twenty-four months of continuous service and voluntary participation is permitted for all permanent full-time or part-time employees upon reaching age twenty and twelve months of service within a five-year period, except any individual appointed by the Governor may elect not to become a member of the Plan.

Employees contribute 4.33% of their monthly compensation until such time as they have paid during any calendar year a total of eight hundred sixty four dollars, after which time they shall pay a sum equal to 4.8% of their monthly compensation for the remainder of such calendar year. The Agency matches the employee's contribution at a rate of 156% of the employee's contribution.

NEBRASKA STATE TREASURER

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. **State Employees Retirement Plan (Plan) (Concluded)**

The employee's account is fully vested. The employer's account is vested 100% after five years participation in the plan or at retirement.

For the Fiscal Year Ended June 30, 2000, employees contributed \$10,704 and the Agency contributed \$16,698.

6. **Operating Transfers In, Operating Transfers In From State General Fund, Operating Transfers Out, and Distributive Activity**

The Agency's transfers in, transfers out, and distributive activity for the audit period consists of the following:

Explanation	Amount
Operating Transfers In - General Fund	
Various statutory and legislative mandated transfers	\$49,202,810
Total	<u>49,202,810</u>
Operating Transfers In - Special Revenue Funds	
Mutual Finance Assistance transfer from Department of Insurance	838,555
Highway Trust fund transfer from the Ethanol Board	22,535,968
Transfer of aircraft fuel tax collections to fuel dealer bond fund	714,922
Total	<u>24,089,445</u>
Operating Transfers In - Capital Projects Funds	
Legislative transfers from the General fund	73,957,000
Total	<u>73,957,000</u>
Operating Transfers In - Trust and Agency Funds	
Legislative transfer for Unclaimed Property operating expenses	300,549
Unclaimed property receipts transfer to the Permanent School fund	1,727,817
Transfer into the Pension Trust funds	44,288,737
Total	<u>46,317,103</u>
Operating Transfers In From State General Fund	
Transfer from the State General Fund to cover all statutory and legislative mandated transfers out	94,656,169
Total	<u>94,656,169</u>
Operating Transfers Out - General Fund	
Various statutory and legislative mandated transfers	147,269,526
Total	<u>147,269,526</u>

## NEBRASKA STATE TREASURER

## NOTES TO FINANCIAL STATEMENTS

(Continued)

**6. Operating Transfers In, Operating Transfers In From State General Fund, Operating Transfers Out, and Distributive Activity (Continued)**

Explanation	Amount
Operating Transfers Out - Special Revenue Funds	
Transfer of Treasurer Office administrative fee collections to the General fund	18,696
Mutual Finance Assistance fund statutory transfer to the State General fund	2,323,747
Allocation of the Highway Trust fund tax and fee collections to the Department of Roads, cities, and counties	474,728,846
Transfer of delinquent fuel taxes from dealer bonds held by the State	321,198
Total	<u>477,392,487</u>
Operating Transfers Out - Trust and Agency Funds	
Unclaimed property receipts transfer to the Permanent School fund and the Unclaimed Property Cash fund	2,028,366
Miscellaneous transfers out	1,599,530
Permanent School fund earnings transferred to the Department of Education	10,028,265
Total	<u>13,656,161</u>
Distributive Activity Ins - General Fund	
\$5,051,852 was a deposit of refund received by the State and held in the General Fund until final disposition transferred to the Highway Trust fund	5,074,126
Total	<u>5,074,126</u>
Distributive Activity Ins - Special Revenue Funds	
Collection of aircraft fuel taxes	1,739,556
Deposit of refunded warrant, held for final disposition	3,664,434
Total	<u>5,403,990</u>
Distributive Activity Ins - Trust and Agency Funds	
Miscellaneous transfers in	375,699
County Treasurer motor vehicle fee collections	12,959,159
Collection of airline and carline taxes	5,245,939
Insurance Tax fund interest earned	369,359
Transfer in of insurance taxes collected by the Department of Insurance	19,955,169
Tax collections on oil and gas severed from land in the State	1,657,553
Highway Allocation fund's distributions from the Highway Trust fund	193,248,285
Total	<u>233,811,163</u>



NEBRASKA STATE TREASURER

NOTES TO FINANCIAL STATEMENTS

(Continued)

6. **Operating Transfers In, Operating Transfers In From State General Fund, Operating Transfers Out, and Distributive Activity (Concluded)**

Explanation	Amount
Distributive Activity Ins - General Fund	
\$5,051,852 refund transferred to the Highway Trust Fund	5,204,274
Total	5,204,274
Distributive Activity Ins - Special Revenue Funds	
Correction of prior year Highway Trust fund allocation	155,000
Distribution of aircraft fuel taxes to the Department of Aeronautics	1,739,556
Reissue of refunded warrant	3,664,434
Total	5,558,990
Distributive Activity Outs - Trust and Agency Funds	
Miscellaneous transfers out	370,637
Distribution of motor vehicle fees to cities and counties	9,570,077
Distribution of airline and carline taxes to counties and political subdivisions	5,245,939
Allocation of insurance taxes to the counties, school districts, and	20,725,673
Allocation of severance taxes to the Permanent School fund and the Energy Office	1,657,553
Highway Allocation fund's distributions to cities and counties	194,859,797
Total	232,429,676

7. **Fixed Assets**

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

	Balance July 1, 1999	Additions	Retirements	Balance June 30, 2000
Equipment	\$ 184,562	\$ 46,504	\$ -	\$ 231,066

The total additions reported above of \$46,504 is less than the capital outlay expenditures shown in the Combined Statement of Receipts, Disbursements, and Changes in Fund Balances of \$53,505 (\$39,785 General Fund expenditures and \$13,720 Trust and Agency Fund expenditures). The difference is due primarily to purchases of capital items with a cost of less than \$1,000 (and are not inventoried per the State Treasurer's inventory policy) and to software costs which are not inventoried.

