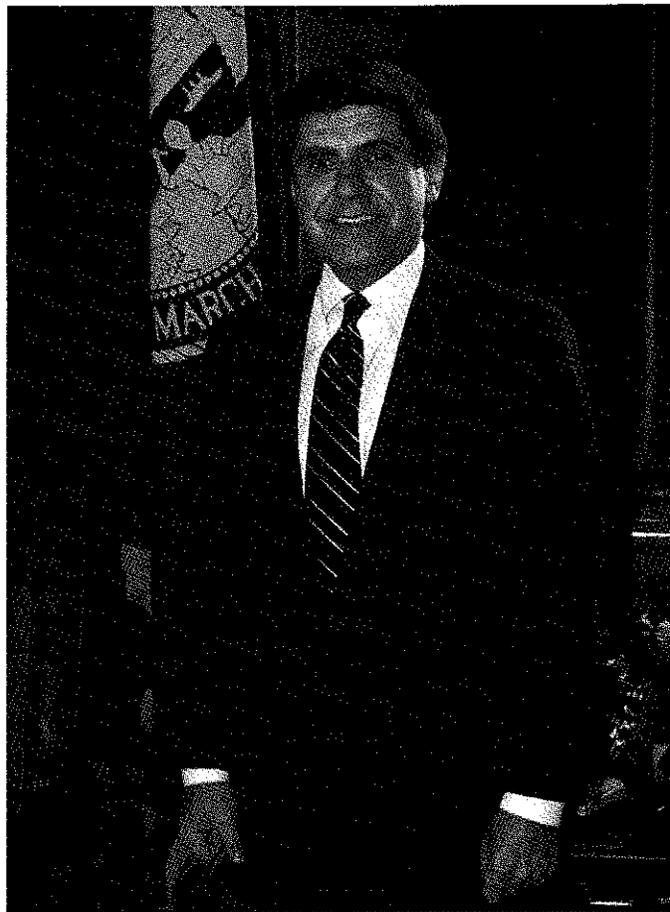


State of Nebraska
Comprehensive Annual Financial Report
Year Ended June 30, 1996

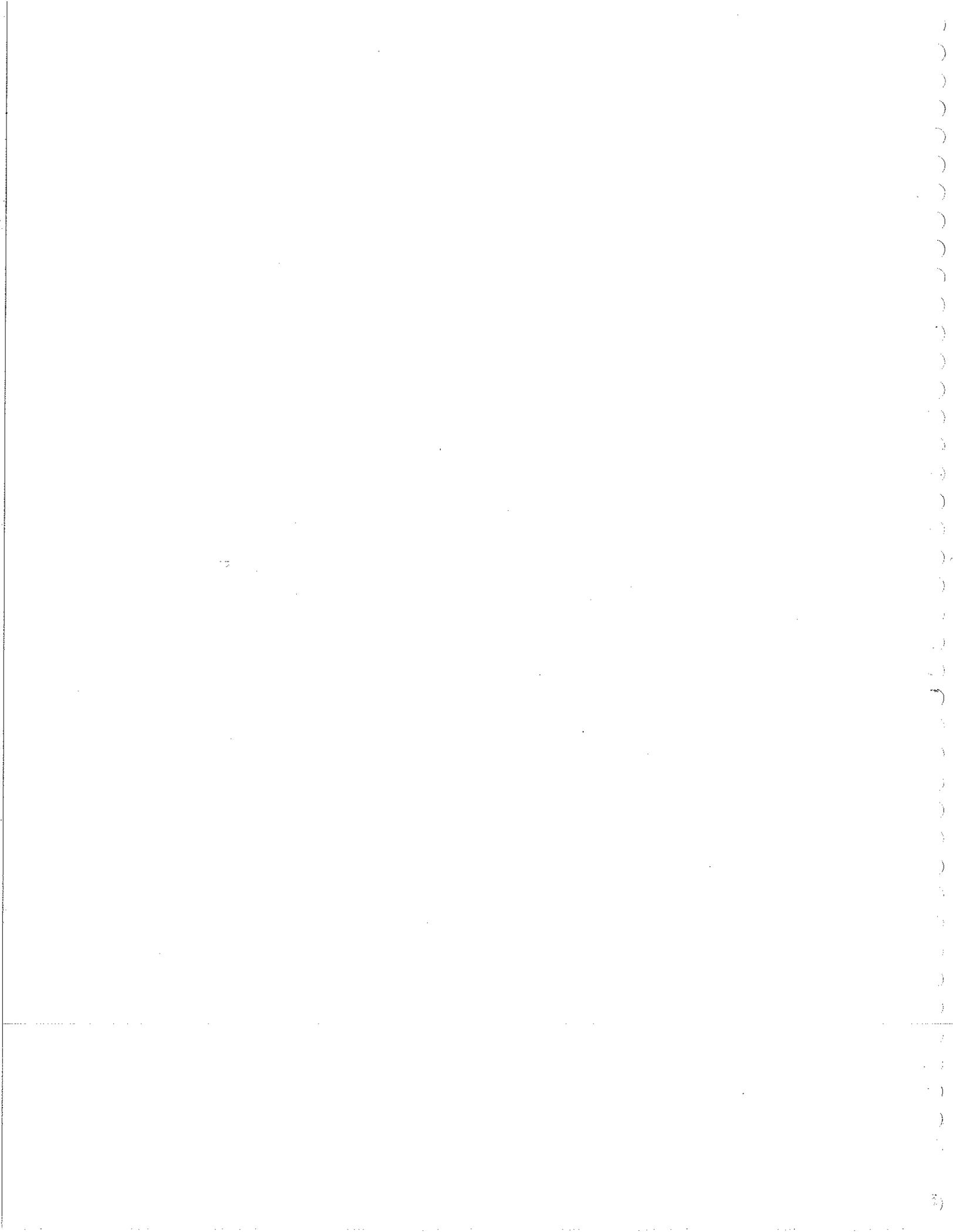


E. Benjamin Nelson
Governor

Department of Administrative Services

Lawrence S. Primeau
Director

Robert D. Luth
Accounting Administrator



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1996

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INTRODUCTORY SECTION



Wild plum grows virtually statewide.

STATE OF NEBRASKA



E. Benjamin Nelson
Governor

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

December 4, 1996

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 1996.

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 as evidenced by the recent and projected gains in employment, personal income and retail sales.

During the past year, the Legislature acted on several of my initiatives dealing with government restructuring, property tax reform, and fiscal responsibility. These initiatives will provide significant benefits to the citizens of Nebraska. The letter from the Department of Administrative Services discusses these initiatives in more detail.

Our ability to manage our fiscal affairs and provide full disclosure of the State's fiscal condition is demonstrated by the unqualified audit opinion that follows. I am also proud to report that the 1995 report submitted to the Government Finance Officers Association was awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting for the fifth consecutive year. I am confident the 1996 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 cursive script 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

Scott Moore
Secretary of State

David Heineman
State Treasurer

JUDICIAL

C. Thomas White
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 3, 1996

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, 1996. 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, and the combining and individual fund and account group financial statements and schedules.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

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

ECONOMIC CONDITION AND OUTLOOK

Revenues and Expenditures

A major factor in all financial and budget decisions will be the amount of revenue available to finance funding requests and initiatives. Current projections anticipate net general fund cash receipts of \$1.958 billion during the fiscal year ending June 30, 1997, a 6.6 percent increase over 1996 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 are on pace with projections.

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 1997 to \$1.89 billion (up 4.2 percent from 1996). The total biennium appropriation is projected to result in a June 30, 1997, reserve amount of \$165.1 million or 4.4 percent. This reserve amount is within the 3 to 7 percent reserve required by the Constitution and State Statutes.

Economy

The outlook by the Bureau of Business Research at the University of Nebraska-Lincoln for 1996 and 1997 calls for solid economic advances by the Nebraska economy. The Bureau's latest report for December 1996, predicts that employment, personal income and retail sales will all continue to show positive growth.

Employment grew at a rate of 2.5 percent in 1995. The 1996 and 1997 growth rates are expected to average around 1.7 percent. To the extent that employment gains are the result of conversions from full-time to part-time jobs or additions of part-time jobs, the magnitude of the gains may be somewhat less.

Non-farm personal income grew solidly in 1995, reflecting strength in wages and salaries. Gains are expected to be above 6.0 percent for 1996 and 1997. Following adjustment for inflation, real gains in non-farm personal income are predicted to be above 3.0 percent for both years.

Both motor vehicle sales and non-motor vehicle sales grew at slower rates in 1995, but still resulted in an increase of over 4.0 percent from 1994. In response to continued strength in the Nebraska economy, retail sales should increase to around 7.0 percent for 1996 and 1997.

	1992	1993	1994	1995	1996	1997
Employment:						
Annual Totals	750,153	767,212	795,486	815,089	828,618	843,685
Growth Rates	1.5%	2.3%	3.7%	2.5%	1.7%	1.8%
Non-farm Personal Income:						
Annual Totals (in millions \$)	28,407	30,082	31,578	33,902	36,098	38,446
Growth Rates	7.9%	3.6%	3.9%	6.8%	8.0%	6.7%
Net Taxable Retail Sales						
Growth Rates:						
Total	4.8%	6.1%	7.4%	4.3%	7.3%	6.7%
Motor Vehicle Sales	4.0%	13.7%	6.7%	3.8%	10.0%	8.0%
Non-motor Vehicle Sales	4.9%	5.1%	7.5%	4.4%	6.9%	6.5%
U.S. Consumer Price Index	3.0%	3.0%	2.6%	2.8%	2.9%	2.8%

MAJOR INITIATIVES

Government Restructuring

The Nebraska Partnership for Health and Human Services Act was passed by the Legislature in 1996. The Partnership Act reorganizes five state agencies into a unified, coordinated health and human services system. The functions of the Departments of Social Services, Health, Public Institutions, and Aging and the Office of Juvenile Services will be transferred to three functionally based agencies – service delivery, regulation and licensure, and finance and support.

The goals of the Partnership are better service, more accountability and greater cost effectiveness. Broad-based participation from all involved parties will help determine the details on programs and services, which must receive legislative approval.

Property Tax Reform

Four pieces of legislation were enacted to provide property tax relief for the citizens of the State. This legislation provides limits on property tax levies for local governments, limits local government spending for the two years before the levy limits take effect, reallocates some state aid to low-revenue cities, and provides procedures for mergers and reorganization between local governments.

Fiscal Responsibility

Rebuilding the depleted Cash Reserve Fund to cushion the State against revenue uncertainties was a top priority of the Governor. Legislation enacted during the year transfers General Fund receipts above projections into the Cash Reserve Fund and provides safeguards against depletion of the Cash Reserve Fund.

Relief for Prison Overcrowding

Legislation was enacted to provide funding for two modular housing units at the Nebraska State Penitentiary. Additional funding was provided for the development of a secure youth confinement facility. Also approved and signed into law is authorization for the State to explore the purchase of private facilities for correctional use.

Technology Issues

The Nebraska Information Technology Infrastructure Act was enacted to address pressing technology issues. With this legislation, the State can begin corrective action on the century date change computer problem well in advance of the year 2000 deadline.

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 carry over the encumbered amounts to the next biennium. Because the encumbrance process is not mandatory, the State does not record encumbrances on its financial statements.

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

General Government Functions

General governmental activities are accounted for in three governmental fund types. These fund types are the: general, special revenue and capital projects funds. The debt service fund is not utilized because all outstanding revenue bonds have been paid off. Revenue and other financing sources for general governmental functions totaled \$3.74 billion for the fiscal year ending June 30, 1996, an increase of 6.50 percent over revenues for the fiscal year ending June 30, 1995.

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, 1996, 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 and personal exemptions. A personal exemption credit

replaces the deduction for personal exemptions. The personal exemption credit is \$69 for 1996. The credit is phased out as federal adjusted gross income increases for higher income taxpayers.

Revenue from various sources for fiscal year 1996 and the amount and percentage of increases and decreases in relation to the prior fiscal year are as follows (expressed in thousands):

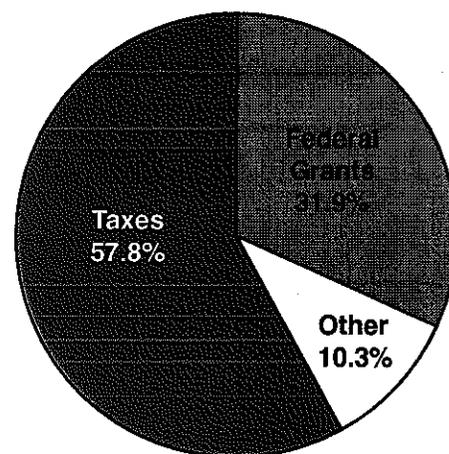
REVENUES AND OTHER FINANCING SOURCES	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 1995	PERCENT OF INCREASE (DECREASE)
Income Tax	\$ 869,504	23.26%	\$ 2,467	0.28 %
Sales and Use Tax	902,594	24.15	128,582	16.61 %
Petroleum Tax	240,605	6.44	(14,673)	(5.75)%
Other Taxes	147,539	3.95	(2,685)	(1.79)%
Federal Grants and Contracts	1,191,748	31.89	78,929	7.09 %
Licenses, Fees and Permits	138,288	3.70	6,456	4.90 %
Charges for Services	75,372	2.02	6,364	9.22 %
Investment Income	41,187	1.10	7,096	20.81 %
Rents and Royalties	7,934	0.21	147	1.89 %
Other	37,553	1.00	(1,925)	(4.88)%
Total Revenues	3,652,324	97.72	210,758	6.12 %
Other Financing Sources	85,287	2.28	17,398	25.63 %
Total Revenues and Other Financing Sources	<u>\$ 3,737,611</u>	<u>100.00%</u>	<u>\$ 228,156</u>	6.50 %

Increases in revenues are highlighted by:

- Sales and use taxes increased by \$128.6 million or 16.61 percent. This increase is consistent with and is primarily attributable to the increase in personal income and net taxable retail sales during 1995 and 1996.
- Federal Grants and Contracts increased by \$78.9 million. This increase is primarily due to increases in reimbursements for the federal share of the Medicaid program.
- Licenses, Fees and Permits, and Charges for Services increased \$12.8 million or 6.38 percent. This is primarily due to the increased utilization of fee income rather than general taxes to fund certain operations.
- Investment income increased by \$7.1 million or 20.81 percent. This increase is attributed to a 11.60 percent increase in the rate of return on the investment pool in which temporary cash balances are invested and a 9.65 percent increase in the average cash balances for the year.

Expenditures and other financing uses for general government activities totaled \$3.66 billion for the fiscal year ending June 30, 1996, representing a 5.65 percent increase from 1995. General government expenditures by function for fiscal year 1996 and the amount and percentage of increases and decreases in relation to the prior fiscal year are as follows (expressed in thousands):

REVENUES – 1996

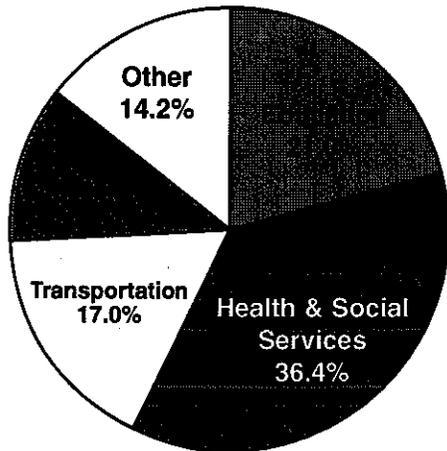


EXPENDITURES AND OTHER FINANCING USES	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 1995	PERCENT OF INCREASE (DECREASE)
Current:				
General Government	\$ 74,523	2.04%	\$ (2,557)	(3.32)%
Conservation of Natural Resources	66,495	1.82	4,351	7.00 %
Culture – Recreation	17,714	0.48	405	2.34 %
Economic Development and Assistance	64,202	1.76	4,298	7.17 %
Education	765,638	20.94	25,552	3.45 %
Health and Social Services	1,331,763	36.43	90,722	7.31 %
Public Safety	152,065	4.16	(14,302)	(8.60)%
Regulation of Business and Professions	49,458	1.35	2,950	6.34 %
Transportation	622,521	17.03	52,790	9.27 %
Intergovernmental	87,286	2.39	(3,001)	(3.32)%
Capital Projects	4,288	0.12	1,054	32.59 %
Debt Service	2,814	0.08	235	9.11 %
Total Expenditures	3,238,767	88.59	162,497	5.28 %
Other Financing Uses	417,273	11.41	33,039	8.60 %
Total Expenditures and Other Financing Uses	<u>\$ 3,656,040</u>	<u>100.00%</u>	<u>\$ 195,536</u>	5.65 %

Increases in expenditures were highlighted by:

- Education increased \$25.6 million or 3.45 percent due to increases in the amount of state aid provided to education and special education and regular inflationary increases in operating expenditures.
- Health and Social Services increased \$90.7 million or 7.31 percent. Most of the 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. Other minor programs and administrative cost increases account for the remainder of the increase.
- Transportation expenditures increased \$52.8 million or 9.27 percent due to increased road construction.

EXPENDITURES – 1996



Fund Conversion

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

General Fund Balance

The fund balance of the general fund increased by \$60.0 million to a total of \$137.3 million at June 30, 1996. The cash balance of the General Fund was \$268.1 million. Current cash flow projections place the June 30, 1997, cash balance at approximately \$319 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 \$81.8 million of operating revenues and \$22.6 million of income before transfers for fiscal year 1996. The Excess Liability Fund provides liability coverage for certain health care providers. Operating revenues, which are primarily insurance premiums, amounted to \$2.0 million. The retained earnings for this fund are \$37.3 million at June 30, 1996.

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 \$154.3 million for fiscal year 1996. These funds ended the year with total retained earnings of \$65.6 million.

Retirement Systems

Total net assets of the State's pension trust funds reached \$3.3 billion. These are the assets of the three defined benefit plans (School, Judges and State Patrol plans) that are administered by the State and two defined contribution plans (County and State Employees plans) which are administered by a third party. During 1996, the plans adopted the provisions of GASB Statement 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans", which requires plan investments to be reported at fair value. Accordingly, beginning fund equity was restated to \$2.8 billion.

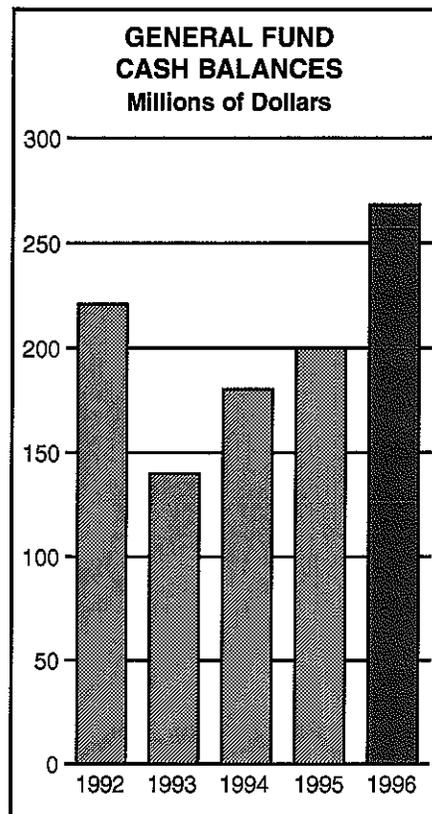
Debt Administration

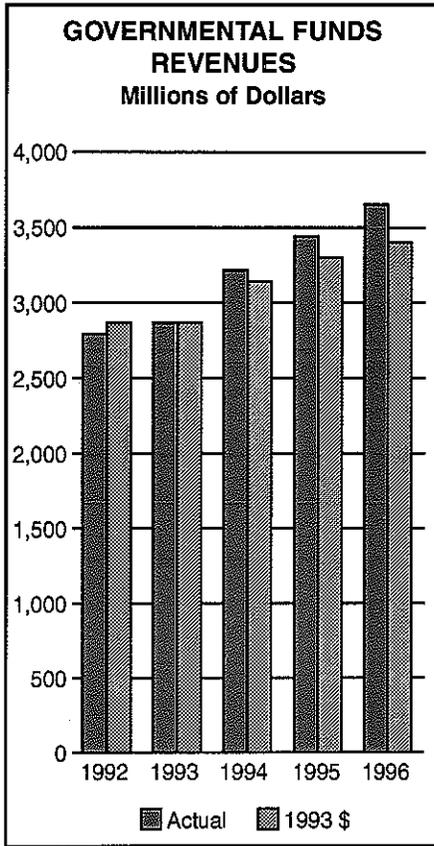
Article XIII of the State's Constitution prohibits the State from incurring debt in excess of one hundred thousand dollars. However, there is a provision in the Constitution that permits the issuance of revenue bonds for: (1) construction of highways; and (2) construction of water conservation and management structures. At June 30, 1996, 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 \$10.2 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, 1996, \$64.9 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, 1996, these authorities had \$48.7 million of bonds





outstanding. Although the State has no legal responsibility for the debt of these financing authorities, they are considered part of the reporting entity.

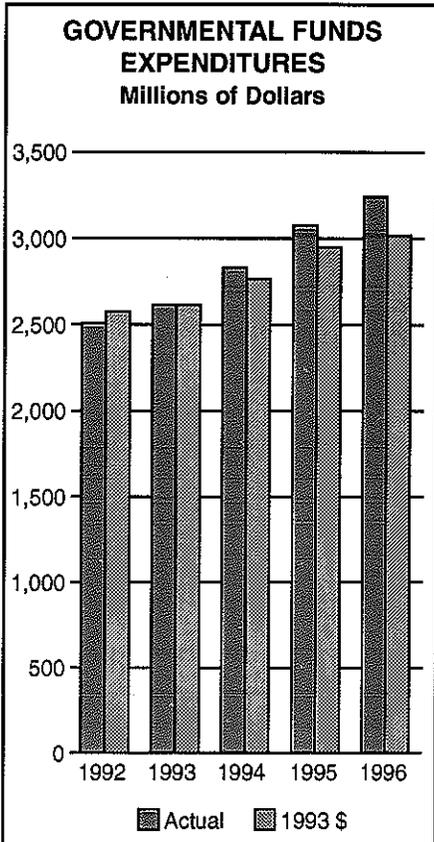
Risk Management

The State does not insure a significant portion of its buildings or their contents against theft, fire or other risks. Workers' compensation and employee life, health and accident coverage is provided on a self-insurance basis. Commercial insurance coverage has been purchased for automobile liability and employees' errors or omissions. Note 16 of the Notes to the Financial Statements discusses the State's risk management activities in more detail.

