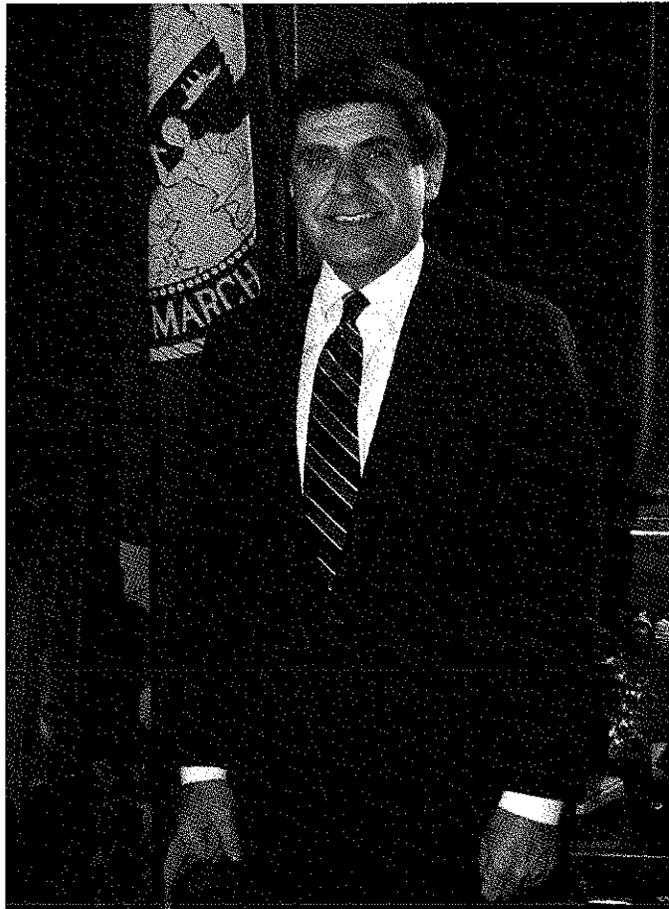


State of Nebraska

Comprehensive Annual Financial Report

Year Ended June 30, 1994

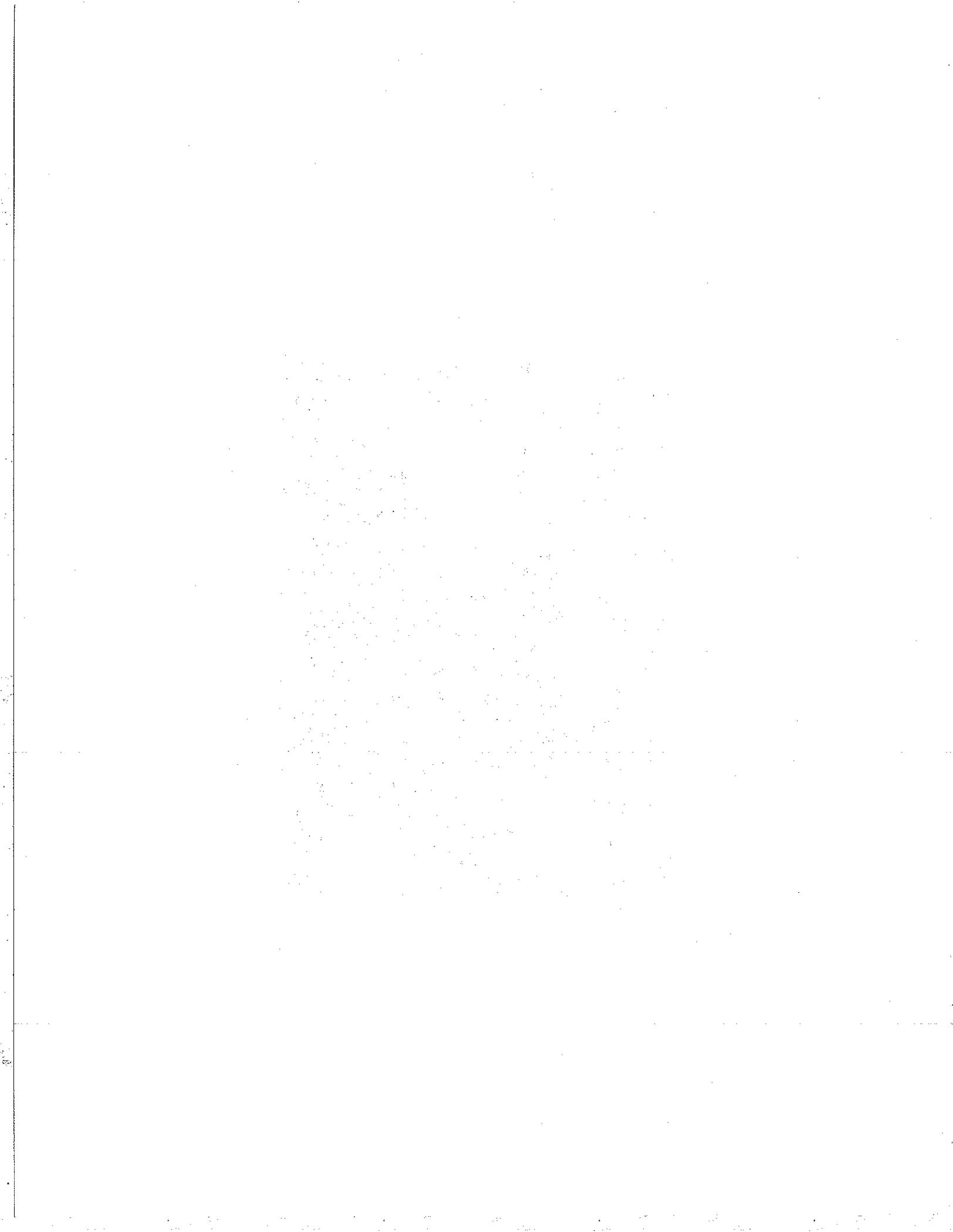


E. Benjamin Nelson
Governor

Department of Administrative Services

Lawrence S. Primeau
Director

Robert D. Luth
Accounting Administrator



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1994

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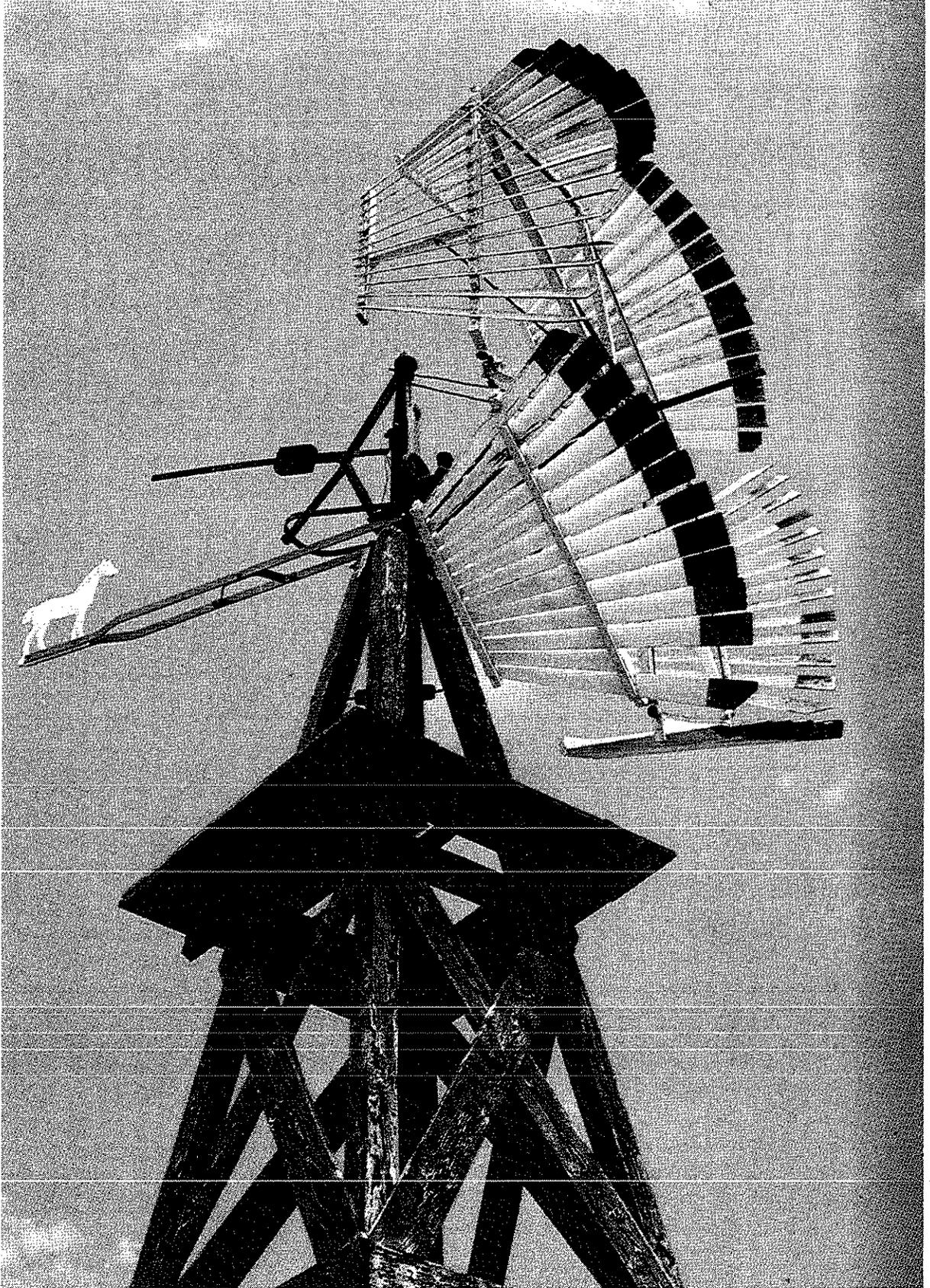
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INTRODUCTORY SECTION



STATE OF NEBRASKA



E. Benjamin Nelson
Governor

EXECUTIVE SUITE
P.O. Box 94848
Lincoln, Nebraska 68509-4848
Phone (402) 471-2244

December 20, 1994

Members of the Legislature
Citizens of the State of Nebraska

It is my pleasure to submit Nebraska's Comprehensive Annual Financial Report for the fiscal year 1994.

This report demonstrates the fiscal control and integrity that is one of the principal objectives of my administration. It also demonstrates the fiscal strength and stability of the Nebraska economy.

During the past year, the Legislature acted on several of my initiatives dealing with welfare reform, health care reform, health insurance availability, homestead exemption changes and adult and juvenile crime bills. These initiatives will provide significant benefits to the citizens of Nebraska with minimal costs in terms of tax dollars to finance the changes.

Our ability to manage our fiscal affairs and to provide full disclosure of the State's fiscal condition is demonstrated by the unqualified audit opinion that follows. I am also proud to report that the 1993 report that was submitted to the Government Finance Officers Association was awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting for the third consecutive year. I am confident that the 1994 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 in preparing this report and to all the state agencies for their cooperation in gathering the necessary information.

Sincerely,

A handwritten signature in black ink that reads "Ben Nelson".

E. Benjamin Nelson
Governor

SELECTED STATE OFFICIALS

EXECUTIVE

E. Benjamin Nelson
Governor

Kim M. Robak
Lieutenant Governor

Donald B. Stenberg
Attorney General

John A. Breslow
Auditor of Public Accounts

Allen J. Beermann
Secretary of State

Dawn E. Rockey
Treasurer

JUDICIAL

William C. Hastings
Chief Justice
Supreme Court of Nebraska (7 Judges)

LEGISLATIVE

Ron Withem
Speaker of the Legislature
Nebraska Unicameral (49 Senators)

STATE OF NEBRASKA



E. Benjamin Nelson
Governor

DEPARTMENT OF ADMINISTRATIVE SERVICES
Lawrence S. Primeau
Director
P.O. Box 94664
Lincoln, Nebraska 68509-4664
Phone (402) 471-2331

December 19, 1994

The Honorable E. Benjamin Nelson, 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 (State) for the fiscal year ended June 30, 1994. 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 generally accepted accounting principles (GAAP) for governments as established by the Governmental Accounting Standards Board (GASB).

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 auditor's report, general purpose financial statements, required supplementary information, 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.

This report includes all funds and account groups of the State. 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. In addition to general government activities, the Legislature and Governor exercise, or have the ability to exercise, oversight of the Nebraska Public Employees Retirement System, the Nebraska Unemployment Compensation Fund, and the Nebraska Lottery.

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 cash basis projections anticipate net general fund cash receipts of \$1.741 billion during the fiscal year ending June 30, 1995, a 5.28 percent increase over 1994 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, net general fund receipts have exceeded projections of \$661.0 million by \$5.1 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 1995 to \$1.71 billion (up 5.33 percent from 1994). The total biennium appropriation is projected to result in a June 30, 1995, reserve amount of \$110.4 million or 3.3 percent. This reserve amount is within the 3 to 7 percent reserve requirement required by the Constitution and State Statutes.

Economy

The outlook by the Bureau of Business Research at the University of Nebraska-Lincoln for 1995 and 1996 calls for continued steady economic growth. The Bureau's latest report, dated December 1, 1994, predicts that the Nebraska economy will continue to advance overall despite low agricultural prices brought on by this year's bumper crop. Their outlook is as follows: In 1995 and 1996, there will be solid gains in employment, income and retail sales. Employment growth will be near 1.5 percent for 1994 and 1995 but will slow to 1.3 percent in 1996. Depressed farm prices will restrain total personal income growth to 4.1 percent this year. A rebound is expected in 1995 and 1996, with income growth at 5.3 percent each year.

The biggest concern with the Nebraska economy is the State's labor availability. During the past year, the Bureau has pointed out that the State may be fast approaching the upper limit on the labor participation rate. Nearly all the increase in the State's total number of employed persons in the 1980s was due to women entering the workforce. Future job growth in Nebraska will depend on the availability of new qualified workers and, therefore, will require a reversal of the out migration of young adults.

The Bureau also warns that a major downturn in the national economy in 1996, might cause the Nebraska economy to perform below its expectations. State trends are as follows:

	1991	1992	1993	1994	1995	1996
Employment:						
Annual Totals	736,171	750,153	762,703	775,133	786,481	796,361
Growth Rates	0.8%	1.9%	1.7%	1.6%	1.5%	1.3%
Personal Income:						
Annual Totals	28,720	30,368	31,720	33,035	34,795	36,638
Growth Rates	4.6%	5.7%	4.5%	4.1%	5.3%	5.3%
Net Taxable Retail Sales						
Growth Rates:						
Total	3.2%	4.8%	6.1%	8.1%	6.3%	4.9%
Motor Vehicle Sales	-5.8%	4.0%	13.7%	8.9%	6.5%	5.0%
Non-motor Vehicle Sales	4.5%	4.9%	5.1%	8.0%	6.3%	4.9%
U.S. Consumer Price Index	4.2%	3.0%	3.0%	2.6%	3.0%	3.5%

MAJOR INITIATIVES

Welfare Reform

The Welfare Reform Initiative as passed by the Legislature and signed by the Governor is intended to eliminate complex and conflicting regulations and promote work and self-sufficiency. The Initiative provides for intensive case management, increased job training, enhanced child care benefits and stepped-up enforcement of child support collections, with the elimination of payments after two years of assistance. The Initiative requires federal and state legislative approval before the changes can be made. These reforms are scheduled to take effect during 1995.

Health Care Reform

While the federal government continues to consider changes to the health care system, Nebraska stepped forward during the past Legislative session with a strong health care response—improved disease prevention and increased access to care, accountability and data collection. Funding and systems were improved to ensure that all children are immunized. Health care access is improved by allowing groups of providers to form and provide joint services. Additional incentives are provided to encourage medical students to practice in rural areas.

The insurance industry will use standardized claim forms, cover immunizations of small children and increase insurance availability.

Adult and Juvenile Crime Bills

As signed by the Governor, the adult crime bill provides for the purchase of an automated fingerprint identification system. Law enforcement agencies will be allowed to use genetic fingerprinting (DNA testing) through the State's crime lab and allowed to cross jurisdictional lines to assist other officers pursue criminal suspects. The legislation also allows carrier enforcement officers to have arrest powers and increases assistance for crime victims.

The juvenile crime bill created the Office of Juvenile Services within the Department of Corrections. The office will provide case management of juveniles in the criminal justice system, evaluate and classify youthful offenders, develop community-based juvenile services and redefine the goals of youth development centers. The bill also includes funding to begin planning for the construction of a 75-bed secure youth confinement facility. The facility, which is expected to cost approximately \$8.3 million, will provide needed housing for violent juvenile offenders.

Master Lease Purchase Program

During the past year, the State developed a Master Lease Purchase Program (MLPP) for the purpose of lease purchasing certain equipment at tax exempt rates. Under the program, any essential equipment which costs more than \$50,000 and having a useful life of more than two years is eligible for financing under the program. Current projections indicate that approximately \$10 million of equipment per year may be financed under the program. We anticipate a significant savings when compared to vendor financing of leases.

FINANCIAL INFORMATION

Internal Controls

Management of the State 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 generally accepted accounting principles. 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 be carried over 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 there are no outstanding revenue bonds. Revenue and other financing sources for general governmental functions totaled \$3.26 billion for the fiscal year ending June 30, 1994, an increase of 12.14 percent over revenues for the fiscal year ending June 30, 1993.

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, 1994, the following tax rates were in effect:

TYPE	PERCENT	DATE OF LAST CHANGE
Sales and Use Tax	5.0%	July 10, 1990
Corporate Income Tax	5.58% and 7.81%	January 1, 1991
Individual Income Tax	2.62% to 6.99%	January 1, 1993

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. The personal exemption credit is \$69 for 1994. The credit is phased out as federal adjusted gross income increases for higher income taxpayers.

Revenue from various sources for fiscal year 1994 and the amount and percentage of increases and decreases in relation to the prior fiscal year are as follows (expressed in thousands):

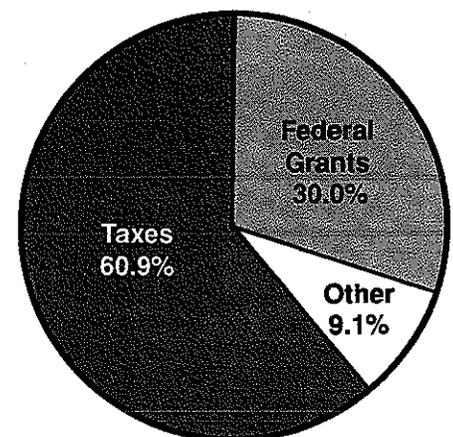
REVENUES AND OTHER FINANCING SOURCES	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 1993	PERCENT OF INCREASE (DECREASE)
Income Taxes	\$ 835,934	25.65%	\$ 55,111	7.06 %
Sales and Use Tax	746,429	22.91	92,974	14.23 %
Petroleum Tax	247,134	7.58	19,906	8.76 %
Other Taxes	155,032	4.76	21,966	16.51 %
Federal Grants and Contracts	978,526	30.04	118,945	13.84 %
Licenses, Fees and Permits	123,279	3.78	16,321	15.26 %
Charges for Services	62,069	1.90	14,104	29.40 %
Investment Income	24,100	0.74	(220)	(0.90)%
Rents and Royalties	7,212	0.22	947	15.12 %
Other	35,737	1.10	8,406	30.76 %
Total Revenues	3,215,452	98.68	348,460	12.15 %
Other Financing Sources	43,100	1.32	4,305	11.10 %
Total Revenues and Other Financing Sources	<u>\$3,258,552</u>	<u>100.00%</u>	<u>\$ 352,765</u>	12.14 %

Increases in revenues are highlighted by:

- Income taxes increased by \$55.1 million or 7.06 percent and sales and use taxes increased by \$93.0 million or 14.23 percent. These increases are consistent with and are primarily attributable to the increase in personal income and net taxable retail sales during 1993 and 1994. Motor vehicle sales were especially strong during this period and accounted for additional growth in the sales tax.
- Petroleum taxes increased \$19.9 million or 8.76 percent. This was directly attributable to increases in gallons of fuel sold. There were no significant changes in the tax rate during the year.
- Other taxes increased by \$22.0 million or 16.51 percent. Approximately \$9.2 million of the increase is the result of implementation of the Hospital Authorities Act and Health Care Provider Income Tax Act of 1993. The money raised by these two acts is used to help fund Medicaid expenditures. The remainder of the increase is due to changes in taxes on tobacco products and fertilizer.
- Federal Grants and Contracts increased by \$118.9 million. Approximately \$90 million of this increase is due to increases in the cost of the Medicaid program, which resulted in an increase in the amount reimbursed from the Federal government for their share. Much of the remaining increase is the receipt of federal disaster funds for flood and wind damage during the summer of 1993.
- Licenses, Fees and Permits, and Charges for Services increased \$30.4 million. Approximately \$6.3 million of the increase results from the use of fees rather than income taxes to fund the operations of the Department of Motor Vehicles. Approximately \$14.4 million is the result of changes in the accounting for certain activities at the Department of Roads.

Expenditures and other financing uses for general government activities totaled \$3.19 billion for fiscal year ending June 30, 1994, representing a 7.39 percent increase from 1993. General government expenditures by function for fiscal year 1994, and the amount and percentage of increases and decreases in relation to the prior fiscal year, are as follows (expressed in thousands):

REVENUES - 1994

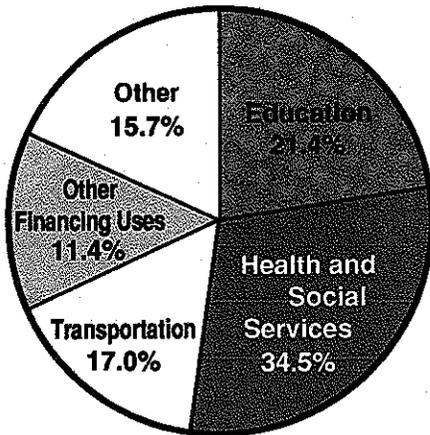


EXPENDITURES AND OTHER FINANCING USES	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 1993	PERCENT OF INCREASE (DECREASE)
Current:				
General Government	\$ 72,535	2.27%	\$ 2,260	3.22 %
Conservation of Natural Resources	58,582	1.83	2,722	4.87 %
Culture – Recreation	14,912	0.47	411	2.83 %
Economic Development and Assistance	54,401	1.70	(1,283)	(2.30)%
Education	684,364	21.43	31,032	4.75 %
Health and Social Services	1,101,264	34.49	133,305	13.77 %
Public Safety	155,750	4.88	46,346	42.36 %
Regulation of Business and Professions	44,290	1.39	3,643	8.96 %
Transportation	543,010	17.00	31,856	6.23 %
Intergovernmental	93,941	2.94	(30,375)	(24.43)%
Capital Projects	3,886	0.12	(6,666)	(63.17)%
Debt Service	2,413	0.08	1,192	97.62 %
Total Expenditures	2,829,348	88.60	214,443	8.20 %
Other Financing Uses	363,923	11.40	5,392	1.50 %
Total Expenditures and Other Financing Uses	<u>\$3,193,271</u>	<u>100.00%</u>	<u>\$ 219,835</u>	7.39 %

Increases in expenditures were highlighted by:

- Health and Social Services increased \$133.3 million or 13.77 percent. Most of this increase is due to an increase in aid payments in the Medicaid, Aid to Families with Dependent Children (AFDC) and Title XX programs administered by the Department of Social Services. Approximately \$9.2 million of the increase resulted from implementation of the Hospital Authorities Act and the Health Care Provider Income Tax Act of 1993.
- Public Safety increased \$46.3 million or 42.36 percent. Approximately \$40 million of this increase is attributable to aid payments of federal disaster funds as the result of flood and wind damage during the summer of 1993.
- Transportation expenditures increased \$31.9 million or 6.23% due to increased road construction.
- Intergovernmental expenditures decreased by \$30.4 million or 24.4%. This is attributed to a one time property tax relief to local units of government for loss of 1991 personal property taxes resulting from a State Supreme Court ruling. Payments attributable to this aid program decreased by \$33.3 million.

EXPENDITURES – 1994



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 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 increased by \$35.2 million to a total of \$65.5 million at June 30, 1994. The cash balance of the General Fund was \$178.6 million. Current cash flow projections place the June 30, 1995, cash balance at approximately \$190 million.

Proprietary Operations

The State has two enterprise funds included in the financial statements which provide services for individuals and entities outside state government. These activities include the State Lottery Fund and the Excess Liability Fund. The lottery, which began activity in 1993, generated \$52.8 million of operating revenues and income before transfers of \$14.2 million. The Excess Liability Fund provides liability coverage for certain health care providers. Operating revenues, which are primarily insurance premiums, amounted to \$5.0 million. The retained earnings for this fund were \$27.4 million at June 30, 1994.

The State has several internal service funds which 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 \$139.3 million for fiscal year 1994. These funds ended the year with total retained earnings of \$37.9 million. This is equivalent to approximately three months of operating expenses.

Retirement Systems

Total net assets of the State's pension trust funds reached \$1.773 billion. These are the assets of the three defined benefit plans that are administered by the State: School, Judges and State Patrol retirement plans. The County and State employees retirement plans are defined contribution plans administered by a third party.

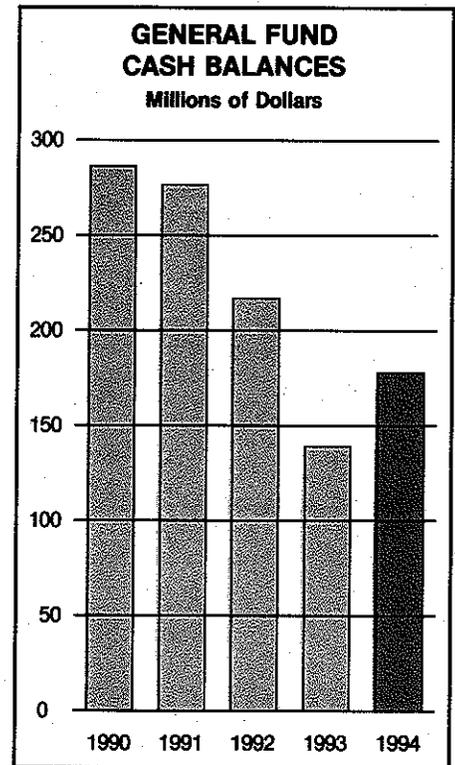
Debt Administration

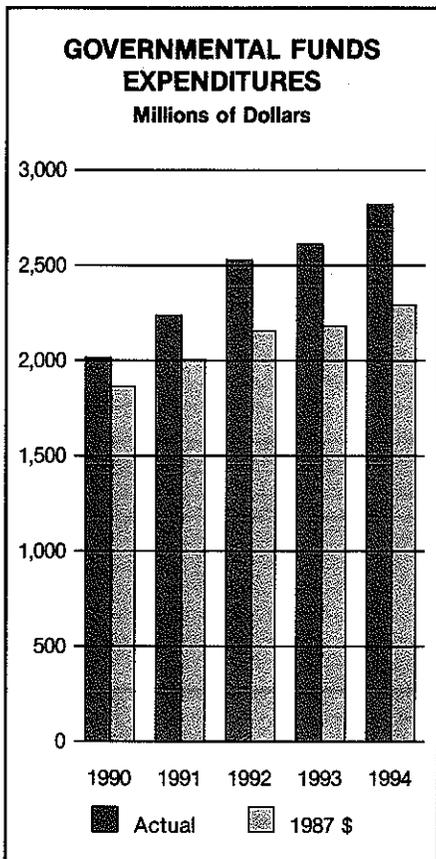
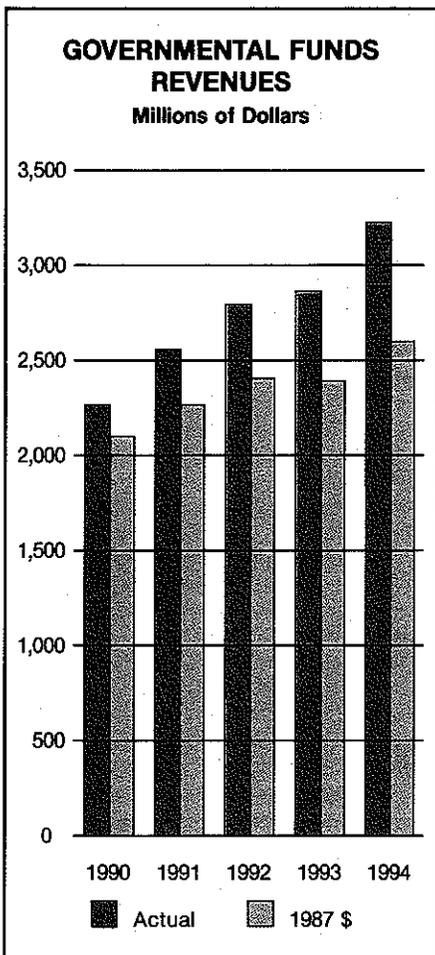
Article XIII of the State's Constitution prohibits the State from incurring debt in excess of one hundred thousand dollars. However, there is a provision in the Constitution that permits the issuance of revenue bonds for: (1) construction of highways; and (2) construction of water conservation and management structures. At June 30, 1994, 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.