NEBRASKA STATE TREASURER

NOTES TO FINANCIAL STATEMENTS

(Continued)

8. **Full Accountability of the General Fund**

Only the cash transactions are reported on the financial statements for this fund. It does not show appropriations. To show the full accountability over this fund the following schedules reflect appropriations. Appropriations do not represent cash transactions.

**General Fund**

Beginning (Reappropriated) Balance July 1, 1999	\$ 11,565
New Appropriations	<u>27,642,528</u>
Total Appropriations	<u>27,654,093</u>
Disbursements	\$ (27,646,911)
Lapse of Appropriations	<u>(5,402)</u>
Ending (Appropriations) Balance June 30, 2000	<u>\$ 1,780</u>

9. **Funds and Activity of the State Treasurer**

The State Treasurer, by State Statute, has responsibilities over certain transactions of certain funds of the State. Other State agencies also are responsible for transactions processed through these same funds. To account for these responsibilities the State has established funds which are "common" to more than one State agency. Common funds are funds in which more than one agency can record transactions. As such, certain transactions, which are processed through these common funds of the State Treasurer and other State agencies, are the responsibility of the other State agencies. Following is a summary of the funds/or activity of funds, which are, or are not, subject to audit of the State Treasurer's Office:

1. General fund 1000 and Cash Reserve Fund 1100 - All activity, and balances of these funds are processed by the State Treasurer, and thus are subject to audit as part of the State Treasurer's Office.
2. Special Revenue funds - All the Special Revenue funds (as noted on the combining schedule on page 30) were entirely under the State Treasurer's Office, except for the receipts of \$395,366,482, of a total of \$459,222,406, in funds 2129 (The Mutual Financial Assistance fund) and 6124 (The Highway Trust fund), which were collected by other State agencies and deposited directly into the fund, and all the Distributive Activity of \$1,739,556 in fund 7759 (The Aircraft Fuel Tax fund), which were also collected by another State agency and deposited directly into the fund. The amounts receipted by other State agencies were subject to audit of those agencies, and were not subject to audit as part of the State Treasurer's Office.

NEBRASKA STATE TREASURER

NOTES TO FINANCIAL STATEMENTS

(Continued)

9. **Funds and Activity of the State Treasurer (Continued)**

3. Capital Project Fund (State Building fund - 3300, and Capital Construction fund - 3800) Receipts of \$42,805, of a total of \$119,785, which are collected by another State agency and deposited directly into the funds, and all the disbursements of \$73,771,740, which are disbursed by other State agencies for construction projects, were subject to audit of those agencies, and were not subject to audit as part of the State Treasurer's Office.

The Operating Transfers In of \$73,957,000 were transfers processed by the State Treasurer, and were subject to audit as part of the State Treasurer's Office.

4. Excess Liability fund (Fund 6222) - This is a fund common with the State Department of Insurance. Receipts of \$797,497, of a total of \$2,211,734, were collected by the State Department of Insurance and deposited directly into the fund, and disbursements of \$6,506,964, of a total of \$6,812,008, were disbursed by the State Department of Insurance. The amounts receipted and disbursed by the State Department of Insurance were subject to audit of that Department, and were not subject to audit as part of the State Treasurer's Office.
5. Trust and Agency funds - All Trust and Agency Funds of the State Treasurer are included on the Combining Schedule on Pages 33 through 41.
  - a. The following funds were entirely under the State Treasurer and thus all activity and balances are subject to audit in the State Treasurer audit: Unclaimed Property Cash fund 2120, Escheat Trust fund 6128, J.M. Amos Education Trust fund 6130, Financial Responsibility Trust fund 6122, Bessey Memorial Trust fund 6126, Aeronautics Trust fund 6170, J.J. Soukup Trust fund 6891, Highway Tax Trust fund 6125, Base State Fuel fund 7121, Motor Vehicle Fee fund 7122, and Car Line Refund fund 7163.
  - b. **Summary of Receipts** - The following funds are "common" funds between the State Treasurer and various other State agencies: Normal School Endowment fund 6328, Veteran's Aid fund 6333, Permanent School fund 6334, Permanent University Endowment fund 6335, Agriculture Endowment fund 6513, Judges Retirement fund 6323, Patrol Retirement fund 6327, and School Retirement fund 6336. The receipts of \$358,594,418, of a total of \$393,712,904, were receipts of other State agencies, and were subject to audit in those agencies, not the State Treasurer's Office.