Cash Management

All cash is required to be deposited in the State Treasury. With the assistance of the State Investment Officer, the State Treasurer pools all cash in 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, 1996, there was \$1,092.0 million invested in the STIP. This was invested as follows: 57.5 percent in government securities; 24.8 percent in commercial paper; 8.0 percent in money market funds; 5.5 percent in certificates of deposit; and 4.2 percent in other investments. For the fiscal year ending June 30, 1996, the average daily balance of \$1,017.4 million returned \$58.8 million, a 5.77 percent yield. This yield represents an increase of .60 percent from 1995.



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, 1996, the general fixed assets of the State amounted to \$514.0 million. This amount represents the valuation of general fixed assets in accordance with GAAP and the State's capitalization policy as described in Note 1 of the Notes to the Financial Statements.

AUDITS

The firm of KPMG Peat Marwick LLP has audited the general purpose financial statements and their 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, 1995. 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 five consecutive years. We believe that our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

CONCLUSION

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

The 1996 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,

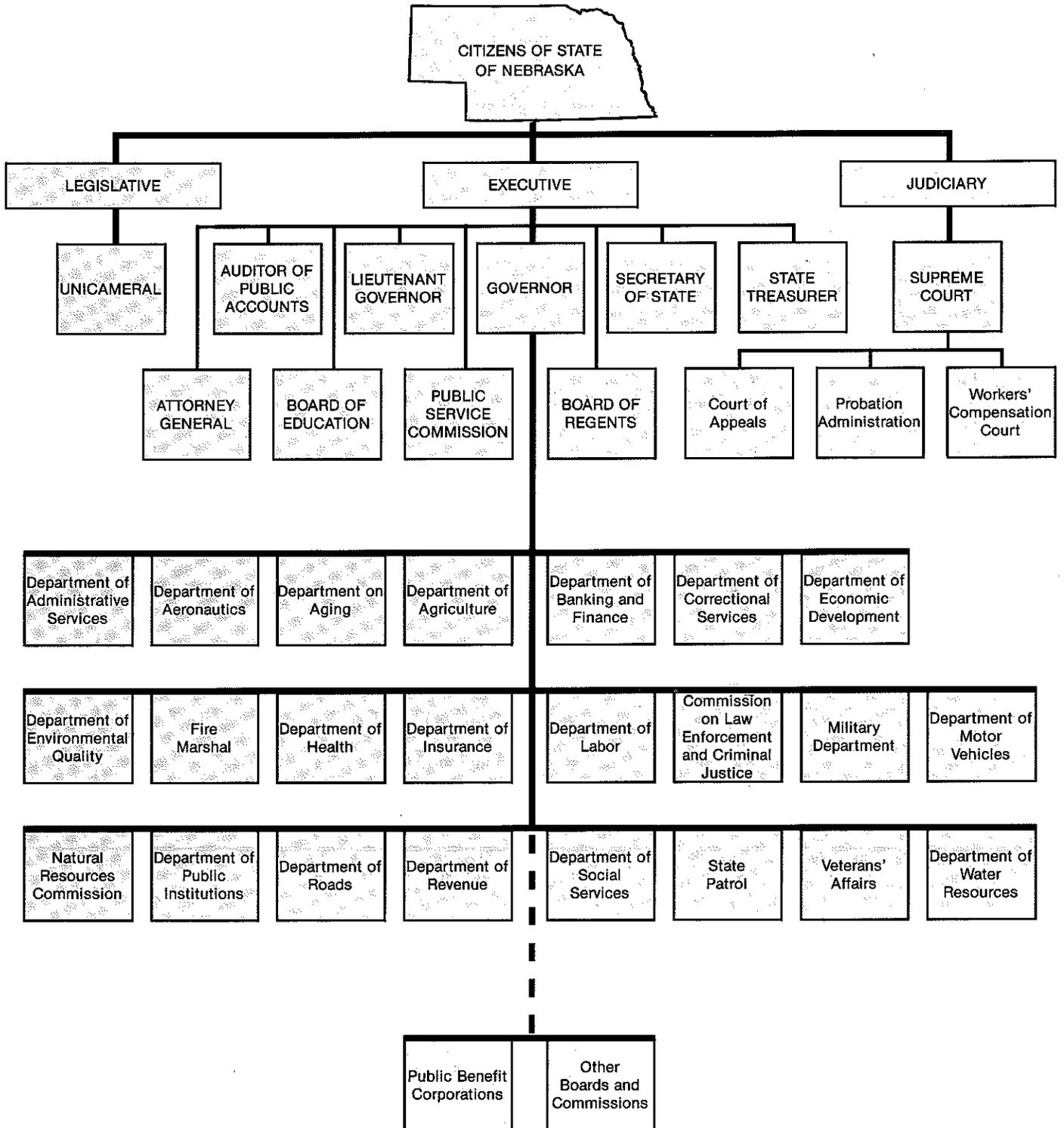


Lawrence S. Primeau
Director, Department of
Administrative Services



Robert D. Luth
State Accounting
Administrator

ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of
Nebraska

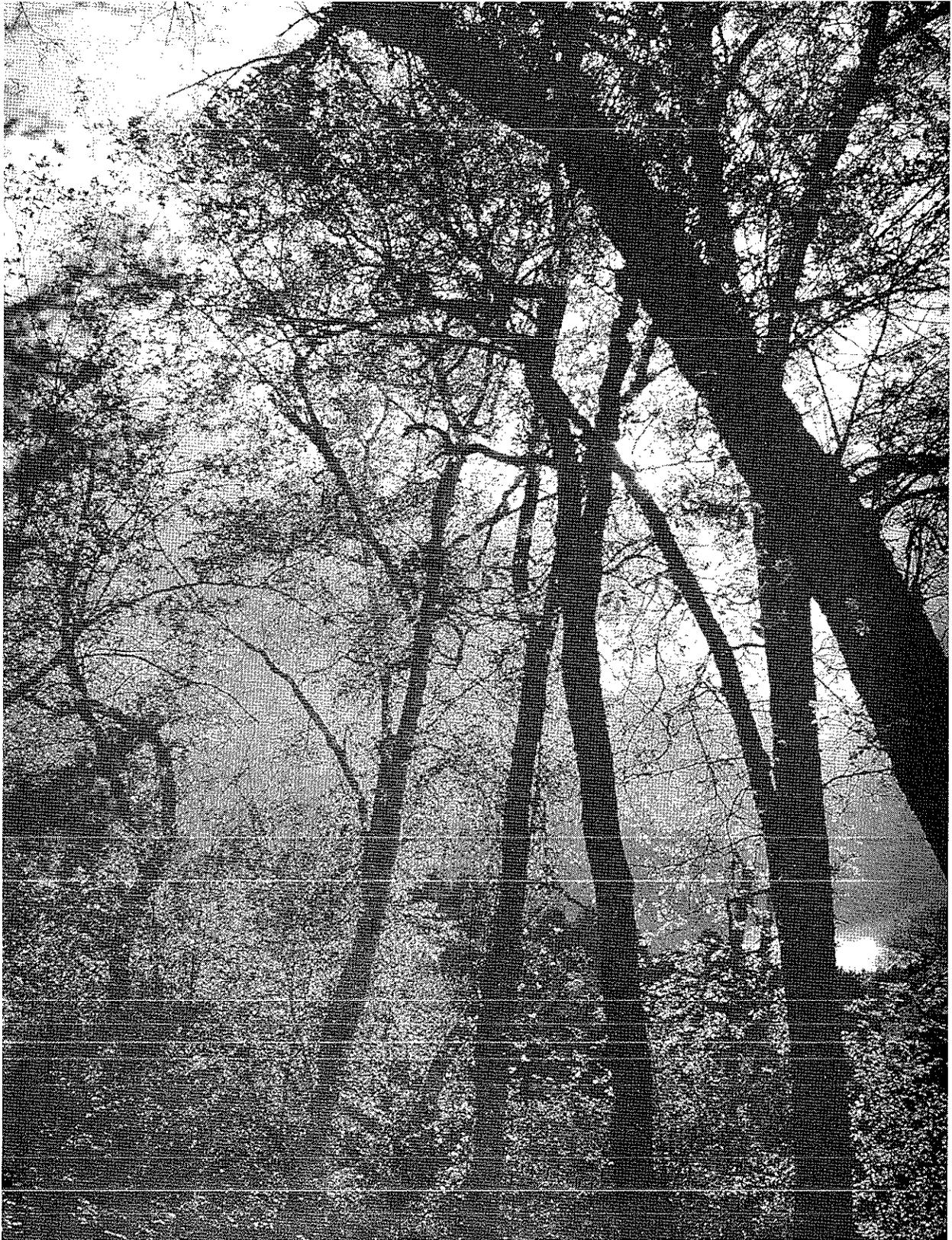
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1995

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.



Arthur R. Lynch
President

Jeffrey L. Essler
Executive Director



Various trees near Smith Falls State Park.



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the State of Nebraska as of and for the year ended June 30, 1996, as 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 Chadron State College, Peru State College, Wayne State College, the Nebraska State Lottery enterprise fund, and the State and County Employees Retirement Plans, which represent 6.3% and 4.9% respectively, of the total assets and total revenues and other additions of the discretely presented component units; 27.5% and 97.6% respectively, of the total assets and total operating revenues of the enterprise fund type; and 18.8% and 17.8% respectively, of the total plan net assets and additions to plan net assets of the pension trust fund type. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for Chadron State College, Peru State College, Wayne State College, the Nebraska State Lottery enterprise fund, and the State and County Employees Retirement Plans, is based solely on the reports of the other auditors.

We conducted our audit in accordance with 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, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Nebraska as of June 30, 1996, and the results of its operations, the cash flows of its proprietary fund types and nonexpendable trust funds, and the changes in plan net assets of its pension trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 27, 1996, on our consideration of the State of Nebraska's internal control structure and a report dated November 27, 1996, on its compliance with laws and regulations.

As discussed in Notes 12 and 13 to the general purpose financial statements, during 1996, the State implemented Governmental Accounting Standards Board Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans", and No. 27, "Accounting for Pensions by State and Local Governmental Employers."

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

KPMG Peat Marwick LLP

Lincoln, Nebraska
November 27, 1996



Leaves and acorns of oaks native to Nebraska include, northern red oak (top), chinquapin oak (center), dwarf chinquapin (right), black oak (lower left), and swap white oak (lower right).

GENERAL PURPOSE FINANCIAL STATEMENTS

State of Nebraska

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

June 30, 1996

(Dollars in Thousands)

	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>
ASSETS AND OTHER DEBITS:			
Cash and Cash Equivalents	\$ 268,140	\$ 387,033	\$ 9,192
Cash on Deposit with Fiscal Agents	-	7,692	-
Investments	-	11,808	-
Receivables, net of allowance			
Taxes	159,554	31,392	-
Due from Federal Government	6	145,756	40
Loans	49	70,131	-
Other	4,002	29,078	99
Due from Other Funds	18,376	9,424	378
Due from Primary Government	-	-	-
Inventories	-	28,932	-
Prepaid Items	49	113	-
Property, Plant, and Equipment, net	-	-	-
Other	299	444	-
Amount Available for Debt Service	-	-	-
Amount to be Provided For Debt Service	-	-	-
TOTAL ASSETS AND OTHER DEBITS	<u><u>\$ 450,475</u></u>	<u><u>\$ 721,803</u></u>	<u><u>\$ 9,709</u></u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS			
LIABILITIES:			
Accounts Payable and Accrued Liabilities	\$ 29,507	\$ 102,744	\$ 591
Tax Refunds Payable	166,849	3,587	-
Due to Other Governments	97	18,720	-
Deposits	325	6,716	-
Deferred Compensation Payable	-	-	-
Due to Other Funds	37,614	29,666	250
Due to Component Units	15,203	-	-
Claims Payable	61,074	66,139	-
Bonds Payable	-	-	-
Capital Lease Obligations	-	-	-
Obligations under Other Financing Arrangements	-	-	-
Accrued Compensated Absences	-	-	-
Deferred Revenue	2,486	20,732	-
Other	-	337	-
TOTAL LIABILITIES	<u><u>313,155</u></u>	<u><u>248,641</u></u>	<u><u>841</u></u>
FUND EQUITY AND OTHER CREDITS:			
Investment in Fixed Assets	-	-	-
Contributed Capital	-	-	-
Retained Earnings:			
Reserved	-	-	-
Unreserved	-	-	-
Fund Balances:			
Reserved for:			
Long-Term Receivables	49	70,131	-
Inventories and Prepaid Items	49	11,801	-
Debt Service	-	7,375	-
Unemployment Compensation Benefits	-	-	-
Endowment Principal	-	-	-
Pension Benefits	-	-	-
Unreserved:			
Designated for Colleges and Universities	-	-	-
Designated for Cash Shortages	37,930	-	-
Undesignated	99,292	383,855	8,868
TOTAL FUND EQUITY AND OTHER CREDITS	<u><u>137,320</u></u>	<u><u>473,162</u></u>	<u><u>8,868</u></u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u><u>\$ 450,475</u></u>	<u><u>\$ 721,803</u></u>	<u><u>\$ 9,709</u></u>

The accompanying notes are an integral part of the financial statement:

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	COMPONENT UNITS COLLEGES AND UNIVERSITIES
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	PRIMARY GOVERNMENT	
\$ 15,640	\$ 59,031	\$ 294,465	\$ -	\$ -	\$ 1,033,501	\$ 233,137
-	-	-	-	-	7,692	95,595
52,353	-	3,482,608	-	-	3,546,769	27,499
-	-	-	-	-	190,946	-
-	-	-	-	-	145,802	-
4,242	1,325	40,365	-	-	70,180	31,647
-	29,665	14,978	-	-	79,111	85,993
-	-	-	-	-	72,821	17,319
-	-	-	-	-	-	15,203
-	1,517	-	-	-	30,449	11,223
141	824	10	-	-	1,137	6,116
97	20,876	35	514,030	-	535,038	1,143,230
2,100	-	2,854	-	-	5,697	-
-	-	-	-	7,375	7,375	-
-	-	-	-	82,709	82,709	-
<u>\$ 74,573</u>	<u>\$ 113,238</u>	<u>\$ 3,835,315</u>	<u>\$ 514,030</u>	<u>\$ 90,084</u>	<u>\$ 5,809,227</u>	<u>\$ 1,666,962</u>
\$ 8,924	\$ 4,486	\$ 8,071	\$ -	\$ -	\$ 154,323	\$ 80,730
-	-	-	-	-	170,436	-
-	-	38,117	-	-	56,934	-
-	672	1,136	-	-	8,849	2,208
-	-	69,522	-	-	69,522	-
1,437	392	3,462	-	-	72,821	17,319
-	-	-	-	-	15,203	-
16,001	28,075	5,693	-	1,575	178,557	-
-	-	-	-	10,195	10,195	113,550
-	9,260	-	-	2,049	11,309	11,011
-	-	-	-	11,475	11,475	-
75	2,056	81	-	64,790	67,002	28,410
731	595	-	-	-	24,544	15,378
-	-	13,265	-	-	13,602	-
<u>27,168</u>	<u>45,536</u>	<u>139,347</u>	<u>-</u>	<u>90,084</u>	<u>864,772</u>	<u>268,606</u>
-	-	-	514,030	-	514,030	981,778
-	2,096	-	-	-	2,096	-
2,100	-	-	-	-	2,100	-
45,305	65,606	-	-	-	110,911	-
-	-	-	-	-	70,180	-
-	-	-	-	-	11,850	-
-	-	-	-	-	7,375	-
-	-	204,916	-	-	204,916	-
-	-	181,854	-	-	181,854	-
-	-	3,285,230	-	-	3,285,230	-
-	-	-	-	-	-	416,578
-	-	-	-	-	37,930	-
-	-	23,968	-	-	515,983	-
<u>47,405</u>	<u>67,702</u>	<u>3,695,968</u>	<u>514,030</u>	<u>-</u>	<u>4,944,455</u>	<u>1,398,356</u>
<u>\$ 74,573</u>	<u>\$ 113,238</u>	<u>\$ 3,835,315</u>	<u>\$ 514,030</u>	<u>\$ 90,084</u>	<u>\$ 5,809,227</u>	<u>\$ 1,666,962</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, 1996

(Dollars in Thousands)

	GOVERNMENTAL FUND TYPES			FIDUCIARY	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	EXPENDABLE TRUST	
REVENUES:					
Taxes	\$ 1,770,296	\$ 385,373	\$ 4,573	\$ 44,533	\$ 2,204,775
Federal Grants and Contracts	164	1,191,582	2	-	1,191,748
Licenses, Fees and Permits	17,363	120,925	-	-	138,288
Charges for Services	7,669	67,703	-	3,283	78,655
Investment Income	18,849	21,926	412	14,133	55,320
Rents and Royalties	-	7,934	-	292	8,226
Other	7,274	30,279	-	1,944	39,497
TOTAL REVENUES	<u>1,821,615</u>	<u>1,825,722</u>	<u>4,987</u>	<u>64,185</u>	<u>3,716,509</u>
EXPENDITURES:					
Current:					
General Government	64,318	10,205	-	366	74,889
Conservation of Natural Resources	23,996	42,499	-	-	66,495
Culture - Recreation	4,384	13,330	-	-	17,714
Economic Development and Assistance	4,291	59,911	-	-	64,202
Education	613,674	151,964	-	747	766,385
Health and Social Services	508,849	822,914	-	4,894	1,336,657
Public Safety	102,872	49,193	-	-	152,065
Regulation of Business and Professions	3,363	46,095	-	-	49,458
Transportation	584	621,937	-	-	622,521
Unemployment Claims	-	-	-	54,111	54,111
Intergovernmental	85,279	2,007	-	-	87,286
Capital Projects	-	-	4,288	-	4,288
Debt Service:					
Principal	-	1,585	-	-	1,585
Interest	-	1,229	-	-	1,229
TOTAL EXPENDITURES	<u>1,411,610</u>	<u>1,822,869</u>	<u>4,288</u>	<u>60,118</u>	<u>3,298,885</u>
Excess of Revenues Over (Under) Expenditures	<u>410,005</u>	<u>2,853</u>	<u>699</u>	<u>4,067</u>	<u>417,624</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	12,742	61,515	8,085	-	82,342
Operating Transfers Out	(16,633)	(43,280)	(1,160)	(2,829)	(63,902)
Operating Transfers to Component Units	(347,160)	(4,644)	(4,396)	-	(356,200)
Proceeds from Other Financing Arrangements	-	1,000	-	-	1,000
Proceeds from Capital Leases	999	946	-	-	1,945
TOTAL OTHER FINANCING SOURCES (USES)	<u>(350,052)</u>	<u>15,537</u>	<u>2,529</u>	<u>(2,829)</u>	<u>(334,815)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	59,953	18,390	3,228	1,238	82,809
FUND BALANCES, JULY 1	77,289	454,850	5,640	210,752	748,531
Residual Equity Transfers	78	(78)	-	-	-
FUND BALANCES, JUNE 30	<u>\$ 137,320</u>	<u>\$ 473,162</u>	<u>\$ 8,868</u>	<u>\$ 211,990</u>	<u>\$ 831,340</u>

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

State of Nebraska

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

For the Year Ended June 30, 1996

(Dollars in Thousands)

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
REVENUES:			
Taxes	\$ 1,756,099	\$ 1,775,840	\$ 19,741
Federal Grants and Contracts	185	185	-
Sales and Charges	24,949	24,949	-
Other	25,631	25,631	-
TOTAL REVENUES	1,806,864	1,826,605	19,741
EXPENDITURES:			
Current:			
General Government	69,671	64,036	5,635
Conservation of Natural Resources	28,311	23,386	4,925
Culture – Recreation	4,822	4,453	369
Economic Development and Assistance	5,608	4,355	1,253
Education	968,479	949,862	18,617
Health and Social Services	555,412	503,785	51,627
Public Safety	117,286	101,570	15,716
Regulation of Business and Professions	3,748	3,381	367
Transportation	918	584	334
Intergovernmental	96,617	94,584	2,033
Capital Projects	-	-	-
TOTAL EXPENDITURES	1,850,872	1,749,996	100,876
Excess of Revenues Over (Under) Expenditures	(44,008)	76,609	120,617
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	33,936	33,936	-
Operating Transfers Out	(38,560)	(38,560)	-
Other	714	714	-
TOTAL OTHER FINANCING SOURCES (USES)	(3,910)	(3,910)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(47,918)	72,699	120,617
FUND BALANCES, JULY 1	176,168	176,168	-
FUND BALANCES, JUNE 30	\$ 128,250	\$ 248,867	\$120,617

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

CASH RESERVE AND CASH FUNDS			CONSTRUCTION FUNDS			FEDERAL FUNDS		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ 56,833	\$ 56,833	\$ -	\$ 9,113	\$ 9,113	\$ -	\$ -	\$ -	\$ -
208,937	208,937	-	-	-	-	1,051,605	1,051,605	-
420,150	420,150	-	-	-	-	15,537	15,537	-
56,562	56,562	-	419	419	-	15,211	15,211	-
<u>742,482</u>	<u>742,482</u>	<u>-</u>	<u>9,532</u>	<u>9,532</u>	<u>-</u>	<u>1,082,353</u>	<u>1,082,353</u>	<u>-</u>
40,824	27,619	13,205	-	-	-	1,748	855	893
55,114	29,749	25,365	-	-	-	37,813	26,626	11,187
14,908	12,671	2,237	-	-	-	1,443	1,223	220
26,340	9,876	16,464	-	-	-	71,102	50,869	20,233
460,114	327,924	132,190	10,314	7,063	3,251	300,970	252,432	48,538
46,716	38,646	8,070	-	-	-	803,056	719,754	83,302
24,930	15,978	8,952	-	-	-	81,593	35,834	45,759
61,273	46,566	14,707	-	-	-	654	543	111
468,029	462,073	5,956	-	-	-	343	72	271
2,700	2,007	693	-	-	-	-	-	-
-	-	-	29,241	7,229	22,012	383	69	314
<u>1,200,948</u>	<u>973,109</u>	<u>227,839</u>	<u>39,555</u>	<u>14,292</u>	<u>25,263</u>	<u>1,299,105</u>	<u>1,088,277</u>	<u>210,828</u>
<u>(458,466)</u>	<u>(230,627)</u>	<u>227,839</u>	<u>(30,023)</u>	<u>(4,760)</u>	<u>25,263</u>	<u>(216,752)</u>	<u>(5,924)</u>	<u>210,828</u>
606,948	606,948	-	8,324	8,324	-	772	772	-
(337,883)	(337,883)	-	(525)	(525)	-	(756)	(756)	-
3,099	3,099	-	-	-	-	7	7	-
<u>272,164</u>	<u>272,164</u>	<u>-</u>	<u>7,799</u>	<u>7,799</u>	<u>-</u>	<u>23</u>	<u>23</u>	<u>-</u>
(186,302)	41,537	227,839	(22,224)	3,039	25,263	(216,729)	(5,901)	210,828
<u>464,271</u>	<u>464,271</u>	<u>-</u>	<u>6,504</u>	<u>6,504</u>	<u>-</u>	<u>8,294</u>	<u>8,294</u>	<u>-</u>
<u>\$ 277,969</u>	<u>\$ 505,808</u>	<u>\$ 227,839</u>	<u>\$ (15,720)</u>	<u>\$ 9,543</u>	<u>\$ 25,263</u>	<u>\$ (208,435)</u>	<u>\$ 2,393</u>	<u>\$ 210,828</u>

This statement continued on next page.