There is \$12.4 million of bonds payable by separate legal entities that have been blended into the financial activity of the State. 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, 1994, \$52.6 million of 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, 1994, these authorities had \$64.9 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

The State does not insure a significant portion of its buildings or their contents against theft, fire or other risks. Workers' compensation coverage is provided on a self-insurance basis.

Commercial insurance coverage has been purchased for automobile liability, employees errors or omissions, and employee health and accident claims.

Cash Management

All cash is required to be deposited with the State Treasury. With the assistance of the State Investment Officer, the State Treasurer pools all cash in the Short Term Investment Pool (STIP) which is comprised of short-term instruments. 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 is deposited in the General Fund.

At June 30, 1994, there was \$869.5 million invested in the STIP. This was invested as follows: 59.5 percent in government securities; 8.0 percent in money market funds; 22.3 percent in commercial paper; 4.0 percent in other investments; and 6.2 percent in certificates of deposit. For the fiscal year ending June 30, 1994, the average daily balance of \$814.3 million returned \$33.5 million, a 4.11 percent yield. This yield represents a decrease of .29 percent from 1993.

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 equal to 10 percent more than 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.

At June 30, 1994, the general fixed assets of the State amounted to \$472.9 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 Auditor of Public Accounts has audited the general purpose financial statements and his report is included in the Financial Section of this report. Again this year, this report includes an unqualified opinion on the financial statements. The audit was conducted in accordance with generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards*. The required reports on internal control and compliance with laws and regulations are included as part of the state-wide Single Audit report, which is issued under a separate cover.

The audits described above were designed to meet the requirements of the Federal Single Audit Act of 1984 and the related U.S. Office of Management and Budget's Circular A-128.

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, 1993. 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. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The State of Nebraska has received a Certificate of Achievement for the last three consecutive years. We believe that our current report continues to conform to the Certificate of Achievement Program's 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 1994 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,

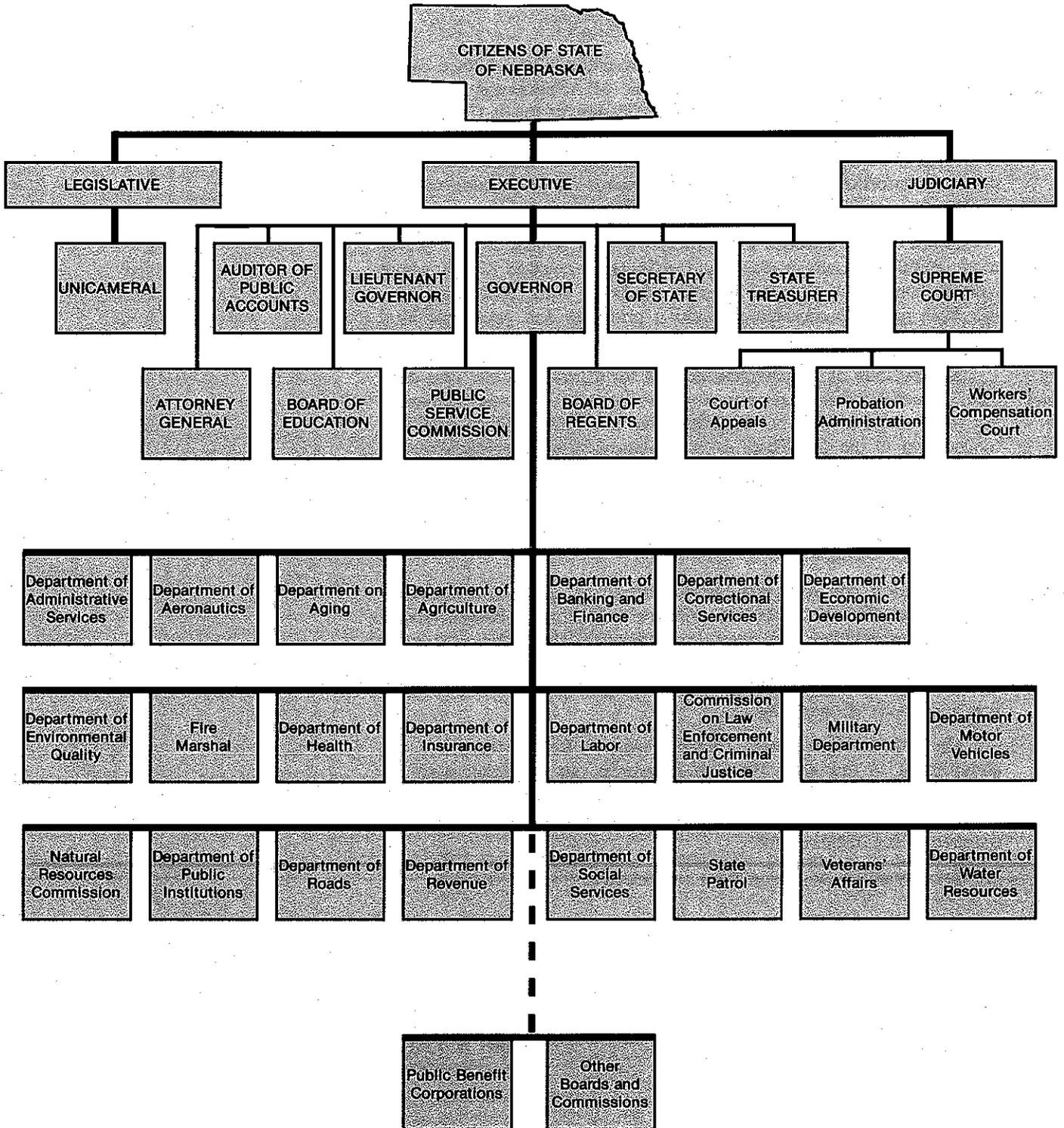


Lawrence S. Primeau
Director, Department of
Administrative Services



Robert D. Luth
State Accounting
Administrator

ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Nebraska

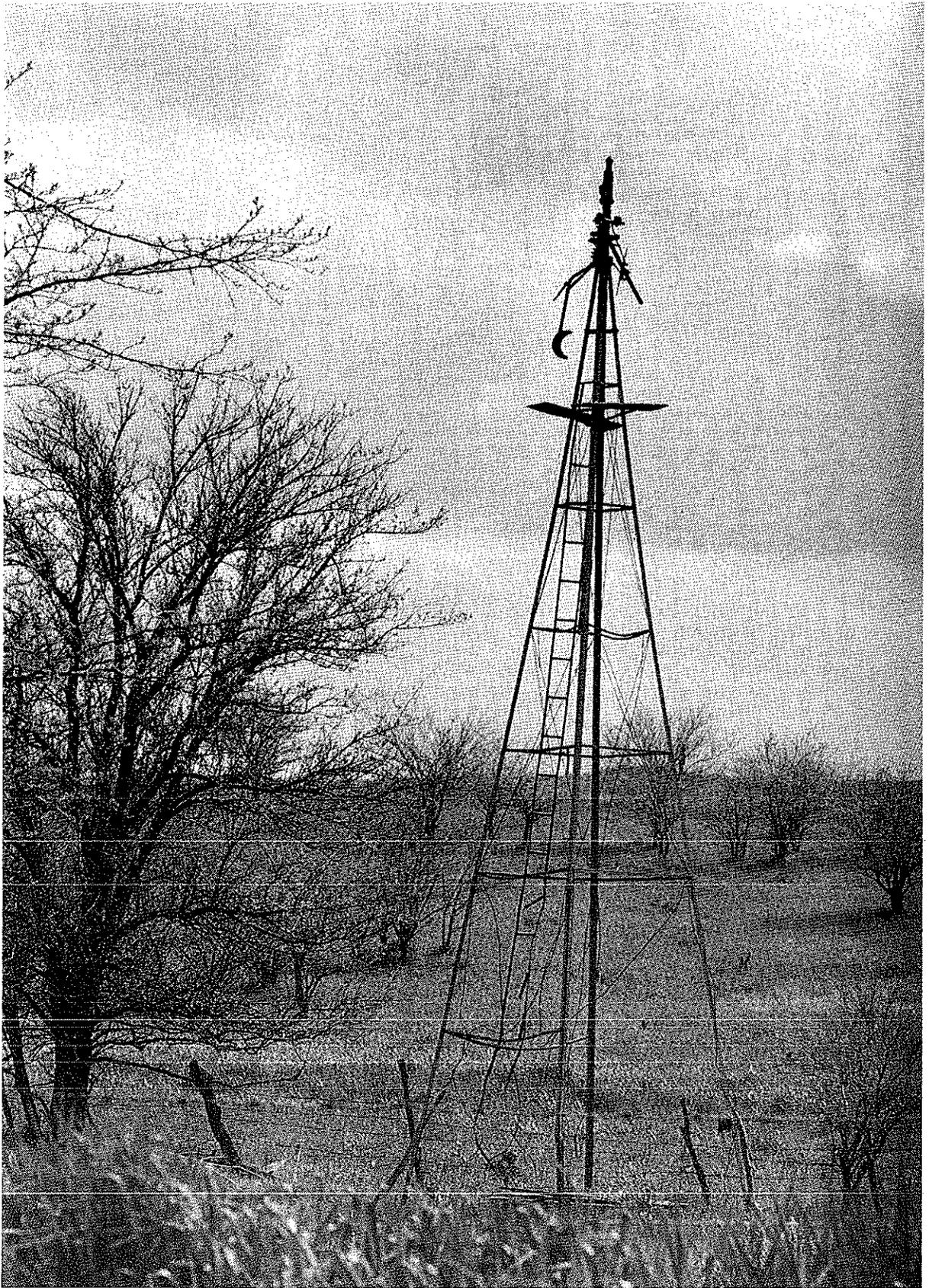
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1993

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.



President

Executive Director





FINANCIAL SECTION



John Breslow
State Auditor

STATE OF NEBRASKA
Auditor of Public Accounts

Suite 2303
State Capitol
Lincoln, NE 68509
402-471-2111
FAX 402-471-3301

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 June 30, 1994, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the State'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, the University of Nebraska Facilities Corporation, and the State Colleges Facility Corporation, which represents 93% and 95% of the total assets and total revenues and other additions, respectively, of the Component Unit – Colleges and Universities Fund. 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, the University of Nebraska Facilities Corporation, and the State Colleges Facility Corporation, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *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, such general purpose financial statements present fairly, in all material respects, the financial position of the State of Nebraska at June 30, 1994, and the results of its operations and the cash flows of its proprietary fund types and non-expendable trust funds for the year then ended in conformity with generally accepted accounting principles.

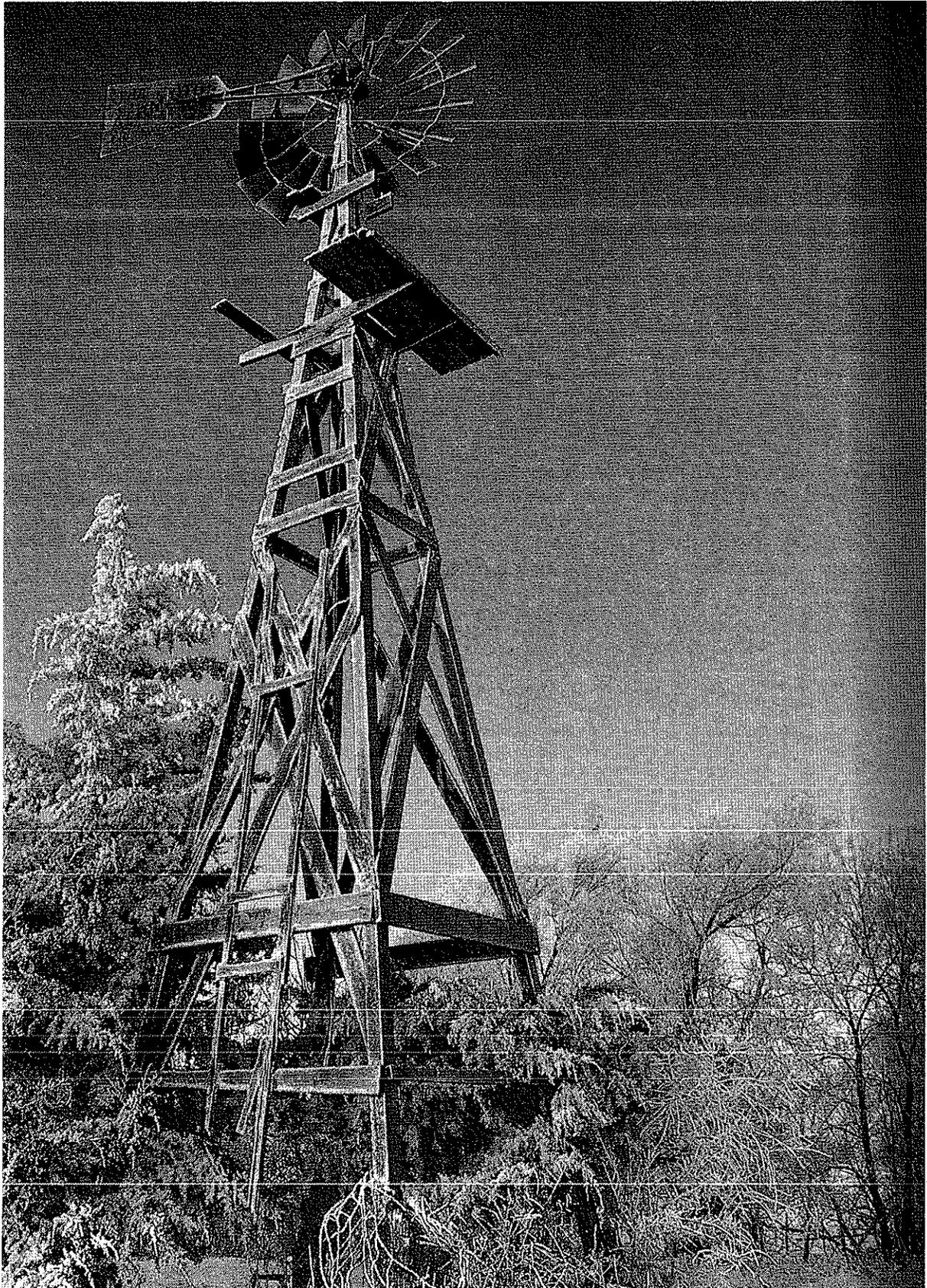
As discussed in Note 10 to the general purpose financial statements, the fund balances/retained earnings of certain fund types have been restated as a result of reclassification of certain funds and to more accurately reflect accounting practices. The State also implemented Governmental Accounting Standard Board Statement No. 14, "The Financial Reporting Entity", which resulted in restatements due to changes in the State's reporting entity. The entities which make up the Component Unit - Colleges and Universities, adopted Governmental Accounting Standards Board Statement No. 16 "Accounting for Compensated Absences" and Government Accounting Standards Board Statement No. 14. The University of Nebraska also changed its method of accounting for incurred but not reported claims. Accordingly, the beginning fund balances of the affected funds have been retroactively restated to reflect these changes.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The introductory section, the combining and individual fund statements and schedules within the financial section and the statistical section 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, except for the introductory and statistical sections, on which we express no opinion, has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The required supplementary information on pages 59 through 62 is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Don Dunlap CPA
Assistant Deputy Auditor

Lincoln, Nebraska
December 16, 1994



COMBINED STATEMENTS – OVERVIEW

State of Nebraska

**COMBINED BALANCE SHEET - ALL FUND TYPES,
ACCOUNT GROUPS AND COMPONENT UNITS**

June 30, 1994

(Dollars in Thousands)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS:			
Cash and Cash Equivalents	\$ 178,596	\$ 325,293	\$ 6,088
Cash on Deposit with Fiscal Agents	-	-	-
Investments	-	13,955	-
Receivables, net of allowance			
Due from Federal Government	4	101,315	-
Loans	79	44,816	-
Other	13,092	27,652	74
Due from Other Funds	2,793	4,095	110
Due from Primary Government	-	-	-
Inventories	-	12,341	-
Prepaid Items	96	117	-
Property, Plant, and Equipment, net	-	-	-
Other	305	737	-
Amount Available for Debt Service	-	-	-
Amount to be Provided For Retirement of General Long-Term Obligations	-	-	-
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 194,965</u>	<u>\$ 530,321</u>	<u>\$ 6,272</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS			
LIABILITIES:			
Accounts Payable	\$ 15,594	\$ 56,640	\$ 220
Accrued Liabilities	75,378	57,654	-
Due to Other Governments	9,218	14,835	-
Deposits	306	4,585	-
Deferred Compensation Payable	-	-	-
Due to Other Funds	11,001	5,993	402
Due to Component Units	16,049	-	-
Bonds Payable	-	-	-
Capitalized Lease Obligations	-	-	-
Obligations under Other Financing Arrangements	-	-	-
Accrued Compensated Absences	-	-	-
Deferred Revenue	1,874	196	-
Other	-	255	-
TOTAL LIABILITIES	<u>129,420</u>	<u>140,158</u>	<u>622</u>
FUND EQUITY AND OTHER CREDITS:			
Investment in Fixed Assets	-	-	-
Contributed Capital	-	-	-
Retained Earnings	-	-	-
Fund Balances:			
Reserved for:			
Long-Term Receivables	79	44,816	-
Inventory and Prepaid Items	96	12,458	-
Debt Service	-	5,522	-
Unemployment Compensation Benefits	-	-	-
Claims	-	-	-
Endowment Principal	-	-	-
Pension Benefits	-	-	-
Unreserved:			
Designated for Colleges and Universities	-	-	-
Designated for Cash Shortages	23,140	-	-
Undesignated	42,230	327,367	5,650
TOTAL FUND EQUITY AND OTHER CREDITS	<u>65,545</u>	<u>390,163</u>	<u>5,650</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u>\$ 194,965</u>	<u>\$ 530,321</u>	<u>\$ 6,272</u>

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNITS COLLEGES AND UNIVERSITIES
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
\$ 8,074	\$ 55,460	\$ 264,900	\$ -	\$ -	\$ 838,411	\$ 164,599
-	-	-	-	-	-	94,885
45,584	460	1,929,376	-	-	1,989,375	23,626
-	-	-	-	-	101,319	-
-	-	-	-	-	44,895	30,526
2,519	1,450	36,222	-	-	81,009	62,726
-	5,923	8,716	-	-	21,637	13,663
-	-	-	-	-	-	16,049
-	2,168	-	-	-	14,509	10,515
54	606	16	-	-	889	6,607
133	19,405	-	472,857	-	492,395	1,013,846
-	-	2,574	-	-	3,616	-
-	-	-	-	5,522	5,522	-
-	-	-	-	73,907	73,907	-
<u>\$ 56,364</u>	<u>\$ 85,472</u>	<u>\$ 2,241,804</u>	<u>\$ 472,857</u>	<u>\$ 79,429</u>	<u>\$ 3,667,484</u>	<u>\$ 1,437,042</u>
\$ 4,182	\$ 2,399	\$ 4,539	\$ -	\$ -	\$ 83,574	\$ 30,743
19,259	32,441	35	-	1,256	186,023	41,817
-	-	24,812	-	-	48,865	-
-	530	943	-	-	6,364	2,054
-	-	47,831	-	-	47,831	-
1,010	141	3,090	-	-	21,637	13,663
-	-	-	-	-	16,049	-
-	-	-	-	12,410	12,410	117,535
-	7,613	-	-	513	8,126	15,411
-	-	-	-	8,135	8,135	-
56	1,564	71	-	57,115	58,806	26,822
2,130	822	-	-	-	5,022	13,047
-	-	11,801	-	-	12,056	-
<u>26,637</u>	<u>45,510</u>	<u>93,122</u>	<u>-</u>	<u>79,429</u>	<u>514,898</u>	<u>261,092</u>
-	-	-	472,857	-	472,857	843,839
-	2,036	-	-	-	2,036	-
29,727	37,926	-	-	-	67,653	-
-	-	-	-	-	44,895	-
-	-	-	-	-	12,554	-
-	-	-	-	-	5,522	-
-	-	192,419	-	-	192,419	-
-	-	3,147	-	-	3,147	-
-	-	155,632	-	-	155,632	-
-	-	1,773,331	-	-	1,773,331	-
-	-	-	-	-	-	332,111
-	-	-	-	-	23,140	-
-	-	24,153	-	-	399,400	-
<u>29,727</u>	<u>39,962</u>	<u>2,148,682</u>	<u>472,857</u>	<u>-</u>	<u>3,152,586</u>	<u>1,175,950</u>
<u>\$ 56,364</u>	<u>\$ 85,472</u>	<u>\$ 2,241,804</u>	<u>\$ 472,857</u>	<u>\$ 79,429</u>	<u>\$ 3,667,484</u>	<u>\$ 1,437,042</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, 1994

(Dollars in Thousands)

	GOVERNMENTAL FUND TYPES			FIDUCIARY	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	FUND TYPE EXPENDABLE TRUST	
REVENUES:					
Taxes	\$ 1,600,866	\$ 380,724	\$ 2,939	\$ 52,695	\$ 2,037,224
Federal Grants and Contracts	310	976,353	1,863	-	978,526
Licenses, Fees and Permits	16,229	107,050	-	-	123,279
Charges for Services	6,549	55,520	-	2,798	64,867
Investment Income	9,655	14,126	319	12,178	36,278
Rents and Royalties	-	7,212	-	336	7,548
Insurance Premiums	-	-	-	34	34
Other	8,926	26,811	-	6,426	42,163
TOTAL REVENUES	1,642,535	1,567,796	5,121	74,467	3,289,919
EXPENDITURES:					
Current:					
General Government	62,760	9,775	-	3,222	75,757
Conservation of Natural Resources	22,549	36,033	-	-	58,582
Culture - Recreation	4,160	10,752	-	-	14,912
Economic Development and Assistance	4,041	50,360	-	-	54,401
Education	551,998	132,366	-	617	684,981
Health and Social Services	465,314	635,950	-	4,400	1,105,664
Public Safety	91,954	63,796	-	-	155,750
Regulation of Business and Professions	3,541	40,749	-	-	44,290
Transportation	527	542,483	-	-	543,010
Unemployment Claims	-	-	-	51,540	51,540
Intergovernmental	93,941	-	-	-	93,941
Capital Projects	-	-	3,886	-	3,886
Debt Service:					
Principal	-	1,275	-	-	1,275
Interest	-	1,138	-	-	1,138
TOTAL EXPENDITURES	1,300,785	1,524,677	3,886	59,779	2,889,127
Excess of Revenues Over (Under) Expenditures	341,750	43,119	1,235	14,688	400,792
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	13,794	23,474	5,360	-	42,628
Operating Transfers Out	(7,743)	(17,461)	(2,970)	(2,034)	(30,208)
Operating Transfers to Component Units	(321,689)	(8,590)	(5,470)	-	(335,749)
Proceeds from Capital Leases	-	472	-	-	472
TOTAL OTHER FINANCING SOURCES (USES)	(315,638)	(2,105)	(3,080)	(2,034)	(322,857)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	26,112	41,014	(1,845)	12,654	77,935
FUND BALANCES, JULY 1, AS RESTATED	30,333	356,249	7,495	191,692	585,769
Residual Equity Transfers	9,100	(7,100)	-	-	2,000
FUND BALANCES, JUNE 30	\$ 65,545	\$ 390,163	\$ 5,650	\$ 204,346	\$ 665,704

See Accompanying Notes to Combined 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, 1994

(Dollars in Thousands)

	GENERAL FUND TYPE		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Taxes	\$ 1,597,394	\$ 1,588,597	\$ (8,797)
Federal Grants and Contracts	318	318	-
Sales and Charges	22,644	22,644	-
Other	18,243	18,243	-
TOTAL REVENUE	1,638,599	1,629,802	(8,797)
EXPENDITURES:			
Current:			
General Government	67,811	62,724	5,087
Conservation of Natural Resources	29,540	22,727	6,813
Culture - Recreation	4,482	4,156	326
Economic Development and Assistance	4,243	4,053	190
Education	890,769	871,535	19,234
Health and Social Services	462,492	453,531	8,961
Public Safety	105,099	91,905	13,194
Regulation of Business and Professions	3,780	3,561	219
Transportation	657	527	130
Intergovernmental	93,761	91,735	2,026
Capital Projects	-	-	-
TOTAL EXPENDITURES	1,662,634	1,606,454	56,180
Excess of Revenues Over (Under) Expenditures	(24,035)	23,348	47,383
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	25,917	25,917	-
Operating Transfers Out	(13,072)	(13,072)	-
Other	240	240	-
TOTAL OTHER FINANCING SOURCES (USES)	13,085	13,085	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(10,950)	36,433	47,383
FUND BALANCES, JULY 1	110,727	110,727	-
FUND BALANCES, JUNE 30	\$ 99,777	\$ 147,160	\$ 47,383

See Accompanying Notes to Combined Financial Statements.

CASH RESERVE AND CASH FUND TYPE			CONSTRUCTION FUND TYPE			FEDERAL FUND TYPE		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 48,203	\$ 48,203	\$ -	\$ 11,699	\$ 11,699	\$ -	\$ -	\$ -	\$ -
187,667	187,667	-	-	-	-	944,335	944,335	-
396,029	396,029	-	-	-	-	10,739	10,739	-
37,804	37,804	-	336	336	-	19,975	19,975	-
669,703	669,703	-	12,035	12,035	-	975,049	975,049	-
22,295	12,032	10,263	-	-	-	2,245	1,337	908
33,093	20,775	12,318	-	-	-	23,465	13,685	9,780
13,070	9,247	3,823	-	-	-	1,383	1,149	234
18,856	7,818	11,038	-	-	-	51,063	43,034	8,029
368,760	298,821	69,939	17,946	13,379	4,567	267,787	233,673	34,114
50,141	42,236	7,905	-	-	-	652,657	624,067	28,590
18,653	13,701	4,952	-	-	-	63,068	53,939	9,129
48,217	38,827	9,390	-	-	-	698	543	155
436,399	414,403	21,996	-	-	-	186	68	118
-	-	-	-	-	-	-	-	-
75	41	34	11,054	4,718	6,336	2,800	2,136	664
1,009,559	857,901	151,658	29,000	18,097	10,903	1,065,352	973,631	91,721
(339,856)	(188,198)	151,658	(16,965)	(6,062)	10,903	(90,303)	1,418	91,721
568,414	568,414	-	5,927	5,927	-	536	536	-
(322,805)	(322,805)	-	(2,332)	(2,332)	-	(537)	(537)	-
1,610	1,610	-	-	-	-	47	47	-
247,219	247,219	-	3,595	3,595	-	46	46	-
(92,637)	59,021	151,658	(13,370)	(2,467)	10,903	(90,257)	1,464	91,721
363,656	363,656	-	8,965	8,965	-	9,164	9,164	-
\$ 271,019	\$ 422,677	\$ 151,658	\$ (4,405)	\$ 6,498	\$ 10,903	\$ (81,093)	\$ 10,628	\$ 91,721

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, 1994

(Dollars in Thousands)

	REVOLVING FUND TYPE		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Taxes	\$ -	\$ -	\$ -
Federal Grants and Contracts	187	187	-
Sales and Charges	260,159	260,159	-
Other	39,929	39,929	-
TOTAL REVENUE	300,275	300,275	-
EXPENDITURES:			
Current:			
General Government	89,426	78,506	10,920
Conservation of Natural Resources	-	-	-
Culture - Recreation	-	-	-
Economic Development and Assistance	1,652	629	1,023
Education	235,986	218,452	17,534
Health and Social Services	-	-	-
Public Safety	5,650	3,606	2,044
Regulation of Business and Professions	-	-	-
Transportation	-	-	-
Intergovernmental	-	-	-
Capital Projects	-	-	-
TOTAL EXPENDITURES	332,714	301,193	31,521
Excess of Revenues Over (Under) Expenditures	(32,439)	(918)	31,521
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	7,956	7,956	-
Operating Transfers Out	(6,557)	(6,557)	-
Other	1,747	1,747	-
TOTAL OTHER FINANCING SOURCES (USES)	3,146	3,146	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(29,293)	2,228	31,521
FUND BALANCES, JULY 1	64,679	64,679	-
FUND BALANCES, JUNE 30	\$ 35,386	\$ 66,907	\$ 31,521

See Accompanying Notes to Combined Financial Statements.