NEBRASKA STATE TREASURER

NOTES TO FINANCIAL STATEMENTS

(Continued)

9. **Funds and Activity of the State Treasurer (Continued)**

- c. **Summary of Disbursements** - The following funds are “common” funds between the State Treasurer and various other State agencies: Judges Retirement fund 6323, Patrol Retirement fund 6327, and School Retirement fund 6336. The Disbursements of \$20,707,452, of a total of \$32,764,896, were Disbursements of other State agencies, and were subject to audit in those agencies, not the State Treasurer’s Office.
- d. **Summary of Proceeds of the Sale of Assets** - The following funds are “common” funds between the State Treasurer and other State agencies: Permanent School fund 6334, and the Permanent University Endowment fund 6335. The proceeds of the Sale of assets of \$5,629,984 were collected, and deposited into these funds by other agencies, and are subject to audit in those agencies, and are not subject to audit in the State Treasurer’s Office.
- e. **Summary of Operating Transfers In** - The following funds are “common” funds between the State Treasurer and various other State agencies: Permanent School fund 6334, Judges Retirement fund 6323, Patrol Retirement fund 6327, and School Retirement fund 6336. The Operating Transfers In of \$46,016,554 of a total of \$46,317,103, were transfers made by other state agencies, and were subject to audit in those agencies, not the State Treasurer’s Office.
- f. **Summary of Operating Transfers Out** - The following funds are “common” funds between the State Treasurer and various other State agencies: Normal School Endowment fund 6328, Veteran’s Aid fund 6333, Permanent School fund 6334, Permanent University Endowment fund 6335, Agriculture Endowment Fund 6513, and School Retirement fund 6336. The Operating Transfers Out of \$(5,707), of a total of \$13,656,161, were transfers made by other state agencies, and were subject to audit in those agencies, not the State Treasurer’s Office.
- g. **Summary of Distributive Activity** - The following funds are “common” funds between the State Treasurer and various other State agencies: Judges Retirement fund 6323, Patrol Retirement fund 6327, Insurance Tax fund 7752, Severance Tax fund 7761, and Highway Allocation fund 7764. The Distributive Activity In of \$215,603,028, of a total of \$233,811,163, and the Distributive Activity Out of \$(12,860,692), of a total of \$232,429,676, were transactions made by other state agencies, and were subject to audit in those agencies, not the State Treasurer’s Office.

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
GENERAL FUNDS  
June 30, 2000

	State General Fund 1000	Cash Reserve Fund 1100	Totals General Funds
<b><u>Assets</u></b>			
Cash in State Treasury	\$ -	\$ 142,159,429	\$ 142,159,429
Deposit with Vendors	1,132	-	1,132
Change Fund	<u>1,000</u>	<u>-</u>	<u>1,000</u>
 Total Assets	 <u><u>\$ 2,132</u></u>	 <u><u>\$ 142,159,429</u></u>	 <u><u>\$ 142,161,561</u></u>
 <b><u>Fund Balances</u></b>			
Fund Balances:			
Reserved For Postage	\$ 1,132	\$ -	\$ 1,132
Unreserved:			
Designated for Cash Shortages	-	142,159,429	142,159,429
Undesignated	<u>1,000</u>	<u>-</u>	<u>1,000</u>
 Total Fund Balances	 <u><u>\$ 2,132</u></u>	 <u><u>\$ 142,159,429</u></u>	 <u><u>\$ 142,161,561</u></u>

See Notes to Financial Statements.

NEBRASKA STATE TREASURER  
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES  
GENERAL FUNDS

For the Fiscal Year Ended June 30, 2000

	State General Fund 1000	Cash Reserve Fund 1100	Total General Funds
RECEIPTS:			
Appropriations	\$ 27,646,911	\$ -	\$ 27,646,911
Taxes	135,329	-	135,329
Sales and Charges	4,729,660	-	4,729,660
Miscellaneous	<u>28,404,536</u>	<u>-</u>	<u>28,404,536</u>
TOTAL RECEIPTS	<u>60,916,436</u>	<u>-</u>	<u>60,916,436</u>
DISBURSEMENTS:			
Personal Services	283,352	-	283,352
Operating	91,650	-	91,650
Travel	5,678	-	5,678
Capital Outlay	39,785	-	39,785
Government Aid	<u>27,226,446</u>	<u>-</u>	<u>27,226,446</u>
TOTAL DISBURSEMENTS	<u>27,646,911</u>	<u>-</u>	<u>27,646,911</u>
Excess of Receipts Over (Under) Disbursements	<u>33,269,525</u>	<u>-</u>	<u>33,269,525</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	22,743,505	26,459,305	49,202,810
Operating Transfers In From State General Fund	94,656,169	-	94,656,169
Operating Transfers Out	(117,269,526)	(30,000,000)	(147,269,526)
Deposits to State General Fund	(33,269,525)	-	(33,269,525)
Distributive Activity:			
Ins	5,074,126	-	5,074,126
Outs	<u>(5,204,274)</u>	<u>-</u>	<u>(5,204,274)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(33,269,525)</u>	<u>(3,540,695)</u>	<u>(36,810,220)</u>
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	-	(3,540,695)	(3,540,695)
FUND BALANCE, JULY 1, 1999	<u>2,132</u>	<u>145,700,124</u>	<u>145,702,256</u>
FUND BALANCE, JUNE 30, 2000	<u>\$ 2,132</u>	<u>\$ 142,159,429</u>	<u>\$ 142,161,561</u>

See Notes to Financial Statements.