State of Nebraska

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

For the Year Ended June 30, 1996

(Dollars in Thousands)

	REVOLVING FUNDS		
	BUDGET	ACTUAL	VARIANCE
REVENUES:			
Taxes	\$ -	\$ -	\$ -
Federal Grants and Contracts	240	240	-
Sales and Charges	303,423	303,423	-
Other	38,345	38,345	-
TOTAL REVENUES	342,008	342,008	-
EXPENDITURES:			
Current:			
General Government	100,862	89,472	11,390
Conservation of Natural Resources	-	-	-
Culture – Recreation	-	-	-
Economic Development and Assistance	1,204	380	824
Education	264,219	237,895	26,324
Health and Social Services	-	-	-
Public Safety	6,207	4,919	1,288
Regulation of Business and Professions	-	-	-
Transportation	-	-	-
Intergovernmental	-	-	-
Capital Projects	-	-	-
TOTAL EXPENDITURES	372,492	332,666	39,826
Excess of Revenues Over (Under) Expenditures	(30,484)	9,342	39,826
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	8,502	8,502	-
Operating Transfers Out	(7,574)	(7,574)	-
Other	1,149	1,149	-
TOTAL OTHER FINANCING SOURCES (USES)	2,077	2,077	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(28,407)	11,419	39,826
FUND BALANCES, JULY 1	71,637	71,637	-
FUND BALANCES, JUNE 30	\$ 43,230	\$ 83,056	\$ 39,826

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

State of Nebraska

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

For the Year Ended June 30, 1996

(Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	(MEMORANDUM ONLY)
OPERATING REVENUES:				
Charges for Services	\$ 83,848	\$ 153,966	\$ -	\$ 237,814
Interest Income	-	-	8,744	8,744
Dividend Income	-	-	2,288	2,288
Gain (Loss) on Sale of Investments, net	-	-	14,185	14,185
Rents and Royalties	-	-	19,931	19,931
Other	-	301	513	814
TOTAL OPERATING REVENUES	83,848	154,267	45,661	283,776
OPERATING EXPENSES:				
Personal Services	1,010	17,777	1,193	19,980
Services and Supplies	15,882	63,821	1,270	80,973
Financial Assistance	-	-	945	945
Intergovernmental	-	-	25,345	25,345
Lottery Prizes	42,618	-	-	42,618
Insurance Claims	1,114	65,601	-	66,715
Depreciation	74	8,476	-	8,550
TOTAL OPERATING EXPENSES	60,698	155,675	28,753	245,126
Operating Income (Loss)	23,150	(1,408)	16,908	38,650
NONOPERATING REVENUES (EXPENSES):				
Interest Income	5,237	3,357	-	8,594
Gain (Loss) on Sale of Investments	128	-	-	128
Gain (Loss) on Sale of Fixed Assets	-	521	-	521
Other	-	(322)	-	(322)
TOTAL NONOPERATING REVENUES (EXPENSES)	5,365	3,556	-	8,921
Income Before Operating Transfers	28,515	2,148	16,908	47,571
OPERATING TRANSFERS:				
Operating Transfers In	-	-	2,596	2,596
Operating Transfers Out	(20,461)	-	(575)	(21,036)
TOTAL OPERATING TRANSFERS	(20,461)	-	2,021	(18,440)
Net Income	8,054	2,148	18,929	29,131
RETAINED EARNINGS/FUND BALANCES, JULY 1	39,351	63,458	179,819	282,628
RETAINED EARNINGS/FUND BALANCES, JUNE 30	\$ 47,405	\$ 65,606	\$ 198,748	\$ 311,759

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

State of Nebraska
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
AND NONEXPENDABLE TRUST FUNDS
For the Year Ended June 30, 1996

(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	\$ 82,339	\$ 5,389	\$ 20,337	\$108,065
Cash Received from Interfund Charges	-	148,392	-	148,392
Cash Paid to Employees	(995)	(17,210)	(1,193)	(19,398)
Cash Paid to Suppliers	(13,320)	(51,638)	(1,170)	(66,128)
Cash Paid for Financial Assistance	-	-	(945)	(945)
Cash Paid for Intergovernmental	-	-	(25,345)	(25,345)
Cash Paid for Lottery Prizes	(42,260)	-	-	(42,260)
Cash Paid for Insurance Claims	(3,114)	(67,374)	-	(70,488)
Cash Paid for Interfund Services	(3,698)	(10,442)	(106)	(14,246)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>18,952</u>	<u>7,117</u>	<u>(8,422)</u>	<u>17,647</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating Transfers In	-	-	2,596	2,596
Operating Transfers Out	(20,486)	-	(516)	(21,002)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>(20,486)</u>	<u>-</u>	<u>2,080</u>	<u>(18,406)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(36)	(4,367)	-	(4,403)
Proceeds from Sale of Fixed Assets	-	871	-	871
Principal Paid on Capital Leases	-	(3,716)	-	(3,716)
Interest Paid on Capital Leases	-	(351)	-	(351)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(36)</u>	<u>(7,563)</u>	<u>-</u>	<u>(7,599)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investment Securities	(20,595)	-	(143,579)	(164,174)
Proceeds from Sale of Investment Securities	17,388	-	139,555	156,943
Interest and Dividend Income	5,001	3,419	10,963	19,383
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>1,794</u>	<u>3,419</u>	<u>6,939</u>	<u>12,152</u>
NET INCREASE (DECREASE) IN CASH	224	2,973	597	3,794
CASH AND CASH EQUIVALENTS, JULY 1	<u>15,416</u>	<u>56,058</u>	<u>15,197</u>	<u>86,671</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 15,640</u>	<u>\$ 59,031</u>	<u>\$ 15,794</u>	<u>\$ 90,465</u>

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

State of Nebraska

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
AND NONEXPENDABLE TRUST FUNDS (Continued)**

For the Year Ended June 30, 1996

(Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	
RECONCILIATION OF OPERATING INCOME TO NET CASH				
FLAWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 23,150	\$ (1,408)	\$ 16,908	\$ 38,650
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	74	8,476	-	8,550
Interest Income	-	-	(8,744)	(8,744)
Dividend Income	-	-	(2,288)	(2,288)
Gain on Sale of Investments	-	-	(14,185)	(14,185)
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(1,070)	191	(107)	(986)
(Increase) Decrease in Due from Other Funds	-	(222)	-	(222)
(Increase) Decrease in Inventories	-	661	-	661
(Increase) Decrease in Prepaid Expenses	(141)	(13)	-	(154)
(Increase) Decrease in Other Assets	(200)	-	-	(200)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(406)	1,245	(6)	833
Increase (Decrease) in Due to Other Funds	(16)	40	-	24
Increase (Decrease) in Claims Payable	(2,000)	(1,773)	-	(3,773)
Increase (Decrease) in Deferred Revenue	(439)	(80)	-	(519)
Total Adjustments	<u>(4,198)</u>	<u>8,525</u>	<u>(25,330)</u>	<u>(21,003)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 18,952</u>	<u>\$ 7,117</u>	<u>\$ (8,422)</u>	<u>\$ 17,647</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: Internal Service Funds acquired fixed assets through capital leases of \$6,679,000 and received \$59,000 of contributed fixed assets.

RECONCILIATION OF CASH AND CASH EQUIVALENTS:

Total Trust and Agency	\$ 294,465
Less: Expendable Trust	205,133
Pension Trust	18,347
Agency	55,191
NONEXPENDABLE TRUST	<u>\$ 15,794</u>

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State of Nebraska

**STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS**

For the Year Ended June 30, 1996

(Dollars in Thousands)

	STATE EMPLOYEES RETIREMENT	COUNTY EMPLOYEES RETIREMENT	SCHOOL RETIREMENT	JUDGES RETIREMENT	STATE PATROL RETIREMENT	TOTALS
ADDITIONS:						
Contributions:						
Member Contributions	\$ 13,554	\$ 4,275	\$ 62,488	\$ 574	\$ 1,389	\$ 82,280
State Contributions	21,144	-	14,070	194	1,733	37,141
Political Subdivision Contributions	-	6,375	62,832	-	-	69,207
Court Fees	-	-	-	464	-	464
Total Contributions	<u>34,698</u>	<u>10,650</u>	<u>139,390</u>	<u>1,232</u>	<u>3,122</u>	<u>189,092</u>
Investment Income:						
Net Appreciation (Depreciation) in Fair Value of Investments	15,035	4,421	226,735	5,001	11,110	262,302
Interest and Dividend Income	31,202	6,816	81,052	1,992	4,359	125,421
Total Investment Income	<u>46,237</u>	<u>11,237</u>	<u>307,787</u>	<u>6,993</u>	<u>15,469</u>	<u>387,723</u>
Less Investment Expense	<u>1,207</u>	<u>252</u>	<u>6,000</u>	<u>143</u>	<u>318</u>	<u>7,920</u>
Net Investment Income	<u>45,030</u>	<u>10,985</u>	<u>301,787</u>	<u>6,850</u>	<u>15,151</u>	<u>379,803</u>
Other Additions	-	14	341	-	-	355
TOTAL ADDITIONS	<u>79,728</u>	<u>21,649</u>	<u>441,518</u>	<u>8,082</u>	<u>18,273</u>	<u>569,250</u>
DEDUCTIONS:						
Benefits	25,490	7,100	57,167	2,455	4,853	97,065
Refunds	742	360	7,544	-	100	8,746
Administrative Expenses	261	149	1,464	48	41	1,963
TOTAL DEDUCTIONS	<u>26,493</u>	<u>7,609</u>	<u>66,175</u>	<u>2,503</u>	<u>4,994</u>	<u>107,774</u>
Net Increase	53,235	14,040	375,343	5,579	13,279	461,476
FUND BALANCE RESERVED FOR PENSION BENEFITS:						
BEGINNING OF YEAR, AS RESTATED	<u>456,318</u>	<u>95,457</u>	<u>2,101,541</u>	<u>53,446</u>	<u>116,992</u>	<u>2,823,754</u>
END OF YEAR	<u>\$ 509,553</u>	<u>\$ 109,497</u>	<u>\$ 2,476,884</u>	<u>\$ 59,025</u>	<u>\$ 130,271</u>	<u>\$ 3,285,230</u>

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

State of Nebraska

STATEMENT OF CHANGES IN FUND BALANCES DISCRETELY PRESENTED COMPONENT UNITS COLLEGE AND UNIVERSITY FUNDS

For the Year Ended June 30, 1996

(Dollars in Thousands)

	CURRENT FUNDS		LOAN FUNDS
	UNRESTRICTED	RESTRICTED	
REVENUES AND OTHER ADDITIONS:			
Current Funds Revenues	\$ 589,010	\$ 540	\$ -
Federal Grants and Contracts – Restricted	-	96,053	10
State Grants and Contracts – Restricted	-	11,622	-
Local Grants and Contracts – Restricted	-	6,637	-
Private Gifts, Grants and Contracts – Restricted	-	60,079	172
Investment Income – Restricted	-	2,066	145
Realized Gains (Losses) on Investments – Restricted	-	-	11
Interest on Loans Receivable	-	-	695
U.S. Government Advances	-	-	877
Expended for Plant Facilities	-	-	-
Retirement of Indebtedness	-	-	-
Retirement of Capitalized Lease Obligations	-	-	-
Proceeds from Revenue Bonds, net of discount	-	-	-
Other Sources	-	-	80
TOTAL REVENUES AND OTHER ADDITIONS	<u>589,010</u>	<u>176,997</u>	<u>1,990</u>
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	746,885	156,987	-
Auxiliary Operations Expenditures	113,948	-	-
Indirect Costs Recovered	-	11,717	188
Loan Cancellations, Write-offs, and Allowances	-	-	382
Administrative and Collection Costs	-	-	236
Expended for Plant Facilities	-	-	-
Increase in Capital Lease Obligations	-	-	-
Retirement of Indebtedness	-	-	-
Interest on Indebtedness	-	-	-
Disposals and Other Reductions of Plant Facilities	-	-	-
Bond and Lease Financial Expenditures	-	-	-
Issuance of Bonds Payable, net of discount	-	-	-
Other Deductions	-	-	10
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	<u>860,833</u>	<u>168,704</u>	<u>816</u>
TRANSFERS AMONG FUNDS:			
Operating Transfers from Primary Government	346,276	-	-
Mandatory Transfers, net	(12,552)	-	231
Nonmandatory Transfers, net	<u>(34,887)</u>	<u>(1,156)</u>	<u>(123)</u>
TOTAL TRANSFERS	<u>298,837</u>	<u>(1,156)</u>	<u>108</u>
Net Increase (Decrease) for the Year	27,014	7,137	1,282
FUND BALANCES, JULY 1, AS RESTATED	<u>89,745</u>	<u>36,586</u>	<u>34,784</u>
FUND BALANCES, JUNE 30	<u>\$ 116,759</u>	<u>\$ 43,723</u>	<u>\$ 36,066</u>

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

PLANT FUNDS

ENDOWMENT FUNDS	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 589,550
-	5,084	32	-	-	101,179
-	-	-	-	-	11,622
-	-	-	-	-	6,637
278	4,105	234	-	12	64,880
241	469	147	2,234	-	5,302
595	-	-	(14)	-	592
-	-	-	-	-	695
-	-	-	-	-	877
-	-	-	-	76,900	76,900
-	-	-	-	11,890	11,890
-	-	-	-	3,149	3,149
-	17,340	-	-	-	17,340
-	-	350	-	-	430
<u>1,114</u>	<u>26,998</u>	<u>763</u>	<u>2,220</u>	<u>91,951</u>	<u>891,043</u>
-	-	-	-	-	903,872
-	-	-	-	-	113,948
-	-	-	-	-	11,905
-	-	-	-	-	382
94	111	-	51	-	492
-	25,948	18,679	213	-	44,840
-	-	-	-	878	878
-	-	-	11,890	-	11,890
-	-	-	5,167	-	5,167
-	-	-	-	12,669	12,669
-	-	-	17	-	17
-	-	-	-	17,340	17,340
1	288	-	287	-	586
<u>95</u>	<u>26,347</u>	<u>18,679</u>	<u>17,625</u>	<u>30,887</u>	<u>1,123,986</u>
-	2,467	2,755	4,702	-	356,200
-	177	190	11,954	-	-
(46)	7,788	26,415	(2,259)	4,268	-
(46)	10,432	29,360	14,397	4,268	356,200
973	11,083	11,444	(1,008)	65,332	123,257
<u>25,708</u>	<u>13,212</u>	<u>80,859</u>	<u>77,759</u>	<u>916,446</u>	<u>1,275,099</u>
<u>\$ 26,681</u>	<u>\$ 24,295</u>	<u>\$ 92,303</u>	<u>\$ 76,751</u>	<u>\$ 981,778</u>	<u>\$ 1,398,356</u>

State of Nebraska
**STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES AND OTHER CHANGES
DISCRETELY PRESENTED COMPONENT UNITS
COLLEGE AND UNIVERSITY FUNDS**

For the Year Ended June 30, 1996

(Dollars in Thousands)

	CURRENT FUNDS		TOTALS
	UNRESTRICTED	RESTRICTED	
REVENUES:			
Educational and General:			
Tuition and Fees	\$ 127,836	\$ 553	\$ 128,389
Federal Appropriations	5,979	-	5,979
Federal Grants and Contracts	11,346	86,548	97,894
State Grants and Contracts	503	9,416	9,919
Local Grants and Contracts	30	6,511	6,541
Private Gifts, Grants and Contracts	431	51,822	52,253
Endowment Income	631	2,137	2,768
Sales and Services of Educational Activities	28,243	-	28,243
Sales and Services of Hospitals and Clinics	240,776	-	240,776
Sales and Services of Auxiliary Operations	116,800	-	116,800
Additions to Trusteed Insurance Funds	39,394	-	39,394
Other	17,041	-	17,041
TOTAL REVENUES	589,010	156,987	745,997
EXPENDITURES AND MANDATORY TRANSFERS:			
Educational and General:			
Instruction	217,408	26,962	244,370
Research	55,234	56,279	111,513
Public Services	31,226	30,737	61,963
Academic Support	55,005	3,649	58,654
Student Services	21,676	2,745	24,421
Institutional Support	53,868	1,238	55,106
Operation and Maintenance of Plant	45,157	226	45,383
Hospitals and Clinics	207,090	2,153	209,243
Scholarships and Fellowships	19,409	32,998	52,407
Claims Paid From Trusteed Insurance Funds	40,812	-	40,812
TOTAL EDUCATIONAL AND GENERAL EXPENDITURES	746,885	156,987	903,872
Auxiliary Operations	113,948	-	113,948
Mandatory Transfers, net	12,552	-	12,552
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	873,385	156,987	1,030,372
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
Excess of Restricted Receipts Over			
Transfers to Revenue	-	8,293	8,293
Operating Transfers from Primary Government	346,276	-	346,276
Nonmandatory Transfers, net	(34,887)	(1,156)	(36,043)
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	311,389	7,137	318,526
NET INCREASE (DECREASE) IN FUND BALANCES	\$ 27,014	\$ 7,137	\$ 34,151

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 1996

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 Audit Guide model.

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

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

As required by 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. The following 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.

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

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

University of Nebraska. The University of Nebraska consists of the following campuses:

University of Nebraska – Lincoln, University of Nebraska at Omaha, University of Nebraska at Kearney, and University of Nebraska Medical Center. The University of Nebraska is governed by an elected eight-member Board of Regents. The Board of Regents is also the Board of Directors of the University of Nebraska Facilities Corporation, a nonprofit corporation organized by the Board of Regents in 1930 to finance buildings and hold them in trust for the University of Nebraska. Audit reports have been issued under separate cover.

The colleges and universities are funded through State appropriations, tuition, federal grants, and private donations and grants. 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 general purpose financial statements, however, funds that have similar characteristics have been combined into generic fund types as required by GAAP. These generic fund types differ from the State's budgetary funds which are described in Note 2. A brief description of these fund types and account groups used by the State and the categories into which they are grouped follows:

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

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

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

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

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

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

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

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

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

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

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

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

Account Groups. The Account Groups are maintained to account for general 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 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 (i.e., revenues) and decreases (i.e., 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 taxpayer-assessed tax revenues, unemployment compensation taxes, federal grants-in-aid, charges for services, and investment income. All other taxes, are recognized when received. Federal grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made. Revenues collected on an advance basis, including certain federal grant revenue, to which the State does not yet have legal entitlement, are not recognized as revenue until the related 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 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 and on-line revenue is recognized after the drawing is completed for the respective wagers. Lottery Fund prize expense is recognized in the same period that ticket revenue is recognized based on the predetermined prize structure for each game.

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

The College and University Funds are reported on the accrual basis of accounting except that depreciation related to plant fund assets is not recorded and revenues and expenditures of an

academic term encompassing more than one fiscal year are reported solely in the fiscal year in which the program is predominately conducted.

E. Cash and Cash Equivalents. In addition to bank accounts and petty cash, this classification includes all short-term investments such as certificates of deposit, repurchase agreements, and U.S. treasury bills having original maturities (remaining time to maturity at acquisition) of three months or less. These investments are stated at cost, which at June 30, 1996, 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. Assets held by the trustees for the Nebraska Educational Telecommunications Facilities Corporation, the Nebraska State Building Corporation, the State Revolving Fund, and the Master Lease Purchase Program are reflected as cash on deposit with fiscal agents. Proceeds of College and University Revenue Bond issuances held in interest bearing accounts, awaiting disbursement, are also recorded as cash on deposit with fiscal agents in the Component Units column.

G. Investments. Investments as reported on the 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 Pension Trust Funds and the Deferred Compensation Plan. Investments of the Pension Trust Funds and the Deferred Compensation Plan are stated at fair 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.

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.

Food stamps and commodities on hand at June 30, 1996, are reflected as inventories, offset by a like amount of deferred revenue, in the Federal Special Revenue Fund. Food stamp inventory is reported at face value and commodities are reported at fair values established by the federal government at the date received. The amounts of food stamps and commodities distributed during the year, which

approximated \$77,362,000 and \$8,237,000, respectively, are reflected as revenues and expenditures of the Special Revenue Funds.

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

At June 30, 1996, buildings were valued at \$267,318,000. Of this total, \$210,894,000 were valued at estimated historical cost and \$56,424,000 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.

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.

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

Buildings	40 years
Equipment	3-10 years

K. Compensated Employee Absences. All permanent employees earn sick and annual leave. Temporary

and intermittent employees and Board and Commission members are not eligible for paid leave.

State employees accrue vested annual leave at a variable rate based on years of service. Generally, accrued annual leave cannot exceed 35 days at the end of a calendar year. It is the State's policy to liquidate unpaid annual leave at June 30 from future sources rather than currently available expendable resources. Accordingly, governmental and expendable trust funds recognize annual leave when it is paid. A long-term liability of \$36.8 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, 1996.

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 \$26.2 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, 1996.

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 \$1.8 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, 1996.

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

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

L. Fund Equity Reserves. Reservations of fund balance are established to identify the existence of assets that are not available for subsequent year appropriations (i.e., prepaid items and inventories) or have been legally segregated for specific purposes.

Assets of legally restricted budgetary funds are an example of this type of reservation. Reservations of fund balance are also established for assets which are not current in nature, such as long-term loans receivable. Reservations of retained earnings are established for assets that are legally restricted for specific purposes and therefore not available to fund current operations.