State of Nebraska

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

For the Year Ended June 30, 1994

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	NONEXPENDABLE TRUST	
OPERATING REVENUES:					
Charges for Services	\$ 57,807	\$ 138,778	\$ -	\$ -	\$ 196,585
Contributions to Retirement System	-	-	131,631	-	131,631
Interest Income	-	-	65,945	7,716	73,661
Dividend Income	-	-	17,192	2,360	19,552
Gain (Loss) on Sale of Investments	-	-	81,529	3,375	84,904
Rents and Royalties	-	-	-	20,214	20,214
Other	-	546	859	1,156	2,561
TOTAL OPERATING REVENUES	57,807	139,324	297,156	34,821	529,108
OPERATING EXPENSES:					
Personal Services	1,029	17,245	822	1,164	20,260
Services and Supplies	11,225	50,794	3,591	1,177	66,787
Benefits	-	-	50,485	-	50,485
Refunds	-	-	5,191	-	5,191
Financial Assistance	-	-	-	24,745	24,745
Lottery Prizes	26,682	-	-	-	26,682
Insurance Claims	75	63,683	-	-	63,758
Depreciation	49	8,848	-	-	8,897
TOTAL OPERATING EXPENSES	39,060	140,570	60,089	27,086	266,805
Operating Income (Loss)	18,747	(1,246)	237,067	7,735	262,303
NONOPERATING REVENUES (EXPENSES):					
Interest Income	3,736	2,273	-	-	6,009
Gain (Loss) on Sale of Investments	135	-	-	-	135
Gain (Loss) on Sale of Fixed Assets	-	846	-	-	846
Other	(17)	(466)	-	-	(483)
TOTAL NONOPERATING REVENUES (EXPENSES)	3,854	2,653	-	-	6,507
Income Before Operating Transfers	22,601	1,407	237,067	7,735	268,810
OPERATING TRANSFERS:					
Operating Transfers In	-	-	-	23	23
Operating Transfers Out	(11,907)	-	-	(536)	(12,443)
TOTAL OPERATING TRANSFERS	(11,907)	-	-	(513)	(12,420)
Net Income	10,694	1,407	237,067	7,222	256,390
RETAINED EARNINGS/FUND BALANCES, JULY 1, AS RESTATED					
Residual Equity Transfers	19,033	38,519	1,536,264	163,783	1,757,599
	-	(2,000)	-	-	(2,000)
RETAINED EARNINGS/FUND BALANCES, JUNE 30	\$ 29,727	\$ 37,926	\$ 1,773,331	\$ 171,005	\$ 2,011,989

See Accompanying Notes to Combined Financial Statements.

State of Nebraska

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS

For the Year Ended June 30, 1994

(Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 54,946	\$ 4,336	\$ 21,239	\$ 80,521
Cash Received from Interfund Charges	-	135,380	-	135,380
Cash Paid to Employees	(920)	(16,888)	(1,164)	(18,972)
Cash Paid to Suppliers	(8,806)	(42,911)	(1,033)	(52,750)
Cash Paid for Financial Assistance	-	-	(24,745)	(24,745)
Cash Paid for Lottery Prizes	(24,156)	-	-	(24,156)
Cash Paid for Insurance Claims	(1,769)	(61,931)	-	(63,700)
Cash Paid for Interfund Services	(782)	(8,367)	(94)	(9,243)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>18,513</u>	<u>9,619</u>	<u>(5,797)</u>	<u>22,335</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Proceeds from Interfund Loans	1,677	-	-	1,677
Repayments of Interfund Loans	(1,677)	-	-	(1,677)
Interest Paid on Interfund Loans	(17)	-	-	(17)
Operating Transfers In	-	-	23	23
Operating Transfers Out	(10,932)	-	(501)	(11,433)
Residual Equity Transfers to General Fund	-	(2,000)	-	(2,000)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>(10,949)</u>	<u>(2,000)</u>	<u>(478)</u>	<u>(13,427)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(182)	(5,565)	-	(5,747)
Proceeds from Sale of Fixed Assets	-	1,120	-	1,120
Principal Paid on Capital Leases	-	(4,227)	-	(4,227)
Interest Paid on Capital Leases	-	(491)	-	(491)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(182)</u>	<u>(9,163)</u>	<u>-</u>	<u>(9,345)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investment Securities	(51,229)	-	(125,095)	(176,324)
Proceeds from Sale of Investment Securities	45,168	-	121,817	166,985
Interest and Dividend Income	3,723	2,433	10,502	16,658
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(2,338)</u>	<u>2,433</u>	<u>7,224</u>	<u>7,319</u>
NET INCREASE (DECREASE) IN CASH	5,044	889	949	6,882
CASH AND CASH EQUIVALENTS, JULY 1	<u>3,030</u>	<u>54,571</u>	<u>13,532</u>	<u>71,133</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 8,074</u>	<u>\$ 55,460</u>	<u>\$ 14,481</u>	<u>\$ 78,015</u>

See Accompanying Notes to Combined Financial Statements.

State of Nebraska

COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES

AND NONEXPENDABLE TRUST FUNDS (Continued)

For the Year Ended June 30, 1994

(Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	
RECONCILIATION OF OPERATING INCOME TO NET CASH				
FLWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 18,747	\$ (1,246)	\$ 7,735	\$ 25,236
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	49	8,848	-	8,897
Interest Income	-	-	(7,716)	(7,716)
Dividend Income	-	-	(2,360)	(2,360)
Gain on Sale of Investments	-	-	(3,375)	(3,375)
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(2,189)	(171)	(131)	(2,491)
(Increase) Decrease in Due from Other Funds	-	54	-	54
(Increase) Decrease in Inventories	-	(842)	-	(842)
(Increase) Decrease in Prepaid Expenses	(54)	(10)	-	(64)
Increase (Decrease) in Accounts Payable	4,182	109	43	4,334
Increase (Decrease) in Accrued Liabilities	(1,585)	2,109	-	524
Increase (Decrease) in Deposits	-	-	8	8
Increase (Decrease) in Due to Other Funds	35	7	(1)	41
Increase (Decrease) in Deferred Revenue	(672)	761	-	89
Total Adjustments	(234)	10,865	(13,532)	(2,901)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 18,513	\$ 9,619	\$ (5,797)	\$ 22,335

NONCASH TRANSACTIONS:

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: Central Data Processing acquired fixed assets through capitalized leases of \$1,167,000, and Other Internal Service received \$252,000 of services in exchange for investment business.

RECONCILIATION OF CASH AND CASH EQUIVALENTS:

Total Trust and Agency	\$ 264,900
Less: Expendable Trust	187,538
Pension Trust	21,169
Agency	41,712
NONEXPENDABLE TRUST	\$ 14,481

State of Nebraska

**COMBINED STATEMENT OF CHANGES
IN FUND BALANCES - COMPONENT UNITS
COLLEGE AND UNIVERSITY FUND TYPES**

For the Year Ended June 30, 1994

(Dollars in Thousands)

	CURRENT FUNDS		LOAN FUNDS
	UNRESTRICTED	RESTRICTED	
REVENUES AND OTHER ADDITIONS:			
Current Funds Revenues	\$ 453,727	\$ 522	\$ -
Federal Grants and Contracts - Restricted	-	84,629	55
State Grants and Contracts - Restricted	-	11,583	-
Local Grants and Contracts - Restricted	-	5,562	-
Private Gifts, Grants and Contracts - Restricted	-	55,003	8
Additions to Trusteed Insurance Funds	-	-	-
Investment Income - Restricted	-	2,454	94
Realized Gains (Losses) on Investments - Restricted	-	-	6
Interest on Loans Receivable	-	-	662
U.S. Government Advances	-	-	951
Expended for Plant Facilities	-	-	-
Retirement of Indebtedness	-	-	-
Retirement of Capitalized Lease Obligations	-	-	-
Proceeds from Revenue Bonds, net of discount	-	-	-
Other Sources	168	-	88
TOTAL REVENUES AND OTHER ADDITIONS	453,895	159,753	1,864
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	636,192	147,410	-
Auxiliary Operations Expenditures	99,988	-	-
Indirect Costs Recovered	-	10,369	250
Loan Cancellations, Write-offs, and Allowances	-	-	461
Administrative and Collection Costs	-	-	179
Expended for Plant Facilities	-	-	-
Increase in Capitalized Lease Obligations	-	-	-
Retirement of Indebtedness	-	-	-
Interest on Indebtedness	-	-	-
Retirement of Capital Lease Obligations	-	-	-
Disposals and Other Reductions of Plant Facilities	-	-	-
Claims Paid From Trusteed Insurance Funds	-	-	-
Bond and Lease Financial Expense	-	-	-
Issuance of Bonds Payable, net of discount	-	-	-
Other Deductions	-	-	10
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	736,180	157,779	900
TRANSFERS AMONG FUNDS:			
Operating Transfers from Primary Government	321,386	-	-
Mandatory Transfers, net	(12,181)	-	159
Nonmandatory Transfers, net	(28,511)	(871)	47
TOTAL TRANSFERS	280,694	(871)	206
Net Increase (Decrease) for the Year	(1,591)	1,103	1,170
FUND BALANCES, JULY 1, AS RESTATED	71,773	30,798	32,345
FUND BALANCES, JUNE 30	\$ 70,182	\$ 31,901	\$ 33,515

See Accompanying Notes to Combined Financial Statements.

PLANT FUNDS					
ENDOWMENT FUNDS	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 454,249
-	8,831	140	-	-	93,655
-	-	-	-	-	11,583
-	-	360	-	-	5,922
179	991	870	2,148	18	59,217
43,214	-	-	-	-	43,214
1,313	573	124	1,979	-	6,537
223	-	-	-	-	229
-	-	-	-	-	662
-	-	-	-	-	951
-	-	-	-	67,771	67,771
-	-	-	-	65,138	65,138
-	-	-	-	3,682	3,682
-	-	-	-	-	68,560
-	61,731	-	6,829	-	68,560
-	3,850	592	80	-	4,778
<u>44,929</u>	<u>75,976</u>	<u>2,086</u>	<u>11,036</u>	<u>136,609</u>	<u>886,148</u>
-	-	-	-	-	783,602
-	-	-	-	-	99,988
-	-	-	-	-	10,619
-	-	-	-	-	461
191	149	-	107	-	626
-	27,347	13,915	-	-	41,262
-	-	-	-	7,208	7,208
-	44,396	-	25,978	-	70,374
-	-	-	5,534	-	5,534
-	-	-	859	-	859
-	-	-	-	15,342	15,342
39,270	-	-	-	-	39,270
-	-	-	16	-	16
-	-	-	-	68,560	68,560
280	-	36	965	81	1,372
<u>39,741</u>	<u>71,892</u>	<u>13,951</u>	<u>33,459</u>	<u>91,191</u>	<u>1,145,093</u>
-	5,007	769	8,587	-	335,749
-	-	-	12,022	-	-
48	(4,151)	27,113	6,325	-	-
<u>48</u>	<u>856</u>	<u>27,882</u>	<u>26,934</u>	<u>-</u>	<u>335,749</u>
5,236	4,940	16,017	4,511	45,418	76,804
<u>38,895</u>	<u>21,400</u>	<u>29,355</u>	<u>76,159</u>	<u>798,421</u>	<u>1,099,146</u>
<u>\$ 44,131</u>	<u>\$ 26,340</u>	<u>\$ 45,372</u>	<u>\$ 80,670</u>	<u>\$ 843,839</u>	<u>\$ 1,175,950</u>

State of Nebraska

COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES COMPONENT UNITS - COLLEGES AND UNIVERSITIES

For the Year Ended June 30, 1994

(Dollars in Thousands)

	CURRENT FUNDS		TOTALS
	UNRESTRICTED	RESTRICTED	
REVENUES:			
Educational and General:			
Tuition and Fees	\$ 114,538	\$ 350	\$ 114,888
Federal Appropriations	6,074	-	6,074
Federal Grants and Contracts	9,627	76,556	86,183
State Grants and Contracts	1,061	11,719	12,780
Local Grants and Contracts	64	5,391	5,455
Private Gifts, Grants and Contracts	353	51,044	51,397
Endowment Income	746	2,094	2,840
Sales and Services of Educational Activities	24,320	-	24,320
Other	9,853	-	9,853
TOTAL EDUCATIONAL AND GENERAL	<u>166,636</u>	<u>147,154</u>	<u>313,790</u>
Sales and Services of Hospitals and Clinics	187,893	-	187,893
Sales and Services of Auxiliary Operations	99,366	256	99,622
TOTAL REVENUES	<u>453,895</u>	<u>147,410</u>	<u>601,305</u>
EXPENDITURES AND MANDATORY TRANSFERS:			
Educational and General:			
Instruction	205,270	29,031	234,301
Research	53,223	52,428	105,651
Public Services	28,373	28,680	57,053
Academic Support	49,137	3,444	52,581
Student Services	18,812	2,280	21,092
Institutional Support	50,429	1,191	51,620
Operation and Maintenance of Plant	42,972	194	43,166
Scholarships and Fellowships	15,841	28,141	43,982
TOTAL EDUCATIONAL AND GENERAL EXPENDITURES	<u>464,057</u>	<u>145,389</u>	<u>609,446</u>
Hospitals and Clinics	172,135	2,021	174,156
Auxiliary Operations	99,988	-	99,988
Mandatory Transfers, net	12,181	-	12,181
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>748,361</u>	<u>147,410</u>	<u>895,771</u>
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
Excess of Restricted Receipts Over			
Transfers to Revenue	-	1,974	1,974
Operating Transfers from Primary Government	321,386	-	321,386
Nonmandatory Transfers, net	(28,511)	(871)	(29,382)
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	<u>292,875</u>	<u>1,103</u>	<u>293,978</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ (1,591)</u>	<u>\$ 1,103</u>	<u>\$ (488)</u>

See Accompanying Notes to Combined Financial Statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

For the Year Ended June 30, 1994

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 conformance with generally accepted accounting principles (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 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. 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 generally accepted accounting principles, these financial statements present the State of Nebraska (the primary government) 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. These component units are entities which 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.

Nebraska Educational Telecommunications Facilities Corporation. The Nebraska Educational Telecommunications Facilities Corporation (NETFC) is a nonprofit corporation formed by the State in 1991 to acquire access to a space satellite to be used by the Nebraska Educational Telecommunications Commission, a State agency. The eleven members of the Board of Commissioners of the Nebraska Educational Telecommunications Commission are appointed by the Governor and serve as the Board of Directors of the NETFC. Even though it is legally separate, the NETFC is reported as if it were part of the primary government because it provides services entirely to the primary government. It is blended into the Special Revenue Funds 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 primary government because it provides services almost entirely to the primary government. It is blended into the Special Revenue Funds and the Account Groups.

Discrete Component Units. These component units are entities which are legally separate from the State, but are financially accountable to the State, or whose 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 primary government and governed by separate boards. The Component Units column of the combined financial statements include the financial data of these entities.

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 previously 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. Audit reports have been previously issued under separate cover.

The colleges and universities are funded through State appropriations, tuition, federal grants, and private donations and grants. Because the colleges and universities are similar in nature and function, they have been combined and presented as a single component unit.

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 combined 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 which are described later in Note 2. A brief description of these fund types and account groups as used in Nebraska 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 which are provided in 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 defined benefit 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 long-term debt and fixed assets 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, certain trust 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 which 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 which 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 which 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 (e.g.,

revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds, and agency funds. 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 unemployment compensation taxes, federal grants-in-aid, and charges for services. All other taxes, including income and sales taxes, are recognized when received. Refunds are recorded as a reduction in revenue in the period when the claim is received and the State's liability is measurable. 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 commitment arises. 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 general modified accrual expenditure recognition criteria include principal and interest on general long-term indebtedness which are recognized when due and compensated absences which are recognized when paid.

The accrual basis of accounting is utilized by proprietary fund types, pension trust funds, and nonexpendable trust funds. 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. Lottery Fund prize expense for instant win games is recognized in the same period that ticket revenue is recognized based on the predetermined prize structure for each game.

The College and University Funds are reported for 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, 1994, approximated market. Collateral, as required by law, is pledged by banks to guarantee State funds held in time and demand deposits.

F. Cash on Deposit with Fiscal Agents. Proceeds of College and University Revenue Bond issuances held in interest bearing accounts, awaiting disbursement, are recorded as assets of the Component Units.

G. Investments. Investments as reported on the balance sheet include long-term investments. These investments may be restricted by law or other legal instrument. All investments are stated at cost, with the exception of those held by the Deferred Compensation Plan. Investments of the Deferred Compensation Plan are stated at market value.

H. Receivables. Receivables are stated net of estimated allowances for uncollectible amounts, which are determined based upon past collection experience and current economic conditions. Receivables in the governmental fund types are primarily amounts due from the federal government. Receivables in the fiduciary fund type are primarily unemployment taxes and accrued income on investments. The receivables in the proprietary funds and college and university funds are amounts that have arisen in the normal course of business.

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. Proprietary funds' and college and university funds' valuation method is primarily at the lower of cost (first-in, first-out) or market.

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 purchased 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, 1994, buildings were valued at \$258,908,000. Of this total, \$211,516,000 were valued at estimated historical cost and \$47,392,000 were 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. Land with an estimated fair market value at the time of donation of \$5,578,000 is 18 percent of the total land value of \$30,943,000.

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 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. 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.

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 \$33.4 million 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, 1994.

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 \$22.4 million 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, 1994.

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 \$1.3 million 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, 1994.

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 Balance Reserves. Reservations of fund balance are established to identify the existence of assets that 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 which are not current in nature, such as long-term loans receivable and inventories.

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, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine 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.

2. Budgetary Process

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 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 agency. Within the agency/program, the Legislature 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.

The State's biennial budget cycle ends on June 30 of the odd-numbered years. 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. During fiscal year 1994, the Legislature passed a deficit appropriation bill which increased the allowable expenditure level in several of the programs.

The budgetary fund types used by the State differ from the generic fund types presented in the 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 appropriation controls of the budget.

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

Cash Reserve and Cash Funds. To account for proceeds from a special sales tax to be used as a cash reserve for the General Fund and 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. (No appropriation control is established for this fund type.)

Distributive Funds. To account for assets held as an agent for individuals, private organizations, and other governments and/or other funds. (No appropriation control is established for this fund type.)

The accompanying financial statements were prepared by recompiling 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 the appropriations in the annual budget, as amended from time to time by budget amendments. State agencies may amend 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. Appropriations for programs funded in a whole or in part from federal funds may be increased to the extent that revenues of federal funds exceed the original budget estimate.

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 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. 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 expenditures columns of the Statement include cash payments related to the appropriated and reappropriated amounts. For the year ended June 30, 1994, there were no budgetary funds in which expenditures exceeded appropriations.

Revenues are not budgeted for any funds except for the General Fund tax revenues. The budget columns for revenues on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual are 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 summarization of the budgetary versus financial statement funds as of June 30, 1994, follows:

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
PERSPECTIVE DIFFERENCES:								
Classification of budgetary fund equities into Financial Statement fund structure:								
General	\$ 147,160	\$ 147,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash	422,677	35,001	291,432	62	157	484	570	94,971
Construction	6,498	-	336	5,667	-	-	-	495
Federal	10,628	-	11,291	9	-	-	-	(672)
Revolving	66,907	-	1,701	-	-	23,213	-	41,993
Budgetary fund equities classified into Financial Statement fund structure	<u>\$ 653,870</u>	182,161	304,760	5,738	157	23,697	570	136,787
BASIS DIFFERENCES:								
Record amount due Colleges and Universities		(16,049)	-	-	-	-	-	16,049
Record fixed assets		-	-	-	133	19,405	-	1,013,846
Record net accrued receivables, liabilities and inventories		(24,769)	42,951	(88)	-	(2,293)	-	17,769
Record tax refund liability		(30,701)	-	-	-	-	-	-
Record amount due pensions		(8,417)	-	-	-	-	-	-
Record Medicaid liability		(36,680)	-	-	-	-	-	-
Record capitalized lease obligations		-	-	-	-	(7,613)	-	(15,411)
Record workers' compensation liability		-	-	-	-	(23,899)	-	-
Reclassify deferred federal revenue		-	(3,188)	-	-	-	-	-
Other		-	1,932	-	-	-	-	-
ENTITY DIFFERENCES:								
Record funds that are not budgeted		-	43,708	-	29,437	30,665	1,955,693	6,910
Record entities not included in the accounting system		-	-	-	-	-	192,419	-
Financial Statement fund equities, June 30, 1994		<u>\$ 65,545</u>	<u>\$ 390,163</u>	<u>\$ 5,650</u>	<u>\$ 29,727</u>	<u>\$ 39,962</u>	<u>\$ 2,148,682</u>	<u>\$ 1,175,950</u>

3. Cash and Cash Equivalents and Investments

Cash and Cash Equivalents. "Cash and Cash Equivalents" as reported on the balance sheet may be under the control of the State Treasurer or by other administrative bodies as determined by law. All cash deposited with the State Treasurer is maintained by the Treasurer in an investment pool. The State Treasurer invests the deposited cash including the cash float in short-term securities and other investments. All interest revenue is allocated to the General Fund except allocations required by law to be made to other funds.

Investments. "Investments" as reported on the balance sheet include long-term investments. These investments

may be restricted by law or other legal instruments. "Investments" may be 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 represents the Cash and Cash Equivalents and Investments on the June 30, 1994, 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, 1994, the carrying amount of the State's deposits for the Primary Government was

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\$8,235,000 and the bank balance was \$89,661,000. All of the bank amount was 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 securities deposited by a bank with the State Treasurer shall at all times equal ten percent more than 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 \$19,974,000 at June 30, 1994.

At June 30, 1994, the carrying amount of the Component Units' deposits was \$1,639,000 and the bank balance was \$1,836,000. Of the bank amount, \$1,424,000 was covered by federal depository insurance or by collateral held by the Component Units' agent in the Component Units' name and \$412,000 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Component Units' name.

Investments. State Statute Section 72-1246, R.R.S. 1943, 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. State Statute Section 72-1247, R.R.S. 1943, authorizes the State Investment Officer to participate in securities lending. Loaned securities are to be collateralized with cash or United States government or government agency obligations at least equal in value to the market value of the loaned securities. The State contracts with lending agents to operate securities lending agreements. At June 30, 1994, \$313,970,000 in securities were on loan through the lending agent. The market value of the collateral pledged for securities loaned was \$331,137,000 at June 30, 1994. The collateral was held by the lending agent.

The State's investments are categorized to give an indication of the level of 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.

INVESTMENTS - PRIMARY GOVERNMENT AT JUNE 30, 1994

(Dollars in Thousands)	CATEGORY			CARRYING AMOUNT	MARKET VALUE
	1	2	3		
Repurchase Agreements	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000
U.S. Government Securities	906,990	2,101	95,162	1,004,253	998,295
Corporate Bonds	54,992	-	-	54,992	55,174
Equity Securities	897,312	-	-	897,312	993,865
Commercial Paper	193,762	-	-	193,762	193,762
Collateral Mortgage Loans	10,000	-	-	10,000	10,000
Municipal Bonds	3,305	-	-	3,305	3,587
	<u>\$ 2,066,361</u>	<u>\$ 2,101</u>	<u>\$ 105,162</u>	2,173,624	2,264,683
U.S. Government Securities held by Lending Agents under Securities Lending Agreements				313,970	323,894
Pooled Investment Contracts				88,690	88,690
Investment in U.S. Treasury Investment Pool				177,191	177,191
Mutual Funds				226,036	226,036
Real Estate				3,000	322,941
Less: Component Unit Investment in State Investment Pool				(162,960)	(162,960)
Total Investments				<u>\$ 2,819,551</u>	<u>\$ 3,240,475</u>

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The Pension Trust Fund owns approximately 72% of the investments that are in Category 1.

Included in Real Estate is approximately 1.5 million acres of land owned by the Permanent School Fund which was donated to the State by the federal government in the mid 1800's. This land is carried at its estimated fair market value at the date of donation. The market value of the land at June 30, 1994, was determined by using the average sales prices for similar type of land that sold in 1994.

The following display reconciles the details included within this footnote for the Primary Government to the

Combined Balance Sheet at June 30, 1994 (dollars in thousands):

Disclosure Regarding Deposits and Investments:

Total Investments	\$ 2,819,551
Carrying amount of Deposits	<u>8,235</u>
Total	<u>\$ 2,827,786</u>

Combined Balance Sheet:

Cash and Cash Equivalents	\$ 838,411
Investments, at Cost	<u>1,989,375</u>
Total	<u>\$ 2,827,786</u>

INVESTMENTS – COMPONENT UNITS AT JUNE 30, 1994

(Dollars in Thousands)	CATEGORY			CARRYING AMOUNT	MARKET VALUE
	1	2	3		
U.S. Government Securities	\$ -	\$ 78,184	\$ -	\$ 78,184	\$ 77,527
Corporate Bonds	-	6,005	-	6,005	5,900
Equity Securities	-	11,646	-	11,646	15,535
Municipal Bonds	15	-	-	15	15
Other	-	20	-	20	20
	<u>\$ 15</u>	<u>\$ 95,855</u>	<u>\$ -</u>	95,870	98,997
Mutual Funds				22,291	22,291
Real Estate				350	350
Investment in State Investment Pool				<u>162,960</u>	<u>162,960</u>
Total Investments				<u>\$ 281,471</u>	<u>\$ 284,598</u>

The following display reconciles the details included within this footnote for the Component Units to the Combined Balance Sheet at June 30, 1994 (dollars in thousands):

Disclosure Regarding Deposits and Investments:

Total Investments	\$ 281,471
Carrying amount of Deposits	<u>1,639</u>
Total	<u>\$ 283,110</u>

Combined Balance Sheet:

Cash and Cash Equivalents	\$ 164,599
Cash on Deposit with Fiscal Agents	94,885
Investments, at Cost	<u>23,626</u>
Total	<u>\$ 283,110</u>

5. Due To/From Other Funds

Due To/From Other Funds at June 30, 1994, consists of the following (dollars in thousands):

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
General	\$ 2,793	\$ 11,001
Special Revenue:		
Licensing and Regulation	14	1,310
Highway Fund	325	572
Economic Development	173	51
Airport Development	112	5
Game and Parks	285	96
Energy Conservation	-	7
Federal Fund	830	2,922
Health and Social Services	1,070	402
Other Special Revenue	1,286	628
	<u>4,095</u>	<u>5,993</u>
Capital Projects	110	402
Enterprise:		
Lottery	-	1,001
Excess Liability	-	9
	<u>-</u>	<u>1,010</u>
Internal Service:		
Correctional Services	447	15
Buildings and Grounds	196	14
General Services	1,034	12
Communications	980	16
Central Data Processing	2,512	37
Transportation Services	339	39
Other Internal Service	415	8
	<u>5,923</u>	<u>141</u>
Expendable Trust:		
Canteen and Welfare	-	2
Escheat Trust	-	3
	<u>-</u>	<u>5</u>
Nonexpendable Trust:		
Aeronautics Trust	-	85
Permanent School Fund	-	2
	<u>-</u>	<u>87</u>
Pension Trust:		
School Retirement	7,776	45
Judges Retirement	612	-
State Patrol Retirement	328	-
	<u>8,716</u>	<u>45</u>
Agency:		
Payroll Withholding Fund	-	2,953
TOTALS	<u>\$ 21,637</u>	<u>\$ 21,637</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, certain trust 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):

	BALANCE JULY 1, 1993	ADDITIONS	RETIREMENTS	BALANCE JUNE 30, 1994
Land	\$ 29,271	\$ 1,722	\$ 50	\$ 30,943
Buildings	248,279	10,703	74	258,908
Equipment	169,934	14,262	5,427	178,769
Construction				
In Progress	10,141	4,886	10,790	4,237
	<u>\$ 457,625</u>	<u>\$ 31,573</u>	<u>\$ 16,341</u>	<u>\$ 472,857</u>

The following is a summary of proprietary fund-type fixed assets at June 30, 1994 (dollars in thousands):

	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
Machinery and equipment	\$ 182	\$ 64,232
Buildings	-	1,762
Total	182	65,994
Less: accumulated depreciation	(49)	(46,589)
Net fixed assets	<u>\$ 133</u>	<u>\$ 19,405</u>

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

Buildings	40 years
Equipment	3-10 years

7. Bonds Payable

The State created the Nebraska Educational Telecommunications Facilities Corporation (NETFC) for the purpose of acquiring access to a space satellite. In May 1991, the NETFC issued \$7,180,000 of lease revenue bonds to acquire access for eight years. The NETFC is a separate legal entity and not an operating department of the State. It 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, 1994, are collateralized by the revenues of the NETFC which consist primarily of the rentals paid by the State and satellite failure insurance in the event of the loss of uplink and downlink capabilities. The financial activity of the NETFC has been blended into the Special Revenue Fund. Outstanding bonds payable are reported in the General Long-Term Debt Account Group.