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
**SPECIAL REVENUE FUNDS**  
June 30, 2000

	MIRF Cash Fund 2126	Treasurer Administrative Cash Fund 2127	Spirit Plate Proceeds Cash Fund 2128	Mutual Finance Assistance Cash Fund 2129	Highway Trust Fund 6124
<b>Assets</b>					
Cash in State Treasury	\$ 272,864	\$ 10,829	\$ 433,936	\$ 11,761	\$ -
Investments	-	-	-	-	-
Total Assets	<u>\$ 272,864</u>	<u>\$ 10,829</u>	<u>\$ 433,936</u>	<u>\$ 11,761</u>	<u>\$ -</u>
<b>Fund Balances</b>					
Fund Balances, Unreserved, Undesignated	<u>\$ 272,864</u>	<u>\$ 10,829</u>	<u>\$ 433,936</u>	<u>\$ 11,761</u>	<u>\$ -</u>
Total Fund Balances	<u>\$ 272,864</u>	<u>\$ 10,829</u>	<u>\$ 433,936</u>	<u>\$ 11,761</u>	<u>\$ -</u>

(Continued)

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
**SPECIAL REVENUE FUNDS**  
June 30, 2000

	Motor Fuel Trust Fund 6246	Cultural Preservation Endowment Fund 6692	Aircraft Fuel Tax Fund 7759	Suspense Fund 7999	Totals Special Revenue Funds
<b>Assets</b>					
Cash in State Treasury	\$ 1,115,946	\$ -	\$ -	\$ -	\$ 1,845,336
Investments	-	5,911,091	-	-	5,911,091
	<u>\$ 1,115,946</u>	<u>\$ 5,911,091</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,756,427</u>
<b>Fund Balances</b>					
Fund Balances, Unreserved, Undesignated	<u>\$ 1,115,946</u>	<u>\$ 5,911,091</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,756,427</u>
	<u>\$ 1,115,946</u>	<u>\$ 5,911,091</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,756,427</u>

(Concluded)



NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
For the Fiscal Year Ended June 30, 2000

	MIRF Cash Fund 2126	Treasurer Administrative Cash Fund 2127	Spirit Plate Proceeds Cash Fund 2128	Mutual Finance Assistance Cash Fund 2129	Highway Trust Fund 6124	Motor Fuel Trust Fund 6246	Cultural Preservation Endowment Fund 6692	Aircraft Fuel Tax Fund 7759	Suspense Fund 7999
RECEIPTS:									
Taxes	\$ 3,000,000	\$ -	\$ -	\$ 3,032,000	\$ 386,976,709	\$ -	\$ -	\$ -	\$ -
Sales and Charges	-	19,192	166,711	-	59,003,916	-	-	-	-
Miscellaneous	<u>142,637</u>	<u>414</u>	<u>18,516</u>	<u>82,584</u>	<u>6,367,250</u>	<u>49,308</u>	<u>363,169</u>	<u>-</u>	<u>-</u>
TOTAL RECEIPTS	<u>3,142,637</u>	<u>19,606</u>	<u>185,227</u>	<u>3,114,584</u>	<u>452,347,875</u>	<u>49,308</u>	<u>363,169</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS:									
Operating	-	-	-	-	-	-	7,558	-	-
Government Aid	<u>6,411,128</u>	<u>-</u>	<u>-</u>	<u>1,632,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DISBURSEMENTS	<u>6,411,128</u>	<u>-</u>	<u>-</u>	<u>1,632,500</u>	<u>-</u>	<u>-</u>	<u>7,558</u>	<u>-</u>	<u>-</u>
Excess of Receipts Over (Under) Disbursements	<u>(3,268,491)</u>	<u>19,606</u>	<u>185,227</u>	<u>1,482,084</u>	<u>452,347,875</u>	<u>49,308</u>	<u>355,611</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	838,555	22,535,968	714,922	-	-	-
Operating Transfers Out	-	(18,696)	-	(2,323,747)	(474,728,846)	(321,198)	-	-	-
(Net) Distributive Activity:									
Ins	-	-	-	-	-	-	-	1,739,556	3,664,434
Outs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(155,000)</u>	<u>-</u>	<u>-</u>	<u>(1,739,556)</u>	<u>(3,664,434)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(18,696)</u>	<u>-</u>	<u>(1,485,192)</u>	<u>(452,347,878)</u>	<u>393,724</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	<u>(3,268,491)</u>	<u>910</u>	<u>185,227</u>	<u>(3,108)</u>	<u>(3)</u>	<u>443,032</u>	<u>355,611</u>	<u>-</u>	<u>-</u>
FUND BALANCE, JULY 1, 1999	<u>3,541,355</u>	<u>9,919</u>	<u>248,709</u>	<u>14,869</u>	<u>3</u>	<u>672,914</u>	<u>5,555,480</u>	<u>-</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2000	<u>\$ 272,864</u>	<u>\$ 10,829</u>	<u>\$ 433,936</u>	<u>\$ 11,761</u>	<u>\$ -</u>	<u>\$ 1,115,946</u>	<u>\$ 5,911,091</u>	<u>\$ -</u>	<u>\$ -</u>

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
 CAPITAL CONSTRUCTION FUNDS  
 June 30, 2000