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

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

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

2. Budgetary Process

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

The approved appropriations set spending limits by fund type for programs within each agency. These limits may include up to five budgetary fund types. Thus, the legal level of control is fund type within program within agency. The central accounting system maintains this control. A separate publication titled "Annual Budgetary Report" shows the detail of this legal level of control.

This publication is available from the Department of Administrative Services, Accounting Division.

Appropriations are made for each fiscal year of the biennium; balances at the end of the first fiscal year are carried over into the second fiscal year, unless directed otherwise by the Legislature. For most appropriations, balances lapse at the end of the biennium. During fiscal year 1996, 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 general purpose financial statements. The budgetary funds, which are listed below, are generally segregated by revenue sources. Of these seven fund types, only the first five are subject to the spending limits set by the appropriations bills.

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

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

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

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

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

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

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

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

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

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

Under State budgetary procedures, appropriation balances related to outstanding encumbrances at the end of a biennium are lapsed and reappropriated in the first year of the next biennium. In addition, the State Budget Administrator is required by law to review all encumbrances at the end of each biennium. The effect of the State's current procedures is to include in the budget columns of the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual the current year's appropriations plus the amounts reappropriated for encumbrances outstanding at the end of the prior biennium. This procedure indicates the State's intention to honor the encumbrances at the end of a biennium. The expenditures columns of the Statement include cash payments related to the appropriated and reappropriated amounts. For the year ended June 30, 1996, there were no budgetary funds in which expenditures exceeded appropriations.

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

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

A reconciliation of the budgetary versus GAAP fund equities as of June 30, 1996, follows:

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GENERAL PURPOSE FINANCIAL STATEMENT FUND EQUITIES

(Dollars in Thousands)	BUDGETARY FUND EQUITIES TOTAL	PRIMARY GOVERNMENT					TRUST AND AGENCY	COMPONENT UNITS
		GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE		COLLEGES AND UNIVERSITIES
PERSPECTIVE DIFFERENCES:								
Classification of budgetary fund equities into Financial Statement fund structure:								
General	\$ 248,867	\$ 248,867	\$ -	\$ -	\$ -	\$ -	\$ -	
Cash	505,808	18,190	346,160	70	2,418	1,088	137,349	
Construction	9,543	-	102	8,909	-	-	532	
Federal	2,393	-	4,778	18	-	-	(2,403)	
Revolving	83,056	-	2,253	-	-	29,065	51,738	
Budgetary fund equities classified into general purpose financial statement fund structure	<u>\$ 849,667</u>	267,057	353,293	8,997	2,418	30,153	187,216	
BASIS DIFFERENCES:								
Record amount due Colleges and Universities		(15,203)	-	-	-	-	15,203	
Record fixed assets		-	-	-	97	20,876	1,143,230	
Record taxes receivable		159,554	31,392	-	-	-	-	
Record tax refund liability		(166,849)	(3,587)	-	-	-	-	
Record amount due pensions		(14,630)	-	-	-	-	-	
Record claims payable		(61,074)	(66,139)	-	-	(28,075)	-	
Record capitalized lease obligations		-	-	-	-	(9,260)	(11,011)	
Record other net accrued receivables, liabilities and inventories		(31,535)	117,355	(129)	-	25,543	50,208	
Record deferred federal revenue		-	(20,669)	-	-	-	-	
Other		-	1,060	-	-	-	-	
ENTITY DIFFERENCES:								
Record funds not budgeted		-	60,457	-	44,890	28,465	3,494,562	
Record entities not included in the accounting system		-	-	-	-	-	200,873	
GAAP fund equities, June 30, 1996		<u>\$ 137,320</u>	<u>\$ 473,162</u>	<u>\$ 8,868</u>	<u>\$ 47,405</u>	<u>\$ 67,702</u>	<u>\$ 3,695,968</u>	
							<u>\$ 1,398,356</u>	

3. Cash and Cash Equivalents and Investments

Cash and Cash Equivalents. "Cash and Cash Equivalents" as reported on the combined balance sheet are under the control of the State Treasurer or other administrative bodies as determined by law. All cash deposited with the State Treasurer is initially maintained by the Treasurer in a pooled cash account. On a daily basis, the State Treasurer invests cash not needed for current operations with the State's Investment Council which maintains a short-term investment pool for such investments. All interest earned on these investments is allocated to the General Fund except allocations required by law to be made to other funds.

Investments. "Investments" as reported on the combined balance sheet include long-term investments. These investments may be restricted by law or other

legal instruments. "Investments" are under the control of the State Treasurer or other administrative bodies as determined by law.

4. Deposits and Investments Portfolio

Listed below is a summary of the deposit and investment portfolio that comprise the Cash and Cash Equivalents and Investments on the June 30, 1996, combined balance sheet. All securities purchased or held must either be in the custody of the State or deposited with an agent in the State's name.

Deposits. At June 30, 1996, the carrying amounts of the State's deposits for the Primary Government were \$40,373,000 and the bank balances were \$121,135,000. \$120,488,000 of the bank balance was covered by federal depository insurance or by collateral held by the

State of Nebraska

State's agent in the State's name and \$647,000 was not collateralized.

State Statutes require that the aggregate amount of collateral 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 \$9,760,000 at June 30, 1996.

At June 30, 1996, the carrying amounts of the Component Units' deposits were \$2,032,000 and the bank balances were \$1,854,000. Of the bank balances, \$1,545,000 was covered by federal depository insurance or by collateral held by the Component Units' agent in the Component Units' name, \$307,000 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Component Units' name and \$2,000 was not collateralized.

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 arrangements. At June 30, 1996, securities with a market value of \$493,407,000 were on loan through the lending agent. The market value of the collateral pledged for securities loaned was \$502,986,000 at June 30, 1996. 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, 1996

(Dollars in Thousands)	CATEGORY			CARRYING AMOUNT	MARKET VALUE
	1	2	3		
U.S. Government Securities	\$ 1,482,409	\$ 1,417	\$ -	\$ 1,483,826	\$ 1,483,810
Corporate Bonds	67,413	-	-	67,413	66,939
Equity Securities	1,634,247	-	-	1,634,247	1,660,043
Commercial Paper	270,436	-	-	270,436	270,436
Negotiable Certificates of Deposit	30,000	-	-	30,000	30,000
Municipal Bonds	6,782	-	-	6,782	6,837
	<u>\$ 3,491,287</u>	<u>\$ 1,417</u>	<u>\$ -</u>	3,492,704	3,518,065
Pooled Investment Contracts				558,764	558,764
Investment in U.S. Treasury Investment Pool				191,995	191,995
Mutual Funds				532,231	532,231
Real Estate				3,000	338,331
Less: Component Unit Investment in State Investment Pool				<u>(231,105)</u>	<u>(231,105)</u>
Total Investments				<u>\$ 4,547,589</u>	<u>\$ 4,908,281</u>

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The Pension Trust Funds own approximately 66% of the investments that are in Category 1.

Included in Real Estate is approximately 1.5 million acres of land owned by the Nonexpendable Trust Funds 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, 1996, was determined by using the average sales prices for similar type of land that sold in 1996.

A reconciliation of deposits and investments for the Primary Government to the Combined Balance Sheet at June 30, 1996, is as follows (dollars in thousands):

Disclosure Regarding Deposits and Investments:

Total Investments	\$ 4,547,589
Carrying amount of Deposits	40,373
Total	<u>\$ 4,587,962</u>

Combined Balance Sheet:

Cash and Cash Equivalents	\$ 1,033,501
Cash on Deposit with Fiscal Agents	7,692
Investments	<u>3,546,769</u>
Total	<u>\$ 4,587,962</u>

INVESTMENTS – COMPONENT UNITS AT JUNE 30, 1996

(Dollars in Thousands)	CATEGORY			CARRYING AMOUNT	MARKET VALUE
	1	2	3		
U.S. Government Securities	\$ -	\$ -	\$ 65,049	\$ 65,049	\$ 65,510
Corporate Bonds	-	-	5,047	5,047	5,326
Equity Securities	-	-	<u>13,526</u>	<u>13,526</u>	<u>25,227</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,622</u>	83,622	96,063
Mutual Funds				39,205	39,307
Real Estate				267	267
Investment in State Investment Pool				<u>231,105</u>	<u>231,105</u>
Total Investments				<u>\$ 354,199</u>	<u>\$ 366,742</u>

A reconciliation of deposits and investments for the Component Units to the Combined Balance Sheet at June 30, 1996, is as follows (dollars in thousands):

Disclosure Regarding Deposits and Investments:

Total Investments	\$ 354,199
Carrying amount of Deposits	<u>2,032</u>
Total	<u>\$ 356,231</u>

Combined Balance Sheet:

Cash and Cash Equivalents	\$ 233,137
Cash on Deposit with Fiscal Agents	95,595
Investments	<u>27,499</u>
Total	<u>\$ 356,231</u>

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5. Due To/From Other Funds

Due To/From Other Funds at June 30, 1996, consists of the following (dollars in thousands):

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
General	\$ 18,376	\$ 37,614
Special Revenue:		
Licensing and Regulation	36	5,825
Highway Fund	351	634
Economic Development	202	107
Airport Development	147	10
Game and Parks	656	101
Energy Conservation	98	5
Federal Fund	485	18,797
Health and Social Services	926	457
Other Special Revenue	6,523	3,730
	<u>9,424</u>	<u>29,666</u>
Capital Projects	378	250
Enterprise:		
Lottery	-	1,427
Excess Liability	-	10
	<u>-</u>	<u>1,437</u>
Internal Service:		
Correctional Services	633	18
Buildings and Grounds	73	116
General Services	1,164	24
Communications	1,241	10
Central Data Processing	4,962	48
Transportation Services	440	73
Risk Management	20,788	7
Accounting Services	-	88
Other Internal Service	364	8
	<u>29,665</u>	<u>392</u>
Expendable Trust:		
Escheat Trust	-	3
Nonexpendable Trust:		
Aeronautics Trust	-	118
Permanent School Fund	-	5
	<u>-</u>	<u>123</u>
Pension Trust:		
School Retirement	14,157	37
Judges Retirement	241	-
State Patrol Retirement	580	-
	<u>14,978</u>	<u>37</u>
Agency:		
Payroll Withholding Fund	-	3,299
TOTALS	<u>\$ 72,821</u>	<u>\$ 72,821</u>

6. Fixed Assets

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

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

	BALANCE JULY 1, 1995	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1996
Land	\$ 34,082	\$ 608	\$ 24	\$ 34,666
Buildings	258,596	8,958	236	267,318
Equipment	186,890	27,035	6,644	207,281
Construction in Progress	5,808	4,625	5,668	4,765
	<u>\$ 485,376</u>	<u>\$ 41,226</u>	<u>\$ 12,572</u>	<u>\$ 514,030</u>

The following is a summary of proprietary fund-type fixed assets at June 30, 1996 (dollars in thousands):

	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	PENSION TRUST FUNDS
Machinery and equipment	\$ 282	\$ 60,618	\$ 115
Buildings	-	1,772	-
Total	282	62,390	115
Less: accumulated depreciation	(185)	(41,514)	(80)
Net fixed assets	<u>\$ 97</u>	<u>\$ 20,876</u>	<u>\$ 35</u>

The following is a summary of component unit fixed assets at June 30, 1996 (dollars in thousands):

Land and Land Improvements	\$ 86,657
Buildings and Other Improvements	652,105
Equipment and Library Books	373,457
Construction in Progress	31,011
	<u>\$ 1,143,230</u>

7. Bonds Payable

Article XIII of the State's Constitution prohibits the State from incurring debt in excess of one hundred thousand dollars. However, there is a provision in the Constitution that permits the issuance of revenue bonds for: (1) construction of highways; and (2) construction of water conservation and management structures. At June 30, 1996, there was no outstanding debt for either of these purposes.

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 not subject to State constitutional restrictions on the incurrence of debt, which may apply to the State itself. The obligations outstanding at June 30, 1996, 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. Outstanding bonds payable are reported in the General Long-Term Debt Account Group.

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The State created the Nebraska State Building Corporation (NSBC) to finance the purchase of a building used by the State for its data processing and general services operations. In September 1987, the NSBC issued \$7,700,000 of lease revenue bonds to finance the purchase of the building. In June 1992, the NSBC issued \$7,645,000 of lease revenue bonds to refund the 1987 bonds. The NSBC is not subject to State constitutional restrictions on the incurrence of debt, which may apply to the State itself. The obligations outstanding at June 30, 1996, are collateralized by the revenues of the NSBC which consist primarily of building rental paid by the State. Outstanding bonds payable are reported in the General Long-Term Debt Account Group.

The Colleges and Universities issue bonds for various purposes including student housing, parking facilities

and special event centers. Net revenues from student housing and dining facilities, special student fees and parking facilities fees are pledged to secure the appropriate issues. Outstanding bonds payable are reported in the College and University Funds.

All outstanding bond issues of the University of Nebraska Facilities Corporation and the Nebraska State College Facilities Corporation are general obligations of these corporations. They are separate legal entities that are not subject to State constitutional restrictions on the incurrence of debt, which may apply to the State itself. The obligations outstanding at June 30, 1996, 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)

BONDS PAYABLE	DATES ISSUED	MATURITY DATES	INTEREST RATES	BALANCE JUNE 30, 1996
PRIMARY GOVERNMENT				
Nebraska Educational Telecommunications Facilities Corporation Issue	1991	1991-1999	6.00%-6.50%	\$ 3,655
Nebraska State Building Corporation Issue	1992	1992-2009	4.90%-6.50%	6,540
Primary Government Total				<u>\$ 10,195</u>
COMPONENT UNITS				
Colleges and Universities Revenue Bonds	1964-1996	1964-2016	3.50%-7.38%	\$ 64,875
University of Nebraska Facilities Corporation Issues	1992-1993	1993-2011	3.70%-5.45%	47,395
Nebraska State Colleges Facilities Corporation Issues	1992	1992-1997	4.85%-5.00%	1,280
Component Units Total				<u>\$ 113,550</u>

PRIMARY GOVERNMENT DEBT SERVICE REQUIREMENTS TO MATURITY

(Dollars in Thousands)

YEAR	PRINCIPAL	INTEREST	TOTAL
1997	\$ 1,205	\$ 610	\$ 1,815
1998	1,275	538	1,813
1999	2,165	459	2,624
2000	365	339	704
2001	365	318	683
Thereafter	4,820	1,544	6,364
Total	<u>\$ 10,195</u>	<u>\$ 3,808</u>	<u>\$ 14,003</u>

COMPONENT UNITS DEBT SERVICE REQUIREMENTS TO MATURITY

(Dollars in Thousands)

YEAR	PRINCIPAL	INTEREST	TOTAL
1997	\$ 8,980	\$ 5,527	\$ 14,507
1998	10,080	5,122	15,202
1999	7,020	4,753	11,773
2000	6,780	4,449	11,229
2001	6,810	4,138	10,948
Thereafter	73,880	27,316	101,196
Total	<u>\$ 113,550</u>	<u>\$ 51,305</u>	<u>\$ 164,855</u>

Changes in Primary Government bonds payable for fiscal year 1996 are summarized below (dollars in thousands):

Balance at July 1, 1995	\$ 11,330
Bonds Retired	<u>(1,135)</u>
Balance at June 30, 1996	<u>\$ 10,195</u>

Changes in bonds payable for Component Units for fiscal year 1996 are summarized below (dollars in thousands):

Balance at July 1, 1995	\$ 108,100
New Bonds Issued:	
Colleges and Universities	17,340
Bonds Retired	<u>(11,890)</u>
Balance at June 30, 1996	<u>\$ 113,550</u>

Bond Defeasances – Component Units

In 1993, the University of Nebraska Facilities Corporation issued \$45,570,000 of Refunding Bonds, dated July 15, 1993, to defease outstanding 1990 bonds. In conjunction with the defeasance, the 1990 bonds maturing on or after January 1, 2001, are scheduled to be called for redemption on July 1, 2000, at a price of 101% of the principal amount plus accrued interest. As a result, the 1990 bonds are considered defeased and the liability for these bonds has been removed from bonds payable. At June 30, 1996, \$36,043,000 of 1990 bonds outstanding are considered defeased.

8. Lease Commitments

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

The present value of future minimum capital lease payments and minimum annual lease payments for operating and capital leases as of June 30, 1996, 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
1997	\$ 4,621	\$ 639	\$ 4,044	\$ 1,795
1998	4,020	611	2,499	764
1999	888	553	1,702	207
2000	283	416	1,092	78
2001	31	21	898	71
Thereafter	-	-	2,581	177
Total Minimum Payments	9,843	2,240	12,816	<u>\$ 3,092</u>
Less: interest and executory costs	<u>583</u>	<u>191</u>	<u>1,805</u>	
Present value of net minimum payments	<u>\$ 9,260</u>	<u>\$ 2,049</u>	<u>\$ 11,011</u>	

Operating lease payments for the year ended June 30, 1996, totaled \$5,604,000.

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, 1996 (dollars in thousands):

	PRIMARY GOVERNMENT		COMPONENT UNITS
	INTERNAL SERVICE FUNDS	GENERAL FIXED ASSET ACCOUNT GROUP	COLLEGE AND UNIVERSITY FUNDS
Buildings	\$ -	\$ -	\$ 4,311
Equipment	15,272	2,473	18,292
Less: accumulated depreciation	<u>(7,540)</u>	<u>-</u>	<u>-</u>
Carrying value	<u>\$ 7,732</u>	<u>\$ 2,473</u>	<u>\$ 22,603</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, 1996, 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 \$19,513,000 were received under these and other lease agreements for the year ended June 30, 1996.

9. General Long-Term Debt

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

	BALANCE JULY 1, 1995		ADDITIONS	DELETIONS	BALANCE
					JUNE 30, 1996
Bonds Payable	\$ 11,330	\$ -	\$ 1,135		\$ 10,195
Capital Lease Obligations	525	1,945	421		2,049
Claims Payable	1,087	1,852	1,364		1,575
Obligations Under Other Financing Arrangements	11,125	1,000	650		11,475
Compensated Absences	<u>61,089</u>	<u>3,701</u>	<u>-</u>		<u>64,790</u>
Totals	<u>\$ 85,156</u>	<u>\$ 8,498</u>	<u>\$ 3,570</u>		<u>\$ 90,084</u>

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

10. Obligations Under Other Financing Arrangements

The State has entered into special financing arrangements with certain public benefit corporations 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.

Between 1991 and 1996, 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.

The State has a contractual arrangement with the City of Grand Island, Nebraska, which financed the construction of the Nebraska Law Enforcement Training Center in Grand Island. 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

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sufficient to cover the related bond debt service and for passage of title to the State after the bonds have been paid.

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

	BALANCE JULY 1, 1995		ADDITIONS	DELETIONS	BALANCE JUNE 30, 1996	
Nebraska Investment Finance Authority	\$ 8,955	\$ 1,000		\$ 450	\$ 9,505	
City of Grand Island	2,170	-		200	1,970	
Totals	\$ 11,125	\$ 1,000		\$ 650	\$ 11,475	

A summary of the future minimum contractual obligations including interest at rates from 4.50 percent to 6.80 percent is as follows (dollars in thousands):

YEAR	PRINCIPAL	INTEREST	TOTAL
1997	\$ 895	\$ 606	\$ 1,501
1998	1,095	559	1,654
1999	1,390	507	1,897
2000	1,495	451	1,946
2001	1,105	391	1,496
Thereafter	5,495	969	6,464
Total	\$ 11,475	\$ 3,483	\$ 14,958

Changes in Internal Service Fund contributed capital accounts during the year were as follows:

(Dollars in Thousands)

	CONTRIBUTED CAPITAL, JULY 1, 1995	CONTRI- BUTIONS	CONTRIBUTED CAPITAL, JUNE 30, 1996
Correctional Services	\$ 205	\$ -	\$ 205
Central Data Processing	1,824	-	1,824
Risk Management	8	-	8
Accounting Services	-	59	59
Total	\$ 2,037	\$ 59	\$ 2,096

12. Accounting Changes

At June 30, 1995, certain fund balances were restated as follows:

PRIMARY GOVERNMENT RESTATEMENT OF BEGINNING FUND EQUITY (Dollars in Thousands)		PENSION TRUST
Fund Equity at June 30, 1995, previously reported		\$ 2,549,325
Implementation of GASB Statement 25		274,429
Fund Equity at June 30, 1995, as restated		<u>\$ 2,823,754</u>

GASB Statement 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" was implemented during fiscal year 1996. The Statement requires Pension Plan investments to be reported at fair value rather than at cost.

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

	UNEXPENDED PLANT FUNDS	INVESTMENT IN PLANT
Fund Balance at June 30, 1995, previously reported	\$ 12,985	\$ 917,308
To correct the presentation of fixed asset valuation	227	(862)
Fund Balance at June 30, 1995, as restated	<u>\$ 13,212</u>	<u>\$ 916,446</u>

The State Colleges changed their method of accounting for the valuation of library books and their capitalization policy on equipment during fiscal year 1996.

13. Pension Plans

Plans Administered by the Public Employees Retirement Board

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). Contribution and benefit provisions are established by State law and may only be amended by the State Legislature.

The Board prepares separate reports for the defined contribution plans and for the defined benefit plans. Copies of these reports that include financial statements

and required supplementary information for the plans may be obtained by writing to Public Employees Retirement Systems, P.O. Box 94816, Lincoln, NE 68509-4816, or by calling 402-471-2053.

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

Method Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

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

The plans administered by the Board adopted the provisions of GASB Statement 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans." The State has also adopted the provisions of GASB Statement 27, "Accounting for Pensions by State and Local Governmental Employers" for these plans (see Note 12). Following is a summary of each of these plans:

State Employees' Retirement. This plan became effective January 1, 1964, and is a single-employer defined contribution plan established to provide benefits at retirement to general employees of the State. The amounts presented in the accompanying general purpose financial statements for the State Employees' Retirement System are for the fiscal year ended December 31, 1995.

Participation in the plan is required on reaching the age of 30 and completion of two years of continuous 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 of December 31, 1995, there were 12,871 active members and 1,658 inactive members. Members contributed \$13,554,000 and the State contributed \$21,144,000 during the year ended December 31, 1995, which were equal to required contributions.

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

Board. The amounts presented in the accompanying general purpose financial statements for the County Employees' Retirement System are for the fiscal year ended December 31, 1995.