The State created the Nebraska State Building Corporation (NSBC) to finance the purchase of a building used by the State for its data processing and general services operations. In September 1987, the NSBC issued \$7,700,000 of lease revenue bonds to finance the purchase of the building. In June 1992, the NSBC issued \$7,645,000 of lease revenue bonds to refund the 1987 bonds. The NSBC is a separate legal entity and not an operating department of the State. It is not subject to State constitutional restrictions on the incurrence of

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debt, which may apply to the State itself. The obligations outstanding at June 30, 1994, are collateralized by the revenues of the NSBC which consist primarily of building rental paid by the State. The financial activity of the NSBC has been blended into the Special Revenue Fund. 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 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 operating departments of the State and they 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, 1994, 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
BONDS PAYABLE	DATE ISSUED	MATURITY DATE	INTEREST RATE	JUNE 30, 1994
PRIMARY GOVERNMENT				
Nebraska Educational Telecommunications Facilities Corporation Issue	1991	1991-1999	5.65%-6.50%	\$ 5,290
Nebraska State Building Corporation Issue	1992	1992-2009	4.25%-6.50%	7,120
Primary Government Total				<u>\$ 12,410</u>
COMPONENT UNITS				
Colleges and Universities Revenue Bonds	1964-1993	1966-2014	3.00%-7.38%	\$ 52,640
University of Nebraska Facilities Corporation Issues	1987-1992	1987-2011	2.70%-5.45%	57,465
Nebraska State Colleges Facilities Corporation Issues	1987-1993	1987-1997	3.50%-6.00%	7,430
Component Units Total				<u>\$ 117,535</u>

**PRIMARY GOVERNMENT
DEBT SERVICE REQUIREMENTS TO MATURITY**
(Dollars in Thousands)

YEAR	PRINCIPAL	INTEREST	TOTAL
1995	\$ 1,080	\$ 735	\$ 1,815
1996	1,135	675	1,810
1997	1,205	610	1,815
1998	1,275	538	1,813
1999	2,165	459	2,624
Thereafter	<u>5,550</u>	<u>2,200</u>	<u>7,750</u>
Total	<u>\$ 12,410</u>	<u>\$ 5,217</u>	<u>\$ 17,627</u>

**COMPONENT UNITS
DEBT SERVICE REQUIREMENTS TO MATURITY**
(Dollars in Thousands)

YEAR	PRINCIPAL	INTEREST	TOTAL
1995	\$ 11,290	\$ 5,396	\$ 16,686
1996	11,840	5,040	16,880
1997	9,665	4,551	14,216
1998	10,315	4,110	14,425
1999	6,725	3,723	10,448
Thereafter	<u>67,700</u>	<u>24,371</u>	<u>92,071</u>
Total	<u>\$ 117,535</u>	<u>\$ 47,191</u>	<u>\$ 164,726</u>

Changes in Primary Government bonds payable for fiscal year 1994 are summarized below (dollars in thousands):

Balance at July 1, 1993	\$ 13,440
Bonds Retired	(1,030)
Balance at June 30, 1994	<u>\$ 12,410</u>

Changes in bonds payable for Component Units for fiscal year 1994 are summarized below (dollars in thousands):

Balance at July 1, 1993	\$ 114,113
New Bonds Issued:	
Colleges and Universities	22,990
University of Nebraska Facilities Corporation	45,570
Bonds Retired	(65,138)
Balance at June 30, 1994	<u>\$ 117,535</u>

Bond Defeasances - Component Units

On July 1, 1993, the University of Nebraska issued \$1,865,000 of Revenue Refunding Bonds with an average interest rate of 5.3% to advance refund \$1,850,000 of outstanding 1986 bonds with an average interest rate of 7.6%. The net proceeds of \$1,835,000, plus an additional \$54,000 from the 1986 bond funds were used to retire the 1986 bonds. The 1986 bonds were redeemed on July 22, 1993, at a price of 101% of the principal amount plus accrued interest. The

University advance refunded the 1986 bonds to allow it to take advantage of lower interest rates. The refunding resulted in a decrease in net debt service payments over the life of the bonds of \$289,000. This is equivalent to an economic gain (difference between the present values of the net debt service payments on the old and new debt) of \$211,000.

On March 15, 1994, the University of Nebraska issued \$6,170,000 of Revenue Refunding Bonds with an average interest rate of 5.0% to advance refund \$6,060,000 of outstanding 1990 bonds with an average interest rate of 7.1%. The net proceeds of \$6,042,000, plus an additional \$154,000 from the 1990 bond funds and an additional cash contribution of \$295,000 were used to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1990 bonds. As a result, the 1990 bonds are considered defeased and the liability for those bonds has been removed from bonds payable at June 30, 1994. In conjunction with the defeasance, the 1990 bonds are scheduled to be called for redemption on July 1, 1995 at a price of 102% of the principal amount plus accrued interest. The refunding resulted in a decrease in net debt service payments over the life of the bonds of \$1,368,000. This is equivalent to an economic gain (difference between the present values of the net debt service payments on the old and new debt) of \$1,052,000. At June 30, 1994, \$6,060,000 of 1990 bonds outstanding are considered defeased.

On July 23, 1993, the University of Nebraska Facilities Corporation issued \$45,570,000 of Refunding Bonds with an average interest rate of 5.1% to advance refund outstanding 1990 bonds with an average interest rate of 7.5%. The net proceeds of \$45,124,000, plus an additional \$359,000 from the 1990 bond funds and an additional cash contribution of \$369,000 were used to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1990 bonds. As a result, the 1990 bonds are considered defeased and the liability for those bonds has been removed from bonds payable at June 30, 1994. The refunding resulted in a decrease in net debt service payments over the life of the bonds of \$2,089,000. This is equivalent to an economic gain (difference between the present values of the net debt service payments on the old and new debt) of \$1,171,000. At June 30, 1994, \$39,897,000 of 1990 bonds outstanding are considered defeased.

On April 1, 1994, Chadron State College issued \$5,660,000 of Student Fees and Facilities Refunding Bonds for the purpose of advance refunding \$1,160,000 of outstanding 1965 bonds, \$555,000 of outstanding 1966 bonds, and \$4,300,000 of outstanding 1991 bonds. The proceeds from the 1994 bonds were deposited in an

irrevocable trust to satisfy the remaining principal and interest payments on the 1965, 1966, and 1991 bonds. The 1965 and 1966 bonds were redeemed on April 5, 1994, and the 1991 bonds are scheduled to be redeemed by May 1, 1996. The refunding resulted in a decrease in net debt service payments over the life of the bonds of \$726,000. This is equivalent to an economic gain (difference between the present values of the net debt service payments on the old and new debt) of \$325,000. At June 30, 1994, \$4,300,000 of 1991 bonds outstanding are considered defeased.

8. 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 JULY 1, 1993	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1994
Bonds Payable	\$ 13,440	\$ -	\$ 1,030	\$ 12,410
Capitalized Leases	683	472	642	513
Claims	1,846	568	1,158	1,256
Obligations Under Other Financing Arrangements	8,535	-	400	8,135
Compensated Absences	55,412	1,703	-	57,115
Totals	<u>\$ 79,916</u>	<u>\$ 2,743</u>	<u>\$ 3,230</u>	<u>\$ 79,429</u>

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

9. Obligations Under Other Financing Arrangements

The State has entered into special financing arrangements with certain public benefit corporations and municipalities for the purpose of lease/purchasing fixed assets and to fund certain grant programs. Under these arrangements, the State enters into an agreement with a public benefit corporation or municipality to issue debt and construct or purchase a fixed asset or 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.

In 1991 and 1993, the State entered into arrangements with the Nebraska Investment Finance Authority to capitalize a loan program to local units of government for wastewater treatment facilities.

During 1993, the State restructured a 1979 contractual arrangement with the City of Grand Island which financed the construction of the Nebraska Law Enforcement Training Center in Grand Island. The restructuring of the contract resulted from the City refinancing its outstanding debt to take advantage of

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lower interest rates. This facility is operated by the State and provides law enforcement training for state and local law enforcement personnel. This contractual arrangement provides for the payment of rentals sufficient to cover the related bond debt service and for passage of title to the State after the bonds have been paid.

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

	BALANCE JULY 1,		BALANCE JUNE 30,	
	1993	ADDITIONS	DELETIONS	1994
Nebraska Investment Finance Authority	\$ 6,020	\$ -	\$ 245	\$ 5,775
City of Grand Island	2,515	-	155	2,360
Totals	\$ 8,535	\$ -	\$ 400	\$ 8,135

A summary of the future minimum contractual obligations including interest at rates from 3.6% to 6.8% is as follows (dollars in thousands):

YEAR	PRINCIPAL	INTEREST	TOTAL
1995	\$ 615	\$ 457	\$ 1,072
1996	650	428	1,078
1997	675	395	1,070
1998	715	360	1,075
1999	750	321	1,071
Thereafter	4,730	908	5,638
Total	\$ 8,135	\$ 2,869	\$ 11,004

10. Restatements

At June 30, 1993, certain fund balances were restated as follows:

PRIMARY GOVERNMENT RESTATEMENT OF BEGINNING FUND BALANCE/RETAINED EARNINGS (Dollars in Thousands)

	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	EXPENDABLE TRUST	NONEXPENDABLE TRUST
Fund Balance/Retained Earnings at June 30, 1993, previously reported	\$ 355,305	\$ 5,851	\$ 15,370	\$ 249,580	\$ 148,077
To reflect the implementation of GASB Statement 14 -- The Financial Reporting Entity	944	(5,851)	-	-	-
To correct the classification of certain budgetary funds	-	19,033	23,149	(57,888)	15,706
Fund Balance/Retained Earnings at June 30, 1993, as adjusted	<u>\$ 356,249</u>	<u>\$ 19,033</u>	<u>\$ 38,519</u>	<u>\$ 191,692</u>	<u>\$ 163,783</u>

COMPONENT UNITS -- COLLEGES AND UNIVERSITIES RESTATEMENT OF BEGINNING FUND BALANCE (Dollars in Thousands)

	CURRENT FUNDS		ENDOWMENT FUNDS
	UNRESTRICTED	RESTRICTED	
Fund Balance at June 30, 1993, previously reported	\$ 74,027	\$ 30,806	\$ 45,226
To reflect the implementation of GASB Statement 16 -- Accounting for Compensated Absences	(2,254)	(8)	-
To correct the presentation of health and general liability claim reserve	-	-	(6,331)
Fund Balance at June 30, 1993, as adjusted	<u>\$ 71,773</u>	<u>\$ 30,798</u>	<u>\$ 38,895</u>

GASB Statement 14, The Financial Reporting Entity was implemented during fiscal year 1994. The statement established standards for defining and reporting on the financial reporting entity. Based on those criteria, the activity of the Nebraska State Building Corporation has been included in the State's reporting entity in the Special Revenue Fund, and the Nebraska Research and Development Authority, which was previously included as an Enterprise Fund, is no longer included in the State's reporting entity.

The Excess Liability Fund was reclassified from an Expendable Trust Fund to an Enterprise Fund to more accurately reflect the nature of the fund. The Temporary School Expendable Trust Fund was combined with the Permanent School Nonexpendable Trust Fund and the Veterans' Aid Income Expendable Trust Fund was combined with the Nebraska Veterans' Aid Nonexpendable Trust Fund in accordance with the minimum number of funds principal.

The State Employees Insurance Fund was reclassified from an Expendable Trust Fund to the Risk Management Internal Service Fund to more accurately reflect current accounting practice. The State is now self insured for most of its health insurance.

GASB Statement 16, Accounting for Compensated Absences was implemented during fiscal year 1994 by the Component Units. The compensated absences liability increased for accumulated sick leave for employees who are expected to become eligible in the future. GASB Statement 16 was implemented during fiscal year 1993 by the primary government.

Effective July 1, 1993, the University of Nebraska changed its method of accounting for health and general liability claims incurred but not reported from a cash basis to an accrual basis.

11. Pension Plans

The Public Employees Retirement 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 administration of the Nebraska Counties Retirement System was assumed by the Public Employees Retirement Board.

The plans have been created in accordance with Internal Revenue Code, Sections 401(a) and 414(h).

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 fully funded

money purchase (defined contribution) plan. Participation in the plan is required on reaching the age of 30 and completion of two years of continuous service. Voluntary participation is permitted upon reaching age 20 and one year of service. Each member contributes 3.6 percent of the first \$24,000 of pay earned in a calendar year and 4.8 percent of pay over \$24,000. The State matches a member's contribution at a rate of 156 percent as required by State Statute. Net assets of the plan as of June 30, 1994, were \$425,230,000. Retirement benefits depend upon total contributions, age of retirement, investment earnings, and the investment options selected. Benefits vest after five years of plan participation.

The total payroll for employees participating in the State Employees' Retirement System was \$336,972,000 for the fiscal year ending June 30, 1994. The total State payroll for all employees for the period was \$392,536,000.

Members contributed \$12,632,000 (3.75 percent of covered payroll) and the State contributed \$19,706,000 (5.85 percent of covered payroll) during the fiscal year ending June 30, 1994.

County Employees' Retirement. In 1973, the State Legislature brought the County Employees' Retirement System under the administration of the Board.

The plan is a money purchase (defined contribution) plan that covers employees of 91 of the State's 93 counties. Participation in the plan is required of all employees working 20 or more hours per week upon the completion of one year of continuous service. Employees working less than 20 hours may elect voluntary participation on reaching age 25 and completing a total of 12 months service. Members contribute 4 percent of their pay earned in a calendar year with a county match of 150 percent as required by State Statute. Benefits vest after five years of plan participation. Net assets of the plan as of June 30, 1994, were \$88,550,000.

Members contributed \$4,004,000 and counties contributed \$5,973,000 during the fiscal year ending June 30, 1994.

School Retirement. The School Retirement System is a cost-sharing multiple-employer defined benefit pension system. The Legislature in 1945 enacted the law establishing a retirement system for school employees of the State. 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 contribution. The State pays the service part of the monthly annuity and the member's contribution is converted into a monthly savings annuity. As of

June 30, 1993, the date of the most recent actuarial valuation, there were 31,622 active members (21,756 vested, 9,866 nonvested) and 16,395 retirees, beneficiaries and terminated members.

The State's contribution is based on an annual actuarial valuation. The employees' contribution is 7.73 percent of their total pay and the school district's contribution is 101 percent of the employees' contribution, as required by State Statute. For the year ending June 30, 1994, the State contributed \$7,699,000 (\$5,457,000 to amortize the unfunded actuarial liability and the remainder for normal cost), employees contributed \$60,060,000 and the school districts contributed \$60,357,000. The State's contribution is mandated by State Statute. The State's actuarially determined contribution amount was 11 percent of the total actuarially determined contribution requirement for all employers. Employees' benefits are vested after five years of plan participation.

Judges' Retirement. The Judges' Retirement System is a single-employer defined benefit pension system which was established by the 1955 Legislature. The membership includes Supreme Court, Court of Appeals, District Court, Workers' Compensation Court, County Court, and Juvenile Court.

The plan is funded by members' contributions, a portion of the court fees, and the State's contributions. A one dollar fee for each case is collected from District and County courts plus a 10 percent charge on certain fees collected in the County Courts. The State's contribution is based on an annual actuarial valuation. The judges contribute either 4 or 6 percent of their salary depending on the plan. As of June 30, 1993, the date of the most recent actuarial valuation, there were 171 active, vested members and 165 retirees, beneficiaries and terminated members. The covered payroll and total payroll for this plan are the same because participation is mandated upon employment. The covered payroll for the year ending June 30, 1994, was \$11,072,000.

For the year ending June 30, 1994, judges contributed \$620,000, court fees, which represent employer contributions, were \$449,000 and the State General Fund contributed \$561,000. The employer and employee contributions were all for normal cost and there was no unfunded actuarial liability. Benefits vest when the judge takes office.

State Patrol Retirement. The State Patrol Retirement System is a single-employer defined benefit pension system which was created in 1947. 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. Members

are required to contribute 8 percent of their annual pay which is matched by the State Patrol as required by State Statute. The State's contribution is based on an annual actuarial valuation. As of June 30, 1993, the date of the most recent actuarial valuation, there were 411 active members (249 vested, 162 nonvested) and 171 retirees, beneficiaries and terminated members. The covered payroll and total payroll for this plan are the same because participation is mandated upon employment. The covered payroll for the year ending June 30, 1994, was \$12,855,000.

For the year ending June 30, 1994, the State General Fund contributed \$1,245,000 and the members contributed \$1,089,000. The employer and employee contributions were all for normal cost and there was no unfunded actuarial liability. Benefits vest after 10 years of service.

The State's consulting actuary determines employer contributions for all three defined benefit plans to which the State contributes. Contribution rates are developed on an annual basis using the frozen entry age actuarial cost method for service annuity benefits and the aggregate actuarial cost method for excess formal annuity benefits.

The following schedule presents the primary actuarial assumptions used in the most recent actuarial reports.

SYSTEM	ASSUMED INVESTMENT RATE OF RETURN	ASSUMED SALARY INCREASES
School	7.50%	5.00 - 10.70%
Judges'	7.50%	5.50%
State Patrol	7.50%	5.00 - 9.00%

The 1971 Group Annuity Mortality tables were used in the actuarial reports for the School and Judges' systems and the 1983 Group Annuity Mortality tables were used for the State Patrol system. The assumed salary increases for active members in the School system was based on a table that projected salary increases ranging from a high of 10.70% for a person age 20 to a low of 5.00% for a person age 62. The assumed salary increases for members in the Patrol system was based on a table that projected salary increases ranging from a high of 9.00% for a person age 20 to a low of 5.00% for a person age 55.

The amounts shown below as the "pension benefit obligation" are a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Systems on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among

State of Nebraska

PERS and employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the Systems.

Legislation passed in 1993 changed the requirements for early retirement for the School Retirement and State Patrol Retirement Systems. The actuarial assumptions for assumed investment rate of return and the assumed salary increases were decreased for all three defined benefit retirement plans based on current economic conditions and a study of recent salary increase experience. These changes increased the pension benefit obligation by \$82,468,000 for the School Retirement

System, \$3,980,000 for the Judges' Retirement System, and \$12,834,000 for the State Patrol Retirement System. The employer contribution rate for the School Retirement System increased by 1.11 % of covered payroll as a result of these changes.

The pension benefit obligation was computed as part of actuarial valuations performed as of June 30, 1993. Significant actuarial assumptions used to determine the contribution requirements were the same as those used to determine the pension benefit obligation. The pension benefit obligation for the defined benefit plans as of June 30, 1993, is as follows (dollars in thousands):

	SCHOOL RETIREMENT	JUDGES' RETIREMENT	STATE PATROL RETIREMENT	TOTAL
Pension benefit obligation:				
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 449,792	\$ 16,585	\$ 35,168	\$ 501,545
Current employees:				
Accumulated employee contributions, including allocated investment income	663,109	9,570	18,886	691,565
Employer-financed vested	411,825	16,763	33,012	461,600
Employer-financed non-vested	156,710	-	7,148	163,858
Total pension benefit obligation	1,681,436	42,918	94,214	1,818,568
Net assets available for benefits, at cost	1,412,915	39,077	84,272	1,536,264
Unfunded (assets in excess of) pension benefit obligation	\$ 268,521	\$ 3,841	\$ 9,942	\$ 282,304
Net assets available for benefits, at market value	\$ 1,620,474	\$ 46,303	\$ 101,757	\$ 1,768,534

Actual contributions for the fiscal year ended June 30, 1994 are as follows (dollars in thousands):

SYSTEM	EMPLOYER CONTRIBUTION	PERCENT OF COVERED PAYROLL	EMPLOYEE CONTRIBUTION	PERCENT OF COVERED PAYROLL	ACTIVE MEMBER PAYROLL
School	\$ 68,056	9.14%	\$ 60,060	8.07%	\$ 744,439
Judges'	1,010	9.12%	620	5.60%	11,072
State Patrol	1,245	9.66%	1,089	8.45%	12,885
	<u>\$ 70,311</u>		<u>\$ 61,769</u>		<u>\$ 768,396</u>

Employer contributions were made in accordance with actuarially determined requirements. It is anticipated by the actuary that the current contributions will remain approximately level and will fund current service cost

and will amortize unfunded actuarial liabilities of prior service costs by July 1, 2018.

Historical trend information gives an indication of the progress made in accumulating sufficient assets to pay

benefits when due, and may be found in the Required Supplementary Information section of this report. An analysis of funding progress for the three latest available years is presented in the following tables.

Net assets available for benefits as a percentage of the pension benefit obligation are as follows:

YEAR ENDED JUNE 30	SCHOOL RETIREMENT	JUDGES' RETIREMENT	STATE PATROL RETIREMENT
1993	84.03%	91.05%	89.45%
1992	81.75%	97.07%	99.13%
1991	78.35%	110.01%	95.82%

Unfunded (assets in excess of) pension benefit obligation as a percentage of annual covered payroll is as follows:

YEAR ENDED JUNE 30	SCHOOL RETIREMENT	JUDGES' RETIREMENT	STATE PATROL RETIREMENT
1993	38.27%	34.31 %	73.72%
1992	39.78%	10.11 %	5.04%
1991	41.45%	(31.25)%	24.07%

Showing unfunded pension benefit obligations as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes.

Employer contributions as a percentage of annual covered payroll are as follows:

YEAR ENDED JUNE 30	SCHOOL RETIREMENT	JUDGES' RETIREMENT	STATE PATROL RETIREMENT
1994	9.14%	9.12%	9.66%
1993	7.97%	4.04%	9.41%
1992	7.91%	4.58%	9.39%

These contributions were all made in accordance with actuarially determined requirements.

Ten-year historical trend information presenting revenues by source and expenses by type for all three defined benefit plans may be found in the Required Supplementary Information section of this report.

Department of Labor, Division of Employment Security Retirement Plan. As of July 1, 1993, the date of the most recent actuarial valuation, there were 263 current or former employees of the Nebraska Department of Labor, Employment Security Division (Federal Special Revenue Fund) who were participants (242 active; 21 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 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 of Nebraska's defined contribution plan.

The employee's contribution to the defined benefit plan is 7 percent of July 1st salary. 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 which includes the employee's salary and years of credited service.

The July 1, 1993, present value of future retirement benefits was \$56,147,000 and there was no unfunded liability. Net present assets available for benefits were \$56,645,000. The average assumed rate of return used in determining the actuarial value of accumulated plan benefits was 8.0 percent.

The Nebraska Department of Labor's actual current year employer contributions, including prior year service costs, to the Principal Financial Group for the Federal Special Revenue Fund for the year ending June 30, 1994, was \$608,000. The total personal services for the Division of Employment was \$12,367,000. The total payroll for the active participants in this plan was \$7,479,000.

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 2% to 6% of monthly earnings and the institutions match the employees' contribution plus an additional 1% to 2.5% 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 1994 was \$480,022,000 of which \$374,276,000 was covered by the plan. The institutions' contribution was \$26,768,000 or 7.15% of covered payroll and the employees' contribution was \$19,277,000 or 5.15% of covered payroll.

12. Deferred Compensation Plan

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all State employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to all employees until termination, retirement, death, or unforeseeable emergency. The plan is recorded as an agency fund of the State.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employees or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

The State has the duty of due care that would be required of an ordinary prudent investor. The State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The following is a summary of the increases and decreases of the fund for the year ended June 30, 1994 (dollars in thousands).

Fund assets (at market value), July 1, 1993	\$ 43,796
Deferrals of compensation	5,714
Earnings and adjustment to market value	1,378
Payments to eligible participants and beneficiaries	(2,989)
Administrative expenses	(68)
Fund assets (at market value), June 30, 1994	<u>\$ 47,831</u>

13. Lease Commitments

Capitalized 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 present value of future minimum capital lease payments and minimum annual lease payments for operating leases and capital leases as of June 30, 1994, are as follows (dollars in thousands):

YEAR	CAPITAL LEASES			
	PRIMARY GOVERNMENT		COMPONENT UNITS	
	INTERNAL SERVICE FUNDS	GENERAL LONG-TERM DEBT ACCOUNT GROUP	COLLEGE AND UNIVERSITY FUNDS	PRIMARY GOVERNMENT OPERATING LEASES
1995	\$ 5,231	\$ 290	\$ 3,919	\$ 2,111
1996	1,635	248	3,294	1,221
1997	605	24	3,560	966
1998	530	-	1,894	873
1999	24	-	1,437	316
Thereafter	-	-	4,472	128
Total Minimum Payments	8,025	562	18,576	<u>\$ 5,615</u>
Less:				
interest and executory costs	412	49	3,165	
Present value of net minimum payments	<u>\$ 7,613</u>	<u>\$ 513</u>	<u>\$ 15,411</u>	

Operating lease payments for the year ended June 30, 1994, totaled \$4,682,000.

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, 1994 (dollars in thousands):

	PRIMARY GOVERNMENT		COMPONENT UNITS
	INTERNAL SERVICE FUNDS	GENERAL FIXED ASSET ACCOUNT GROUP	COLLEGE AND UNIVERSITY FUNDS
Buildings	\$ -	\$ -	\$ 5,379
Equipment	16,930	1,060	21,685
Less: accumulated depreciation	(10,480)	-	-
Carrying value	<u>\$ 6,450</u>	<u>\$ 1,060</u>	<u>\$ 27,064</u>

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, 1994, 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 \$19,616,000 were received under lease agreements for the year ended June 30, 1994, and were deposited in a Nonexpendable Trust Fund.

14. Nonmonetary Transactions

The State has received commodities from the United States Department of Agriculture Redistribution Program. During the fiscal year ended June 30, 1994, the fair market value of the commodities received was \$10,773,000. At June 30, 1994, there was a balance of \$1,287,000 on hand. It is the State's policy to not report these amounts on the accompanying financial statements.

The Department of Social Services administers the United States Department of Agriculture Food Stamp Program. The Department issued food stamps valued at \$76,866,000 during the fiscal year ended June 30, 1994, and had \$21,699,000 on hand at June 30, 1994. It is the State's policy to not report these amounts on the accompanying financial statements.

15. 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. Entitlement 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 be immaterial to the overall financial condition of the State.

Litigation. The State is named as a party in legal proceedings which 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. However, it is the State's opinion that any ultimate liability is not expected to have a material adverse effect on the State's financial position.

Contingencies. The Nebraska Public Employees Retirement System (NPERS) has decided to diversify its investments in Guaranteed Investment Contracts (GIC's)

for its two defined contribution plans. The diversification plan is to spread the purchase of new GIC's with several insurance carriers to minimize the concentration of assets with any one carrier. However, as of June 30, 1994, one insurance carrier held \$207,456,000 or 44.2 percent and a second held \$101,579,000 or 21.6 percent of the GIC's of the two defined contribution plans.

Self Insurance. Through the Division of Risk Management, the State maintains an insurance and self-insurance program. Workers' compensation, employee liability and general liability under State law are self-insured. The Colleges and Universities are self-insured for a portion of their comprehensive general and hospital professional liability and property losses. Motor vehicle liability is insured for the first \$1 million of exposure per accident and employee dishonesty is bonded for the first \$1 million annually with a \$10,000 retention per incident. The State retains the full risk for all real and personal property damage.

The Division of Personnel maintains health care and life insurance for covered State employees.

The self-insured Worker's Compensation activity, which is included in the Risk Management Internal Service Fund, is being financed as claims are paid rather than when incurred. As a result, this activity has an unfunded liability of \$20,788,000 at June 30, 1994. Because of surpluses in other activities, the Risk Management Fund has an accumulated surplus of \$2,779,000.