	State Building Fund 3300	Capital Construction Fund 3800	<b>Totals Capital Construction Funds</b>
<hr/> <b>Assets</b> <hr/>			
Cash in State Treasury	\$ 769,155	\$ 1,147,305	\$ 1,916,460
Total Assets	<u>\$ 769,155</u>	<u>\$ 1,147,305</u>	<u>\$ 1,916,460</u>
 <hr/> <b>Fund Balances</b> <hr/>			
Fund Balances,			
Unreserved, Undesignated	\$ 769,155	\$ 1,147,305	\$ 1,916,460
Total Fund Balances	<u>\$ 769,155</u>	<u>\$ 1,147,305</u>	<u>\$ 1,916,460</u>

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES**  
**CAPITAL CONSTRUCTION FUNDS**  
For the Fiscal Year Ended June 30, 2000

	State Building Fund 3300	Capital Construction Fund 3800	Total Capital Construction Funds
RECEIPTS:			
Miscellaneous	\$ 38,015	\$ 81,770	\$ 119,785
TOTAL RECEIPTS	<u>38,015</u>	<u>81,770</u>	<u>119,785</u>
DISBURSEMENTS:			
Personal Services	46,183	-	46,183
Operating	11,347,840	64,696	11,412,536
Travel	4,760	-	4,760
Capital Outlay	61,896,520	378,725	62,275,245
Government Aid	<u>33,016</u>	<u>-</u>	<u>33,016</u>
TOTAL DISBURSEMENTS	<u>73,328,319</u>	<u>443,421</u>	<u>73,771,740</u>
Excess of Receipts Over (Under) Disbursements	<u>(73,290,304)</u>	<u>(361,651)</u>	<u>(73,651,955)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	<u>73,957,000</u>	<u>-</u>	<u>73,957,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>73,957,000</u>	<u>-</u>	<u>73,957,000</u>
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	666,696	(361,651)	305,045
FUND BALANCE, JULY 1, 1999	<u>102,459</u>	<u>1,508,956</u>	<u>1,611,415</u>
FUND BALANCE, JUNE 30, 2000	<u><u>\$ 769,155</u></u>	<u><u>\$ 1,147,305</u></u>	<u><u>\$ 1,916,460</u></u>

See Notes to Financial Statements.

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
EXPENDABLE, NONEXPENDABLE, AND PENSION TRUST FUNDS AND AGENCY FUNDS  
June 30, 2000

	Expendable Trust Funds			Totals Expendable Trust Funds	Nonexpendable Trust Funds		
	Unclaimed Property Cash Fund 2120	Escheat Trust Fund 6128	J M Amos Education Trust Fund 6130		Financial Responsibility Trust Fund 6122	Bessey Memorial Trust Fund 6126	Aeronautics Trust Fund 6170
<b>Assets</b>							
Cash in State Treasury	\$ 15,307	\$ 3,288,269	\$ 7,796	\$ 3,311,372	\$ 358,513	\$ 954	\$ -
Investments	-	-	-	-	-	16,040	6,106,209
Stock Securities		1,983,148		1,983,148			
Deposit with Vendors	2,070	-	-	2,070	-		-
Total Assets	<u>\$ 17,377</u>	<u>\$ 5,271,417</u>	<u>\$ 7,796</u>	<u>\$ 5,296,590</u>	<u>\$ 358,513</u>	<u>\$ 16,994</u>	<u>\$ 6,106,209</u>
<b>Fund Balances</b>							
Fund Balances:							
Reserved for:							
Postage	\$ 2,070	\$ -	\$ -	\$ 2,070	\$ -	\$ -	\$ -
Endowment Principal	-	-	-	-	358,513	16,994	6,106,209
Pension Benefits	-	-	-	-	-	-	-
Due to Other Funds/Government	-	-	-	-	-	-	-
Unreserved,							
Undesignated	<u>15,307</u>	<u>5,271,417</u>	<u>7,796</u>	<u>5,294,520</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>\$ 17,377</u>	<u>\$ 5,271,417</u>	<u>\$ 7,796</u>	<u>\$ 5,296,590</u>	<u>\$ 358,513</u>	<u>\$ 16,994</u>	<u>\$ 6,106,209</u>

(Continued)

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
EXPENDABLE, NONEXPENDABLE, AND PENSION TRUST FUNDS AND AGENCY FUNDS  
June 30, 2000

	Nonexpendable Trust Funds						<b>Totals Nonexpendable Trust Funds</b>
	Normal School Endowment Fund 6328	Veteran's Aid Fund 6333	Permanent School Fund 6334	Permanent University Endowment Fund 6335	Ag Endowment Fund 6513	J J Soukup Trust Fund 6891	
<b>Assets</b>							
Cash in State Treasury	\$ 6,464	\$ 309,573	\$ 976,502	\$ 217,529	\$ 63,953	\$ -	\$ 1,933,488
Investments	195,391	30,195,754	293,084,019	828,567	1,822,896	192,260	332,441,136
Stock Securities							
Deposit with Vendors	-	-	-	-	-	-	-
 Total Assets	<u>\$ 201,855</u>	<u>\$ 30,505,327</u>	<u>\$ 294,060,521</u>	<u>\$ 1,046,096</u>	<u>\$ 1,886,849</u>	<u>\$ 192,260</u>	<u>\$ 334,374,624</u>
 <b>Fund Balances</b>							
Fund Balances:							
Reserved for:							
Postage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endowment Principal	201,855	30,505,327	294,060,521	1,046,096	1,886,849	192,260	334,374,624
Pension Benefits	-	-	-	-	-	-	-
Due to Other Funds/Government	-	-	-	-	-	-	-
Unreserved,							
Undesignated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Fund Balances	<u>\$ 201,855</u>	<u>\$ 30,505,327</u>	<u>\$ 294,060,521</u>	<u>\$ 1,046,096</u>	<u>\$ 1,886,849</u>	<u>\$ 192,260</u>	<u>\$ 334,374,624</u>