The plan is a multiple-employer 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 and of all elected officials. County employees and elected officials contribute 4 percent and commissioned officers of the Sheriff's Department (for participating counties with an excess of 85,000 inhabitants) contribute 6 percent of their total compensation. The counties contribute 6 percent and 8 percent, respectively. The State is not required to contribute to this plan.

As of December 31, 1995, there were 5,818 active members and 806 inactive members. Members contributed \$4,275,000 and counties contributed \$6,375,000 during the year ended December 31, 1995, which were equal to required contributions.

School Retirement. The School Retirement System is a cost-sharing multiple-employer defined benefit pension plan with 701 participating school districts. All regular public school employees in Nebraska, other than those who have their own retirement plan, are members of the system. The benefits are based on both service and contributions.

The State's contribution is based on an annual actuarial valuation. The employees' contribution is 7.31 percent of their total pay and the school district's contribution is 101 percent of the employees' contribution.

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

The plan is funded by members' contributions, a portion of court fees collected, and the State's contribution, which is based on an annual actuarial valuation. The judges contribute 6 percent of their salary.

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

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exceed 75 percent of the average salary. Participation is mandated upon employment.

Members are required to contribute 10 percent of their annual pay which is matched by the State

Patrol. The State's contribution is based on an annual actuarial valuation.

The following table provides the schedules of funding progress for the single-employer defined benefit contribution plans:

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF FUNDING PROGRESS (Dollars in Thousands)						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
Judges'						
6/30/96	\$ 56,060	\$ 56,060	\$ -	100.0 %	\$ 11,616	- %
6/30/95	51,676	51,676	-	100.0	11,131	-
6/30/94	45,663	45,663	-	100.0	11,072	-
State Patrol						
6/30/96	\$ 123,349	\$ 110,302	\$ (13,047)	111.8 %	\$ 13,905	(93.8)%
6/30/95	111,881	105,354	(6,527)	106.2	13,513	(48.3)
6/30/94	98,894	99,963	1,069	98.9	12,885	8.3

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

	JUDGES' RETIREMENT	STATE PATROL RETIREMENT
Actuarial Valuation Date	6/30/96	6/30/96
Actuarial Cost Method	Frozen	Frozen
Entry Age	Entry Age	Entry Age
Amortization Method	Level Dollar	Level Dollar
Remaining Amortization Period	-	14 Years
Mortality	1971 Group Annuity Table	1983 Group Annuity Table
Asset Valuation Method	5-year Smoothed Market	5-year Smoothed Market
Actuarial Assumptions:		
Investment Rate of Return **	7.50%	7.50%
Projected Salary Increases **	5.5%	Graded 9% to 5%

** Includes assumed inflation of 4% per year.

Concentrations. The defined contribution plans held Guaranteed Investment Contracts (GIC's) with insurance companies that represent five percent or more of the plan net assets. At December 31, 1995, the State Employees' Retirement System held three of these GIC's totaling \$278,154,000 and the County Employees' Retirement System held five of these GIC's totaling \$56,163,000.

THREE-YEAR TREND INFORMATION (Dollars in Thousands)			
YEAR ENDED JUNE 30	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED	NET PENSION OBLIGATION
School			
1996	\$ 7,129	100%	\$ -
1995	10,744	100	-
1994	7,699	100	-
Judges'			
1996	\$ 122	100%	\$ -
1995	659	100	-
1994	561	100	-
State Patrol			
1996	\$ 1,340	100%	\$ -
1995	1,148	100	-
1994	1,063	100	-

Other Plans

Department of Labor, Division of Employment Security Retirement Plan. As of July 1, 1995, the date of the most recent actuarial valuation, there were 232 current or former employees of the Nebraska Department of Labor, Employment Security Division (Federal Special Revenue Fund) who were participants (207 active; 25 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 Employees' Retirement plan.

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

The July 1, 1995, net present value of assets available for benefits was \$61,784,000 which exceeded the present value of future retirement benefits by \$1,537,000. The average assumed rate of return used in determining the actuarial value of accumulated plan benefits was 7.5 percent.

The Nebraska Department of Labor's required and actual current year employer contributions were \$0. The total personal services for the Division of Employment was \$11,988,000. The total payroll for the active participants in this plan was \$6,555,000.

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' contributions 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 1996 was \$519,545,000 of which \$403,212,000 was covered by the plan. The institutions' contributions were \$28,712,000 or 7.12% of covered payroll and the employees' contributions were \$20,863,000 or 5.17% of covered payroll.

14. 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, 1996 (dollars in thousands).

Fund assets (at market value), July 1, 1995	\$ 57,981
Deferrals of compensation	5,738
Earnings and adjustment to market value	9,027
Payments to eligible participants and beneficiaries	(3,174)
Administrative expenses	<u>(50)</u>
Fund assets (at market value), June 30, 1996	<u>\$ 69,522</u>

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 not be material 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, condemna-

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tion 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.

Construction Commitments. At June 30, 1996, the State had contractual commitments of approximately \$274,398,000 for various highway and building projects. Funding of these future expenditures is expected to be provided as follows (dollars in thousands):

Federal funds	\$ 56,774
State funds	204,352
Local funds	13,272
	<u>\$ 274,398</u>

At June 30, 1996, the Colleges and Universities had contracted for the construction of several facilities which are estimated to cost \$168,529,000. The approximate remaining costs to complete these facilities were \$84,750,000 which will be financed as follows (dollars in thousands):

State appropriations	\$ 15,057
Federal funds	1,062
University funds	32,892
Private gifts, grants and contracts	17,358
Bond funds	18,381
	<u>\$ 84,750</u>

16. Risk Management

Through the Department of Administrative Services, 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. Settled claims have not exceeded this commercial insurance coverage in any of the past three years. The State retains the full risk for all real and personal property damage. The Division of Risk Management also maintains health care and life insurance for covered State employees. These activities are reported in the Risk Management Internal Service Fund.

Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The balance of claims liabilities is determined by an analysis of past, current, and future estimated loss experience.

Because actual claims liabilities depend on such factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability may not result in an exact amount. Claims liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balances of claims liabilities during the years ended June 30, 1996, and 1995, were as follows (dollars in thousands):

	Fiscal Year	
	1996	1995
Beginning Balance	\$ 29,848	\$ 31,653
Current Year Claims and Changes in Estimates	65,601	66,383
Claim Payments	67,374	68,188
Ending Balance	<u>\$ 28,075</u>	<u>\$ 29,848</u>

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.

Segment information for the fiscal year ended June 30, 1996, is as follows (dollars in thousands):

	LOTTERY	EXCESS LIABILITY
Operating Revenue	\$ 81,830	\$ 2,018
Operating Expenses:		
Depreciation	74	-
Other	59,108	1,516
Operating Income	22,648	502
Operating Transfers Out	(20,461)	-
Nonoperating Revenues	1,075	4,290
Net Income	<u>\$ 3,262</u>	<u>\$ 4,792</u>
Current Assets	\$ 18,341	\$ 1,682
Current Liabilities	8,219	3,624
Net Working Capital	<u>\$ 10,122</u>	<u>\$ (1,942)</u>
Total Assets	\$ 20,538	\$ 54,035
Total Liabilities	10,426	16,742
Retained Earnings	<u>\$ 10,112</u>	<u>\$ 37,293</u>
Long-Term Liabilities	<u>\$ 2,207</u>	<u>\$ 13,118</u>
Property, Plant and Equipment, Additions	\$ 36	-

There were no operating grants, entitlements, tax or shared revenues, or capital contributions during 1996.



The base of this ponderosa pine is surrounded by leaves and flowers of the Oregon grape.

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, 1996

(Dollars in Thousands)

	LICENSING AND REGULATION	HIGHWAY FUND	ECONOMIC DEVELOPMENT
ASSETS:			
Cash and Cash Equivalents	\$ 39,248	\$ 167,486	\$ 46,169
Cash on Deposit with Fiscal Agents	-	-	-
Investments, at Cost	1,000	-	-
Receivables, net of allowance			
Taxes	133	31,104	-
Due from Federal Government	13	16,277	-
Loans	-	-	232
Other	1,439	15,085	453
Due from Other Funds	36	351	202
Inventories	-	10,438	-
Prepaid Items	25	-	-
Other	11	5	415
TOTAL ASSETS	\$ 41,905	\$ 240,746	\$ 47,471
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts Payable and Accrued Liabilities	\$ 3,428	\$ 58,627	\$ 141
Tax Refunds Payable	-	3,587	-
Due to Other Governments	214	18,338	-
Deposits	286	302	508
Due to Other Funds	5,825	634	107
Claims Payable	-	-	-
Deferred Revenue	-	-	-
Other	-	148	-
TOTAL LIABILITIES	9,753	81,636	756
FUND BALANCES:			
Reserved for:			
Long-Term Receivables	-	-	232
Inventories and Prepaid Items	25	10,438	-
Debt Service	-	-	-
Unreserved	32,127	148,672	46,483
TOTAL FUND BALANCES	32,152	159,110	46,715
TOTAL LIABILITIES AND FUND BALANCES	\$ 41,905	\$ 240,746	\$ 47,471

AIRPORT DEVELOPMENT	GAME AND PARKS	ENERGY CONSERVATION	FEDERAL FUND	HEALTH AND SOCIAL SERVICES	OTHER SPECIAL REVENUE	TOTALS
\$ 5,368	\$ 30,234	\$ 14,754	\$ 9,584	\$ 8,493	\$ 65,697	\$ 387,033
-	-	-	-	-	7,692	7,692
-	-	-	2,716	-	8,092	11,808
129	-	-	-	-	26	31,392
416	127	-	128,923	-	-	145,756
2,571	-	24,541	2,423	1,970	38,394	70,131
110	323	163	6,518	3,937	1,050	29,078
147	656	98	485	926	6,523	9,424
-	-	-	17,244	1,250	-	28,932
-	49	2	13	10	14	113
-	-	-	-	-	13	444
<u>\$ 8,741</u>	<u>\$ 31,389</u>	<u>\$ 39,558</u>	<u>\$ 167,906</u>	<u>\$ 16,586</u>	<u>\$ 127,501</u>	<u>\$ 721,803</u>
\$ 495	\$ 2,039	\$ 621	\$ 32,986	\$ 1,281	\$ 3,126	\$ 102,744
-	-	-	-	-	-	3,587
-	168	-	-	-	-	18,720
-	-	-	5,187	425	8	6,716
10	101	5	18,797	457	3,730	29,666
-	-	-	66,139	-	-	66,139
-	63	-	20,669	-	-	20,732
-	21	-	-	165	3	337
<u>505</u>	<u>2,392</u>	<u>626</u>	<u>143,778</u>	<u>2,328</u>	<u>6,867</u>	<u>248,641</u>
2,571	-	24,541	2,423	1,970	38,394	70,131
-	49	2	13	1,260	14	11,801
-	-	-	-	-	7,375	7,375
<u>5,665</u>	<u>28,948</u>	<u>14,389</u>	<u>21,692</u>	<u>11,028</u>	<u>74,851</u>	<u>383,855</u>
<u>8,236</u>	<u>28,997</u>	<u>38,932</u>	<u>24,128</u>	<u>14,258</u>	<u>120,634</u>	<u>473,162</u>
<u>\$ 8,741</u>	<u>\$ 31,389</u>	<u>\$ 39,558</u>	<u>\$ 167,906</u>	<u>\$ 16,586</u>	<u>\$ 127,501</u>	<u>\$ 721,803</u>

State of Nebraska

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

For the Year Ended June 30, 1996

(Dollars in Thousands)

	LICENSING AND REGULATION	HIGHWAY FUND	ECONOMIC DEVELOPMENT
REVENUES:			
Taxes	\$ 14,959	\$ 327,166	\$ 22,233
Federal Grants and Contracts	81	162,781	82
Licenses, Fees and Permits	33,809	54,921	-
Charges for Services	1,638	14,501	163
Investment Income	2,582	7,072	2,280
Rents and Royalties	-	307	-
Other	2,166	3,119	105
TOTAL REVENUES	<u>55,235</u>	<u>569,867</u>	<u>24,863</u>
EXPENDITURES:			
Current:			
General Government	-	-	-
Conservation of Natural Resources	-	-	-
Culture - Recreation	-	-	-
Economic Development and Assistance	-	-	10,553
Education	-	-	-
Health and Social Services	-	-	-
Public Safety	-	-	-
Regulation of Business and Professions	45,063	-	-
Transportation	-	604,123	-
Intergovernmental	-	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	<u>45,063</u>	<u>604,123</u>	<u>10,553</u>
Excess of Revenues Over (Under) Expenditures	<u>10,172</u>	<u>(34,256)</u>	<u>14,310</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	2,443	13,104	8,000
Operating Transfers Out	(12,695)	(5,492)	(12,979)
Operating Transfers to Component Units	-	-	-
Proceeds from Other Financing Arrangements	-	-	-
Proceeds from Capital Leases	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(10,252)</u>	<u>7,612</u>	<u>(4,979)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(80)	(26,644)	9,331
FUND BALANCES, JULY 1	32,232	185,754	37,384
Residual Equity Transfers	-	-	-
FUND BALANCES, JUNE 30	<u>\$ 32,152</u>	<u>\$ 159,110</u>	<u>\$ 46,715</u>

AIRPORT DEVELOPMENT	GAME AND PARKS	ENERGY CONSERVATION	FEDERAL FUND	HEALTH AND SOCIAL SERVICES	OTHER SPECIAL REVENUE	TOTALS
\$ 1,601	\$ 1,336	\$ 300	\$ -	\$ 3,165	\$ 14,613	\$ 385,373
15,072	3,716	-	1,008,756	343	751	1,191,582
-	12,913	-	-	1,428	17,854	120,925
280	3,364	19	16,771	25,221	5,746	67,703
293	1,660	910	1,307	482	5,340	21,926
753	5,054	-	17	405	1,398	7,934
44	598	1,033	13,451	5,351	4,412	30,279
<u>18,043</u>	<u>28,641</u>	<u>2,262</u>	<u>1,040,302</u>	<u>36,395</u>	<u>50,114</u>	<u>1,825,722</u>
-	-	-	875	-	9,330	10,205
-	19,111	1,133	12,332	-	9,923	42,499
-	11,567	-	1,195	-	568	13,330
-	-	-	48,930	-	428	59,911
-	-	-	143,237	-	8,727	151,964
-	-	-	784,725	37,965	224	822,914
-	-	-	33,133	-	16,060	49,193
-	-	-	532	-	500	46,095
17,803	-	-	11	-	-	621,937
-	-	-	-	-	2,007	2,007
-	-	-	-	-	1,585	1,585
-	-	-	-	-	1,229	1,229
<u>17,803</u>	<u>30,678</u>	<u>1,133</u>	<u>1,024,970</u>	<u>37,965</u>	<u>50,581</u>	<u>1,822,869</u>
<u>240</u>	<u>(2,037)</u>	<u>1,129</u>	<u>15,332</u>	<u>(1,570)</u>	<u>(467)</u>	<u>2,853</u>
575	5,165	-	3	455	31,770	61,515
-	-	-	(11,914)	-	(200)	(43,280)
-	-	-	-	-	(4,644)	(4,644)
-	-	-	-	-	1,000	1,000
-	-	-	-	946	-	946
<u>575</u>	<u>5,165</u>	<u>-</u>	<u>(11,911)</u>	<u>1,401</u>	<u>27,926</u>	<u>15,537</u>
815	3,128	1,129	3,421	(169)	27,459	18,390
7,421	25,869	37,803	20,707	14,505	93,175	454,850
-	-	-	-	(78)	-	(78)
<u>\$ 8,236</u>	<u>\$ 28,997</u>	<u>\$ 38,932</u>	<u>\$ 24,128</u>	<u>\$ 14,258</u>	<u>\$ 120,634</u>	<u>\$ 473,162</u>



Silver Maple at Gifford Point near Bellevue.

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, 1996

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	TOTALS
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 14,597	\$ 1,043	\$ 15,640
Receivables, net of allowance	3,603	639	4,242
Prepaid Items	141	-	141
TOTAL CURRENT ASSETS	<u>18,341</u>	<u>1,682</u>	<u>20,023</u>
RESTRICTED ASSETS:			
Long-Term Deposits	<u>2,100</u>	-	<u>2,100</u>
NONCURRENT ASSETS:			
Long-Term Investments	-	52,353	52,353
Property, Plant and Equipment, net	97	-	97
TOTAL NONCURRENT ASSETS	<u>97</u>	<u>52,353</u>	<u>52,450</u>
TOTAL ASSETS	<u><u>\$ 20,538</u></u>	<u><u>\$ 54,035</u></u>	<u><u>\$ 74,573</u></u>
LIABILITIES AND RETAINED EARNINGS			
CURRENT LIABILITIES:			
Accounts Payable and Accrued Liabilities	\$ 6,792	\$ -	\$ 6,792
Due to Other Funds	1,427	10	1,437
Claims Payable	-	2,883	2,883
Deferred Revenue	-	731	731
TOTAL CURRENT LIABILITIES	<u>8,219</u>	<u>3,624</u>	<u>11,843</u>
NONCURRENT LIABILITIES:			
Accrued Compensated Absences	75	-	75
Contractual Obligations	2,132	-	2,132
Claims Payable	-	13,118	13,118
TOTAL NONCURRENT LIABILITIES	<u>2,207</u>	<u>13,118</u>	<u>15,325</u>
TOTAL LIABILITIES	<u>10,426</u>	<u>16,742</u>	<u>27,168</u>
RETAINED EARNINGS:			
Reserved for Lottery Prizes	2,100	-	2,100
Unreserved	8,012	37,293	45,305
TOTAL RETAINED EARNINGS	<u>10,112</u>	<u>37,293</u>	<u>47,405</u>
TOTAL LIABILITIES AND RETAINED EARNINGS	<u><u>\$ 20,538</u></u>	<u><u>\$ 54,035</u></u>	<u><u>\$ 74,573</u></u>

State of Nebraska
**COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS**
For the Year Ended June 30, 1996

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	TOTALS
OPERATING REVENUES:			
Charges for Services	<u>\$ 81,830</u>	<u>\$ 2,018</u>	<u>\$ 83,848</u>
TOTAL OPERATING REVENUES	<u>81,830</u>	<u>2,018</u>	<u>83,848</u>
OPERATING EXPENSES:			
Personal Services	1,010	-	1,010
Services and Supplies	15,480	402	15,882
Lottery Prizes	42,618	-	42,618
Insurance Claims	-	1,114	1,114
Depreciation	<u>74</u>	-	<u>74</u>
TOTAL OPERATING EXPENSES	<u>59,182</u>	<u>1,516</u>	<u>60,698</u>
Operating Income (Loss)	<u>22,648</u>	<u>502</u>	<u>23,150</u>
NONOPERATING REVENUES (EXPENSES):			
Interest Income	1,075	4,162	5,237
Gain (Loss) on Sale of Investments	<u>-</u>	<u>128</u>	<u>128</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>1,075</u>	<u>4,290</u>	<u>5,365</u>
Income Before Operating Transfers	<u>23,723</u>	<u>4,792</u>	<u>28,515</u>
OPERATING TRANSFERS:			
Operating Transfers Out	<u>(20,461)</u>	<u>-</u>	<u>(20,461)</u>
Net Income (Loss)	3,262	4,792	8,054
RETAINED EARNINGS, JULY 1	<u>6,850</u>	<u>32,501</u>	<u>39,351</u>
RETAINED EARNINGS, JUNE 30	<u>\$ 10,112</u>	<u>\$ 37,293</u>	<u>\$ 47,405</u>

State of Nebraska
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year Ended June 30, 1996

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 80,760	\$ 1,579	\$ 82,339
Cash Paid to Employees	(995)	-	(995)
Cash Paid to Suppliers	(13,073)	(247)	(13,320)
Cash Paid for Lottery Prizes	(42,260)	-	(42,260)
Cash Paid for Insurance Claims	-	(3,114)	(3,114)
Cash Paid for Interfund Services	(3,544)	(154)	(3,698)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>20,888</u>	<u>(1,936)</u>	<u>18,952</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating Transfers Out	(20,486)	-	(20,486)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>(20,486)</u>	<u>-</u>	<u>(20,486)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING:			
Acquisition and Construction of Capital Assets	(36)	-	(36)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(36)</u>	<u>-</u>	<u>(36)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investment Securities	-	(20,595)	(20,595)
Proceeds from Sale of Investment Securities	-	17,388	17,388
Interest and Dividend Income	1,006	3,995	5,001
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>1,006</u>	<u>788</u>	<u>1,794</u>
NET INCREASE (DECREASE) IN CASH	1,372	(1,148)	224
CASH AND CASH EQUIVALENTS, JULY 1	<u>13,225</u>	<u>2,191</u>	<u>15,416</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 14,597</u>	<u>\$ 1,043</u>	<u>\$ 15,640</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 22,648	\$ 502	\$ 23,150
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	74	-	74
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(1,070)	-	(1,070)
(Increase) Decrease in Prepaid Expenses	(141)	-	(141)
(Increase) Decrease in Other Assets	(200)	-	(200)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(406)	-	(406)
Increase (Decrease) in Due to Other Funds	(17)	1	(16)
Increase (Decrease) in Claims Payable	-	(2,000)	(2,000)
Increase (Decrease) in Deferred Revenue	-	(439)	(439)
Total adjustments	<u>(1,760)</u>	<u>(2,438)</u>	<u>(4,198)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 20,888</u>	<u>\$ (1,936)</u>	<u>\$ 18,952</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 Cornhusker State Industries in the Department of Correctional Services are accounted for in this fund.

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

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

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

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

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

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

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

Other Internal Service Funds. This fund accounts for the micrographics services and warehousing of records by the Records Management Division of the Secretary of State, the activities of the Investment Council, and the temporary employee pool maintained by the Department of Administrative Services, Division of State Personnel.