Construction Commitments. At June 30, 1994, the Department of Roads had contractual commitments of \$257,907,000 for various highway and building projects. Funding of these future expenditures is expected to be provided as follows (dollars in thousands):

Federal funds	\$ 116,806
State funds	132,693
Local funds	<u>8,408</u>
	<u>\$ 257,907</u>

At June 30, 1994, the Colleges and Universities had contracted for the construction of several facilities which are estimated to cost \$228,317,000. The approximate remaining costs to complete these facilities were \$45,433,000 which will be financed as follows (dollars in thousands):

State appropriations	\$ 4,906
Federal funds	6,468
University funds	14,420
Private gifts, grants and contracts	2,555
Bond funds	<u>17,084</u>
	<u>\$ 45,433</u>

State of Nebraska

16. Subsequent Events

On July 21, 1994, the Nebraska State Lottery became a member of the Multi-State Lottery (MUSL) which operates games on behalf of participating state lotteries. MUSL operates the POWERBALL® game.

On July 30, 1994, and November 30, 1994, two Nebraska residents were POWERBALL® winners with total prizes of approximately \$101 million to be paid over a twenty year period. These winnings will be reflected as liabilities with a corresponding receivable from MUSL on the balance sheet of the Lottery Fund. The liability and asset will be discounted to a value of approximately \$54 million.

17. 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.

College and University Funds account for the operations of institutions of higher education.

Segment information for the fiscal year ended June 30, 1994, is as follows:

ENTERPRISE FUNDS SEGMENT INFORMATION (Dollars in Thousands)

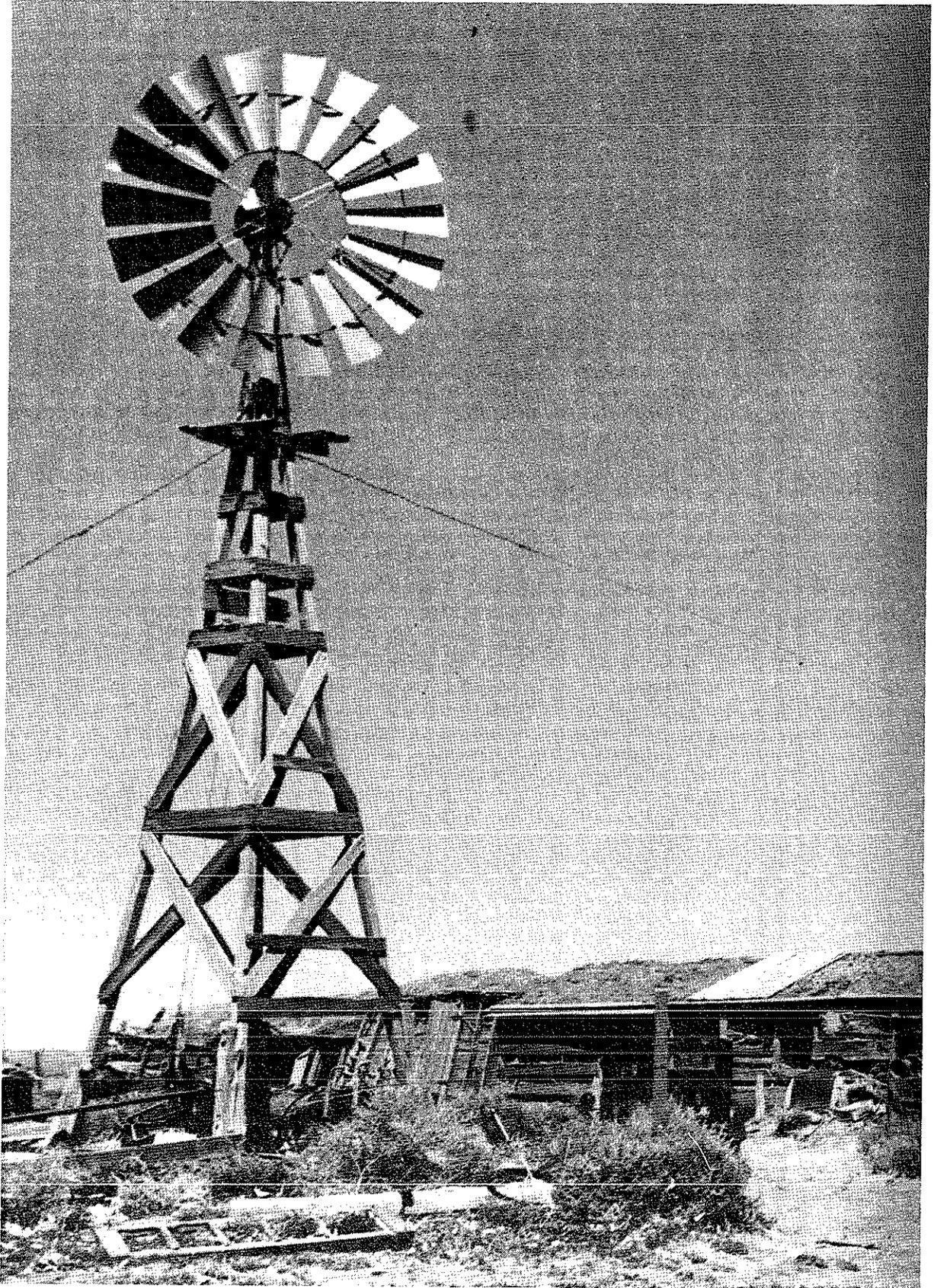
	LOTTERY	EXCESS LIABILITY
Operating Revenue	\$ 52,853	\$ 4,954
Operating Expenses:		
Depreciation	49	-
Other	38,712	299
Operating Income	14,092	4,655
Operating Transfers Out	(11,907)	-
Nonoperating Revenues (Expenses)	131	3,723
Net Income	\$ 2,316	\$ 8,378
Current Assets	\$ 7,475	\$ 3,172
Current Liabilities	5,236	3,967
Net Working Capital	\$ 2,239	\$ (795)
Total Assets	\$ 7,608	\$ 48,756
Total Liabilities	5,292	21,345
Retained Earnings	\$ 2,316	\$ 27,411
Long-Term Liabilities	\$ 56	\$ 17,378
Property, Plant and Equipment, Additions	\$ 182	\$ -

COMPONENT UNITS – COLLEGES AND UNIVERSITIES SEGMENT INFORMATION (Dollars in Thousands)

	TOTAL ASSETS	TOTAL LIABILITIES	FUND BALANCE
Current Funds:			
Unrestricted	\$ 163,977	\$ 93,795	\$ 70,182
Restricted	44,240	12,339	31,901
Loan Funds	33,767	252	33,515
Endowment Funds	54,934	10,803	44,131
Plant Funds	1,138,051	141,830	996,221
Agency Funds	2,073	2,073	-
Totals	\$ 1,437,042	\$ 261,092	\$ 1,175,950



REQUIRED SUPPLEMENTARY INFORMATION



State of Nebraska

**REQUIRED SUPPLEMENTARY INFORMATION
ANALYSIS OF FUNDING PROGRESS
FOR DEFINED BENEFIT PENSION SYSTEMS (Unaudited)**

(Dollars in Thousands)

	NET ASSETS AVAILABLE FOR BENEFITS	PENSION BENEFIT OBLIGATION	PERCENTAGE FUNDED	UNFUNDED (ASSETS IN EXCESS OF) PENSION BENEFIT OBLIGATION	ANNUAL COVERED PAYROLL	UNFUNDED (ASSETS IN EXCESS OF) PENSION BENEFIT OBLIGATION AS A PERCENTAGE OF COVERED PAYROLL
SCHOOL RETIREMENT SYSTEM						
1989	\$ 817,982	\$ 1,048,216	78.04 %	\$ 230,234	\$ 573,066	40.18 %
1990	941,220	1,190,819	79.04	249,599	633,221	39.42
1991	1,053,530	1,344,676	78.35	291,146	702,447	41.45
1992	1,211,128	1,481,418	81.75	270,290	679,383	39.78
1993	1,412,915	1,681,436	84.03	268,521	701,702	38.27
JUDGES' RETIREMENT SYSTEM						
1989	\$ 28,974	\$ 24,002	120.71 %	\$ (4,972)	\$ 8,091	(61.45)%
1990	31,133	26,191	118.87	(4,942)	8,588	(57.55)
1991	32,515	29,557	110.01	(2,958)	9,467	(31.25)
1992	35,324	36,390	97.07	1,066	10,542	10.11
1993	39,077	42,918	91.05	3,841	11,195	34.31
STATE PATROL RETIREMENT SYSTEM						
1989	\$ 61,899	\$ 61,747	100.25 %	\$ (152)	\$ 10,395	(1.46)%
1990	66,355	66,162	100.29	(193)	11,015	(1.75)
1991	69,223	72,245	95.82	3,022	12,553	24.07
1992	75,547	76,207	99.13	660	13,094	5.04
1993	84,272	94,214	89.45	9,942	13,487	73.72

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded (assets in excess of) pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in the unfunded (assets in excess of) pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded (assets in excess of) pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system.

NOTE: The standardized measure of the pension benefit obligation was available beginning with fiscal year 1989. The most recent actuarial reports available are for fiscal year 1993.

State of Nebraska

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES BY SOURCE
AND EXPENSES BY TYPE
SCHOOL RETIREMENT SYSTEM (Unaudited)**

1985 - 1994

(Dollars in Thousands)

FISCAL YEAR	REVENUES BY SOURCE			TOTAL	EMPLOYER CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL
	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	INVESTMENT INCOME AND OTHER		
1985	\$ 18,407	\$ 25,567	\$ 38,602	\$ 82,576	5.93%
1986	21,714	29,897	60,031	111,642	6.29
1987	29,571	32,973	64,437	126,981	6.56
1988	33,647	33,865	49,616	117,128	6.34
1989	34,945	44,285	53,539	132,769	7.73
1990	38,386	49,951	70,357	158,694	7.89
1991	42,431	53,349	56,426	152,206	7.59
1992	45,315	53,707	103,518	202,540	7.91
1993	47,930	55,918	146,333	250,181	7.97
1994	60,060	68,056	151,471	279,587	9.14

(Dollars in Thousands)

FISCAL YEAR	EXPENSES BY TYPE			TOTAL
	ANNUITY BENEFITS	ADMINISTRATIVE EXPENSES	REFUNDS	
1985	\$ 10,130	\$ 1,065	\$ 4,585	\$ 15,780
1986	12,801	1,556	3,877	18,234
1987	14,476	1,112	3,942	19,530
1988	18,541	2,144	4,499	25,184
1989	23,401	2,237	4,643	30,281
1990	27,116	2,565	5,775	35,456
1991	30,804	2,936	6,156	39,896
1992	34,860	3,453	6,629	44,942
1993	39,335	3,926	5,133	48,394
1994	44,862	4,068	5,098	54,028

Contributions were made in accordance with actuarially determined contribution requirements.

SOURCE: Fiscal Years 1985-1988 - Cash Basis Records of the Nebraska Public Employees Retirement System
Fiscal Years 1989-1994 - Nebraska Comprehensive Annual Financial Report - GAAP Accrual Basis

State of Nebraska

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES BY SOURCE
AND EXPENSES BY TYPE
JUDGES' RETIREMENT SYSTEM (Unaudited)
1985 - 1994**

(Dollars in Thousands)

FISCAL YEAR	REVENUES BY SOURCE			TOTAL	EMPLOYER CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL
	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	INVESTMENT INCOME AND OTHER		
1985	\$ 405	\$ 856	\$ 1,861	\$ 3,122	11.38%
1986	416	945	3,459	4,820	12.23
1987	417	606	2,815	3,838	8.25
1988	406	455	1,963	2,824	5.86
1989	414	495	1,909	2,818	6.12
1990	432	533	2,423	3,388	6.21
1991	422	474	1,758	2,654	5.01
1992	449	483	3,333	4,265	4.58
1993	727	452	4,476	5,655	4.04
1994	620	1,010	4,280	5,910	9.12

(Dollars in Thousands)

FISCAL YEAR	EXPENSES BY TYPE			TOTAL
	ANNUITY BENEFITS	ADMINISTRATIVE EXPENSES	REFUNDS	
1985	\$ 726	\$ 33	\$ 25	\$ 784
1986	797	49	12	858
1987	896	72	14	982
1988	959	101	89	1,149
1989	1,055	93	43	1,191
1990	1,129	100	-	1,229
1991	1,176	94	-	1,272
1992	1,342	107	7	1,456
1993	1,767	120	15	1,902
1994	2,040	120	50	2,210

Contributions were made in accordance with actuarially determined contribution requirements.

SOURCE: Fiscal Years 1985-1988 - Cash Basis Records of the Nebraska Public Employees Retirement System
Fiscal Years 1989-1994 - Nebraska Comprehensive Annual Financial Report - GAAP Accrual Basis

State of Nebraska

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES BY SOURCE
AND EXPENSES BY TYPE
STATE PATROL RETIREMENT SYSTEM (Unaudited)
1985 - 1994**

(Dollars in Thousands)

FISCAL YEAR	REVENUES BY SOURCE			TOTAL	EMPLOYER CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL
	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	INVESTMENT INCOME AND OTHER		
1985	\$ 752	\$ 1,646	\$ 4,309	\$ 6,707	18.00%
1986	748	1,563	6,107	8,418	17.72
1987	747	747	5,944	7,438	8.84
1988	780	780	4,270	5,830	7.88
1989	843	1,081	4,182	6,106	10.40
1990	903	1,083	5,328	7,314	9.83
1991	997	1,172	3,859	6,028	9.34
1992	1,060	1,230	7,219	9,509	9.39
1993	1,109	1,269	9,655	12,033	9.41
1994	1,089	1,245	9,325	11,659	9.66

(Dollars in Thousands)

FISCAL YEAR	EXPENSES BY TYPE			TOTAL
	ANNUITY BENEFITS	ADMINISTRATIVE EXPENSES	REFUNDS	
1985	\$ 1,190	\$ 53	\$ 188	\$ 1,431
1986	1,464	95	24	1,583
1987	1,686	127	174	1,987
1988	1,813	157	109	2,079
1989	2,007	140	175	2,322
1990	2,523	161	174	2,858
1991	2,794	155	211	3,160
1992	2,965	172	48	3,185
1993	3,087	196	25	3,308
1994	3,583	225	43	3,851

Contributions were made in accordance with actuarially determined contribution requirements.

SOURCE: Fiscal Years 1985-1988 - Cash Basis Records of the Nebraska Public Employees Retirement System
Fiscal Years 1989-1994 - Nebraska Comprehensive Annual Financial Report - GAAP Accrual Basis

COMBINING AND INDIVIDUAL FUND STATEMENTS

SPECIAL REVENUE FUNDS

Specific revenues which 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.

Other Special Revenue. This fund accounts for various other revenues which must be used for specific purposes.

State of Nebraska
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
 June 30, 1994

(Dollars in Thousands)

	LICENSING AND REGULATION	HIGHWAY FUND	ECONOMIC DEVELOPMENT
ASSETS:			
Cash and Cash Equivalents	\$ 29,918	\$ 169,340	\$ 23,839
Investments, at Cost	-	-	-
Receivables, net of allowance			
Due from Federal Government	29	19,718	-
Loans	-	-	280
Other	1,410	20,788	271
Due from Other Funds	14	325	173
Inventories	-	11,051	-
Prepaid Items	10	-	-
Other	62	6	485
TOTAL ASSETS	\$ 31,443	\$ 221,228	\$ 25,048
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts Payable	\$ 2,421	\$ 30,645	\$ 92
Accrued Liabilities	433	4,693	36
Due to Other Governments	77	11,391	179
Deposits	337	223	485
Due to Other Funds	1,310	572	51
Deferred Revenue	-	-	-
Other	-	101	-
TOTAL LIABILITIES	4,578	47,625	843
FUND BALANCES:			
Reserved for:			
Long-Term Receivables	-	-	280
Inventory and Prepaid Items	10	11,051	-
Debt Service	-	-	-
Unreserved	26,855	162,552	23,925
TOTAL FUND BALANCES	26,865	173,603	24,205
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,443	\$ 221,228	\$ 25,048

AIRPORT DEVELOPMENT	GAME AND PARKS	ENERGY CONSERVATION	FEDERAL FUND	HEALTH AND SOCIAL SERVICES	OTHER SPECIAL REVENUE	TOTALS
\$ 5,749	\$ 22,946	\$ 20,041	\$ 10,831	\$ 9,041	\$ 33,588	\$ 325,293
-	-	-	2,732	-	11,223	13,955
-	486	-	81,082	-	-	101,315
1,847	-	18,668	1,537	1,951	20,533	44,816
120	251	229	191	3,549	843	27,652
112	285	-	830	1,070	1,286	4,095
-	-	-	-	1,290	-	12,341
-	27	-	58	13	9	117
-	-	-	-	-	184	737
<u>\$ 7,828</u>	<u>\$ 23,995</u>	<u>\$ 38,938</u>	<u>\$ 97,261</u>	<u>\$ 16,914</u>	<u>\$ 67,666</u>	<u>\$ 530,321</u>
\$ 511	\$ 1,501	\$ 73	\$ 19,249	\$ 1,250	\$ 898	\$ 56,640
-	146	47	51,918	212	169	57,654
-	-	-	3,188	-	-	14,835
-	-	-	3,207	325	8	4,585
5	96	7	2,922	402	628	5,993
-	196	-	-	-	-	196
-	33	-	-	119	2	255
<u>516</u>	<u>1,972</u>	<u>127</u>	<u>80,484</u>	<u>2,308</u>	<u>1,705</u>	<u>140,158</u>
1,847	-	18,668	1,537	1,951	20,533	44,816
-	27	-	58	1,303	9	12,458
-	-	-	-	-	5,522	5,522
<u>5,465</u>	<u>21,996</u>	<u>20,143</u>	<u>15,182</u>	<u>11,352</u>	<u>39,897</u>	<u>327,367</u>
<u>7,312</u>	<u>22,023</u>	<u>38,811</u>	<u>16,777</u>	<u>14,606</u>	<u>65,961</u>	<u>390,163</u>
<u>\$ 7,828</u>	<u>\$ 23,995</u>	<u>\$ 38,938</u>	<u>\$ 97,261</u>	<u>\$ 16,914</u>	<u>\$ 67,666</u>	<u>\$ 530,321</u>

State of Nebraska

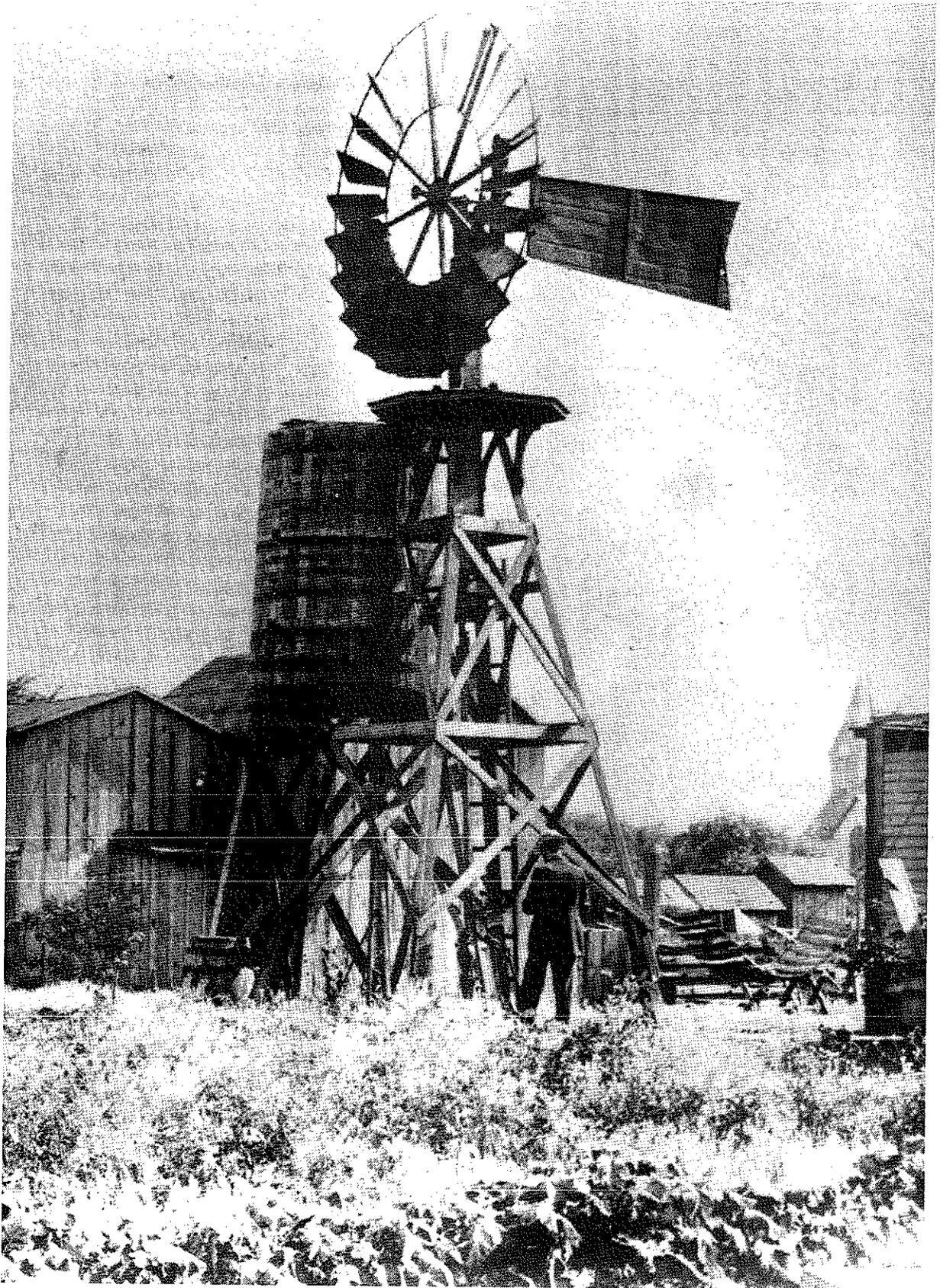
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1994

(Dollars in Thousands)

	LICENSING AND REGULATION	HIGHWAY FUND	ECONOMIC DEVELOPMENT
REVENUES:			
Taxes	\$ 14,545	\$ 326,305	\$ 7,733
Federal Grants and Contracts	158	143,419	92
Licenses, Fees and Permits	30,426	49,943	-
Charges for Services	1,779	14,775	221
Investment Income	1,754	5,902	975
Rents and Royalties	-	328	-
Other	1,575	2,789	246
TOTAL REVENUES	<u>50,237</u>	<u>543,461</u>	<u>9,267</u>
EXPENDITURES:			
General Government	-	-	-
Conservation of Natural Resources	-	-	-
Culture -- Recreation	-	-	-
Economic Development and Assistance	-	-	7,605
Education	-	-	-
Health and Social Services	-	-	-
Public Safety	-	-	-
Regulation of Business and Professions	39,619	-	-
Transportation	-	525,659	-
Debt Service	-	-	-
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	<u>39,619</u>	<u>525,659</u>	<u>7,605</u>
Excess of Revenues Over (Under) Expenditures	<u>10,618</u>	<u>17,802</u>	<u>1,662</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	1,793	220	150
Operating Transfers Out	(10,018)	(4,741)	(89)
Operating Transfers to Component Units	-	-	-
Proceeds from Capital Leases	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(8,225)</u>	<u>(4,521)</u>	<u>61</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	2,393	13,281	1,723
FUND BALANCES, JULY 1, AS RESTATED	33,572	160,322	22,482
Residual Equity Transfers	(9,100)	-	-
FUND BALANCES, JUNE 30	<u>\$ 26,865</u>	<u>\$ 173,603</u>	<u>\$ 24,205</u>

AIRPORT DEVELOPMENT	GAME AND PARKS	ENERGY CONSERVATION	FEDERAL FUND	HEALTH AND SOCIAL SERVICES	OTHER SPECIAL REVENUE	TOTALS
\$ 1,270	\$ 1,302	\$ 300	\$ -	\$ 12,666	\$ 16,603	\$ 380,724
14,141	3,386	-	813,974	404	779	976,353
-	11,161	-	-	1,063	14,457	107,050
225	2,801	11	7,944	22,560	5,204	55,520
246	848	868	700	404	2,429	14,126
671	4,719	-	16	175	1,303	7,212
188	599	108	13,446	4,715	3,145	26,811
<u>16,741</u>	<u>24,816</u>	<u>1,287</u>	<u>836,080</u>	<u>41,987</u>	<u>43,920</u>	<u>1,567,796</u>
-	-	-	1,384	-	8,391	9,775
-	15,555	2,485	13,245	-	4,748	36,033
-	9,271	-	1,163	-	318	10,752
-	-	-	42,216	-	539	50,360
-	-	-	130,278	-	2,088	132,366
-	-	-	593,184	42,684	82	635,950
-	-	-	49,978	-	13,818	63,796
-	-	-	565	-	565	40,749
16,781	-	-	43	-	-	542,483
-	-	-	-	-	1,275	1,275
-	-	-	-	-	1,138	1,138
<u>16,781</u>	<u>24,826</u>	<u>2,485</u>	<u>832,056</u>	<u>42,684</u>	<u>32,962</u>	<u>1,524,677</u>
(40)	(10)	(1,198)	4,024	(697)	10,958	43,119
536	2,977	-	-	2,324	15,474	23,474
-	-	-	(2,171)	(99)	(343)	(17,461)
-	-	-	-	-	(8,590)	(8,590)
-	-	-	-	472	-	472
<u>536</u>	<u>2,977</u>	<u>-</u>	<u>(2,171)</u>	<u>2,697</u>	<u>6,541</u>	<u>(2,105)</u>
496	2,967	(1,198)	1,853	2,000	17,499	41,014
6,816	19,056	40,009	14,924	12,606	46,462	356,249
-	-	-	-	-	2,000	(7,100)
<u>\$ 7,312</u>	<u>\$ 22,023</u>	<u>\$ 38,811</u>	<u>\$ 16,777</u>	<u>\$ 14,606</u>	<u>\$ 65,961</u>	<u>\$ 390,163</u>



ENTERPRISE FUNDS

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

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

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

State of Nebraska

**COMBINING BALANCE SHEET
ENTERPRISE FUNDS**

June 30, 1994

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	TOTALS
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 5,232	\$ 2,842	\$ 8,074
Receivables, net of allowance	2,189	330	2,519
Prepaid Items	54	-	54
TOTAL CURRENT ASSETS	<u>7,475</u>	<u>3,172</u>	<u>10,647</u>
NONCURRENT ASSETS:			
Long-Term Investments	-	45,584	45,584
Property, Plant and Equipment, net	133	-	133
TOTAL NONCURRENT ASSETS	<u>133</u>	<u>45,584</u>	<u>45,717</u>
TOTAL ASSETS	<u>\$ 7,608</u>	<u>\$ 48,756</u>	<u>\$ 56,364</u>
LIABILITIES AND RETAINED EARNINGS			
CURRENT LIABILITIES:			
Accounts Payable	\$ 4,182	\$ -	\$ 4,182
Accrued Liabilities	53	1,828	1,881
Due to Other Funds	1,001	9	1,010
Deferred Revenue	-	2,130	2,130
TOTAL CURRENT LIABILITIES	<u>5,236</u>	<u>3,967</u>	<u>9,203</u>
NONCURRENT LIABILITIES:			
Accrued Compensated Absences	56	-	56
Insurance Claims	-	17,378	17,378
TOTAL NONCURRENT LIABILITIES	<u>56</u>	<u>17,378</u>	<u>17,434</u>
TOTAL LIABILITIES	<u>5,292</u>	<u>21,345</u>	<u>26,637</u>
RETAINED EARNINGS	<u>2,316</u>	<u>27,411</u>	<u>29,727</u>
TOTAL LIABILITIES AND RETAINED EARNINGS	<u>\$ 7,608</u>	<u>\$ 48,756</u>	<u>\$ 56,364</u>

State of Nebraska

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

For the Year Ended June 30, 1994

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	TOTALS
OPERATING REVENUES:			
Charges for Services	<u>\$ 52,853</u>	<u>\$ 4,954</u>	<u>\$ 57,807</u>
TOTAL OPERATING REVENUES	<u>52,853</u>	<u>4,954</u>	<u>57,807</u>
OPERATING EXPENSES:			
Personal Services	1,029	-	1,029
Services and Supplies	11,001	224	11,225
Lottery Prizes	26,682	-	26,682
Insurance Claims	-	75	75
Depreciation	<u>49</u>	<u>-</u>	<u>49</u>
TOTAL OPERATING EXPENSES	<u>38,761</u>	<u>299</u>	<u>39,060</u>
Operating Income (Loss)	<u>14,092</u>	<u>4,655</u>	<u>18,747</u>
NONOPERATING REVENUES (EXPENSES):			
Interest Income	148	3,588	3,736
Gain (Loss) on Sale of Investments	-	135	135
Other	<u>(17)</u>	<u>-</u>	<u>(17)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>131</u>	<u>3,723</u>	<u>3,854</u>
Income Before Operating Transfers	<u>14,223</u>	<u>8,378</u>	<u>22,601</u>
OPERATING TRANSFERS:			
Operating Transfers Out	<u>(11,907)</u>	<u>-</u>	<u>(11,907)</u>
Net Income	2,316	8,378	10,694
RETAINED EARNINGS, JULY 1, AS RESTATED	<u>-</u>	<u>19,033</u>	<u>19,033</u>
RETAINED EARNINGS, JUNE 30	<u>\$ 2,316</u>	<u>\$ 27,411</u>	<u>\$ 29,727</u>

State of Nebraska
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND
For the Year Ended June 30, 1994

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 50,664	\$ 4,282	\$ 54,946
Cash Paid to Employees	(920)	-	(920)
Cash Paid to Suppliers	(8,730)	(76)	(8,806)
Cash Paid for Lottery Prizes	(24,156)	-	(24,156)
Cash Paid for Insurance Claims	-	(1,769)	(1,769)
Cash Paid for Interfund Services	(643)	(139)	(782)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>16,215</u>	<u>2,298</u>	<u>18,513</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Proceeds from Interfund Loans	1,677	-	1,677
Repayments of Interfund Loans	(1,677)	-	(1,677)
Interest Paid on Interfund Loans	(17)	-	(17)
Operating Transfers Out	(10,932)	-	(10,932)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>(10,949)</u>	<u>-</u>	<u>(10,949)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING:			
Acquisition and Construction of Capital Assets	(182)	-	(182)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(182)</u>	<u>-</u>	<u>(182)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investment Securities	-	(51,229)	(51,229)
Proceeds from Sale of Investment Securities	-	45,168	45,168
Interest and Dividend Income	148	3,575	3,723
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>148</u>	<u>(2,486)</u>	<u>(2,338)</u>
NET INCREASE (DECREASE) IN CASH	5,232	(188)	5,044
CASH AND CASH EQUIVALENTS, JULY 1	-	3,030	3,030
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 5,232</u>	<u>\$ 2,842</u>	<u>\$ 8,074</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income (Loss)	<u>\$ 14,092</u>	<u>\$ 4,655</u>	<u>\$ 18,747</u>
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	49	-	49
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(2,189)	-	(2,189)
(Increase) Decrease in Prepaid Expenses	(54)	-	(54)
Increase (Decrease) in Accounts Payable	4,182	-	4,182
Increase (Decrease) in Accrued Liabilities	109	(1,694)	(1,585)
Increase (Decrease) in Due to Other Funds	26	9	35
Increase (Decrease) in Deferred Revenue	-	(672)	(672)
Total adjustments	<u>2,123</u>	<u>(2,357)</u>	<u>(234)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 16,215</u>	<u>\$ 2,298</u>	<u>\$ 18,513</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the operations of State agencies which 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 Correctional Industries in the Department of Corrections is 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 mail room, printing, central stores, purchasing services, surplus State property, and other miscellaneous office services.