(Continued)

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
EXPENDABLE, NONEXPENDABLE, AND PENSION TRUST FUNDS AND AGENCY FUNDS  
June 30, 2000

	Pension Trust Funds				Agency Funds		
	Pension Trust Judges Ret. Fund 6323	Pension Trust Patrol Ret. Fund 6327	Pension Trust School Ret Fund 6336	Totals Pension Trust Funds	Highway Tax Trust Fund 6125	Base State Fuel Fund 7121	Motor Vehicle Fee Fund 7122
<b>Assets</b>							
Cash in State Treasury	\$ 285,843	\$ 781,242	\$ 4,000,000	\$ 5,067,085	\$ 2,642,870	\$ 54,021	\$ 3,389,082
Investments	87,570,346	199,605,796	4,266,690,720	4,553,866,862	-	-	-
Stock Securities							
Deposit with Vendors	-	-	-	-	-	-	-
Total Assets	<u>\$ 87,856,189</u>	<u>\$ 200,387,038</u>	<u>\$4,270,690,720</u>	<u>\$4,558,933,947</u>	<u>\$ 2,642,870</u>	<u>\$ 54,021</u>	<u>\$ 3,389,082</u>
<b>Fund Balances</b>							
Fund Balances:							
Reserved for:							
Postage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endowment Principal	-	-	-	-	-	-	-
Pension Benefits	87,856,189	200,387,038	4,270,690,720	4,558,933,947	-	-	-
Due to Other Funds/Government	-	-	-	-	2,642,870	54,021	3,389,082
Unreserved,							
Undesignated	-	-	-	-	-	-	-
Total Fund Balances	<u>\$ 87,856,189</u>	<u>\$ 200,387,038</u>	<u>\$4,270,690,720</u>	<u>\$4,558,933,947</u>	<u>\$ 2,642,870</u>	<u>\$ 54,021</u>	<u>\$ 3,389,082</u>

(Continued)

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF ASSETS AND FUND BALANCES**  
**ARISING FROM CASH TRANSACTIONS**  
EXPENDABLE, NONEXPENDABLE, AND PENSION TRUST FUNDS AND AGENCY FUNDS  
June 30, 2000

	Agency Funds				Totals Agency Funds	Totals of All Trust Funds and Agency Funds
	Car Line Refund Fund 7163	Insurance Tax Fund 7752	Severance Tax Fund 7761	Highway Allocation Fund 7764		
<b>Assets</b>						
Cash in State Treasury	\$ -	\$ 12,187,183	\$ -	\$ 16,476,946	\$ 34,750,102	\$ 45,062,047
Investments	-	-	-	-	-	4,886,307,998
Stock Securities						1,983,148
Deposit with Vendors	-	-	-	-	-	2,070
Total Assets	<u>\$ -</u>	<u>\$ 12,187,183</u>	<u>\$ -</u>	<u>\$ 16,476,946</u>	<u>\$ 34,750,102</u>	<u>\$4,933,355,263</u>
<b>Fund Balances</b>						
Fund Balances:						
Reserved for:						
Postage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,070
Endowment Principal	-	-	-	-	-	334,374,624
Pension Benefits	-	-	-	-	-	4,558,933,947
Due to Other Funds/Government	-	12,187,183	-	16,476,946	34,750,102	34,750,102
Unreserved, Undesignated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,294,520</u>
Total Fund Balances	<u>\$ -</u>	<u>\$ 12,187,183</u>	<u>\$ -</u>	<u>\$ 16,476,946</u>	<u>\$ 34,750,102</u>	<u>\$4,933,355,263</u>

(Concluded)

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES**  
**EXPENDABLE, NONEXPENDABLE, AND PENSION TRUST FUNDS AND AGENCY FUNDS**  
For the Fiscal Year Ended June 30, 2000