State of Nebraska
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
 June 30, 1996

(Dollars in Thousands)

	CORRECTIONAL SERVICES	BUILDINGS AND GROUNDS	GENERAL SERVICES	COMMUNICATIONS
ASSETS				
CURRENT ASSETS:				
Cash and Cash Equivalents	\$ 4,601	\$ 2,326	\$ 4,424	\$ 3,434
Receivables, net of allowance				
Accounts	147	-	11	317
Accrued Interest	48	24	46	37
Due from Other Funds	633	73	1,164	1,241
Inventories	1,089	-	423	-
Prepaid Items	-	428	266	-
TOTAL CURRENT ASSETS	<u>6,518</u>	<u>2,851</u>	<u>6,334</u>	<u>5,029</u>
Property, Plant and Equipment, net	1,556	167	1,645	1,724
TOTAL ASSETS	<u>\$ 8,074</u>	<u>\$ 3,018</u>	<u>\$ 7,979</u>	<u>\$ 6,753</u>
LIABILITIES AND FUND EQUITY				
CURRENT LIABILITIES:				
Accounts Payable and Accrued Liabilities	\$ 290	\$ 319	\$ 442	\$ 867
Deposits	-	-	672	-
Due to Other Funds	18	116	24	10
Claims Payable	-	-	-	-
Capital Lease Obligations	-	-	-	-
Deferred Revenue	-	-	-	595
TOTAL CURRENT LIABILITIES	<u>308</u>	<u>435</u>	<u>1,138</u>	<u>1,472</u>
NONCURRENT LIABILITIES:				
Capital Lease Obligations	-	-	-	-
Accrued Compensated Absences	151	313	187	117
Claims Payable	-	-	-	-
TOTAL NONCURRENT LIABILITIES	<u>151</u>	<u>313</u>	<u>187</u>	<u>117</u>
TOTAL LIABILITIES	<u>459</u>	<u>748</u>	<u>1,325</u>	<u>1,589</u>
FUND EQUITY:				
Contributed Capital	205	-	-	-
Retained Earnings	7,410	2,270	6,654	5,164
TOTAL FUND EQUITY	<u>7,615</u>	<u>2,270</u>	<u>6,654</u>	<u>5,164</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 8,074</u>	<u>\$ 3,018</u>	<u>\$ 7,979</u>	<u>\$ 6,753</u>

CENTRAL DATA PROCESSING	TRANSPORTATION SERVICES	RISK MANAGEMENT	ACCOUNTING SERVICES	OTHER INTERNAL SERVICE	TOTALS
\$ 6,574	\$ 2,898	\$ 32,985	\$ 700	\$ 1,089	\$ 59,031
30	22	-	-	166	693
52	29	377	8	11	632
4,962	440	20,788	-	364	29,665
-	5	-	-	-	1,517
-	-	-	-	130	824
<u>11,618</u>	<u>3,394</u>	<u>54,150</u>	<u>708</u>	<u>1,760</u>	<u>92,362</u>
9,427	5,620	2	55	680	20,876
<u>\$ 21,045</u>	<u>\$ 9,014</u>	<u>\$ 54,152</u>	<u>\$ 763</u>	<u>\$ 2,440</u>	<u>\$ 113,238</u>
\$ 1,772	\$ 331	\$ 257	\$ 49	\$ 159	\$ 4,486
-	-	-	-	-	672
48	73	7	88	8	392
-	-	9,451	-	-	9,451
4,147	-	-	-	122	4,269
-	-	-	-	-	595
<u>5,967</u>	<u>404</u>	<u>9,715</u>	<u>137</u>	<u>289</u>	<u>19,865</u>
4,615	-	-	-	376	4,991
983	54	-	154	97	2,056
-	-	18,624	-	-	18,624
<u>5,598</u>	<u>54</u>	<u>18,624</u>	<u>154</u>	<u>473</u>	<u>25,671</u>
<u>11,565</u>	<u>458</u>	<u>28,339</u>	<u>291</u>	<u>762</u>	<u>45,536</u>
1,824	-	8	59	-	2,096
<u>7,656</u>	<u>8,556</u>	<u>25,805</u>	<u>413</u>	<u>1,678</u>	<u>65,606</u>
<u>9,480</u>	<u>8,556</u>	<u>25,813</u>	<u>472</u>	<u>1,678</u>	<u>67,702</u>
<u>\$ 21,045</u>	<u>\$ 9,014</u>	<u>\$ 54,152</u>	<u>\$ 763</u>	<u>\$ 2,440</u>	<u>\$ 113,238</u>

State of Nebraska

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

For the Year Ended June 30, 1996

(Dollars in Thousands)

	CORRECTIONAL SERVICES	BUILDINGS AND GROUNDS	GENERAL SERVICES	COMMUNICATIONS
OPERATING REVENUES:				
Charges for Services	\$ 6,674	\$ 10,499	\$ 12,733	\$ 14,402
Other	-	9	7	-
TOTAL OPERATING REVENUES	<u>6,674</u>	<u>10,508</u>	<u>12,740</u>	<u>14,402</u>
OPERATING EXPENSES:				
Personal Services	1,464	1,889	1,847	861
Services and Supplies	4,199	9,327	9,783	12,709
Insurance Claims	-	-	-	-
Depreciation	127	67	619	922
TOTAL OPERATING EXPENSES	<u>5,790</u>	<u>11,283</u>	<u>12,249</u>	<u>14,492</u>
Operating Income (Loss)	<u>884</u>	<u>(775)</u>	<u>491</u>	<u>(90)</u>
NONOPERATING REVENUES (EXPENSES):				
Interest Income	206	149	209	185
Gain (Loss) on Sale of Fixed Assets	4	(64)	(61)	-
Other	-	-	-	-
TOTAL NONOPERATING REVENUES, NET	<u>210</u>	<u>85</u>	<u>148</u>	<u>185</u>
Net Income (Loss)	1,094	(690)	639	95
RETAINED EARNINGS, JULY 1	<u>6,316</u>	<u>2,960</u>	<u>6,015</u>	<u>5,069</u>
RETAINED EARNINGS, JUNE 30	<u>\$ 7,410</u>	<u>\$ 2,270</u>	<u>\$ 6,654</u>	<u>\$ 5,164</u>

CENTRAL DATA PROCESSING	TRANSPORTATION SERVICES	RISK MANAGEMENT	ACCOUNTING SERVICES	OTHER INTERNAL SERVICE	TOTALS
\$ 34,530	\$ 3,098	\$ 66,211	\$ 1,631	\$ 4,188	\$ 153,966
19	24	-	-	242	301
<u>34,549</u>	<u>3,122</u>	<u>66,211</u>	<u>1,631</u>	<u>4,430</u>	<u>154,267</u>
7,461	449	162	785	2,859	17,777
23,075	1,293	1,465	462	1,508	63,821
-	-	65,601	-	-	65,601
<u>4,525</u>	<u>1,986</u>	<u>1</u>	<u>19</u>	<u>210</u>	<u>8,476</u>
<u>35,061</u>	<u>3,728</u>	<u>67,229</u>	<u>1,266</u>	<u>4,577</u>	<u>155,675</u>
(512)	(606)	(1,018)	365	(147)	(1,408)
354	155	1,999	48	52	3,357
76	561	-	-	5	521
<u>(331)</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>(20)</u>	<u>(322)</u>
<u>99</u>	<u>745</u>	<u>1,999</u>	<u>48</u>	<u>37</u>	<u>3,556</u>
(413)	139	981	413	(110)	2,148
<u>8,069</u>	<u>8,417</u>	<u>24,824</u>	<u>-</u>	<u>1,788</u>	<u>63,458</u>
<u>\$ 7,656</u>	<u>\$ 8,556</u>	<u>\$ 25,805</u>	<u>\$ 413</u>	<u>\$ 1,678</u>	<u>\$ 65,606</u>

State of Nebraska
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 1996

(Dollars in Thousands)

	CORRECTIONAL SERVICES	BUILDINGS AND GROUNDS	GENERAL SERVICES	COMMUNICATIONS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 465	\$ 296	\$ 225	\$ 1,518
Cash Received from Interfund Charges	6,469	10,227	12,729	12,638
Cash Paid to Employees	(1,428)	(1,757)	(1,838)	(831)
Cash Paid to Suppliers	(2,878)	(8,351)	(8,582)	(12,158)
Cash Paid for Insurance Claims	-	-	-	-
Cash Paid for Interfund Services	(552)	(975)	(1,198)	(444)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>2,076</u>	<u>(560)</u>	<u>1,336</u>	<u>723</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(61)	(85)	(636)	(472)
Proceeds from Sale of Fixed Assets	5	7	2	4
Principal Paid on Capital Leases	-	-	-	-
Interest Paid on Capital Leases	-	-	-	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(56)</u>	<u>(78)</u>	<u>(634)</u>	<u>(468)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Income	188	160	207	188
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>188</u>	<u>160</u>	<u>207</u>	<u>188</u>
NET INCREASE (DECREASE) IN CASH	2,208	(478)	909	443
CASH AND CASH EQUIVALENTS, JULY 1	<u>2,393</u>	<u>2,804</u>	<u>3,515</u>	<u>2,991</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 4,601</u>	<u>\$ 2,326</u>	<u>\$ 4,424</u>	<u>\$ 3,434</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 884	\$ (775)	\$ 491	\$ (90)
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	127	67	619	922
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	20	-	12	(16)
(Increase) Decrease in Due from Other Funds	240	15	197	(150)
(Increase) Decrease in Inventories	643	-	19	-
(Increase) Decrease in Prepaid Expenses	-	(36)	36	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	153	236	(59)	152
Increase (Decrease) in Due to Other Funds	9	(67)	21	(15)
Increase (Decrease) in Claims Payable	-	-	-	-
Increase (Decrease) in Deferred Revenue	-	-	-	(80)
Total Adjustments	<u>1,192</u>	<u>215</u>	<u>845</u>	<u>813</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 2,076</u>	<u>\$ (560)</u>	<u>\$ 1,336</u>	<u>\$ 723</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 and Other Internal Service Funds acquired fixed assets through capital leases of \$8,507,000 and \$172,000, respectively, and Accounting Services Fund received \$59,000 of contributed fixed assets.

CENTRAL DATA PROCESSING	TRANSPORTATION SERVICES	RISK MANAGEMENT	ACCOUNTING SERVICES	OTHER INTERNAL SERVICE	TOTALS
\$ 228	\$ 5	\$ 1,604	\$ -	\$ 1,048	\$ 5,389
34,023	2,897	64,623	1,631	3,155	148,392
(7,280)	(437)	(168)	(583)	(2,888)	(17,210)
(17,566)	(604)	(1,161)	(27)	(311)	(51,638)
-	-	(67,374)	-	-	(67,374)
<u>(5,104)</u>	<u>(663)</u>	<u>(346)</u>	<u>(346)</u>	<u>(814)</u>	<u>(10,442)</u>
<u>4,301</u>	<u>1,198</u>	<u>(2,822)</u>	<u>675</u>	<u>190</u>	<u>7,117</u>
(895)	(2,186)	-	(15)	(17)	(4,367)
89	758	-	-	6	871
(3,636)	-	-	-	(80)	(3,716)
<u>(331)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20)</u>	<u>(351)</u>
<u>(4,773)</u>	<u>(1,428)</u>	<u>-</u>	<u>(15)</u>	<u>(111)</u>	<u>(7,563)</u>
377	164	2,044	40	51	3,419
<u>377</u>	<u>164</u>	<u>2,044</u>	<u>40</u>	<u>51</u>	<u>3,419</u>
(95)	(66)	(778)	700	130	2,973
<u>6,669</u>	<u>2,964</u>	<u>33,763</u>	<u>-</u>	<u>959</u>	<u>56,058</u>
<u>\$ 6,574</u>	<u>\$ 2,898</u>	<u>\$ 32,985</u>	<u>\$ 700</u>	<u>\$ 1,089</u>	<u>\$ 59,031</u>
<u>\$ (512)</u>	<u>\$ (606)</u>	<u>\$ (1,018)</u>	<u>\$ 365</u>	<u>\$ (147)</u>	<u>\$ (1,408)</u>
4,525	1,986	1	19	210	8,476
2	(7)	-	-	180	191
(300)	(213)	16	-	(27)	(222)
-	(1)	-	-	-	661
-	-	-	-	(13)	(13)
597	15	(36)	203	(16)	1,245
(11)	24	(12)	88	3	40
-	-	(1,773)	-	-	(1,773)
-	-	-	-	-	(80)
<u>4,813</u>	<u>1,804</u>	<u>(1,804)</u>	<u>310</u>	<u>337</u>	<u>8,525</u>
<u>\$ 4,301</u>	<u>\$ 1,198</u>	<u>\$ (2,822)</u>	<u>\$ 675</u>	<u>\$ 190</u>	<u>\$ 7,117</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 this lands, escheats, unclaimed property and other items provided by law. The net income earned on this fund is distributed annually to the K – 12 public schools by the Commissioner of Education as provided by law.

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

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

Other Nonexpendable Trust Funds. Normal School Endowment, J.J. Soukup, and Miscellaneous Nonexpendable Trust.

PENSION TRUST FUNDS

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

AGENCY FUNDS

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

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

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

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



Aerial view of the Doane College campus in Crete, a member of the Nebraska Statewide Arboretum.

State of Nebraska
COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS

June 30, 1996

(Dollars in Thousands)	EXPENDABLE TRUST	PENSION TRUST	NONEXPENDABLE TRUST	AGENCY	TOTALS
ASSETS:					
Cash and Cash Equivalents	\$ 205,133	\$ 18,347	\$ 15,794	\$ 55,191	\$ 294,465
Investments	-	3,231,357	181,746	69,505	3,482,608
Loans, Accounts and Other Receivables, net	16,443	21,914	1,668	340	40,365
Due from Other Funds	-	14,978	-	-	14,978
Prepaid Expenses	-	10	-	-	10
Property, Plant, and Equipment, net	-	35	-	-	35
Other	2,854	-	-	-	2,854
TOTAL ASSETS	\$ 224,430	\$ 3,286,641	\$ 199,208	\$ 125,036	\$ 3,835,315
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts Payable and Accrued Liabilities	\$ 5,507	\$ 1,293	\$ 157	\$ -	\$ 6,957
Due to Other Governments	-	-	-	38,117	38,117
Employee Withholding and State Contributions	-	-	-	1,114	1,114
Deposits	956	-	180	-	1,136
Deferred Compensation Payable	-	-	-	69,522	69,522
Due to Other Funds	3	37	123	3,299	3,462
Claims Payable	5,693	-	-	-	5,693
Accrued Compensated Absences	-	81	-	-	81
Other	281	-	-	12,984	13,265
TOTAL LIABILITIES	12,440	1,411	460	125,036	139,347
FUND BALANCES:					
Reserved For:					
Unemployment Compensation Benefits	204,916	-	-	-	204,916
Endowment Principal	-	-	181,854	-	181,854
Pension Benefits	-	3,285,230	-	-	3,285,230
Unreserved	7,074	-	16,894	-	23,968
TOTAL FUND BALANCES	211,990	3,285,230	198,748	-	3,695,968
TOTAL LIABILITIES AND FUND BALANCES	\$ 224,430	\$ 3,286,641	\$ 199,208	\$ 125,036	\$ 3,835,315

State of Nebraska
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
 June 30, 1996

(Dollars in Thousands)

	UNEMPLOYMENT COMPENSATION	SECOND INJURY
ASSETS:		
Cash and Cash Equivalents	\$ 196,041	\$ 2,221
Other Receivables, net of allowance	16,337	26
Other	-	-
TOTAL ASSETS	<u>\$ 212,378</u>	<u>\$ 2,247</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 1,503	\$ 2
Deposits	27	-
Due to Other Funds	-	-
Claims Payable	5,693	-
Other	239	-
TOTAL LIABILITIES	<u>7,462</u>	<u>2</u>
FUND BALANCES:		
Reserved for Unemployment Compensation Benefits	204,916	-
Unreserved	-	2,245
TOTAL FUND BALANCES	<u>204,916</u>	<u>2,245</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 212,378</u>	<u>\$ 2,247</u>

VOCATIONAL REHABILITATION	CANTEEN AND WELFARE	ESCHEAT TRUST	OTHER	TOTALS
\$ 2,193	\$ 1,631	\$ 2,187	\$ 860	\$ 205,133
24	19	25	12	16,443
-	-	1,925	929	2,854
<u>\$ 2,217</u>	<u>\$ 1,650</u>	<u>\$ 4,137</u>	<u>\$ 1,801</u>	<u>\$ 224,430</u>
\$ -	\$ 287	\$ 3,691	\$ 24	\$ 5,507
-	-	-	929	956
-	-	3	-	3
-	-	-	-	5,693
-	42	-	-	281
-	329	3,694	953	12,440
-	-	-	-	204,916
<u>2,217</u>	<u>1,321</u>	<u>443</u>	<u>848</u>	<u>7,074</u>
<u>2,217</u>	<u>1,321</u>	<u>443</u>	<u>848</u>	<u>211,990</u>
<u>\$ 2,217</u>	<u>\$ 1,650</u>	<u>\$ 4,137</u>	<u>\$ 1,801</u>	<u>\$ 224,430</u>

State of Nebraska

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

For the Year Ended June 30, 1996

(Dollars in Thousands)

	UNEMPLOYMENT COMPENSATION	SECOND INJURY
REVENUES:		
Unemployment Taxes	\$ 44,533	\$ -
Charges for Services	-	-
Investment Income	13,550	145
Rents and Royalties	-	-
Escheat Revenue	-	-
Donations	-	-
Other	-	-
TOTAL REVENUES	<u>58,083</u>	<u>145</u>
EXPENDITURES:		
General Government	-	-
Education	-	-
Health and Social Services	-	552
Unemployment Claims	54,111	-
TOTAL EXPENDITURES	<u>54,111</u>	<u>552</u>
Excess of Revenues Over (Under) Expenditures	<u>3,972</u>	<u>(407)</u>
OTHER FINANCING SOURCES (USES):		
Operating Transfers Out	-	(14)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(14)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	3,972	(421)
FUND BALANCES, JULY 1	<u>200,944</u>	<u>2,666</u>
FUND BALANCES, JUNE 30	<u>\$ 204,916</u>	<u>\$ 2,245</u>

VOCATIONAL REHABILITATION	CANTEEN AND WELFARE	ESCHEAT TRUST	OTHER	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ 44,533
-	3,283	-	-	3,283
147	98	149	44	14,133
-	8	-	284	292
-	-	1,172	-	1,172
-	252	-	278	530
-	39	-	203	242
<u>147</u>	<u>3,680</u>	<u>1,321</u>	<u>809</u>	<u>64,185</u>
-	-	346	20	366
-	-	-	747	747
543	3,799	-	-	4,894
-	-	-	-	54,111
<u>543</u>	<u>3,799</u>	<u>346</u>	<u>767</u>	<u>60,118</u>
(396)	(119)	975	42	4,067
(219)	-	(2,568)	(28)	(2,829)
(219)	-	(2,568)	(28)	(2,829)
(615)	(119)	(1,593)	14	1,238
<u>2,832</u>	<u>1,440</u>	<u>2,036</u>	<u>834</u>	<u>210,752</u>
<u>\$ 2,217</u>	<u>\$ 1,321</u>	<u>\$ 443</u>	<u>\$ 848</u>	<u>\$ 211,990</u>

State of Nebraska
COMBINING BALANCE SHEET
NONEXPENDABLE TRUST FUNDS
 June 30, 1996

(Dollars in Thousands)

	AERONAUTICS TRUST	NEBRASKA VETERANS AID
ASSETS:		
Cash and Cash Equivalents	\$ 44	\$ 2,250
Investments	6,136	17,429
Other Receivables, net of allowance	74	145
TOTAL ASSETS	<u>\$ 6,254</u>	<u>\$ 19,824</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ -	\$ -
Deposits	-	-
Due to Other Funds	118	-
TOTAL LIABILITIES	<u>118</u>	<u>-</u>
FUND BALANCES:		
Reserved for Endowment Principal	6,136	17,429
Unreserved	-	2,395
TOTAL FUND BALANCES	<u>6,136</u>	<u>19,824</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,254</u>	<u>\$ 19,824</u>

PERMANENT SCHOOL FUND	PERMANENT ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
\$ 13,223	\$ 33	\$ 23	\$ 221	\$ 15,794
156,333	484	1,065	299	181,746
1,434	3	7	5	1,668
<u>\$ 170,990</u>	<u>\$ 520</u>	<u>\$ 1,095</u>	<u>\$ 525</u>	<u>\$ 199,208</u>
\$ 123	\$ 9	\$ 21	\$ 4	\$ 157
30	-	-	150	180
5	-	-	-	123
<u>158</u>	<u>9</u>	<u>21</u>	<u>154</u>	<u>460</u>
156,333	511	1,074	371	181,854
14,499	-	-	-	16,894
<u>170,832</u>	<u>511</u>	<u>1,074</u>	<u>371</u>	<u>198,748</u>
<u>\$ 170,990</u>	<u>\$ 520</u>	<u>\$ 1,095</u>	<u>\$ 525</u>	<u>\$ 199,208</u>

State of Nebraska

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

For the Year Ended June 30, 1996

(Dollars in Thousands)

	AERONAUTICS TRUST	NEBRASKA VETERANS AID
OPERATING REVENUES:		
Interest Income	\$ 531	\$ 854
Dividend Income	-	247
Gain (Loss) on Sale of Investments, net	7	1,533
Rents and Royalties	-	-
Other	-	7
	<u>538</u>	<u>2,641</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Personal Services	-	-
Services and Supplies	2	4
Financial Assistance	-	945
Intergovernmental	-	-
	<u>2</u>	<u>949</u>
TOTAL OPERATING EXPENSES		
Operating Income	536	1,692
OPERATING TRANSFERS:		
Operating Transfers In	-	-
Operating Transfers Out	(575)	-
	<u>(39)</u>	<u>1,692</u>
Net Income		
FUND BALANCES, JULY 1	<u>6,175</u>	<u>18,132</u>
FUND BALANCES, JUNE 30	<u>\$ 6,136</u>	<u>\$ 19,824</u>

PERMANENT SCHOOL FUND	PERMANENT ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
\$ 7,267	\$ 22	\$ 45	\$ 25	\$ 8,744
2,011	7	15	8	2,288
12,499	42	93	11	14,185
19,931	-	-	-	19,931
506	-	-	-	513
<u>42,214</u>	<u>71</u>	<u>153</u>	<u>44</u>	<u>45,661</u>
1,193	-	-	-	1,193
1,153	28	61	22	1,270
-	-	-	-	945
<u>25,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,345</u>
<u>27,691</u>	<u>28</u>	<u>61</u>	<u>22</u>	<u>28,753</u>
14,523	43	92	22	16,908
2,596	-	-	-	2,596
-	-	-	-	(575)
<u>17,119</u>	<u>43</u>	<u>92</u>	<u>22</u>	<u>18,929</u>
<u>153,713</u>	<u>468</u>	<u>982</u>	<u>349</u>	<u>179,819</u>
<u>\$ 170,832</u>	<u>\$ 511</u>	<u>\$ 1,074</u>	<u>\$ 371</u>	<u>\$ 198,748</u>

