



P r o m i s e .

2000

U n i v e r s i t y o f N e b r a s k a





creating promise for the people of Nebraska.

More than just looking forward,  
the University of Nebraska is moving forward.

While each of our four campuses has a  
unique strategic vision for the twenty-first century,  
collectively we are fulfilling a promise of excellence  
that was first made in 1869.

Our vision is that the university's four campuses will be among  
the top 30 public universities in their individual peer groups

in meeting the

needs of students

and all citizens

for a lifetime

of continuous

learning, research

that enhances the health and quality of life, and  
outreach and service programs that ensure the benefits  
of new knowledge are shared throughout the state.



*The University of Nebraska has historically kept a promise to the people of Nebraska to provide the highest quality education for their sons and daughters, to conduct research to improve agriculture, economic development, and the health and well being of our citizens, and to offer an array of services to strengthen families, communities, farms and ranches, and businesses.*

*The future is filled with promise, but both Nebraska and its university are now affected by dramatic changes in the world. The end of the Cold War has ushered in a global economy and intensified international relationships. Ethnic and cultural diversity has increased significantly both in Nebraska and nationwide. And, technological advances in communication, information management, and health care, have literally changed the way people live and work – including those who work on university campuses.*

*At the University of Nebraska we are excited and enthusiastic about these changes, and we are moving aggressively to adapt both our academic programs and our business and support activities to produce maximum benefits for our students and for the citizens of the state. During academic year 1999-2000, all four of our campuses presented to the Board of Regents comprehensive strategic plans as well as projections of future physical facilities enhancements. These plans are intended to move the university vigorously toward achievement of its vision.*

*This annual report is intended to give you a sense of how each campus is positioning itself to achieve this vision. You can obtain detailed information on the campus strategic plans and physical development plans by writing me:*

L. Dennis Smith  
President, University of Nebraska  
Varner Hall • 3835 Holdrege St. • Lincoln, NE 68583  
email: ldsmith@uneb.edu

*You may also review the University of Nebraska's Strategic Framework document on our website, [www.uneb.edu](http://www.uneb.edu).*

*I am pleased to present this annual report to the Board of Regents and the citizens of Nebraska.*



L. Dennis Smith • President



**P r o m i s e .**



University of Nebraska-

Lincoln

The University of Nebraska-Lincoln is poised to be  
an active part of the future – a future defined on a national scale of excellence.



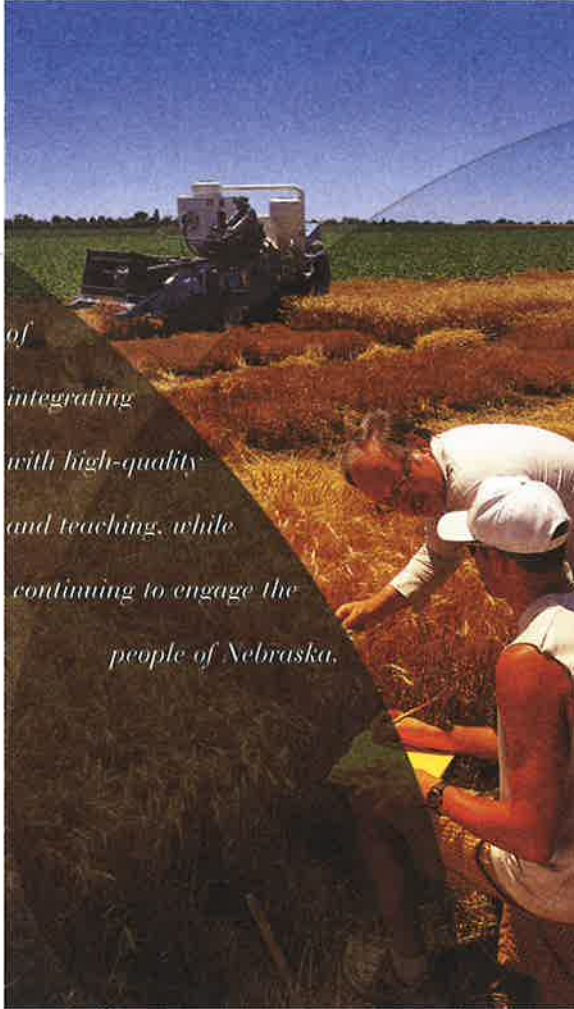
We are making strategic decisions and defining priorities today  
that will transcend traditional disciplines and address the issues of tomorrow.  
We are learning. We are discovering. We are engaging the people of Nebraska.