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

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

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.

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, 1994

(Dollars in Thousands)

	CORRECTIONAL SERVICES	BUILDINGS AND GROUNDS	GENERAL SERVICES
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 2,602	\$ 2,845	\$ 3,435
Investments	-	-	-
Receivables, net of allowance			
Accounts	188	8	53
Accrued Interest	28	31	36
Due from Other Funds	447	196	1,034
Inventories	797	-	626
Prepaid Items	-	282	258
TOTAL CURRENT ASSETS	<u>4,062</u>	<u>3,362</u>	<u>5,442</u>
Property, Plant and Equipment, net	1,662	214	1,601
TOTAL ASSETS	<u>\$ 5,724</u>	<u>\$ 3,576</u>	<u>\$ 7,043</u>
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES:			
Accounts Payable	\$ 58	\$ 292	\$ 295
Accrued Liabilities	70	66	83
Deposits	-	-	530
Due to Other Funds	15	14	12
Capital Lease Obligations	-	-	-
Deferred Revenue	-	-	-
TOTAL CURRENT LIABILITIES	<u>143</u>	<u>372</u>	<u>920</u>
NONCURRENT LIABILITIES:			
Capital Lease Obligations	-	-	-
Accrued Compensated Absences	132	218	173
Insurance Claims	-	-	-
TOTAL NONCURRENT LIABILITIES	<u>132</u>	<u>218</u>	<u>173</u>
TOTAL LIABILITIES	<u>275</u>	<u>590</u>	<u>1,093</u>
FUND EQUITY:			
Contributed Capital	205	-	-
Retained Earnings	5,244	2,986	5,950
TOTAL FUND EQUITY	<u>5,449</u>	<u>2,986</u>	<u>5,950</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 5,724</u>	<u>\$ 3,576</u>	<u>\$ 7,043</u>

COMMUNICATIONS	CENTRAL DATA PROCESSING	TRANSPORTATION SERVICES	RISK MANAGEMENT	OTHER INTERNAL SERVICE	TOTALS
\$ 3,278	\$ 5,038	\$ 3,414	\$34,113	\$ 735	\$ 55,460
-	460	-	-	-	460
226	40	14	-	334	863
35	43	40	367	7	587
980	2,512	339	-	415	5,923
-	741	4	-	-	2,168
-	-	-	-	66	606
<u>4,519</u>	<u>8,834</u>	<u>3,811</u>	<u>34,480</u>	<u>1,557</u>	<u>66,067</u>
<u>2,578</u>	<u>8,206</u>	<u>4,930</u>	<u>-</u>	<u>214</u>	<u>19,405</u>
<u>\$ 7,097</u>	<u>\$ 17,040</u>	<u>\$ 8,741</u>	<u>\$34,480</u>	<u>\$ 1,771</u>	<u>\$ 85,472</u>
\$ 890	\$ 710	\$ 96	\$ 41	\$ 17	\$ 2,399
23	359	17	12,876	170	13,664
-	-	-	-	-	530
16	37	39	-	8	141
-	4,929	-	-	-	4,929
792	-	-	-	30	822
<u>1,721</u>	<u>6,035</u>	<u>152</u>	<u>12,917</u>	<u>225</u>	<u>22,485</u>
-	2,684	-	-	-	2,684
74	823	39	-	105	1,564
-	-	-	18,777	-	18,777
<u>74</u>	<u>3,507</u>	<u>39</u>	<u>18,777</u>	<u>105</u>	<u>23,025</u>
<u>1,795</u>	<u>9,542</u>	<u>191</u>	<u>31,694</u>	<u>330</u>	<u>45,510</u>
-	1,824	-	7	-	2,036
<u>5,302</u>	<u>5,674</u>	<u>8,550</u>	<u>2,779</u>	<u>1,441</u>	<u>37,926</u>
<u>5,302</u>	<u>7,498</u>	<u>8,550</u>	<u>2,786</u>	<u>1,441</u>	<u>39,962</u>
<u>\$ 7,097</u>	<u>\$ 17,040</u>	<u>\$ 8,741</u>	<u>\$34,480</u>	<u>\$ 1,771</u>	<u>\$ 85,472</u>

State of Nebraska

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

For the Year Ended June 30, 1994

(Dollars in Thousands)

	CORRECTIONAL SERVICES	BUILDINGS AND GROUNDS	GENERAL SERVICES
OPERATING REVENUES:			
Charges for Services	\$ 3,662	\$ 8,653	\$ 11,437
Other	3	12	6
TOTAL OPERATING REVENUES	<u>3,665</u>	<u>8,665</u>	<u>11,443</u>
OPERATING EXPENSES:			
Personal Services	1,282	1,557	1,975
Services and Supplies	2,248	6,835	9,004
Insurance Claims	-	-	-
Depreciation	144	103	617
TOTAL OPERATING EXPENSES	<u>3,674</u>	<u>8,495</u>	<u>11,596</u>
 Operating Income (Loss)	 <u>(9)</u>	 <u>170</u>	 <u>(153)</u>
NONOPERATING REVENUES (EXPENSES):			
Interest Income	106	109	200
Gain (Loss) on Sale of Fixed Assets	3	11	25
Other	-	-	-
TOTAL NONOPERATING REVENUES, NET	<u>109</u>	<u>120</u>	<u>225</u>
 Net Income (Loss)	 100	 290	 72
RETAINED EARNINGS, JULY 1, AS RESTATED	5,144	2,696	7,878
Residual Equity Transfers	-	-	(2,000)
RETAINED EARNINGS, JUNE 30	<u><u>\$ 5,244</u></u>	<u><u>\$ 2,986</u></u>	<u><u>\$ 5,950</u></u>

COMMUNICATIONS	CENTRAL DATA PROCESSING	TRANSPORTATION SERVICES	RISK MANAGEMENT	OTHER INTERNAL SERVICE	TOTALS
\$ 11,868	\$ 31,559	\$ 3,479	\$ 63,401	\$ 4,719	\$ 138,778
-	92	16	-	417	546
<u>11,868</u>	<u>31,651</u>	<u>3,495</u>	<u>63,401</u>	<u>5,136</u>	<u>139,324</u>
728	7,580	401	-	3,722	17,245
11,657	16,547	1,262	2,146	1,095	50,794
-	-	-	63,683	-	63,683
862	5,079	1,921	-	122	8,848
<u>13,247</u>	<u>29,206</u>	<u>3,584</u>	<u>65,829</u>	<u>4,939</u>	<u>140,570</u>
<u>(1,379)</u>	<u>2,445</u>	<u>(89)</u>	<u>(2,428)</u>	<u>197</u>	<u>(1,246)</u>
134	128	139	1,430	27	2,273
(4)	53	754	-	4	846
-	(466)	-	-	-	(466)
<u>130</u>	<u>(285)</u>	<u>893</u>	<u>1,430</u>	<u>31</u>	<u>2,653</u>
(1,249)	2,160	804	(998)	228	1,407
6,551	3,514	7,746	3,777	1,213	38,519
-	-	-	-	-	(2,000)
<u>\$ 5,302</u>	<u>\$ 5,674</u>	<u>\$ 8,550</u>	<u>\$ 2,779</u>	<u>\$ 1,441</u>	<u>\$ 37,926</u>

State of Nebraska

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the Year Ended June 30, 1994

(Dollars in Thousands)

	CORRECTIONAL SERVICES	BUILDINGS AND GROUNDS	GENERAL SERVICES
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 423	\$ 305	\$ 430
Cash Received from Interfund Charges	3,144	8,179	10,894
Cash Paid to Employees	(1,260)	(1,534)	(1,949)
Cash Paid to Suppliers	(1,847)	(5,712)	(7,583)
Cash Paid for Insurance Claims	-	-	-
Cash Paid for Interfund Services	(451)	(991)	(1,292)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>9</u>	<u>247</u>	<u>500</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Residual Equity Transfers	-	-	(2,000)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(2,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and Construction of Capital Assets	(51)	(102)	(863)
Proceeds from Sale of Fixed Assets	3	102	82
Principal Paid on Capital Leases	-	-	-
Interest Paid on Capital Leases	-	-	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(48)</u>	<u>-</u>	<u>(781)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Income	109	115	241
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>109</u>	<u>115</u>	<u>241</u>
NET INCREASE (DECREASE) IN CASH	70	362	(2,040)
CASH AND CASH EQUIVALENTS, JULY 1	<u>2,532</u>	<u>2,483</u>	<u>5,475</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 2,602</u>	<u>\$ 2,845</u>	<u>\$ 3,435</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (9)	\$ 170	\$ (153)
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	144	103	617
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(76)	(8)	7
(Increase) Decrease in Due from Other Funds	(22)	(173)	(126)
(Increase) Decrease in Inventories	(49)	-	(48)
(Increase) Decrease in Prepaid Expenses	-	(101)	78
Increase (Decrease) in Accounts Payable	(4)	246	96
Increase (Decrease) in Accrued Liabilities	22	23	26
Increase (Decrease) in Due to Other Funds	3	(13)	3
Increase (Decrease) in Deferred Revenue	-	-	-
Total Adjustments	<u>18</u>	<u>77</u>	<u>653</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 9</u>	<u>\$ 247</u>	<u>\$ 500</u>

NONCASH TRANSACTIONS:

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: Central Data Processing acquired fixed assets through capitalized leases of \$1,167,000 and Other Internal Service received \$252,000 of services in exchange for investment business.

COMMUNICATIONS	CENTRAL DATA PROCESSING	TRANSPORTATION SERVICES	RISK MANAGEMENT	OTHER INTERNAL SERVICE	TOTALS
\$ 1,360	\$ 346	\$ -	\$ 654	\$ 818	\$ 4,336
11,515	31,807	3,434	62,747	3,660	135,380
(715)	(7,460)	(393)	-	(3,577)	(16,888)
(10,943)	(13,907)	(558)	(1,975)	(386)	(42,911)
-	-	-	(61,931)	-	(61,931)
(593)	(3,734)	(681)	(174)	(451)	(8,367)
<u>624</u>	<u>7,052</u>	<u>1,802</u>	<u>(679)</u>	<u>64</u>	<u>9,619</u>
-	-	-	-	-	(2,000)
-	-	-	-	-	(2,000)
(971)	(534)	(2,997)	-	(47)	(5,565)
-	161	768	-	4	1,120
(2)	(4,225)	-	-	-	(4,227)
-	(491)	-	-	-	(491)
<u>(973)</u>	<u>(5,089)</u>	<u>(2,229)</u>	<u>-</u>	<u>(43)</u>	<u>(9,163)</u>
148	119	150	1,522	29	2,433
<u>148</u>	<u>119</u>	<u>150</u>	<u>1,522</u>	<u>29</u>	<u>2,433</u>
(201)	2,082	(277)	843	50	889
3,479	2,956	3,691	33,270	685	54,571
<u>\$ 3,278</u>	<u>\$ 5,038</u>	<u>\$ 3,414</u>	<u>\$ 34,113</u>	<u>\$ 735</u>	<u>\$ 55,460</u>
<u>\$ (1,379)</u>	<u>\$ 2,445</u>	<u>\$ (89)</u>	<u>\$ (2,428)</u>	<u>\$ 197</u>	<u>\$ (1,246)</u>
862	5,079	1,921	-	122	8,848
37	24	(2)	-	(153)	(171)
178	478	(59)	-	(222)	54
-	(741)	(4)	-	-	(842)
-	-	-	-	13	(10)
125	(358)	16	(3)	(9)	109
13	120	8	1,752	145	2,109
(4)	5	11	-	2	7
792	-	-	-	(31)	761
<u>2,003</u>	<u>4,607</u>	<u>1,891</u>	<u>1,749</u>	<u>(133)</u>	<u>10,865</u>
<u>\$ 624</u>	<u>\$ 7,052</u>	<u>\$ 1,802</u>	<u>\$ (679)</u>	<u>\$ 64</u>	<u>\$ 9,619</u>

TRUST AND AGENCY FUNDS

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

EXPENDABLE TRUST FUNDS

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

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 these 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

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

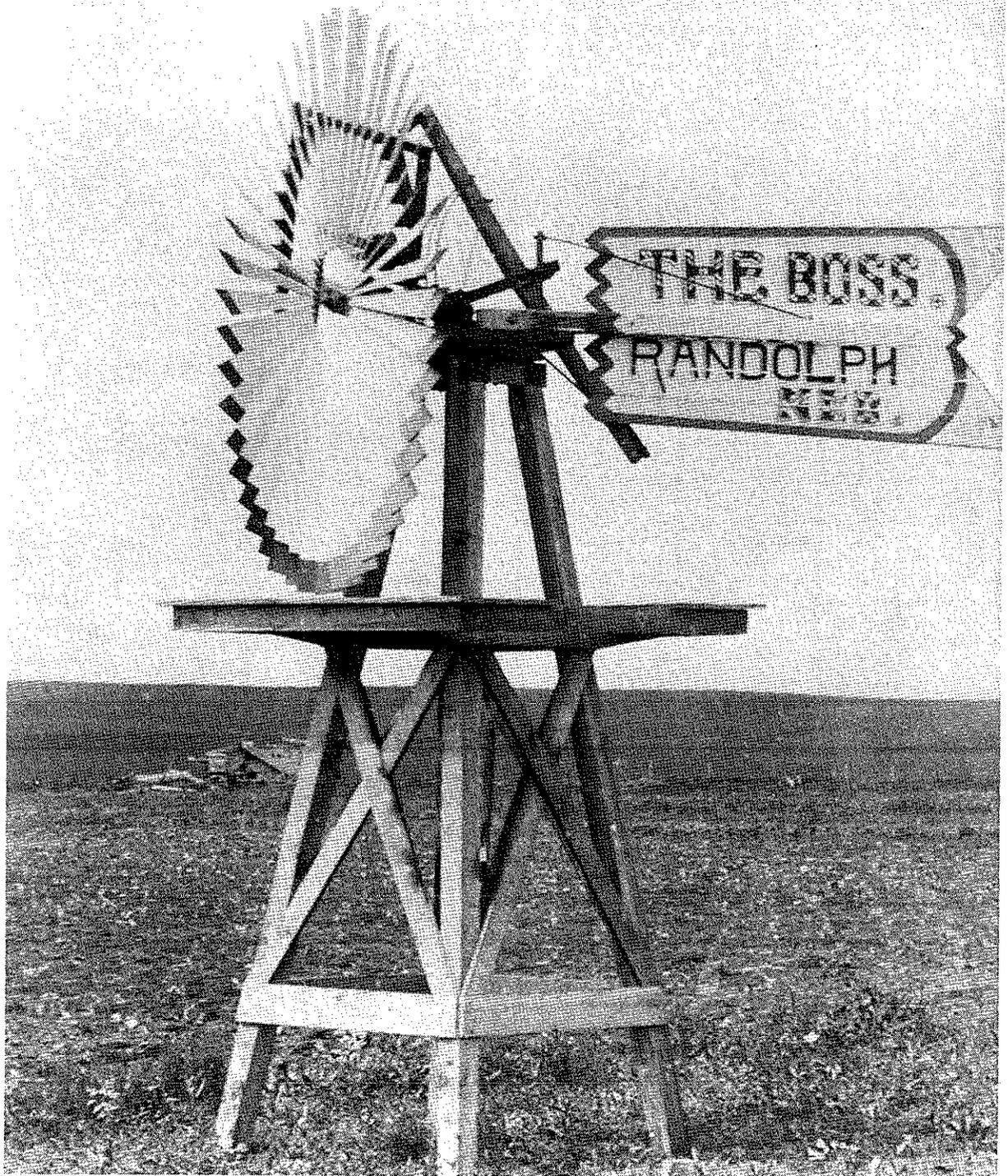
AGENCY FUNDS

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.

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 Service Code.

Other Agency Funds. Ohio College Library Service, State and County Employees Retirement, 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, 1994

(Dollars in Thousands)	EXPENDABLE TRUST	PENSION TRUST	NONEXPENDABLE TRUST	AGENCY	TOTALS
ASSETS:					
Cash and Cash Equivalents	\$ 187,538	\$ 21,169	\$ 14,481	\$ 41,712	\$ 264,900
Investments	25	1,726,114	155,406	47,831	1,929,376
Loans, Accounts and Other Receivables, net	16,451	18,407	1,364	-	36,222
Due from Other Funds	-	8,716	-	-	8,716
Prepaid Expenses	-	16	-	-	16
Other	2,574	-	-	-	2,574
TOTAL ASSETS	<u>\$ 206,588</u>	<u>\$ 1,774,422</u>	<u>\$ 171,251</u>	<u>\$ 89,543</u>	<u>\$ 2,241,804</u>
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts Payable	\$ 1,123	\$ 975	\$ 145	\$ -	\$ 2,243
Accrued Liabilities	35	-	-	-	35
Due to Other Governments	-	-	-	24,812	24,812
Employee Withholding and State Contributions	-	-	-	2,296	2,296
Deposits	929	-	14	-	943
Deferred Compensation Payable	-	-	-	47,831	47,831
Due to Other Funds	5	45	87	2,953	3,090
Accrued Compensated Absences	-	71	-	-	71
Other	150	-	-	11,651	11,801
TOTAL LIABILITIES	<u>2,242</u>	<u>1,091</u>	<u>246</u>	<u>89,543</u>	<u>93,122</u>
FUND BALANCES:					
Reserved For:					
Unemployment Compensation Benefits	192,419	-	-	-	192,419
Claims	3,147	-	-	-	3,147
Endowment Principal	-	-	155,632	-	155,632
Pension Benefits	-	1,773,331	-	-	1,773,331
Unreserved	8,780	-	15,373	-	24,153
TOTAL FUND BALANCES	<u>204,346</u>	<u>1,773,331</u>	<u>171,005</u>	<u>-</u>	<u>2,148,682</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 206,588</u>	<u>\$ 1,774,422</u>	<u>\$ 171,251</u>	<u>\$ 89,543</u>	<u>\$ 2,241,804</u>

State of Nebraska
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS

June 30, 1994

(Dollars in Thousands)

	UNEMPLOYMENT COMPENSATION	SECOND INJURY
ASSETS:		
Cash and Cash Equivalents	\$ 177,191	\$ 3,036
Investments, at Cost	-	-
Other Receivables, net of allowance	16,334	34
Other	-	-
TOTAL ASSETS	<u>\$ 193,525</u>	<u>\$ 3,070</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts Payable	\$ 998	\$ 2
Accrued Liabilities	-	-
Deposits	-	-
Due to Other Funds	-	-
Other	108	-
TOTAL LIABILITIES	<u>1,106</u>	<u>2</u>
FUND BALANCES:		
Reserved for Unemployment Compensation Benefits	192,419	-
Reserved for Claims	-	-
Unreserved	-	3,068
TOTAL FUND BALANCES	<u>192,419</u>	<u>3,068</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 193,525</u>	<u>\$ 3,070</u>

VOCATIONAL REHABILITATION	CANTEEN AND WELFARE	ESCHEAT TRUST	OTHER	TOTALS
\$ 3,457	\$ 1,497	\$ 1,491	\$ 866	\$ 187,538
-	-	-	25	25
39	16	16	12	16,451
-	-	1,645	929	2,574
<u>\$ 3,496</u>	<u>\$ 1,513</u>	<u>\$ 3,152</u>	<u>\$ 1,832</u>	<u>\$ 206,588</u>
\$ -	\$ 97	\$ 2	\$ 24	\$ 1,123
-	22	-	13	35
-	-	-	929	929
-	2	3	-	5
-	42	-	-	150
-	163	5	966	2,242
-	-	-	-	192,419
-	-	3,147	-	3,147
3,496	1,350	-	866	8,780
<u>3,496</u>	<u>1,350</u>	<u>3,147</u>	<u>866</u>	<u>204,346</u>
<u>\$ 3,496</u>	<u>\$ 1,513</u>	<u>\$ 3,152</u>	<u>\$ 1,832</u>	<u>\$ 206,588</u>

State of Nebraska

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

For the Year Ended June 30, 1994

(Dollars in Thousands)

	UNEMPLOYMENT COMPENSATION	SECOND INJURY
REVENUES:		
Insurance Premiums	\$ -	\$ -
Unemployment Taxes	52,695	-
Charges for Services	-	-
Investment Income	11,742	134
Rents and Royalties	-	-
Escheat Revenue	-	-
Donations	-	-
Other	-	5
TOTAL REVENUES	<u>64,437</u>	<u>139</u>
EXPENDITURES:		
General Government	-	-
Education	-	-
Health and Social Services	-	553
Unemployment Claims	51,540	-
TOTAL EXPENDITURES	<u>51,540</u>	<u>553</u>
Excess of Revenues Over (Under) Expenditures	<u>12,897</u>	<u>(414)</u>
OTHER FINANCING SOURCES (USES):		
Operating Transfers Out	-	(6)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(6)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	12,897	(420)
FUND BALANCES, JULY 1, AS RESTATED	<u>179,522</u>	<u>3,488</u>
FUND BALANCES, JUNE 30	<u>\$ 192,419</u>	<u>\$ 3,068</u>

VOCATIONAL REHABILITATION	CANTEEN AND WELFARE	ESCHEAT TRUST	OTHER	TOTALS
\$ 34	\$ -	\$ -	\$ -	\$ 34
-	-	-	-	52,695
-	2,798	-	-	2,798
160	51	52	39	12,178
-	9	-	327	336
-	-	4,746	-	4,746
-	547	-	499	1,046
-	21	-	608	634
<u>194</u>	<u>3,426</u>	<u>4,798</u>	<u>1,473</u>	<u>74,467</u>
-	-	2,175	1,047	3,222
-	-	-	617	617
775	3,072	-	-	4,400
-	-	-	-	51,540
<u>775</u>	<u>3,072</u>	<u>2,175</u>	<u>1,664</u>	<u>59,779</u>
<u>(581)</u>	<u>354</u>	<u>2,623</u>	<u>(191)</u>	<u>14,688</u>
<u>(200)</u>	<u>-</u>	<u>(1,805)</u>	<u>(23)</u>	<u>(2,034)</u>
<u>(200)</u>	<u>-</u>	<u>(1,805)</u>	<u>(23)</u>	<u>(2,034)</u>
(781)	354	818	(214)	12,654
<u>4,277</u>	<u>996</u>	<u>2,329</u>	<u>1,080</u>	<u>191,692</u>
<u>\$ 3,496</u>	<u>\$ 1,350</u>	<u>\$ 3,147</u>	<u>\$ 866</u>	<u>\$ 204,346</u>

State of Nebraska

COMBINING BALANCE SHEET PENSION AND NONEXPENDABLE TRUST FUNDS

June 30, 1994

(Dollars in Thousands)

	PENSION TRUST FUNDS			TOTALS
	SCHOOL RETIREMENT	JUDGES RETIREMENT	STATE PATROL RETIREMENT	
ASSETS:				
Cash and Cash Equivalents	\$ 20,996	\$ 138	\$ 35	\$ 21,169
Investments	1,593,254	41,723	91,137	1,726,114
Other Receivables, net of allowance	17,533	307	567	18,407
Due from Other Funds	7,776	612	328	8,716
Prepaid Items	-	-	16	16
TOTAL ASSETS	<u>\$ 1,639,559</u>	<u>\$ 42,780</u>	<u>\$ 92,083</u>	<u>\$ 1,774,422</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ 975	\$ -	\$ -	\$ 975
Deposits	-	-	-	-
Due to Other Funds	45	-	-	45
Accrued Compensated Absences	65	3	3	71
TOTAL LIABILITIES	<u>1,085</u>	<u>3</u>	<u>3</u>	<u>1,091</u>
FUND BALANCES:				
Reserved for:				
Endowment Principal	-	-	-	-
Pension Benefits	1,638,474	42,777	92,080	1,773,331
Unreserved	-	-	-	-
TOTAL FUND BALANCES	<u>1,638,474</u>	<u>42,777</u>	<u>92,080</u>	<u>1,773,331</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,639,559</u>	<u>\$ 42,780</u>	<u>\$ 92,083</u>	<u>\$ 1,774,422</u>

NONEXPENDABLE TRUST FUNDS

AERONAUTICS TRUST	NEBRASKA VETERANS AID	PERMANENT SCHOOL FUND	PERMANENT ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
\$ 37	\$ 1,876	\$ 12,320	\$ 29	\$ 20	\$ 199	\$ 14,481
6,172	15,335	132,248	428	939	284	155,406
48	116	1,190	2	5	3	1,364
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 6,257</u>	<u>\$ 17,327</u>	<u>\$ 145,758</u>	<u>\$ 459</u>	<u>\$ 964</u>	<u>\$ 486</u>	<u>\$ 171,251</u>
\$ -	\$ -	\$ 113	\$ 11	\$ 18	\$ 3	\$ 145
-	-	14	-	-	-	14
85	-	2	-	-	-	87
-	-	-	-	-	-	-
<u>85</u>	<u>-</u>	<u>129</u>	<u>11</u>	<u>18</u>	<u>3</u>	<u>246</u>
6,172	15,335	132,248	448	946	483	155,632
-	-	-	-	-	-	-
-	1,992	13,381	-	-	-	15,373
<u>6,172</u>	<u>17,327</u>	<u>145,629</u>	<u>448</u>	<u>946</u>	<u>483</u>	<u>171,005</u>
<u>\$ 6,257</u>	<u>\$ 17,327</u>	<u>\$ 145,758</u>	<u>\$ 459</u>	<u>\$ 964</u>	<u>\$ 486</u>	<u>\$ 171,251</u>