State of Nebraska

COMBINING STATEMENT OF CASH FLOWS NONEXPENDABLE TRUST FUNDS

For the Year Ended June 30, 1996

(Dollars in Thousands)

	AERONAUTICS TRUST	NEBRASKA VETERANS AID
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ -	\$ 7
Cash Paid to Employees	-	-
Cash Paid to Suppliers	(2)	(4)
Cash Paid for Financial Assistance	-	(945)
Cash Paid for Intergovernmental	-	-
Cash Paid for Interfund Services	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(2)</u>	<u>(942)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating Transfers In	-	-
Operating Transfers Out	(516)	-
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>(516)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investment Securities	(1,494)	(14,591)
Proceeds from Sale of Investment Securities	1,540	14,642
Interest and Dividend Income	516	1,101
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>562</u>	<u>1,152</u>
NET INCREASE (DECREASE) IN CASH	44	210
CASH AND CASH EQUIVALENTS, JULY 1	<u>-</u>	<u>2,040</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 44</u>	<u>\$ 2,250</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 536	\$ 1,692
Adjustments to reconcile operating income to net cash flows from operating activities:		
Interest Income	(531)	(854)
Dividend Income	-	(247)
Gain on Sale of Investments	(7)	(1,533)
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	-	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	-	-
Total Adjustments	<u>(538)</u>	<u>(2,634)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (2)</u>	<u>\$ (942)</u>

PERMANENT SCHOOL FUND	PERMANENT ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
\$ 20,330	\$ -	\$ -	\$ -	\$ 20,337
(1,193)	-	-	-	(1,193)
(1,052)	(29)	(62)	(21)	(1,170)
-	-	-	-	(945)
(25,345)	-	-	-	(25,345)
(106)	-	-	-	(106)
<u>(7,366)</u>	<u>(29)</u>	<u>(62)</u>	<u>(21)</u>	<u>(8,422)</u>
2,596	-	-	-	2,596
-	-	-	-	(516)
<u>2,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,080</u>
(126,001)	(399)	(876)	(218)	(143,579)
121,873	401	880	219	139,555
9,225	29	60	32	10,963
<u>5,097</u>	<u>31</u>	<u>64</u>	<u>33</u>	<u>6,939</u>
327	2	2	12	597
<u>12,896</u>	<u>31</u>	<u>21</u>	<u>209</u>	<u>15,197</u>
<u>\$ 13,223</u>	<u>\$ 33</u>	<u>\$ 23</u>	<u>\$ 221</u>	<u>\$ 15,794</u>
\$ 14,523	\$ 43	\$ 92	\$ 22	\$ 16,908
(7,267)	(22)	(45)	(25)	(8,744)
(2,011)	(7)	(15)	(8)	(2,288)
(12,499)	(42)	(93)	(11)	(14,185)
(107)	-	-	-	(107)
(5)	(1)	(1)	1	(6)
<u>(21,889)</u>	<u>(72)</u>	<u>(154)</u>	<u>(43)</u>	<u>(25,330)</u>
<u>\$ (7,366)</u>	<u>\$ (29)</u>	<u>\$ (62)</u>	<u>\$ (21)</u>	<u>\$ (8,422)</u>

State of Nebraska
COMBINING STATEMENT OF PLAN NET ASSETS
PENSION TRUST FUNDS

June 30, 1996

(Dollars in Thousands)

	STATE EMPLOYEES RETIREMENT	COUNTY EMPLOYEES RETIREMENT	SCHOOL RETIREMENT	JUDGES RETIREMENT	STATE PATROL RETIREMENT	TOTALS
ASSETS:						
Cash and Cash Equivalents	\$ 37	\$ 3	\$ 17,934	\$ 28	\$ 345	\$ 18,347
Investments	507,310	108,972	2,427,822	58,460	128,793	3,231,357
Receivables:						
Contributions	2,319	596	7,867	51	-	10,833
Interest and Dividends	39	11	10,201	247	544	11,042
Other	-	-	39	-	-	39
Total Receivables	<u>2,358</u>	<u>607</u>	<u>18,107</u>	<u>298</u>	<u>544</u>	<u>21,914</u>
Due from Other Funds	-	-	14,157	241	580	14,978
Prepaid Items	-	-	-	-	10	10
Property, Plant, and Equipment, net	-	-	33	1	1	35
TOTAL ASSETS	<u>509,705</u>	<u>109,582</u>	<u>2,478,053</u>	<u>59,028</u>	<u>130,273</u>	<u>3,286,641</u>
LIABILITIES:						
Accounts Payable and Accrued Liabilities	152	85	1,056	-	-	1,293
Due to Other Funds	-	-	37	-	-	37
Accrued Compensated Absences	-	-	76	3	2	81
TOTAL LIABILITIES	<u>152</u>	<u>85</u>	<u>1,169</u>	<u>3</u>	<u>2</u>	<u>1,411</u>
FUND BALANCE RESERVED FOR PENSION BENEFITS	<u>\$ 509,553</u>	<u>\$ 109,497</u>	<u>\$ 2,476,884</u>	<u>\$ 59,025</u>	<u>\$ 130,271</u>	<u>\$ 3,285,230</u>

State of Nebraska
**COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS**
 For the Year Ended June 30, 1996

(Dollars in Thousands)	BALANCE JULY 1, 1995	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1996
LOCAL GOVERNMENT FUND				
ASSETS				
Cash and Cash Equivalents	\$ 23,451	\$ 257,736	\$ 243,435	\$ 37,752
Other Receivables, net of allowance	-	1,464	1,179	285
TOTAL ASSETS	<u>\$ 23,451</u>	<u>\$ 259,200</u>	<u>\$ 244,614</u>	<u>\$ 38,037</u>
LIABILITIES				
Due to Other Governments	<u>\$ 23,451</u>	<u>\$ 259,200</u>	<u>\$ 244,614</u>	<u>\$ 38,037</u>
PAYROLL WITHHOLDING FUND				
ASSETS				
Cash and Cash Equivalents	<u>\$ 5,431</u>	<u>\$ 1,407,449</u>	<u>\$ 1,408,387</u>	<u>\$ 4,493</u>
LIABILITIES				
Due to Other Governments	\$ 82	\$ 249,847	\$ 249,849	\$ 80
Employee Withholding and State Contributions	2,265	1,119,634	1,120,785	1,114
Due to Other Funds	3,084	37,968	37,753	3,299
TOTAL LIABILITIES	<u>\$ 5,431</u>	<u>\$ 1,407,449</u>	<u>\$ 1,408,387</u>	<u>\$ 4,493</u>
DEFERRED COMPENSATION				
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 5,779	\$ 5,762	\$ 17
Investments	57,981	14,763	3,239	69,505
TOTAL ASSETS	<u>\$ 57,981</u>	<u>\$ 20,542</u>	<u>\$ 9,001</u>	<u>\$ 69,522</u>
LIABILITIES				
Deferred Compensation Payable	<u>\$ 57,981</u>	<u>\$ 20,542</u>	<u>\$ 9,001</u>	<u>\$ 69,522</u>
OTHER FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 13,345	\$ 84,382	\$ 84,798	\$ 12,929
Other Receivables, net of allowance	-	280	225	55
TOTAL ASSETS	<u>\$ 13,345</u>	<u>\$ 84,662</u>	<u>\$ 85,023</u>	<u>\$ 12,984</u>
LIABILITIES				
Other	<u>\$ 13,345</u>	<u>\$ 84,662</u>	<u>\$ 85,023</u>	<u>\$ 12,984</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ 42,227	\$ 1,755,346	\$ 1,742,382	\$ 55,191
Investments	57,981	14,763	3,239	69,505
Other Receivables, net of allowance	-	1,744	1,404	340
TOTAL ASSETS	<u>\$ 100,208</u>	<u>\$ 1,771,853</u>	<u>\$ 1,747,025</u>	<u>\$ 125,036</u>
LIABILITIES				
Due to Other Governments	\$ 23,533	\$ 509,047	\$ 494,463	\$ 38,117
Employee Withholding and State Contributions	2,265	1,119,634	1,120,785	1,114
Deferred Compensation Payable	57,981	20,542	9,001	69,522
Due to Other Funds	3,084	37,968	37,753	3,299
Other	13,345	84,662	85,023	12,984
TOTAL LIABILITIES	<u>\$ 100,208</u>	<u>\$ 1,771,853</u>	<u>\$ 1,747,025</u>	<u>\$ 125,036</u>



Shagbark hickory blooms in the Missouri Valley in Richardson County.

GENERAL FIXED ASSETS ACCOUNT GROUP

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

State of Nebraska
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION
June 30, 1996

(Dollars in Thousands)

FUNCTION	LAND	BUILDINGS	EQUIPMENT	TOTALS
General Government	\$ 2,395	\$ 59,970	\$ 5,472	\$ 67,837
Conservation of Natural Resources	28,837	22,067	22,393	73,297
Culture – Recreation	1,510	5,644	450	7,604
Economic Development and Assistance	146	15,931	1,725	17,802
Education	-	10,220	34,480	44,700
Health and Social Services	77	40,577	18,066	58,720
Public Safety	968	86,802	22,176	109,946
Regulation of Business and Professions	-	86	4,091	4,177
Transportation	733	26,021	98,428	125,182
TOTAL BY FUNCTION	\$ 34,666	\$ 267,318	\$ 207,281	509,265
Construction in progress				4,765
TOTAL GENERAL FIXED ASSETS				\$ 514,030

State of Nebraska
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION
For the Year Ended June 30, 1996

(Dollars in Thousands)

FUNCTION	BALANCE JULY 1, 1995	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1996
General Government	\$ 67,690	\$ 496	\$ 349	\$ 67,837
Conservation of Natural Resources	69,634	4,062	399	73,297
Culture – Recreation	4,156	3,474	26	7,604
Economic Development and Assistance	17,755	503	456	17,802
Education	43,235	1,870	405	44,700
Health and Social Services	54,908	4,497	685	58,720
Public Safety	107,431	4,223	1,708	109,946
Regulation of Business and Professions	3,733	759	315	4,177
Transportation	111,026	16,717	2,561	125,182
TOTAL BY FUNCTION	479,568	36,601	6,904	509,265
Construction in progress	5,808	4,625	5,668	4,765
TOTAL GENERAL FIXED ASSETS	\$485,376	\$41,226	\$12,572	\$ 514,030

State of Nebraska
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
June 30, 1996

(Dollars in Thousands)

GENERAL FIXED ASSETS:

Land	\$ 34,666
Buildings	267,318
Equipment	207,281
Construction In Progress	4,765
TOTAL GENERAL FIXED ASSETS	<u>\$ 514,030</u>

INVESTMENT IN GENERAL FIXED ASSETS:

General Fund	\$ 164,371
Special Revenue Funds	179,313
Capital Projects Funds	60,752
Trust and Agency Funds	1,107
Donations	7,179
Original Inventory – Source Uncertain	101,308
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 514,030</u>

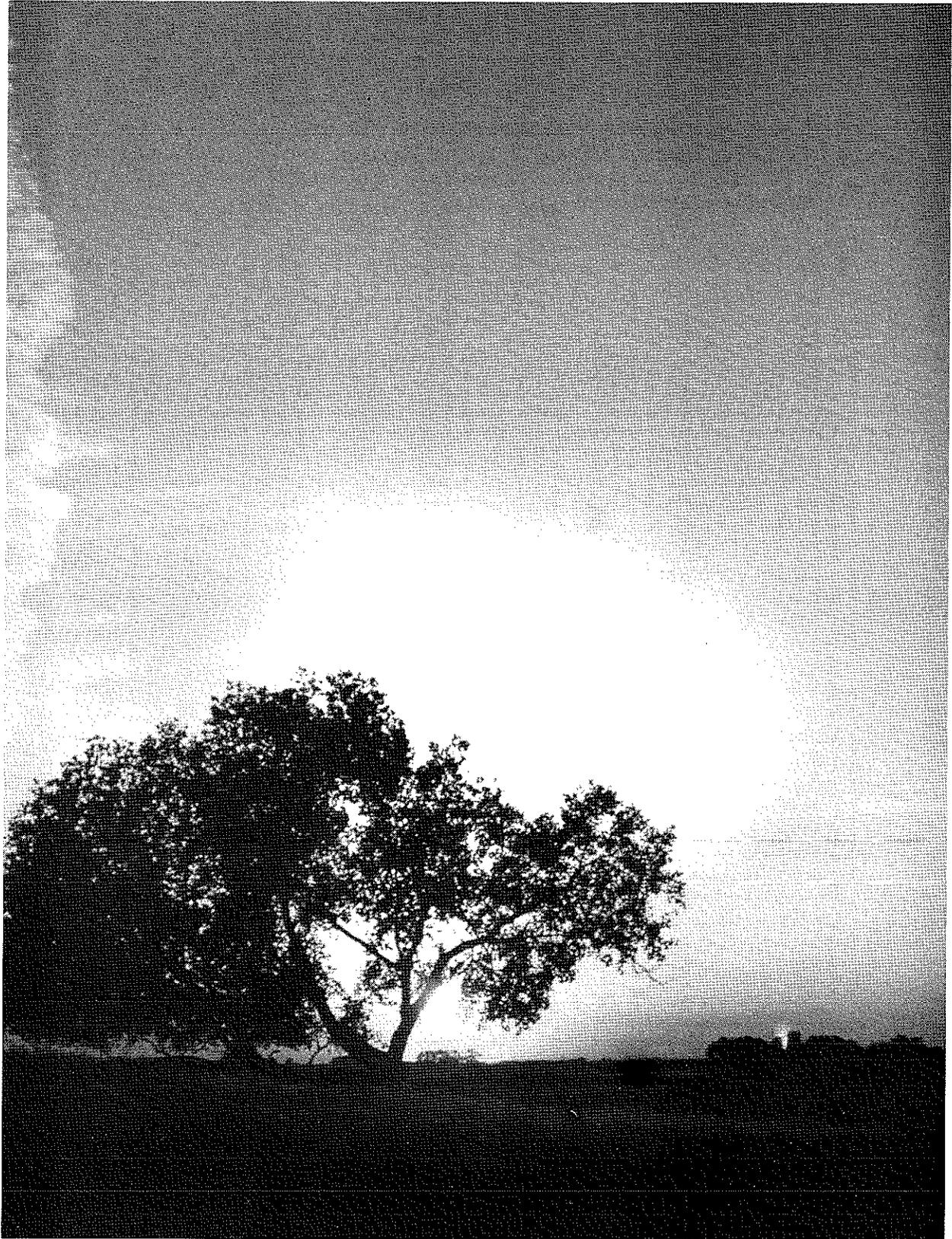


Walnut trees in a timber plantation near DeWitt.

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.



Cottonwood tree in Howard County.

State of Nebraska
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
ALL COLLEGE AND UNIVERSITY FUNDS
June 30, 1996

(Dollars in Thousands)

	CURRENT FUNDS		LOAN FUNDS	ENDOWMENT FUNDS	PLANT FUNDS	AGENCY FUNDS	TOTALS
	UNRESTRICTED	RESTRICTED					
ASSETS:							
Cash and Cash Equivalents	\$ 114,640	\$ 25,789	\$ 4,108	\$ 195	\$ 88,234	\$ 171	\$ 233,137
Cash on Deposit with Fiscal Agents	34,521	208	-	800	60,066	-	95,595
Investments, at Cost	1,382	-	410	25,707	-	-	27,499
Receivables, net of allowance							
Loans	-	-	31,647	-	-	-	31,647
Other	55,602	28,273	44	10	1,059	1,005	85,993
Due from Other Funds	5,378	21	-	-	10,900	1,020	17,319
Due from Primary Government	14,234	-	-	-	969	-	15,203
Inventories	11,223	-	-	-	-	-	11,223
Prepaid Expenses	4,756	13	-	-	1,347	-	6,116
Property, Plant, and Equipment	-	-	-	-	1,143,230	-	1,143,230
TOTAL ASSETS	\$ 241,736	\$ 54,304	\$ 36,209	\$ 26,712	\$ 1,305,805	\$ 2,196	\$ 1,666,962
LIABILITIES AND FUND EQUITY							
LIABILITIES:							
Accounts Payable and							
Accrued Liabilities	\$ 69,445	\$ 4,628	\$ 11	\$ -	\$ 6,291	\$ 355	\$ 80,730
Deposits Held in Custody	367	-	-	-	-	1,841	2,208
Due to Other Funds	11,203	5,953	132	31	-	-	17,319
Bonds Payable	-	-	-	-	113,550	-	113,550
Capital Lease Obligations	174	-	-	-	10,837	-	11,011
Accrued Compensated Absences	28,410	-	-	-	-	-	28,410
Deferred Revenue	15,378	-	-	-	-	-	15,378
TOTAL LIABILITIES	124,977	10,581	143	31	130,678	2,196	268,606
FUND BALANCES:							
Unrestricted	95,480	-	-	-	-	-	95,480
Restricted	-	43,723	4,608	13,611	-	-	61,942
Federal Loan Programs Refundable	-	-	31,458	-	-	-	31,458
Quasi Endowment Designated	-	-	-	13,070	-	-	13,070
Trusted Insurance Programs	21,279	-	-	-	-	-	21,279
Unexpended Plant Funds	-	-	-	-	24,295	-	24,295
Renewals and Replacements	-	-	-	-	92,303	-	92,303
Retirement of Indebtedness	-	-	-	-	76,751	-	76,751
Net Investment in Plant	-	-	-	-	981,778	-	981,778
TOTAL FUND BALANCES	116,759	43,723	36,066	26,681	1,175,127	-	1,398,356
TOTAL LIABILITIES AND FUND BALANCES	\$ 241,736	\$ 54,304	\$ 36,209	\$ 26,712	\$ 1,305,805	\$ 2,196	\$ 1,666,962



Redbud trees bloom near Indian Cave State Park.



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**
1987 – 1996

(Dollars in Thousands)

	1987	1988	1989	1990
REVENUES:				
Taxes:				
Income	\$ 427,226	\$ 505,819	\$ 554,724	\$ 564,782
Sales and Use	399,470	453,488	488,813	500,234
Petroleum	163,873	168,389	175,251	212,136
Excise	61,510	60,079	64,061	71,448
Business and Franchise	30,643	32,350	36,648	28,406
Other	9,971	7,368	7,335	7,697
Total Taxes	<u>1,092,693</u>	<u>1,227,493</u>	<u>1,326,832</u>	<u>1,384,703</u>
Federal Grants and Contracts	530,387	557,804	607,896	674,529
Licenses, Fees and Permits	97,401	90,324	89,550	94,195
Charges for Services	35,478	37,067	42,485	42,843
Investment Income	15,603	27,888	46,094	56,192
Rents and Royalties	3,497	3,903	4,052	4,107
Other	9,238	7,524	16,357	15,146
TOTAL REVENUES	<u>\$ 1,784,297</u>	<u>\$ 1,952,003</u>	<u>\$ 2,133,266</u>	<u>\$ 2,271,715</u>
EXPENDITURES:				
Current:				
General Government	\$ 49,693	\$ 56,599	\$ 58,848	\$ 60,363
Conservation of Natural Resources	40,535	47,923	47,504	58,545
Culture – Recreation	3,655	3,909	4,120	4,606
Economic Development and Assistance	52,095	54,694	53,347	52,603
Education	289,331	302,252	323,947	377,268
Health and Social Services	521,103	563,927	609,432	679,019
Public Safety	71,455	84,786	85,573	96,316
Regulation of Business and Professions	16,956	18,549	18,361	21,089
Transportation	360,842	396,182	398,752	431,968
Intergovernmental	73,694	74,561	98,919	214,836
Capital Projects	4,494	4,439	4,060	6,263
Debt Service	1,200	1,141	1,083	1,029
TOTAL EXPENDITURES	<u>\$ 1,485,053</u>	<u>\$ 1,608,962</u>	<u>\$ 1,703,946</u>	<u>\$ 2,003,905</u>

SOURCE: Department of Administrative Services, Accounting Division.

Fiscal Year 1987 – Nebraska Comprehensive Annual Financial Report, GAAP Cash Basis.

Fiscal Years 1988-1996 – Nebraska Comprehensive Annual Financial Report, GAAP Accrual Basis.