**This is our promise.**



**A Culture of Excellence**

*The University of  
Nebraska–Lincoln is integrating  
world-class research with high-quality  
learning and teaching, while  
continuing to engage the  
people of Nebraska.*



The University of Nebraska–Lincoln continues to build on a strong tradition of educational excellence and innovation through research and discovery. However, in addition to advancing individual disciplines such as functional genomics, turbo coding, and nanotechnology, we are applying this new knowledge across multiple disciplines and addressing real world issues.

**The Art of Teaching**

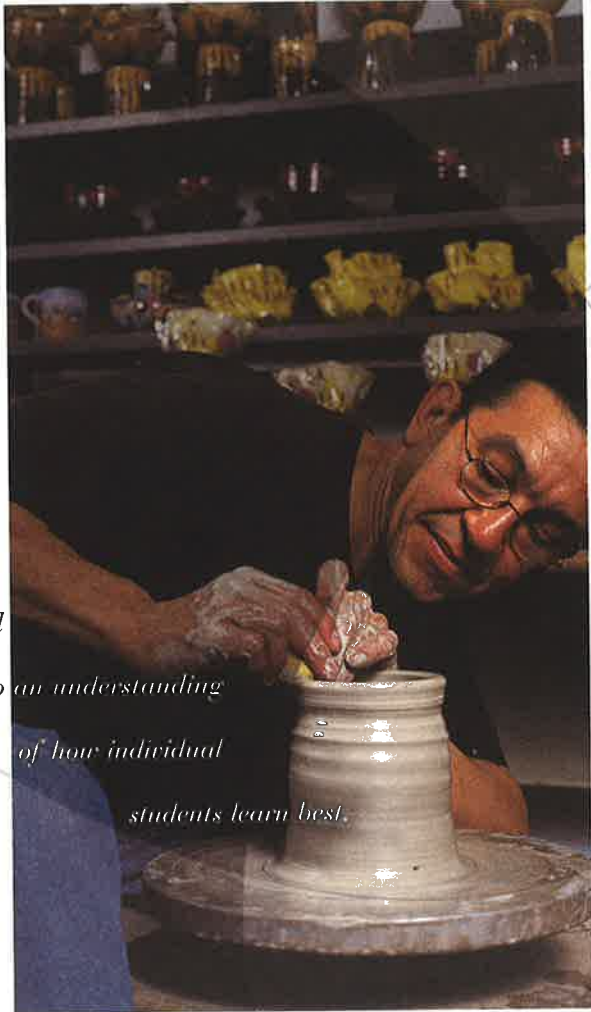
*As professors, it is our  
job to share our*

*experience and*

*develop an understanding*

*of how individual*

*students learn best.*



Our collaborative research and educational endeavors in Life Sciences are positioning us as one of the leading sources of new knowledge related to genetically modified organisms, e coli contamination, and crop, swine, and cattle viruses. The extension of this work is leading us to a better understanding of retroviruses found in certain types of cancer and HIV.

**Educating Nebraska**

*Undergraduate  
learning communities  
ensure up to 90 percent  
retention  
rates.*



Beyond the challenges we are addressing today, we are developing our expertise in such emerging areas as biotechnology, ecology, knowledge management, and the study of the Great Plains. This snapshot captures only a few of the activities that are allowing the University of Nebraska–Lincoln to capitalize on the promise of tomorrow.



**P r o m i s e .**



University of Nebraska at  
O m a h a

The University of Nebraska at Omaha is Nebraska's metropolitan university.

We are raising the educational achievements and aspirations



of our students while maintaining an intimate balance with the concerns and interests of our broader external community.