	Expendable Trust Funds			Totals Expendable Trust Funds	Nonexpendable Trust Funds	
	Unclaimed Property Cash Fund 2120	Escheat Trust Fund 6128	J M Amos Education Trust Fund 6130		Financial Responsibility Trust Fund 6122	Bessey Memorial Trust Fund 6126
RECEIPTS:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and Charges	-	-	-	-	-	-
Miscellaneous	9,151	6,905,988	438	6,915,577	20,150	1,058
TOTAL RECEIPTS	9,151	6,905,988	438	6,915,577	20,150	1,058
DISBURSEMENTS:						
Personal Services	171,311	-	-	171,311	-	-
Operating	122,816	3,876,273	-	3,999,089	-	21
Travel	5,900	-	-	5,900	-	-
Capital Outlay	13,720	-	-	13,720	-	-
Government Aid	-	-	-	-	-	-
TOTAL DISBURSEMENTS	313,747	3,876,273	-	4,190,020	-	21
Excess of Receipts Over (Under) Disbursements	(304,596)	3,029,715	438	2,725,557	20,150	1,037
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	-	-	-	-	-
Operating Transfers In	300,549	-	-	300,549	-	-
Operating Transfers Out	-	(2,028,366)	-	(2,028,366)	-	(560)
Stock Transfers	-	(161,242)	-	(161,242)	-	-
(Net) Distributive Activity:						
Ins	-	-	-	-	-	-
Outs	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	300,549	(2,189,608)	-	(1,889,059)	-	(560)
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(4,047)	840,107	438	836,498	20,150	477
FUND BALANCE, JULY 1, 1999	21,424	4,431,310	7,358	4,460,092	338,363	16,517
FUND BALANCE, JUNE 30, 2000	\$ 17,377	\$ 5,271,417	\$ 7,796	\$ 5,296,590	\$ 358,513	\$ 16,994

(Continued)



NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES**  
**EXPENDABLE, NONEXPENDABLE, AND PENSION TRUST FUNDS AND AGENCY FUNDS**  
For the Fiscal Year Ended June 30, 2000

	Nonexpendable Trust Funds					
	Aeronautics Trust Fund 6170	Normal School Endowment Fund 6328	Veteran's Aid Fund 6333	Permanent School Fund 6334	Permanent University Endowment Fund 6335	Ag Endowment Fund 6513
RECEIPTS:						
Taxes	\$ -	\$ -	\$ -	\$ 1,341,775	\$ -	\$ -
Sales and Charges	-	-	-	-	-	-
Miscellaneous	149,814	11,351	1,908,750	19,098,436	56,570	119,024
TOTAL RECEIPTS	149,814	11,351	1,908,750	20,440,211	56,570	119,024
DISBURSEMENTS:						
Personal Services	-	-	-	-	-	-
Operating	735	256	39,332	374,778	1,079	2,373
Travel	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Government Aid	-	-	-	-	-	-
TOTAL DISBURSEMENTS	735	256	39,332	374,778	1,079	2,373
Excess of Receipts Over (Under) Disbursements	149,079	11,095	1,869,418	20,065,433	55,491	116,651
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	-	-	5,471,141	158,843	-
Operating Transfers In	-	-	-	1,727,817	-	-
Operating Transfers Out	(439,169)	(6,857)	(1,054,661)	(10,028,265)	(28,940)	(63,636)
Stock Transfers	-	-	-	-	-	-
(Net) Distributive Activity:						
Ins	-	-	-	-	-	-
Outs	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(439,169)	(6,857)	(1,054,661)	(2,829,307)	129,903	(63,636)
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(290,090)	4,238	814,757	17,236,126	185,394	53,015
FUND BALANCE, JULY 1, 1999	6,396,299	197,617	29,690,570	276,824,395	860,702	1,833,834
FUND BALANCE, JUNE 30, 2000	\$ 6,106,209	\$ 201,855	\$ 30,505,327	\$ 294,060,521	\$ 1,046,096	\$ 1,886,849

(Continued)

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES**  
**EXPENDABLE, NONEXPENDABLE, AND PENSION TRUST FUNDS AND AGENCY FUNDS**  
For the Fiscal Year Ended June 30, 2000

	Nonexpendable Trust Funds		Pension Trust Funds			
	J J Soukup Trust Fund 6891	<b>Totals Nonexpendable Trust Funds</b>	Pension Trust Judges Ret. Fund 6323	Pension Trust Patrol Ret. Fund 6327	Pension Trust School Ret Fund 6336	<b>Totals Pension Trust Funds</b>
RECEIPTS:						
Taxes	\$ -	\$ 1,341,775	\$ -	\$ -	\$ -	\$ -
Sales and Charges	-	-	-	-	-	-
Miscellaneous	(7,042)	21,358,111	8,047,643	20,092,499	328,094,326	356,234,468
<b>TOTAL RECEIPTS</b>	<b>(7,042)</b>	<b>22,699,886</b>	<b>8,047,643</b>	<b>20,092,499</b>	<b>328,094,326</b>	<b>356,234,468</b>
DISBURSEMENTS:						
Personal Services	-	-	-	-	-	-
Operating	13,197	431,771	3,492,477	7,575,482	9,639,493	20,707,452
Travel	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Government Aid	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>13,197</b>	<b>431,771</b>	<b>3,492,477</b>	<b>7,575,482</b>	<b>9,639,493</b>	<b>20,707,452</b>
Excess of Receipts Over (Under) Disbursements	(20,239)	22,268,115	4,555,166	12,517,017	318,454,833	335,527,016
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	5,629,984	-	-	-	-
Operating Transfers In	-	1,727,817	72,494	210,536	44,005,707	44,288,737
Operating Transfers Out	-	(11,622,088)	-	-	(5,707)	(5,707)
Stock Transfers	-	-	-	-	-	-
(Net) Distributive Activity:						
Ins	-	-	125,366	247,296	-	372,662
Outs	-	-	(125,336)	(245,301)	-	(370,637)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(4,264,287)</b>	<b>72,524</b>	<b>212,531</b>	<b>44,000,000</b>	<b>44,285,055</b>
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(20,239)	18,003,828	4,627,690	12,729,548	362,454,833	379,812,071
FUND BALANCE, JULY 1, 1999	212,499	316,370,796	83,228,499	187,657,490	3,908,235,887	4,179,121,876
FUND BALANCE, JUNE 30, 2000	\$ 192,260	\$ 334,374,624	\$ 87,856,189	\$ 200,387,038	\$ 4,270,690,720	\$ 4,558,933,947