State of Nebraska
**COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND BALANCES
PENSION AND NONEXPENDABLE TRUST FUNDS**

For the Year Ended June 30, 1994

(Dollars in Thousands)

	PENSION TRUST FUNDS			TOTALS
	SCHOOL RETIREMENT	JUDGES RETIREMENT	STATE PATROL RETIREMENT	
OPERATING REVENUES:				
Member Contributions	\$ 60,060	\$ 620	\$ 1,089	\$ 61,769
State Contributions	7,699	561	1,245	9,505
Political Subdivision Contributions	60,357	-	-	60,357
Interest Income	60,637	1,658	3,650	65,945
Dividend Income	15,795	433	964	17,192
Gain (Loss) on Sale of Investments	74,629	2,189	4,711	81,529
Rents and Royalties	-	-	-	-
Other	410	449	-	859
TOTAL OPERATING REVENUES	<u>279,587</u>	<u>5,910</u>	<u>11,659</u>	<u>297,156</u>
OPERATING EXPENSES:				
Personal Services	771	25	26	822
Services and Supplies	3,297	95	199	3,591
Benefits	44,862	2,040	3,583	50,485
Refunds	5,098	50	43	5,191
Financial Assistance	-	-	-	-
TOTAL OPERATING EXPENSES	<u>54,028</u>	<u>2,210</u>	<u>3,851</u>	<u>60,089</u>
Operating Income	225,559	3,700	7,808	237,067
OPERATING TRANSFERS:				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Net Income	<u>225,559</u>	<u>3,700</u>	<u>7,808</u>	<u>237,067</u>
FUND BALANCES, JULY 1, AS RESTATED	<u>1,412,915</u>	<u>39,077</u>	<u>84,272</u>	<u>1,536,264</u>
FUND BALANCES, JUNE 30	<u>\$ 1,638,474</u>	<u>\$ 42,777</u>	<u>\$ 92,080</u>	<u>\$ 1,773,331</u>

NONEXPENDABLE TRUST FUNDS

AERONAUTICS TRUST	NEBRASKA VETERANS AID	PERMANENT SCHOOL FUND	PERMANENT ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
538	785	6,304	21	44	24	7,716
-	254	2,076	7	16	7	2,360
14	365	2,958	10	23	5	3,375
-	-	20,214	-	-	-	20,214
-	5	1,151	-	-	-	1,156
<u>552</u>	<u>1,409</u>	<u>32,703</u>	<u>38</u>	<u>83</u>	<u>36</u>	<u>34,821</u>
-	-	1,164	-	-	-	1,164
2	5	1,061	29	58	22	1,177
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	904	23,841	-	-	-	24,745
<u>2</u>	<u>909</u>	<u>26,066</u>	<u>29</u>	<u>58</u>	<u>22</u>	<u>27,086</u>
550	500	6,637	9	25	14	7,735
-	-	23	-	-	-	23
<u>(536)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(536)</u>
14	500	6,660	9	25	14	7,222
6,158	16,827	138,969	439	921	469	163,783
<u>\$ 6,172</u>	<u>\$ 17,327</u>	<u>\$ 145,629</u>	<u>\$ 448</u>	<u>\$ 946</u>	<u>\$ 483</u>	<u>\$ 171,005</u>

State of Nebraska

COMBINING STATEMENT OF CASH FLOWS NONEXPENDABLE TRUST FUNDS

For the Year Ended June 30, 1994

(Dollars in Thousands)

	AERONAUTICS TRUST	NEBRASKA VETERANS AID
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ -	\$ 5
Cash Paid to Employees	-	-
Cash Paid to Suppliers	(2)	(5)
Cash Paid for Financial Assistance	-	(904)
Cash Paid for Interfund Services	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(2)</u>	<u>(904)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating Transfers In	-	-
Operating Transfers Out	(501)	-
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>(501)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investment Securities	(3,163)	(12,957)
Proceeds from Sale of Investment Securities	3,163	12,950
Interest and Dividend Income	540	1,060
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>540</u>	<u>1,053</u>
NET INCREASE (DECREASE) IN CASH	37	149
CASH AND CASH EQUIVALENTS, JULY 1	<u>-</u>	<u>1,727</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 37</u>	<u>\$ 1,876</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Income	\$ 550	\$ 500
Adjustments to reconcile operating income to net cash flows from operating activities:		
Interest Income	(538)	(785)
Dividend Income	-	(254)
Gain on Sale of Investments	(14)	(365)
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	-	-
Increase (Decrease) in Accounts Payable	-	-
Increase (Decrease) in Deposits	-	-
Increase (Decrease) in Due to Other Funds	-	-
Total Adjustments	<u>(552)</u>	<u>(1,404)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (2)</u>	<u>\$ (904)</u>

PERMANENT SCHOOL FUND	PERMANENT ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
\$ 21,234	\$ -	\$ -	\$ -	\$ 21,239
(1,164)	-	-	-	(1,164)
(916)	(27)	(61)	(22)	(1,033)
(23,841)	-	-	-	(24,745)
(94)	-	-	-	(94)
<u>(4,781)</u>	<u>(27)</u>	<u>(61)</u>	<u>(22)</u>	<u>(5,797)</u>
23	-	-	-	23
-	-	-	-	(501)
<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(478)</u>
(107,607)	(366)	(806)	(196)	(125,095)
104,337	365	807	195	121,817
8,780	29	61	32	10,502
<u>5,510</u>	<u>28</u>	<u>62</u>	<u>31</u>	<u>7,224</u>
752	1	1	9	949
11,568	28	19	190	13,532
<u>\$ 12,320</u>	<u>\$ 29</u>	<u>\$ 20</u>	<u>\$ 199</u>	<u>\$ 14,481</u>
\$ 6,637	\$ 9	\$ 25	\$ 14	\$ 7,735
(6,304)	(21)	(44)	(24)	(7,716)
(2,076)	(7)	(16)	(7)	(2,360)
(2,958)	(10)	(23)	(5)	(3,375)
(131)	-	-	-	(131)
44	2	(3)	-	43
8	-	-	-	8
(1)	-	-	-	(1)
<u>(11,418)</u>	<u>(36)</u>	<u>(86)</u>	<u>(36)</u>	<u>(13,532)</u>
<u>\$ (4,781)</u>	<u>\$ (27)</u>	<u>\$ (61)</u>	<u>\$ (22)</u>	<u>\$ (5,797)</u>

State of Nebraska
**COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS**
 For the Year Ended June 30, 1994

(Dollars in Thousands)	BALANCE JULY 1, 1993	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1994
LOCAL GOVERNMENT FUND				
ASSETS				
Cash and Cash Equivalents	<u>\$ 23,870</u>	<u>\$ 201,627</u>	<u>\$ 200,747</u>	<u>\$ 24,750</u>
LIABILITIES				
Due to Other Governments	<u>\$ 23,870</u>	<u>\$ 201,627</u>	<u>\$ 200,747</u>	<u>\$ 24,750</u>
PAYROLL WITHHOLDING FUND				
ASSETS				
Cash and Cash Equivalents	<u>\$ 5,934</u>	<u>\$ 1,293,291</u>	<u>\$ 1,293,914</u>	<u>\$ 5,311</u>
LIABILITIES				
Due to Other Governments	\$ 72	\$ 229,993	\$ 230,003	\$ 62
Employee Withholding and State Contributions	2,899	1,028,406	1,029,009	2,296
Due to Other Funds	<u>2,963</u>	<u>34,892</u>	<u>34,902</u>	<u>2,953</u>
TOTAL LIABILITIES	<u>\$ 5,934</u>	<u>\$ 1,293,291</u>	<u>\$ 1,293,914</u>	<u>\$ 5,311</u>
DEFERRED COMPENSATION				
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 5,808	\$ 5,808	\$ -
Investments	<u>43,796</u>	<u>7,092</u>	<u>3,057</u>	<u>47,831</u>
TOTAL ASSETS	<u>\$ 43,796</u>	<u>\$ 12,900</u>	<u>\$ 8,865</u>	<u>\$ 47,831</u>
LIABILITIES				
Deferred Compensation Payable	<u>\$ 43,796</u>	<u>\$ 12,900</u>	<u>\$ 8,865</u>	<u>\$ 47,831</u>
OTHER FUNDS				
ASSETS				
Cash and Cash Equivalents	<u>\$ 12,111</u>	<u>\$ 132,552</u>	<u>\$ 133,012</u>	<u>\$ 11,651</u>
LIABILITIES				
Other	<u>\$ 12,111</u>	<u>\$ 132,552</u>	<u>\$ 133,012</u>	<u>\$ 11,651</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 41,915	\$ 1,633,278	\$ 1,633,481	\$ 41,712
Investments	<u>43,796</u>	<u>7,092</u>	<u>3,057</u>	<u>47,831</u>
TOTAL ASSETS	<u>\$ 85,711</u>	<u>\$ 1,640,370</u>	<u>\$ 1,636,538</u>	<u>\$ 89,543</u>
LIABILITIES				
Due to Other Governments	\$ 23,942	\$ 431,620	\$ 430,750	\$ 24,812
Employee Withholding and State Contributions	2,899	1,028,406	1,029,009	2,296
Deferred Compensation Payable	43,796	12,900	8,865	47,831
Due to Other Funds	2,963	34,892	34,902	2,953
Other	<u>12,111</u>	<u>132,552</u>	<u>133,012</u>	<u>11,651</u>
TOTAL LIABILITIES	<u>\$ 85,711</u>	<u>\$ 1,640,370</u>	<u>\$ 1,636,538</u>	<u>\$ 89,543</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

State of Nebraska

**SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION**

June 30, 1994

(Dollars in Thousands)

FUNCTION	LAND	BUILDINGS	EQUIPMENT	TOTALS
General Government	\$ 2,395	\$ 60,438	\$ 4,914	\$ 67,747
Conservation of Natural Resources	24,588	21,337	18,656	64,581
Culture - Recreation	1,310	2,688	359	4,357
Economic Development and Assistance	146	16,292	1,493	17,931
Education	717	10,165	31,506	42,388
Health and Social Services	77	40,265	13,131	53,473
Public Safety	968	86,384	17,906	105,258
Regulation of Business and Professions		86	2,989	3,075
Transportation	742	21,253	87,815	109,810
TOTAL BY FUNCTION	<u>\$ 30,943</u>	<u>\$ 258,908</u>	<u>\$ 178,769</u>	<u>468,620</u>
Construction in progress				4,237
TOTAL GENERAL FIXED ASSETS				<u>\$ 472,857</u>

State of Nebraska

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

For the Year Ended June 30, 1994

(Dollars in Thousands)

FUNCTION	BALANCE JULY 1, 1993	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1994
General Government	\$ 67,336	\$ 650	\$ 239	\$ 67,747
Conservation of Natural Resources	61,643	3,586	648	64,581
Culture - Recreation	4,277	84	4	4,357
Economic Development and Assistance	17,813	217	99	17,931
Education	41,376	1,279	267	42,388
Health and Social Services	52,319	1,165	11	53,473
Public Safety	93,506	13,546	1,794	105,258
Regulation of Business and Professions	2,898	346	169	3,075
Transportation	106,316	5,814	2,320	109,810
TOTAL BY FUNCTION	<u>447,484</u>	<u>26,687</u>	<u>5,551</u>	<u>468,620</u>
Construction in progress	10,141	4,886	10,790	4,237
TOTAL GENERAL FIXED ASSETS	<u>\$457,625</u>	<u>\$31,573</u>	<u>\$16,341</u>	<u>\$ 472,857</u>

State of Nebraska

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

June 30, 1994

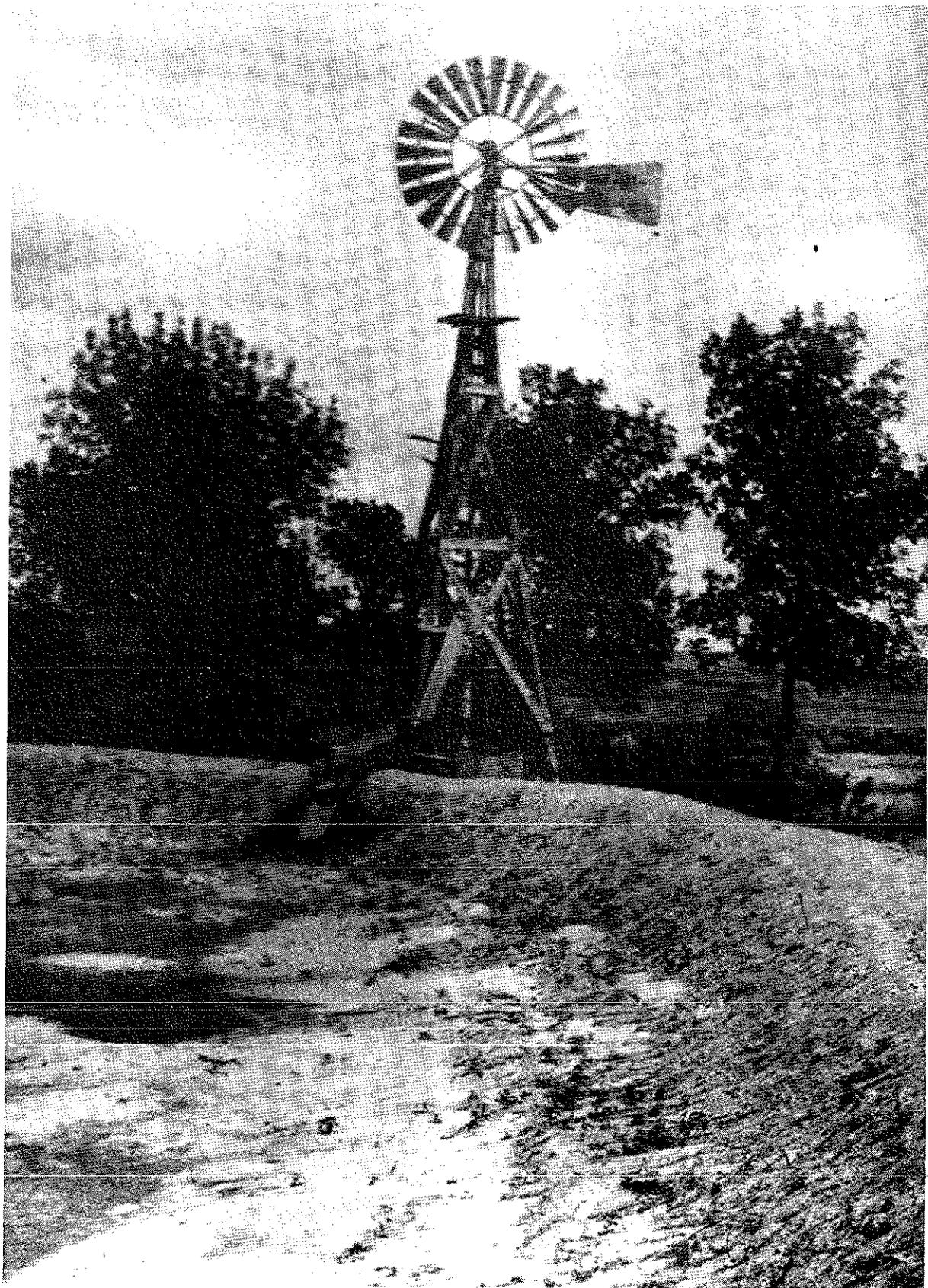
(Dollars in Thousands)

GENERAL FIXED ASSETS:

Land	\$ 30,943
Buildings	258,908
Equipment	178,769
Construction In Progress	<u>4,237</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 472,857</u>

INVESTMENT IN GENERAL FIXED ASSETS:

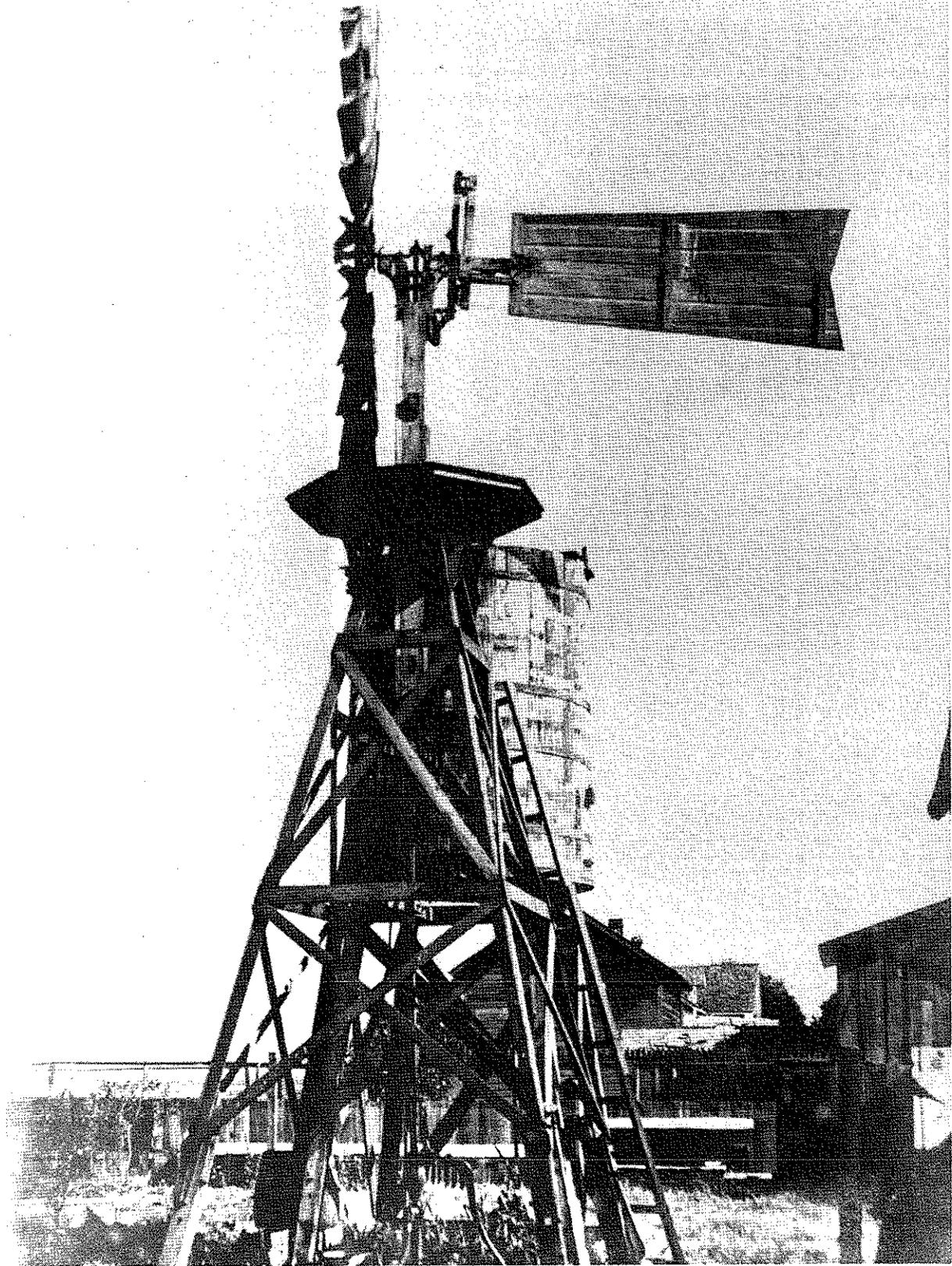
General Fund	\$ 152,398
Special Revenue Funds	156,918
Capital Projects Funds	59,204
Trust and Agency Funds	1,037
Donations	5,578
Original Inventory - Source Uncertain	<u>97,722</u>
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 472,857</u>



COMPONENT UNITS

The Component Units are organizations which are legally separate from the State for which the State is financially accountable, or for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The Component Units consist of the College and University Funds.

The College and University Funds are used to account for transactions relating to public institutions of higher education. These include the University of Nebraska at all locations, the State Colleges, the University Facilities Corporation, and the State College Facilities Corporation. The University is governed by the University of Nebraska Board of Regents and the State colleges are governed by the Board of Trustees of the State Colleges.



State of Nebraska

COMBINING BALANCE SHEET

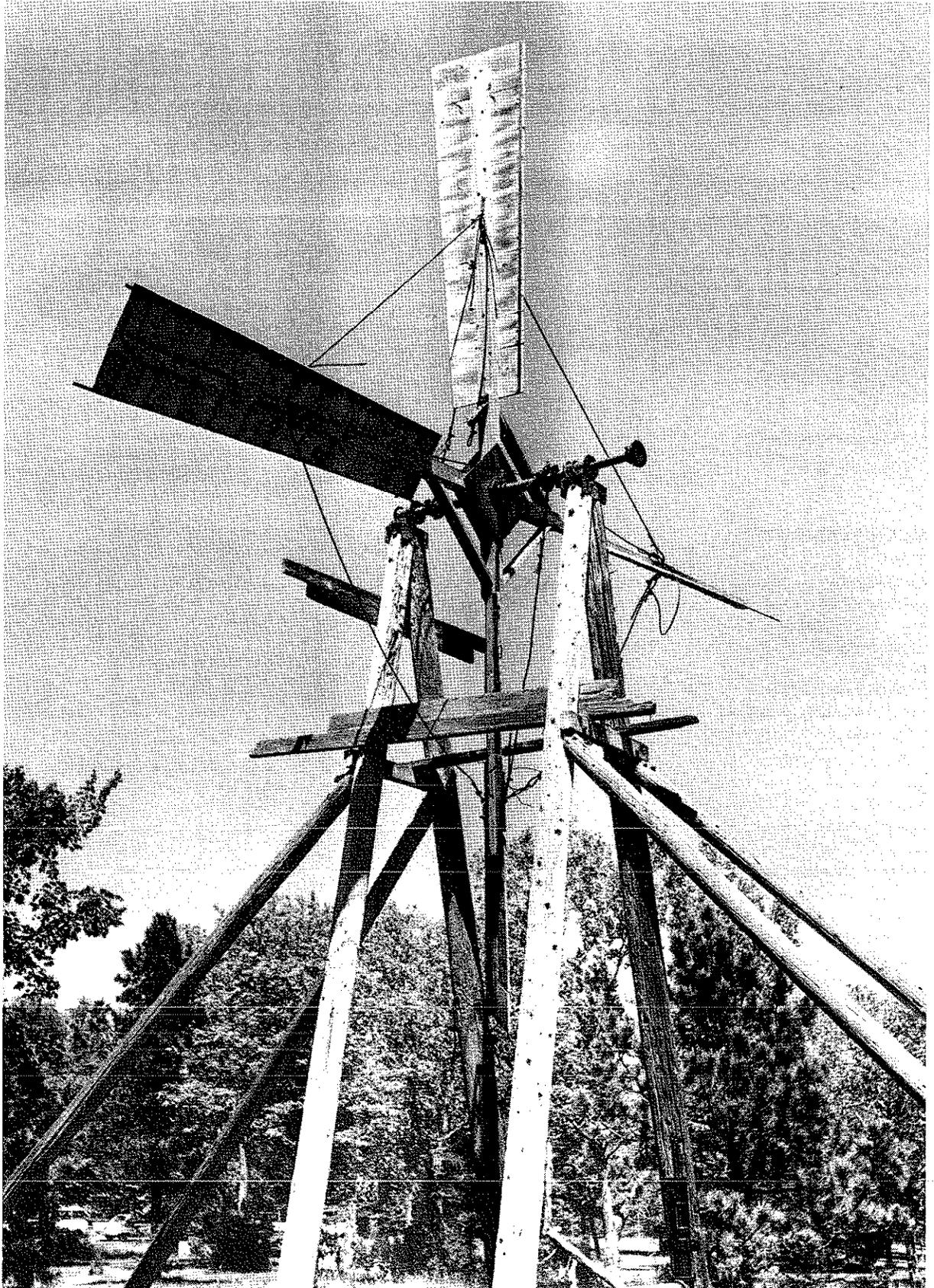
COMPONENT UNITS

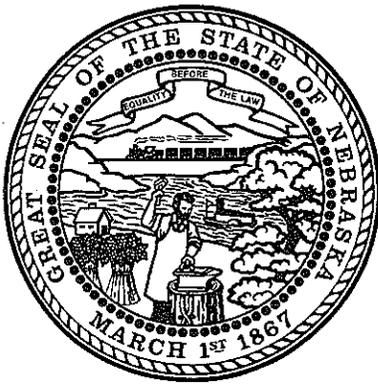
ALL COLLEGE AND UNIVERSITY FUNDS

June 30, 1994

(Dollars in Thousands)

	CURRENT FUNDS		LOAN FUNDS	ENDOWMENT FUNDS	PLANT FUNDS	AGENCY FUNDS	TOTALS
	UNRESTRICTED	RESTRICTED					
ASSETS:							
Cash and Cash Equivalents	\$ 84,435	\$ 25,051	\$ 2,632	\$ 226	\$ 52,097	\$ 158	\$ 164,599
Cash on Deposit with Fiscal Agents	1,979	150	-	30,098	62,658	-	94,885
Investments, at Cost	-	-	379	23,232	15	-	23,626
Receivables, net of allowance	-	-	-	-	-	-	-
Loans	-	-	30,526	-	-	-	30,526
Other	39,507	18,984	74	18	3,523	620	62,726
Due from Other Funds	7,496	55	156	1,360	3,301	1,295	13,663
Due from Primary Government	15,058	-	-	-	991	-	16,049
Inventories	10,515	-	-	-	-	-	10,515
Prepaid Expenses	4,987	-	-	-	1,620	-	6,607
Property, Plant, and Equipment	-	-	-	-	1,013,846	-	1,013,846
TOTAL ASSETS	\$ 163,977	\$ 44,240	\$ 33,767	\$ 54,934	\$ 1,138,051	\$ 2,073	\$ 1,437,042
LIABILITIES AND FUND EQUITY							
LIABILITIES:							
Accounts Payable	\$ 18,796	\$ 2,981	\$ 29	\$ 97	\$ 8,757	\$ 83	\$ 30,743
Accrued Liabilities	29,759	976	-	10,706	86	290	41,817
Deposits Held in Custody	357	-	-	-	-	1,697	2,054
Due to Other Funds	4,903	8,382	223	-	152	3	13,663
Bonds Payable	-	-	-	-	117,535	-	117,535
Capitalized Lease Obligations	111	-	-	-	15,300	-	15,411
Accrued Compensated Absences	26,822	-	-	-	-	-	26,822
Deferred Revenue	13,047	-	-	-	-	-	13,047
TOTAL LIABILITIES	93,795	12,339	252	10,803	141,830	2,073	261,092
FUND BALANCES:							
Unrestricted	70,182	-	-	-	-	-	70,182
Restricted	-	31,901	3,799	12,660	-	-	48,360
Federal Loan Programs Refundable	-	-	29,716	-	-	-	29,716
Quasi Endowment Designated	-	-	-	11,550	-	-	11,550
Trusteed Insurance Programs	-	-	-	19,921	-	-	19,921
Unexpended Plant Funds	-	-	-	-	26,340	-	26,340
Renewals and Replacements	-	-	-	-	45,372	-	45,372
Retirement of Indebtedness	-	-	-	-	80,670	-	80,670
Net Investment in Plant	-	-	-	-	843,839	-	843,839
TOTAL FUND BALANCES	70,182	31,901	33,515	44,131	996,221	-	1,175,950
TOTAL LIABILITIES AND FUND BALANCES	\$ 163,977	\$ 44,240	\$ 33,767	\$ 54,934	\$ 1,138,051	\$ 2,073	\$ 1,437,042





STATISTICAL SECTION

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**

1985 - 1994

(Dollars in Thousands)

	1985	1986	1987	1988
REVENUES:				
Taxes:				
Income	\$ 365,356	\$ 406,387	\$ 427,226	\$ 505,819
Sales and Use	302,845	323,951	399,470	453,488
Petroleum	131,534	150,142	163,873	168,389
Excise	56,936	55,985	61,510	60,079
Business and Franchise	31,237	33,330	30,643	32,350
Other	8,351	9,954	9,971	7,368
Total Taxes	896,259	979,749	1,092,693	1,227,493
Federal Grants and Contracts	513,949	533,866	530,387	557,804
Licenses, Fees and Permits	82,310	100,834	97,401	90,324
Charges for Services	31,077	32,550	35,478	37,067
Investment Income	21,792	14,981	15,603	27,888
Rents and Royalties	3,815	3,624	3,497	3,903
Other	4,956	6,339	9,238	7,524
TOTAL REVENUES	\$ 1,554,158	\$ 1,671,943	\$ 1,784,297	\$ 1,952,003
EXPENDITURES:				
Current:				
General Government	\$ 43,155	\$ 48,345	\$ 49,693	\$ 56,599
Conservation of Natural Resources	50,836	40,880	40,535	47,923
Culture - Recreation	3,791	3,431	3,655	3,909
Economic Development and Assistance	54,172	55,107	52,095	54,694
Education	286,388	284,538	289,331	302,252
Health and Social Services	446,611	484,200	521,103	563,927
Public Safety	71,718	70,816	71,455	84,786
Regulation of Business and Professions	14,983	23,751	16,956	18,549
Transportation	356,249	344,879	360,842	396,182
Intergovernmental	75,626	77,042	73,694	74,561
Capital Projects	6,429	10,143	4,494	4,439
Debt Service	1,318	1,260	1,200	1,141
TOTAL EXPENDITURES	\$ 1,411,276	\$ 1,444,392	\$ 1,485,053	\$ 1,608,962

SOURCE: Department of Administrative Services, Accounting Division.