1991	1992	1993	1994	1995	1996
\$ 688,359	\$ 758,832	\$ 780,823	\$ 835,934	\$ 867,037	\$ 869,504
616,577	664,202	653,455	746,429	774,012	902,594
218,767	221,485	227,228	247,134	255,278	240,805
72,622	73,105	77,693	92,912	93,822	99,007
28,344	35,799	35,591	44,140	42,786	32,435
8,743	5,325	19,782	17,980	13,616	16,097
<u>1,633,412</u>	<u>1,758,748</u>	<u>1,794,572</u>	<u>1,984,529</u>	<u>2,046,551</u>	<u>2,160,242</u>
716,595	828,356	859,581	978,526	1,112,819	1,191,748
97,177	100,340	106,958	123,279	131,832	138,288
42,895	44,440	47,965	62,069	69,008	75,372
47,007	36,396	24,320	24,100	34,091	41,187
4,708	6,870	6,265	7,212	7,787	7,934
14,748	18,597	27,331	35,737	39,478	37,553
<u>\$ 2,556,542</u>	<u>\$ 2,793,747</u>	<u>\$ 2,866,992</u>	<u>\$ 3,215,452</u>	<u>\$ 3,441,566</u>	<u>\$ 3,652,324</u>
\$ 64,280	\$ 69,351	\$ 70,275	\$ 72,535	\$ 77,080	\$ 74,523
57,774	51,027	55,860	58,582	62,144	66,495
12,974	13,755	14,501	14,912	17,309	17,714
55,921	54,401	55,684	54,401	59,904	64,202
572,174	628,539	653,332	684,364	740,086	765,638
780,718	891,526	967,959	1,101,264	1,241,041	1,331,763
109,616	120,773	109,404	155,750	166,367	152,065
31,651	38,100	40,647	44,290	46,508	49,458
454,116	477,160	511,154	543,010	569,731	622,521
99,874	157,538	124,316	93,941	90,287	87,286
7,698	4,639	10,552	3,886	3,234	4,288
-	1,201	1,221	2,413	2,579	2,814
<u>\$ 2,246,796</u>	<u>\$ 2,508,010</u>	<u>\$ 2,614,905</u>	<u>\$ 2,829,348</u>	<u>\$ 3,076,270</u>	<u>\$ 3,238,767</u>

State of Nebraska
**SCHEDULE OF BUDGETARY FUND
 CONVERSION TABLE**
 For the Year Ended June 30, 1996

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, 2176, 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, 2237
		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 2835, 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, 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, 1996

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, 2337, 2338, 2339, 2341
		Economic Development	Fund 2725
	Energy Conservation	Governor's Office	Funds 2812, 2813, 6811
		Department of Administrative Services	Fund 2654
	Federal	Governor's Office	Funds 4443, 4811
		Supreme Court	Fund 4050
		Attorney General	Fund 4111
		Department of Education	Funds 4134, 4136, 4144, 4148
		Department of Revenue	Fund 4161
		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
		Department of Public Institutions	Funds 4810, 4812
		Department of Social Services	Funds 4260, 4261, 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
		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	Funds 4000, 4651
		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
		Commission on Law Enforcement and Criminal Justice	Fund 4781
		Department of Environmental Quality	Funds 4840, 4841, 4842, 4843, 4844, 4845
		Commission on Public Advocacy	Fund 4941
	Health and Social Services	Department of Revenue	Funds 2175, 2269
		Department of Health	Funds 2206, 2208
		Department of Public Institutions	Funds 2175, 2252, 2253, 2254, 6812, 6840, 6841
		Department of Social Services	Funds 2260, 2261, 2265, 6262, 7261, 7262
		Department of Administrative Services	Fund 2657
		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, 1996

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS
Special Revenue (Cont'd.)	Other Special Revenue	Legislative Council	Funds 2030, 2033
		Governor's Office	Funds 2040, 2041, 5040, 6041
		Supreme Court	Funds 2051, 2052, 2053, 2054
		Secretary of State	Funds 2094, 2095, 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, 2147, 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	Fund 2232
		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	Fund 2469
		Educational Telecommunications Commission	Funds 2471, 2472, 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
		Natural Resources Commission	Funds 2551, 2552, 2553, 2660
		State Patrol	Funds 2641, 2643, 2644, 2645, 2646
		Department of Administrative Services	Funds 2651, 2655, 2656, 2658, 2801, 5165, 5802, 5803, 6651, 7654
		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 2834, 2836, 2837, 2839, 2840, 2846, 2848, 6845, 6846, 6847
		Commission for Technical Community Colleges	Fund 2831
		Accountability and Disclosure Commission	Funds 2871, 2872
		State Treasurer	Funds 3300, 3800
		Department of Public Institutions	Funds 2251, 4251
Department of Correctional Services	Fund 3246		
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, 1996

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, 6652	
	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 2665, 5652, 5656	
	Transportation Services	Department of Administrative Services	Fund 5657	
	Risk Management	Department of Administrative Services	Funds 2659, 2891, 2892, 2893, 5659, 5891, 5892, 6892	
	Accounting Services	Department of Administrative Services	Fund 5665	
	Other Internal Service	Secretary of State	Secretary of State	Funds 2093, 5090
		Department of Correctional Services	Department of Correctional Services	Fund 5270
		Department of Administrative Services	Department of Administrative Services	Fund 5801
Investment Council		Investment Council	Fund 2751	
Expendable Trust	Amos Trust	State Treasurer	Fund 6130	
	Unemployment Compensation	Department of Labor	Funds 6231, 6232, 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	
		State Treasurer	Funds 2120, 6128	
	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		
State Treasurer		Funds 6122, 6126		
Nonexpendable Trust	Aeronautics Trust	Department of Aeronautics	Fund 6170	
	Normal School Endowment	Board of Educational Lands and Funds	Fund 6328	
		Board of Educational Lands and Funds	Fund 6333	
	Veterans Aid	Department of Veterans' Affairs	Fund 6320	
		Department of Education	Fund 6136	
	Permanent School	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 6335	
	Agriculture Endowment	Board of Educational Lands and Funds	Fund 6513	
	J.J. Soukup	Office of Risk Management	Fund 6891	
	Insurance Investment Income	State Treasurer	Fund 6123	
	Pension Trust	State Employees Retirement	Public Employees Retirement Board	Fund 6853
		County Employees Retirement	Public Employees Retirement Board	Fund 6854
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		

State of Nebraska
**SCHEDULE OF BUDGETARY FUND
 CONVERSION TABLE (Continued)**
 For the Year Ended June 30, 1996

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS
Agency (Cont'd.)	Ohio College Library	Library Commission	Fund 7341
	Short-Term Investment Pool	Investment Council	Fund 7750
	Payroll Withholding	Department of Administrative Services	Funds 6801, 7655, 7801
	Severance Tax	State Treasurer	Fund 7761
	Court Ordered Settlement	Attorney General	Fund 6111
		Department of Banking and Finance	Fund 6191
		Department of Motor Vehicles	Fund 6241
		Department of Social Services	Fund 7263
		Public Employees Retirement Board	Funds 2854, 7653
	Higher Education	Deferred Compensation	
Higher Education		State Colleges	Funds 2501, 2503, 2504, 2508, 4491, 4900, 4920, 4930, 5501, 5503, 5504, 6494, 6501, 6503, 6504, 6505, 6506, 6507
		University of Nebraska	Funds 2502, 2511, 2512, 2514, 2515, 2520, 2521, 2522, 2523, 2525, 3250, 3251, 4512, 4513, 4514, 4515, 4517, 4518, 4910, 5502, 5511, 5514, 5515, 5519, 6502, 6512, 6514, 6515, 6519, 6520, 6521, 6551, 6552, 6553, 6656
Public Benefit Corporation	University of Nebraska Facilities Corporation	University of Nebraska	Funds 6509, 6510, 6511, 6516, 6517, 6518
		Nebraska State Colleges	
	Nebraska State Colleges Facilities Corporation	State Colleges	Funds 6491, 6493, 6495

State of Nebraska
REVENUE BOND COVERAGE
COLLEGES AND UNIVERSITIES
 1987 – 1996

(Dollars in Thousands)

FISCAL YEAR	DEDICATED REVENUES	RELATED EXPENSES	NET REVENUES AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENT	COVERAGE RATIO
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
1995	49,059	38,680	10,379	5,825	1.78
1996	52,928	43,464	9,464	6,084	1.56

SOURCE: University of Nebraska and State Colleges.

State of Nebraska

COMPARATIVE POPULATION GROWTH NEBRASKA AND UNITED STATES

1940 – 1995 (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	1,578,385	(2.02)	248,709,873	(0.03)
1991	1,592,000	0.86	252,137,000	1.38
1992	1,604,000	0.75	255,078,000	1.17
1993	1,613,000	0.56	257,908,000	1.11
1994	1,623,000	0.62	260,662,000	1.07
1995	1,637,000	0.86	262,755,000	0.80
1940-1995		24.41 %		98.87 %

SOURCE: U.S. Bureau of the Census Population

State of Nebraska
COMPARATIVE UNEMPLOYMENT
NEBRASKA AND UNITED STATES
 1950 – 1995

YEAR	TOTAL LABOR FORCE	TOTAL EMPLOYMENT	UNEMPLOYMENT	NEBRASKA UNEMPLOYMENT AS PERCENT OF LABOR FORCE	UNITED STATES UNEMPLOYMENT AS PERCENT OF LABOR FORCE
1950	608,500	590,600	17,900	2.9%	5.2%
1960	630,200	613,000	17,200	2.7	5.5
1970(a)	631,700	612,300	19,400	3.1	4.9
1971	644,000	620,500	23,500	3.6	5.9
1972	666,300	643,800	22,500	3.4	5.6
1973	688,900	666,200	22,700	3.3	4.9
1974	719,500	688,600	30,900	4.3	5.6
1975	706,000	663,200	42,800	6.1	8.5
1976	717,100	680,900	36,200	5.0	7.7
1977(b)	750,000	722,000	28,000	3.7	7.1
1978	772,000	749,000	23,000	3.0	6.1
1979	771,000	747,000	24,000	3.1	5.8
1980	763,000	732,000	31,000	4.1	7.1
1981	777,000	745,000	32,000	4.1	7.6
1982	789,000	741,000	48,000	6.1	9.7
1983	791,000	746,000	45,000	5.7	9.6
1984	796,000	761,000	35,000	4.4	7.5
1985	806,000	762,000	44,000	5.5	7.2
1986	813,000	772,000	41,000	5.0	7.0
1987	812,000	772,000	40,000	4.9	6.2
1988	818,000	789,000	29,000	3.5	5.5
1989	812,000	787,000	25,000	3.1	5.3
1990	814,464	796,354	18,110	2.2	5.5
1991	835,176	812,054	23,122	2.8	6.7
1992	838,449	813,052	25,397	3.0	7.4
1993	858,374	835,555	22,819	2.7	6.8
1994	878,768	853,542	25,226	2.9	6.1
1995	896,623	872,909	23,714	2.6	5.6

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

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

SOURCE: Nebraska Statistics — 1950-1983 Nebraska Statistical Handbook, Nebraska Department of Economic Development;
 1984-1995 Nebraska Department of Labor.

United States Unemployment — January 1995 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

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
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	18,666	309,893	17,520
1991	28,689	18,023	4,841,078	19,201	321,971	18,090
1992	30,774	19,155	5,137,878	20,137	344,015	19,174
1993	31,780	19,893	5,364,300	20,800	354,760	19,519
1994	33,795	20,819	5,649,010	21,809	380,116	20,870
1995	35,630	21,703	5,987,838	22,788	399,113	21,753

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

SOURCE: April 1996, Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis.

State of Nebraska

TEN LARGEST PRIVATE EMPLOYERS

1995

NAME OF COMPANY	RANK
Iowa Beef Processors, Inc.	1
First Data Resources	2
Union Pacific	3
Mutual of Omaha Insurance Company	4
Conagra Inc.	5
Wal-Mart	6
Burlington Northern	7
Bakers Supermarkets	8
Nebraska Methodist Hospital	9
K-Mart Stores	10

SOURCE: Research Division, The Department of Economic Development.

State of Nebraska

TRANSPORTATION RELATED STATISTICS

1986 – 1995

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
STATE HIGHWAY MILEAGE BY SURFACE TYPE (a)										
RURAL										
Gravel	108	108	92	92	79	79	74	74	74	51
Asphalt, Bitumen	7,602	7,609	7,713	7,759	7,774	7,801	7,786	7,794	7,794	7,834
Concrete, Brick	1,680	1,653	1,562	1,517	1,514	1,485	1,484	1,453	1,449	1,445
TOTAL RURAL	9,390	9,370	9,367	9,368	9,367	9,365	9,344	9,321	9,317	9,330
MUNICIPAL										
Asphalt, Bitumen	321	322	321	321	321	325	331	342	347	353
Concrete, Brick	250	255	258	259	260	261	274	281	279	277
TOTAL MUNICIPAL	571	577	579	580	581	586	605	623	626	630
TOTAL RURAL AND MUNICIPAL	9,961	9,947	9,946	9,948	9,948	9,951	9,949	9,944	9,943	9,960
MILES OF CONSTRUCTION ON STATE HIGHWAYS (a)										
Rural	321	460	429	430	493	414	340	469	376	625
Municipal	17	11	19	17	26	23	16	24	29	34
TOTAL RURAL AND MUNICIPAL	338	471	448	447	519	437	356	493	405	659
MOTOR VEHICLE REGISTRATIONS (b)										
Automobiles	856,574	870,291	882,451	901,633	917,722	838,803	895,461	940,667	955,138	956,100
Trucks										
Farm	140,987	144,126	145,460	145,749	147,982	128,969	140,095	149,403	148,664	148,181
Other	228,188	231,572	239,560	245,664	273,065	247,831	269,195	288,608	272,685	279,781
Motorcycles	33,077	31,599	29,088	23,560	22,375	20,264	19,582	18,882	19,084	18,696
All Other	208,849	219,821	224,954	243,514	275,003	266,178	296,302	301,757	264,965	290,287
TOTAL	1,467,675	1,497,409	1,521,513	1,560,120	1,636,147	1,502,045	1,620,635	1,699,317	1,660,536	1,693,045

SOURCE: (a) 1986-1995 Selected Highway Statistics, Nebraska Department of Roads.

(b) 1986-1995 Nebraska Department of Motor Vehicles.

State of Nebraska

NEBRASKA CASH RECEIPTS FROM FARM MARKETING AND GOVERNMENT PAYMENTS

1986 – 1995

(Dollars in Millions)

YEAR	CASH RECEIPTS FROM FARM MARKETINGS			GOVERNMENT PAYMENTS	TOTAL
	CROPS	LIVESTOCK AND LIVESTOCK PRODUCTS	TOTAL CROPS AND LIVESTOCK		
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	2,410.7	5,390.3	7,801.0	1,091.5	8,892.5
1989	3,078.7	5,646.0	8,724.7	542.3	9,267.0
1990	2,637.9	6,076.2	8,714.1	624.6	9,338.7
1991	3,064.9	5,933.3	8,998.2	490.7	9,488.9
1992	3,009.6	5,675.7	8,685.3	478.7	9,164.0
1993	3,025.2	5,846.3	8,871.5	806.3	9,677.8
1994	3,119.8	5,404.7	8,524.5	348.2	8,872.7
1995	3,503.2	5,187.3	8,690.5	507.3	9,197.8

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

State of Nebraska

NEBRASKA HOUSING UNITS AUTHORIZED FOR CONSTRUCTION

1986 – 1995

YEAR	HOUSING UNITS AUTHORIZED	PERCENT CHANGE
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
1994	7,877	1.63
1995	8,048	2.17

SOURCE: 1986 – Nebraska Housing Units Authorized for Construction, U.S. Department of Commerce.
1987-1995 – Housing Units Authorized by Building Permits: Annual 1987-1995, U.S. Dept. of Commerce.

State of Nebraska

MOTOR FUELS NET TAXABLE GALLONS

1986 – 1995

YEAR	IMPORTING DEALERS	DIESEL FUELS	GASOHOL	TOTAL	PERCENT CHANGE
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
1994	525,261,561	228,490,205	230,802,731	984,554,497	(1.96)
1995	587,503,297	248,461,579	238,027,521	1,073,992,397	9.08

SOURCE: Nebraska Department of Revenue Annual Report.

State of Nebraska

BANK DEMAND AND TIME DEPOSITS

1986 – 1995

(Dollars in Millions)

YEAR	DEMAND DEPOSITS	TIME DEPOSITS	TOTAL DEPOSITS	PERCENT CHANGE
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
1994	3,245	17,414	20,659	(0.97)
1995	3,505	19,051	22,556	9.18

NOTE: This data represents balances at December 31.

SOURCE: Federal Deposit Insurance Corporation.

State of Nebraska
PUBLIC AND STATE OPERATED ENROLLMENT
PREKINDERGARTEN – GRADE 12
 1985/86 – 1995/96

ACADEMIC YEAR	PRE KDG. AND KDG.	GRADES 1-3	GRADES 4-6	GRADES 7-9	GRADES 10-12	TOTAL ALL GRADES
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
1994-1995	25,304	64,171	67,092	69,186	60,680	286,433
1995-1996	25,779	64,010	66,957	68,796	62,842	288,384

SOURCE: 1985-1996 – Statistics and Facts About Nebraska Schools, Nebraska Department of Education.

State of Nebraska
PUBLIC HIGHER EDUCATION INSTITUTIONS
TOTAL FALL HEADCOUNT ENROLLMENT
 1986 – 1995

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
COLLEGES AND UNIVERSITIES:										
Chadron State College	2,200	2,250	2,450	2,881	3,065	3,413	3,190	3,020	3,189	3,063
Kearney State College	8,816	9,075	9,094	9,745	9,899					
Peru State College	1,355	1,396	1,441	1,496	1,526	1,558	1,527	1,601	1,665	1,754
Wayne State College	2,919	2,899	2,874	3,324	3,512	3,925	3,761	3,765	3,886	3,868
University of Nebraska										
Lincoln	23,899	23,469	23,985	24,168	24,598	24,803	24,752	24,695	24,089	24,578
Omaha	13,907	14,210	14,985	15,475	15,811	15,986	16,227	15,899	15,051	14,691
Kearney						8,573	8,374	8,045	7,584	7,620
Medical Center	2,188	2,253	2,279	2,405	2,444	2,631	2,759	2,703	2,778	2,765
TOTAL COLLEGES AND UNIVERSITIES	<u>55,284</u>	<u>55,552</u>	<u>57,108</u>	<u>59,494</u>	<u>60,855</u>	<u>60,889</u>	<u>60,590</u>	<u>59,728</u>	<u>58,242</u>	<u>58,339</u>
COMMUNITY COLLEGES										
Central CC	8,796	9,127	9,676	10,284	10,915	9,971	11,014	11,458	11,128	11,869
Metropolitan CC	6,835	6,595	6,629	7,383	8,520	9,573	10,301	10,978	10,686	10,666
Mid-Plains CC	2,930	2,863	2,905	3,020	2,891	2,880	3,055	3,339	2,934	2,528
Northeast CC	2,392	2,562	2,687	2,205	2,815	3,172	3,257	3,408	3,612	3,413
Southeast CC	5,418	5,498	5,861	6,226	6,317	5,839	6,002	5,776	6,647	6,240
Western CC	2,405	2,273	2,508	2,364	1,940	2,182	2,248	2,591	2,311	2,291
TOTAL COMMUNITY COLLEGES	<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>37,550</u>	<u>37,318</u>	<u>37,007</u>
TOTAL ALL INSTITUTIONS	<u>84,060</u>	<u>84,470</u>	<u>87,374</u>	<u>90,976</u>	<u>94,253</u>	<u>94,506</u>	<u>96,467</u>	<u>97,278</u>	<u>95,560</u>	<u>95,346</u>

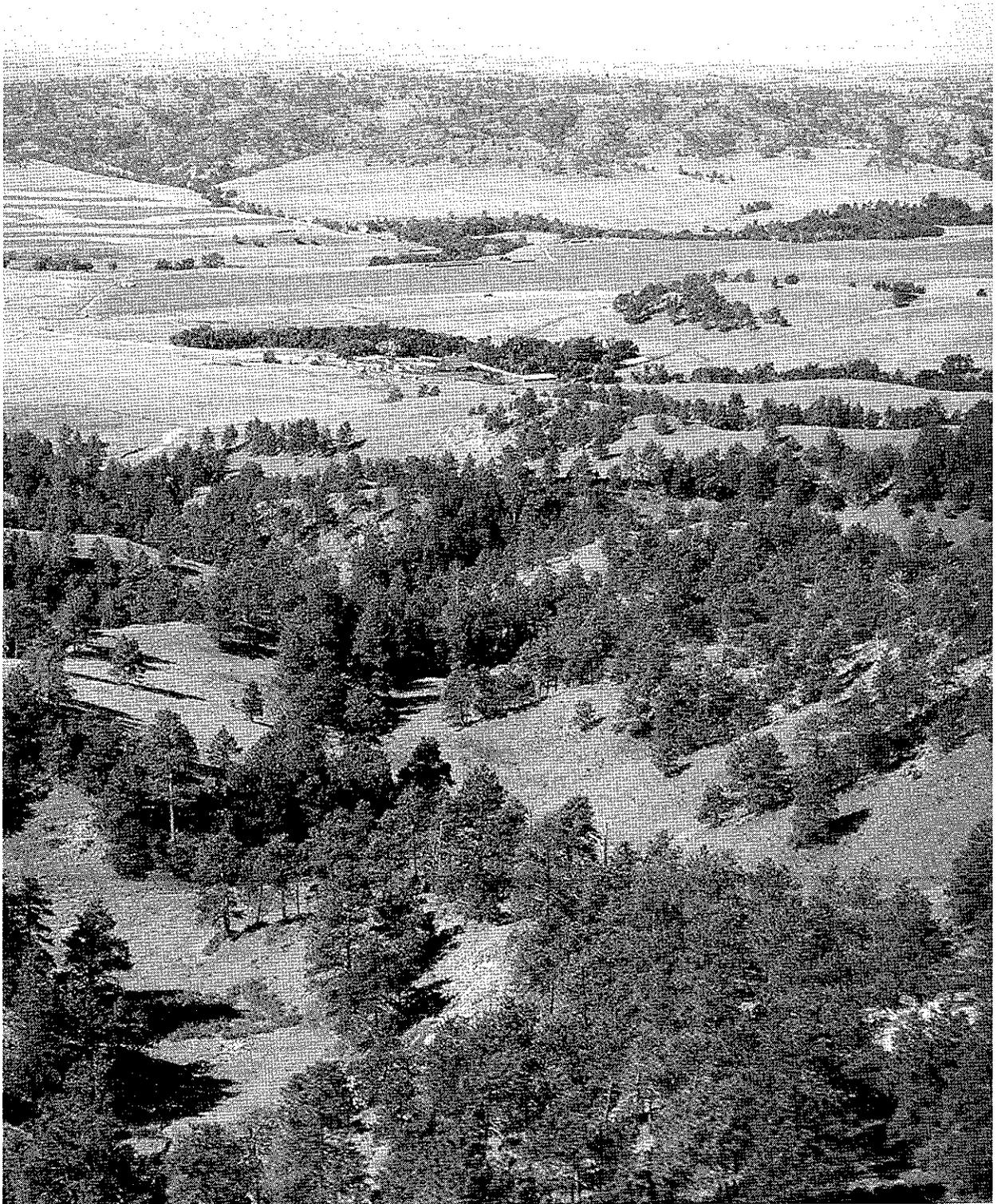
NOTE: Kearney State College became the University of Nebraska at Kearney in 1991.
 University of Nebraska-Lincoln count includes NCTA-Curtis for all years.

SOURCE: Fall Headcount Enrollments in Nebraska Institutions of Postsecondary Education as reported by the Institutions for the Federal IPEDS Survey, Coordinating Commission for Postsecondary Education.

State of Nebraska
MISCELLANEOUS STATISTICS
June 30, 1996

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 5,424 feet above sea level
Capital	Lincoln
Largest City	Omaha
Origin of Name	From Oto Indian word "Nebrathka" meaning "flat water"
Nickname	Cornhusker State (from method of harvesting or "husking" corn by hand)
Recreation:	
Fish Hatcheries	5
State Parks	8
Historical Parks	10
Recreation and Wildlife Management Areas	251
State Police Protection:	
Number of Troops	6
Number of Patrolmen	409

SOURCE: Nebraska Blue Book, 1994-95.



Nebraska pine forests favor rough or rocky terrain.