(Continued)

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES**  
**EXPENDABLE, NONEXPENDABLE, AND PENSION TRUST FUNDS AND AGENCY FUNDS**  
For the Fiscal Year Ended June 30, 2000

	Agency Funds					
	Highway Tax Trust Fund 6125	Base State Fuel Fund 7121	Motor Vehicle Fee Fund 7122	Car Line Refund Fund 7163	Insurance Tax Fund 7752	Severance Tax Fund 7761
RECEIPTS:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and Charges	7,790,940	-	-	-	-	-
Miscellaneous	72,033	-	-	-	-	-
TOTAL RECEIPTS	7,862,973	-	-	-	-	-
DISBURSEMENTS:						
Personal Services	-	-	-	-	-	-
Operating	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Government Aid	7,435,653	-	-	-	-	-
TOTAL DISBURSEMENTS	7,435,653	-	-	-	-	-
Excess of Receipts Over (Under) Disbursements	427,320	-	-	-	-	-
OTHER FINANCING SOURCES (USES):						
Sales of Assets	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Stock Transfers	-	-	-	-	-	-
(Net) Distributive Activity:						
Ins	-	3,037	12,959,159	5,245,939	20,324,528	1,657,553
Outs	-	-	(9,570,077)	(5,245,939)	(20,725,673)	(1,657,553)
TOTAL OTHER FINANCING SOURCES (USES)	-	3,037	3,389,082	-	(401,145)	-
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	427,320	3,037	3,389,082	-	(401,145)	-
FUND BALANCE, JULY 1, 1999	2,215,550	50,984	-	-	12,588,328	-
FUND BALANCE, JUNE 30, 2000	\$ 2,642,870	\$ 54,021	\$ 3,389,082	\$ -	\$ 12,187,183	\$ -

(Continued)

NEBRASKA STATE TREASURER  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES**  
**EXPENDABLE, NONEXPENDABLE, AND PENSION TRUST FUNDS AND AGENCY FUNDS**  
For the Fiscal Year Ended June 30, 2000

	<u>Agency Funds</u>		<b>Totals of All Trust Funds and Agency Funds</b>
	Highway Allocation Fund 7764	<b>Totals Agency Funds</b>	
RECEIPTS:			
Taxes	\$ -	\$ -	\$ 1,341,775
Sales and Charges	-	7,790,940	7,790,940
Miscellaneous	-	72,033	384,580,189
TOTAL RECEIPTS	-	7,862,973	393,712,904
DISBURSEMENTS:			
Personal Services	-	-	171,311
Operating	-	-	25,138,312
Travel	-	-	5,900
Capital Outlay	-	-	13,720
Government Aid	-	7,435,653	7,435,653
TOTAL DISBURSEMENTS	-	7,435,653	32,764,896
Excess of Receipts Over (Under) Disbursements	-	427,320	360,948,008
OTHER FINANCING SOURCES (USES):			
Sales of Assets	-	-	5,629,984
Operating Transfers In	-	-	46,317,103
Operating Transfers Out	-	-	(13,656,161)
Stock Transfers	-	-	(161,242)
(Net) Distributive Activity:			
Ins	193,248,285	233,438,501	233,811,163
Outs	(194,859,797)	(232,059,039)	(232,429,676)
TOTAL OTHER FINANCING SOURCES (USES)	(1,611,512)	1,379,462	39,511,171
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(1,611,512)	1,806,782	400,459,179
FUND BALANCE, JULY 1, 1999	18,088,458	32,943,320	4,532,896,084
FUND BALANCE, JUNE 30, 2000	\$ 16,476,946	\$ 34,750,102	\$ 4,933,355,263

(Concluded)

STATE OF NEBRASKA  
Auditor of Public Accounts



Kate Witek  
State Auditor  
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NEBRASKA STATE TREASURER  
**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the Nebraska State Treasurer as of and for the year ended June 30, 2000, and have issued our report thereon dated September 29, 2000. The report was qualified, as certain amounts were not audited as part of the State Treasurer's audit as they are audited as part of other State agencies. The report also notes the financial statements were prepared on the basis of cash receipts and disbursements, and was modified to emphasize that the financial statements present only the funds of the Nebraska State Treasurer. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Nebraska State Treasurer's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. We noted certain immaterial instances of noncompliance that we have reported to management of the Nebraska State Treasurer in the Comments Section of this report as Comment Number 1 (Allocation of Costs Between Programs) and Comment Number 2 (Cigarette Tax Allocation).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Nebraska State Treasurer's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal

control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Nebraska State Treasurer in the Comments Section of this report as Comment Number 1 (Allocation of Costs Between Programs).

This report is intended solely for the information and use of the agency, the appropriate Federal and regulatory agencies and citizens of the State of Nebraska and is not intended to be and should not be used by anyone other than these specified parties.

September 29, 2000

A handwritten signature in dark ink that reads "Don Dunlap CPA". The signature is written in a cursive, flowing style.

Manager