Fiscal Years 1985-1987 - Nebraska Comprehensive Annual Financial Report, GAAP Cash Basis.

Fiscal Years 1988-1994 - Nebraska Comprehensive Annual Financial Report, GAAP Accrual Basis.

1989	1990	1991	1992	1993	1994
\$ 554,724	\$ 564,782	\$ 688,359	\$ 758,832	\$ 780,823	\$ 835,934
488,813	500,234	616,577	664,202	653,455	746,429
175,251	212,136	218,767	221,485	227,228	247,134
64,061	71,448	72,622	73,105	77,693	92,912
36,648	28,406	28,344	35,799	35,591	44,140
7,335	7,697	8,743	5,325	19,782	17,980
<u>1,326,832</u>	<u>1,384,703</u>	<u>1,633,412</u>	<u>1,758,748</u>	<u>1,794,572</u>	<u>1,984,529</u>
607,896	674,529	716,595	828,356	859,581	978,526
89,550	94,195	97,177	100,340	106,958	123,279
42,485	42,843	42,895	44,440	47,965	62,069
46,094	56,192	47,007	36,396	24,320	24,100
4,052	4,107	4,708	6,870	6,265	7,212
16,357	15,146	14,748	18,597	27,331	35,737
<u>\$ 2,133,266</u>	<u>\$ 2,271,715</u>	<u>\$ 2,556,542</u>	<u>\$ 2,793,747</u>	<u>\$ 2,866,992</u>	<u>\$ 3,215,452</u>
\$ 58,848	\$ 60,363	\$ 64,280	\$ 69,351	\$ 70,275	\$ 72,535
47,504	58,545	57,774	51,027	55,860	58,582
4,120	4,606	12,974	13,755	14,501	14,912
53,347	52,603	55,921	54,401	55,684	54,401
323,947	377,268	572,174	628,539	653,332	684,364
609,432	679,019	780,718	891,526	967,959	1,101,264
85,573	96,316	109,616	120,773	109,404	155,750
18,361	21,089	31,651	38,100	40,647	44,290
398,752	431,968	454,116	477,160	511,154	543,010
98,919	214,836	99,874	157,538	124,316	93,941
4,060	6,263	7,698	4,639	10,552	3,886
1,083	1,029	-	1,201	1,221	2,413
<u>\$ 1,703,946</u>	<u>\$ 2,003,905</u>	<u>\$ 2,246,796</u>	<u>\$ 2,508,010</u>	<u>\$ 2,614,905</u>	<u>\$ 2,829,348</u>

State of Nebraska

SCHEDULE OF BUDGETARY FUND CONVERSION TABLE

For the year ended June 30, 1994

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, 2187, 2188
		Department of Education	Funds 2131, 2139, 2148
		Public Service Commission	Funds 2140, 2141, 2142
		Department of Revenue	Funds 2159, 2162, 2164, 2166, 2167, 2169, 2170, 2431
		Department of Banking and Finance	Funds 2191, 2192, 2193, 2194
		Department of Health	Fund 2800
		Fire Marshall	Fund 2211
		Department of Insurance	Funds 2221, 2222, 6223
		Department of Labor	Fund 2230, 2231, 2234, 2235, 2236
		Department of Social Services	Fund 2263
		Electrical Board	Fund 2121
		Racing Commission	Funds 2361, 2362, 2363, 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 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 2838, 2841, 2842, 2843, 2844, 2845, 2847, 2849
	Highway	State Treasurer	Funds 6124, 6245, 6246
		Department of Revenue	Fund 7162
		Department of Motor Vehicles	Funds 2243, 2244, 7241
		Department of Roads	Funds 2270, 2271, 2671, 2672, 6271, 7757
	Economic Development	Department of Agriculture	Funds 2083, 2084, 2180, 2184
		Wheat Development, Utilization, and Marketing Board	Fund 2950
		Oil & Gas Conservation Commission	Fund 6571
		Gasohol Committee	Funds 2160, 2601, 2602
		Department of Economic Development	Funds 2074, 2183, 2186, 2331, 2721, 2723, 2724, 2726, 2727
		Dry Bean Development	Fund 2860
		Corn Development, Utilization, and Marketing Board	Fund 2189
		Branch Railway	Funds 2901, 5901
		Soybean Development, Utilization, and Marketing Board	Fund 2086
		Grain Sorghum Development, Utilization, and Marketing Board	Fund 2190

State of Nebraska

SCHEDULE OF BUDGETARY FUND CONVERSION TABLE (Continued)

For the year ended June 30, 1994

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS	
Special Revenue (Cont'd.)	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	
		Economic Development	Fund 2725	
		Governor's Office	Funds 2812, 2813, 6811	
		Department of Administrative Services	Fund 2654	
		Energy Conservation	Legislative Council	Fund 4030
			Governor's Office	Funds 4443, 4811
			Supreme Court	Fund 4050
			Attorney General	Fund 4111
			Department of Education	Funds 4134, 4136, 4144, 4148
			Department of Agriculture	Funds 4182, 4183, 4184, 4185, 4186, 4190, 4191, 4192, 4193, 4195, 4197
	Department of Health		Funds 4202, 4205, 4207	
	Fire Marshal		Fund 4121	
	Department of Labor		Funds 4231, 4232, 4235, 4236	
	Department of Motor Vehicles		Funds 4242, 4792	
	Federal	Department of Public Institutions	Funds 4810, 4812	
		Department of Social Services	Funds 4260, 4261, 4263, 4264, 4268, 4271	
		Department of Roads	Funds 4272, 4273	
		Department of Water Resources	Fund 4291	
		Military Department	Funds 4311, 4312, 4313, 4316, 4326	
		Game and Parks Commission	Fund 4332	
		Workers' Compensation Court	Fund 4371	
		Commission on the Status of Women	Fund 4381	
		Correctional Services	Fund 4813	
		Postsecondary Education	Fund 4481	
	Health and Social Services	Historical Society	Funds 4541, 4542	
		Natural Resources Commission	Fund 4552	
		Oil & Gas Conservation Commission	Fund 4571	
		Gasohol Commission	Fund 4601	
		State Patrol	Fund 4641	
		Department of Administrative Services	Fund 4000	
		Equal Opportunity Commission	Funds 4671, 4673, 4674	
Arts Council		Fund 4691		
Department of Aging		Fund 4711		
Department of Economic Development		Funds 4081, 4721, 4722, 4723, 4724, 4728, 4730		
Health and Social Services	Commission on Law Enforcement and Criminal Justice	Fund 4781		
	Commission for the Hearing Impaired	Fund 4820		
	Department of Environmental Quality	Funds 4840, 4841, 4842, 4843, 4844, 4845		
	Department of Revenue	Funds 2175, 2269		
	Department of Health	Funds 2201, 2205, 2206, 2208, 2209		
	Department of Public Institutions	Funds 2252, 2253, 2254, 6812, 6840, 6841		
	Department of Social Services	Funds 2260, 2261, 2265, 6262, 7261, 7262		
	Foster Care Review Board	Fund 2701		
	Department on Aging	Funds 2710, 2711		
	Commission for Hearing Impaired	Fund 2821		

State of Nebraska

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

For the year ended June 30, 1994

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS
Special Revenue (Cont'd.)	Other Special Revenue	Legislative Council	Funds 2030, 2031
		Governor's Office	Funds 2040, 2041, 5040, 6041
		Supreme Court	Funds 2051, 2052, 2053, 2054
		Secretary of State	Funds 2094, 2611
		Auditor of Public Accounts	Fund 2101
		Attorney General	Funds 2111, 2112, 5111
		State Treasurer	Funds 2126, 2127, 7999
		Department of Education	Funds 2130, 2132, 2133, 2135, 2136, 2137, 2138, 2149, 5132
		Department of Revenue	Funds 2157, 2158, 2161, 2163, 2165, 2168, 5161, 5162
		Department of Agriculture	Funds 2078, 2179, 5181
		Fire Marshal	Funds 2122, 2123, 2125
		Department of Labor	Funds 2232, 2233
		Department of Motor Vehicles	Funds 2134, 2242, 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	Funds 2371, 2372, 2373
		Commission on the Status of Women	Fund 2381
		Department of Correctional Services	Funds 2469, 5250
		Educational Telecommunications Commission	Funds 2471, 6472
		Coordinating Commission for Postsecondary Education	Funds 2481, 6481
		Board of Trustees of the State Colleges	Funds 3248, 3249
		University of Nebraska	Funds 3252, 3254
		Historical Society	Funds 2541, 2543, 2561, 6181, 6542, 6543
		Natural Resources Commission	Funds 2551, 2552, 2553, 2660
		State Patrol	Funds 2641, 2643, 2644, 2646
		Department of Administrative Services	Funds 2651, 2655, 2656, 2659, 2801, 5165, 7654
		Equal Opportunity Commission	Fund 2670
		Commission on Mexican-Americans	Fund 2681
		Arts Council	Funds 2690, 6691
Department of Economic Development	Fund 2330		
Commission on Indian Affairs	Fund 2722		
Commission on Law Enforcement and Criminal Justice	Funds 2780, 2781, 2782, 2783		
Department of Environmental Quality	Funds 2837, 2839, 2840, 2846, 2848, 6845, 6846, 6847		
Commission for Technical Community Colleges	Fund 2831		
Accountability and Disclosure Commission	Fund 2871		
State Treasurer	Funds 3300, 3800		
Department of Public Institutions	Funds 2251, 4251		
Educational Telecommunications Commission	Fund 4471		
Department of Administrative Services	Funds 2652, 3202		
Commission on Law Enforcement and Criminal Justice	Fund 3278		
Capital Projects	Capital Projects		

State of Nebraska

SCHEDULE OF BUDGETARY FUND CONVERSION TABLE (Continued)

For the year ended June 30, 1994

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS	
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	
	General Services	Department of Administrative Services	Funds 5651, 5654, 5658	
	Communications	Department of Administrative Services	Funds 2653, 5653	
	Central Data Processing	Department of Administrative Services	Funds 5652, 5656	
	Transportation Services	Department of Administrative Services	Fund 5657	
	Risk Management	Department of Administrative Services	Funds 2891, 2892, 2893, 5659, 5891, 5892, 6892	
	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	Fund 7231	
	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	Department of Public Institutions	Funds 6803, 6805, 6810, 6820, 6822, 6823, 6825, 6830	
		Department of Correctional Services	Funds 6464, 6465	
	Escheat Trust	State Treasurer	Funds 2120, 6128	
	PSC Trust Account	Public Service Commission	Fund 6142	
	Miscellaneous Trust		Department of Education	Fund 6131
			Department of Public Institutions	Fund 6826
			Department of Correctional Services	Fund 6461
			Educational Telecommunications Commission	Fund 6471
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	
		Board of Educational Lands and Funds	Fund 6335	
	Permanent University	Board of Educational Lands and Funds	Fund 6513	
	Agriculture Endowment	Board of Educational Lands and Funds	Fund 6891	
	J.J. Soukup	Office of Risk Management	Fund 6123	
	Insurance Investment Income	State Treasurer	Fund 6123	
	Pension Trust	School Retirement	Public Employees Retirement Board	Funds 2851, 6325, 6330, 6336, 6337, 6850, 6851, 6858, 6859
		Legislative Council	Fund 2032	
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, 7163, 7752, 7764	
		Department of Education	Funds 7131, 7132, 7133	
		Department of Insurance	Fund 6224	
	Master Lease	Department of Administrative Services	Fund 6651	
	Ohio College Library	Library Commission	Fund 7341	
	Short-Term Investment Pool	Investment Council	Fund 7750	

State of Nebraska

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

For the year ended June 30, 1994

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS	
Agency (Cont'd.)	Payroll Withholding	Department of Administrative Services	Funds 6801, 7655, 7801	
	State and County Employees Retirement	Public Employees Retirement Board	Funds 6853, 6854	
	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	
		Department of Social Services	Fund 7263	
		Public Employees Retirement Board	Fund 7653	
	Higher Education	Deferred Compensation		
		Higher Education	State Colleges	Funds 2501, 2503, 2504, 4491, 4900, 4920, 4930, 5501, 5503, 5504, 6494, 6501, 6503, 6504, 6505, 6506
		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, 6551, 6552, 6553	
Public Benefit Corporation	University of Nebraska	University of Nebraska	Funds 6509, 6510, 6511, 6516, 6517, 6518	
	Facilities Corporation			
	Nebraska State Colleges Facilities Corporation	State Colleges	Funds 6491, 6493, 6495	

State of Nebraska

REVENUE BOND COVERAGE COLLEGES AND UNIVERSITIES

1985 - 1994

(Dollars in Thousands)

FISCAL YEAR	DEDICATED REVENUES	RELATED EXPENSES	NET REVENUES AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENT	COVERAGE RATIO
1985	\$ 22,691	\$ 17,593	\$ 5,098	\$ 3,438	1.48
1986	27,347	21,868	5,479	3,528	1.55
1987	28,047	21,959	6,088	4,013	1.52
1988	28,832	23,052	5,780	3,917	1.48
1989	31,197	25,094	6,103	4,158	1.47
1990	34,691	26,811	7,880	4,294	1.84
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

SOURCE: University of Nebraska and State Colleges.

State of Nebraska

COMPARATIVE POPULATION GROWTH NEBRASKA AND UNITED STATES

1940 - 1993 (As of July 1)

YEAR	NEBRASKA	PERCENT CHANGE	UNITED STATES	PERCENT CHANGE
1940	1,315,834		132,122,000	
1950	1,325,510	0.74 %	152,271,000	15.25 %
1960	1,411,921	6.52	180,671,000	18.65
1970	1,483,791	5.09	205,052,000	13.49
1971	1,508,000	1.63	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)	227,255,000	0.98
1981	1,577,000	0.46	229,637,000	1.05
1982	1,586,000	0.57	231,996,000	1.03
1983	1,597,000	0.69	234,284,000	0.99
1984	1,605,000	0.50	236,495,000	0.94
1985	1,606,000	0.06	238,740,000	0.95
1986	1,598,000	(0.50)	241,077,000	0.98
1987	1,594,000	(0.25)	243,419,000	0.97
1988	1,602,000	0.50	245,807,000	0.98
1989	1,611,000	0.56	248,777,000	1.21
1990	1,578,000	(2.05)	248,709,873	(0.03)
1991	1,590,000	0.76	252,137,000	1.37
1992	1,601,000	0.69	255,078,000	1.17
1993	1,607,000	0.37	258,104,000	1.18
1940-1993		22.13 %		95.35 %

SOURCE: U.S. Bureau of the Census Population

State of Nebraska

COMPARATIVE UNEMPLOYMENT NEBRASKA AND UNITED STATES

1950 - 1993

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	17,750	2.9%	5.2%
1960	630,400	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	23,600	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	2.9	6.1
1979	771,000	747,000	24,000	3.2	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	839,000	821,000	18,000	2.1	5.5
1991	857,000	834,000	23,000	2.7	6.7
1992	856,000	831,000	25,000	2.9	7.3
1993	851,982	829,974	22,008	2.6	6.8

(a) Data for 1970 and later are based on a Labor Force concept rather than the Work Force use 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.

SOURCE: Nebraska Statistics - 1950-1983 Nebraska Statistical Handbook, Nebraska Department of Economic Development;
1984-1993 Nebraska Department of Labor.

United States Unemployment - January 1993 Employment and Earnings, U.S. Department of Labor, Bureau of Labor Statistics.

State of Nebraska

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

1984 - 1993

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
1984	\$ 19,778	\$ 12,323	\$ 3,101,163	\$ 13,114	\$ 220,093	\$ 12,570
1985	20,808	12,967	3,317,545	13,896	232,842	13,273
1986	21,583	13,708	3,519,364	14,654	244,889	14,078
1987	22,241	14,195	3,789,392	15,638	258,156	14,811
1988	23,908	15,211	4,061,806	16,610	269,192	15,351
1989	25,276	16,050	4,366,135	17,690	289,663	16,462
1990	27,470	17,379	4,655,420	18,667	309,893	17,519
1991	28,720	18,059	4,831,697	19,163	322,043	18,104
1992	30,368	18,974	5,128,373	20,105	343,429	19,164
1993	31,703	19,726	5,368,962	20,817	354,972	19,662

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

SOURCE: April 1994, Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis.

State of Nebraska

TEN LARGEST PRIVATE EMPLOYERS

1993

NAME OF COMPANY	RANK
Iowa Beef Processors, Inc.	1
Mutual of Omaha Insurance Company	2
Conagra Inc.	3
Union Pacific	4
ITI Marketing Services	5
Nebraska Methodist Hospital	6
Burlington Northern	7
First Data Resources	8
HyVee Foods	9
AT&T Network Systems	10

SOURCE: Research Division, The Department of Economic Development.

State of Nebraska

TRANSPORTATION RELATED STATISTICS

1984 - 1993

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
STATE HIGHWAY MILEAGE BY SURFACE TYPE (a)										
RURAL										
Gravel	121	96	108	108	92	92	79	79	74	74
Non-Rigid Bitumen, Asphalt	3,411	3,293	3,152	2,873	2,711	2,617	2,418	2,237	2,118	1,926
Rigid Asphalt, Concrete, Brick	5,846	5,988	6,130	6,389	6,564	6,659	6,870	7,049	7,152	7,321
TOTAL RURAL	9,378	9,377	9,390	9,370	9,367	9,368	9,367	9,365	9,344	9,321
MUNICIPAL										
Non-Rigid Bitumen, Asphalt	83	80	76	70	67	68	64	57	54	53
Rigid Asphalt, Concrete, Brick	491	493	495	507	512	512	517	529	551	570
TOTAL MUNICIPAL	574	573	571	577	579	580	581	586	605	623
TOTAL RURAL AND MUNICIPAL	9,952	9,950	9,961	9,947	9,946	9,948	9,948	9,951	9,949	9,944
MILES OF CONSTRUCTION ON STATE HIGHWAYS (a)										
Rural	355	340	321	460	429	430	493	414	340	469
Municipal	25	16	17	11	19	17	26	23	16	24
TOTAL RURAL AND MUNICIPAL	380	356	338	471	448	447	519	437	356	493
MOTOR VEHICLE REGISTRATIONS (b)										
Automobiles	831,138	837,948	856,574	870,291	882,451	901,633	917,722	838,803	895,461	940,667
Trucks										
Farm	143,947	140,187	140,987	144,126	145,460	145,749	147,982	128,969	140,095	149,403
Other	221,757	223,280	228,188	231,572	239,560	245,664	273,065	247,831	269,195	288,608
Motorcycles	47,236	43,158	33,077	31,599	29,088	23,560	22,375	20,264	19,582	18,882
All Other	197,745	196,285	208,849	219,821	224,954	243,514	275,003	266,178	296,302	301,757
TOTAL	1,441,823	1,440,858	1,467,675	1,497,409	1,521,513	1,560,120	1,636,147	1,502,045	1,620,635	1,699,317

SOURCE: (a) 1984-1993 Selected Highway Statistics, Nebraska Department of Roads.

(b) 1984-1993 Nebraska Department of Motor Vehicles.

State of Nebraska

NEBRASKA CASH RECEIPTS FROM FARM MARKETING AND GOVERNMENT PAYMENTS

1984 - 1993

(Dollars in Millions)

CASH RECEIPTS FROM FARM MARKETINGS

YEAR	CROPS	LIVESTOCK AND LIVESTOCK PRODUCTS	TOTAL CROPS AND LIVESTOCK	GOVERNMENT PAYMENTS	TOTAL
1984	\$ 2,412.7	\$ 4,424.2	\$ 6,836.9	\$ 533.0	\$ 7,369.9
1985	3,243.1	4,145.5	7,388.6	518.4	7,907.0
1986	2,538.7	4,222.4	6,761.1	858.4	7,619.5
1987	2,198.5	4,940.6	7,139.1	1,274.8	8,413.9
1988	2,411.6	5,390.3	7,801.9	1,091.5	8,893.4
1989	3,079.9	5,646.0	8,725.9	542.3	9,268.2
1990	2,638.8	6,076.2	8,715.0	624.6	9,339.6
1991	3,111.2	5,933.3	9,044.5	490.7	9,535.2
1992	3,107.4	5,675.4	8,782.8	478.7	9,261.5
1993	3,068.0	5,842.0	8,910.0	806.0	9,716.0

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

State of Nebraska

NEBRASKA HOUSING UNITS AUTHORIZED FOR CONSTRUCTION

1984 - 1993

YEAR	HOUSING UNITS AUTHORIZED	PERCENT CHANGE
1984	5,993	7.92
1985	5,001	(16.55)
1986	6,236	24.70
1987	4,820	(22.71)
1988	5,739	19.07
1989	6,040	5.24
1990	6,634	9.83
1991	6,235	(6.01)
1992	6,745	8.18
1993	7,751	14.91

SOURCE: 1984-1986 - Nebraska Housing Units Authorized for Construction, U.S. Department of Commerce.

1987-1993 - Housing Units Authorized by Building Permits: Annual 1987-1993, U.S. Dept. of Commerce.

State of Nebraska

MOTOR FUELS NET TAXABLE GALLONS

1984 - 1993

YEAR	IMPORTING DEALERS	SPECIAL FUELS	GASOHOL	TOTAL	PERCENT CHANGE
1984	545,138,095	158,029,984	202,425,164	905,593,243	0.85
1985	508,516,120	159,811,579	235,317,607	903,645,306	(0.22)
1986	539,277,916	165,044,374	209,345,406	913,667,696	1.11
1987	513,749,744	172,205,225	234,755,809	920,710,778	0.77
1988	522,029,163	188,052,766	250,165,089	960,247,018	4.29
1989	508,839,046	191,620,212	263,372,940	963,832,198	0.37
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

SOURCE: Nebraska Department of Revenue Annual Report.

State of Nebraska

BANK DEMAND AND TIME DEPOSITS

1984 - 1993

(Dollars in Millions)

YEAR	DEMAND DEPOSITS	TIME DEPOSITS	TOTAL DEPOSITS	PERCENT CHANGE
1984	\$ 2,344	\$ 10,311	\$ 12,655	7.68
1985	2,754	11,001	13,755	8.69
1986	2,902	11,565	14,467	5.18
1987	2,626	11,905	14,531	0.44
1988	2,567	12,506	15,073	3.73
1989	2,680	13,393	16,073	6.63
1990	2,806	14,828	17,634	9.71
1991	2,901	15,682	18,583	5.38
1992	3,174	16,441	19,615	5.55
1993	3,220	17,641	20,861	6.35

NOTE: This data represents balances at December 31.

SOURCE: Federal Deposit Insurance Corporation.

State of Nebraska

**PUBLIC AND STATE OPERATED ENROLLMENT
PREKINDERGARTEN - GRADE 12**

1983/84 - 1993/94

ACADEMIC YEAR	PRE KDG. AND KDG.	GRADES 1 - 3	GRADES 4 - 6	GRADES 7 - 9	GRADES 10 - 12	TOTAL ALL GRADES
1983 - 1984	23,017	60,898	59,223	63,886	60,510	267,534
1984 - 1985	23,509	60,711	58,313	63,581	60,002	266,116
1985 - 1986	24,698	62,146	57,962	61,191	59,822	265,819
1986 - 1987	24,842	63,953	58,175	58,962	61,207	267,139
1987 - 1988	24,733	65,954	58,480	58,122	60,811	268,100
1988 - 1989	24,292	67,372	60,680	58,471	58,567	269,382
1989 - 1990	24,491	67,117	62,962	59,412	56,407	270,389
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

SOURCE: 1983-1994 - Statistics and Facts About Nebraska Schools, Nebraska Department of Education.

State of Nebraska

**PUBLIC HIGHER EDUCATION INSTITUTIONS
TOTAL FALL ENROLLMENT**

1984 - 1993

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
COLLEGES AND UNIVERSITIES:										
Chadron State College	2,105	2,169	2,200	2,250	2,450	2,881	3,065	3,413	3,190	3,020
Kearney State College	8,035	8,725	8,816	9,075	9,094	9,745	9,899			
Peru State College	1,249	1,312	1,355	1,396	1,441	1,496	1,526	1,558	1,527	1,601
Wayne State College	2,797	2,669	2,919	2,899	2,874	3,324	3,512	3,925	3,761	3,765
University of Nebraska										
Lincoln	24,228	24,020	23,899	23,469	23,985	24,168	24,598	24,803	24,752	24,695
Omaha	14,037	13,789	13,907	14,210	14,985	15,475	15,811	15,986	16,227	15,899
Kearney								8,256	8,374	8,045
Medical Center	2,495	2,354	2,188	2,253	2,279	2,405	2,444	2,631	2,759	2,703
TOTAL COLLEGES AND UNIVERSITIES	<u>54,946</u>	<u>55,038</u>	<u>55,284</u>	<u>55,552</u>	<u>57,108</u>	<u>59,494</u>	<u>60,855</u>	<u>60,572</u>	<u>60,590</u>	<u>59,728</u>
COMMUNITY COLLEGES										
Central CC	8,209	7,945	8,796	9,127	9,676	10,284	10,915	9,971	11,014	11,458
Metropolitan CC	6,018	6,547	6,835	6,595	6,629	7,383	8,520	9,573	10,301	10,978
Mid-Plains CC	2,497	2,617	2,930	2,863	2,905	3,020	2,891	2,880	3,055	3,337
Northeast CC	2,298	2,335	2,392	2,562	2,687	2,205	2,815	3,172	3,257	3,408
Southeast CC	5,228	5,018	5,418	5,498	5,861	6,226	6,317	5,839	6,002	5,777
Western CC	1,480	1,663	2,405	2,273	2,508	2,364	1,940	2,182	2,248	2,591
TOTAL COMMUNITY COLLEGES	<u>25,730</u>	<u>26,125</u>	<u>28,776</u>	<u>28,918</u>	<u>30,266</u>	<u>31,482</u>	<u>33,398</u>	<u>33,617</u>	<u>35,877</u>	<u>37,549</u>
TOTAL ALL INSTITUTIONS	<u>80,676</u>	<u>81,163</u>	<u>84,060</u>	<u>84,470</u>	<u>87,374</u>	<u>90,976</u>	<u>94,253</u>	<u>94,189</u>	<u>96,467</u>	<u>97,277</u>

NOTE: Kearney State College became the University of Nebraska at Kearney in 1991.

SOURCE: Fall Headcount Enrollments in Nebraska Institutions of Postsecondary Education, Nebraska Coordinating Commission for Postsecondary Education.

State of Nebraska

MISCELLANEOUS STATISTICS

June 30, 1994

Date Entered Union	March 1, 1867 (37th State)
Form of Government	Legislative – Executive – Judicial
Land Area	77,355 square miles (15th largest in U.S.)
Elevation	840 to 5,426 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	201
State Police Protection:	
Number of Troops	6
Number of Patrolmen	409

SOURCE: Nebraska Blue Book, 1992-93.