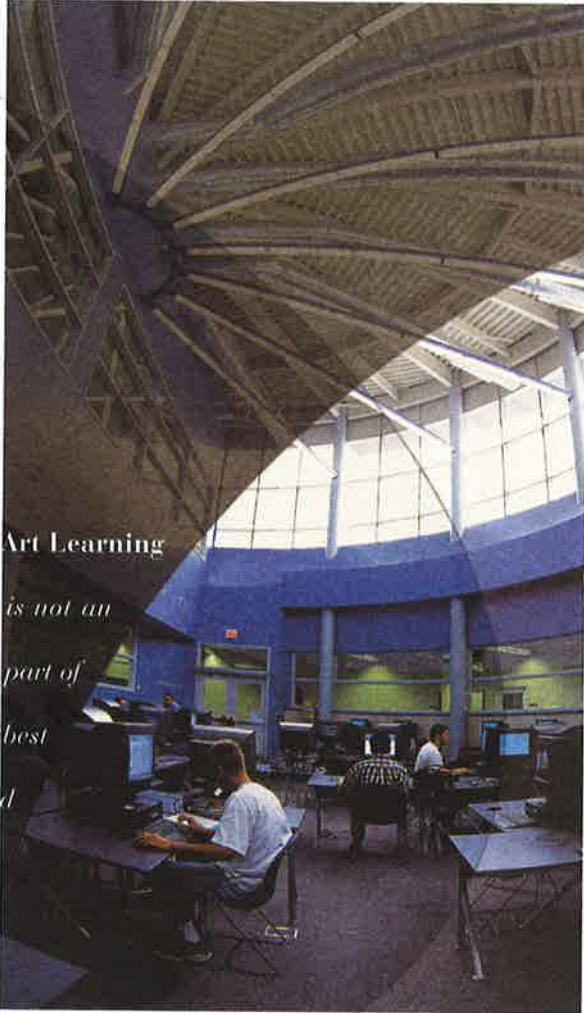
Our relationship with our community and the surrounding region is unique.

It is a partnership.

**It is our promise.**

### State-of-the-Art Learning

*The latest technology is not an option—it's a guaranteed part of the program. The best hardware, software, and teachers are always available to maximize the learning experience.*



The University of Nebraska at Omaha has progressive initiatives for recruiting, educating, retaining, and serving our students through graduation and beyond. We are a unique community working together to advance the learning process. We are student-centered, and the opportunities and partnerships available in the Omaha community enhance the student experience.

**Student**

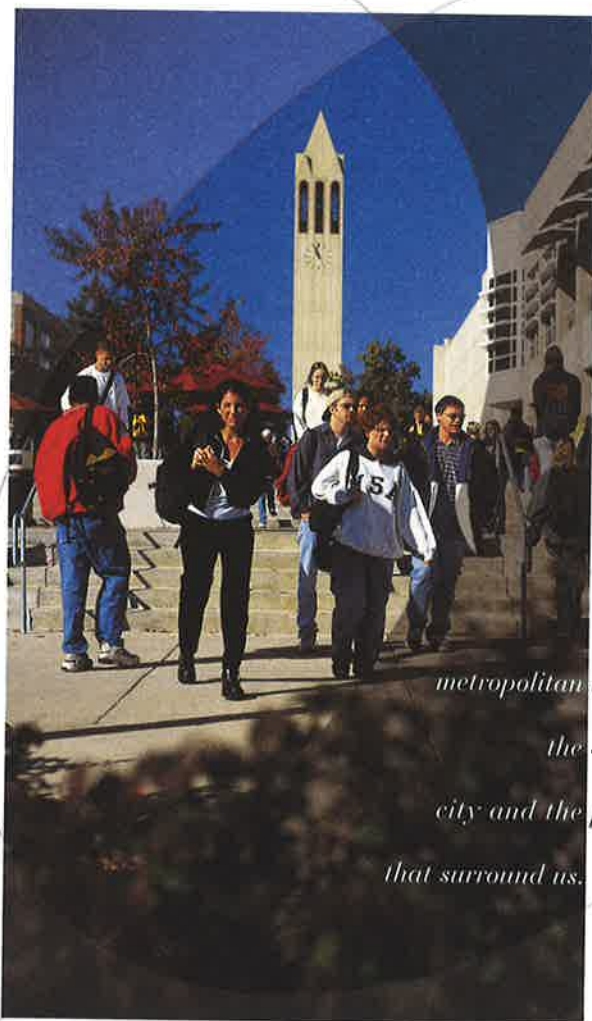
**Centered Education**

*Recently completed  
on-campus student housing  
reinforces our  
commitment  
to student life.*



As one of only seven institutions nationwide piloting the U.S. Hispanic Institute Collegiate Leadership Program, we are improving our cultural diversity. Our Minority Faculty Development Program has been recognized nationally and we are strengthening our Bachelor of General Studies as an alternate degree program for non-traditional students.





## Cultural Diversity

*As Nebraska's*

*metropolitan university, we reflect*

*the dynamics of the*

*city and the people*

*that surround us.*

Programs in Information Science and Technology, Public Administration, and Criminal Justice are just three examples of our academic excellence. Partnerships with private industry and people throughout Omaha, Nebraska, and the world give us a “metropolitan advantage”—enriching our teaching and learning potential while providing the promise of opportunity.



**P r o m i s e .**



University of Nebraska at

Kearney

The University of Nebraska at Kearney

is living a vision of excellence in undergraduate education.



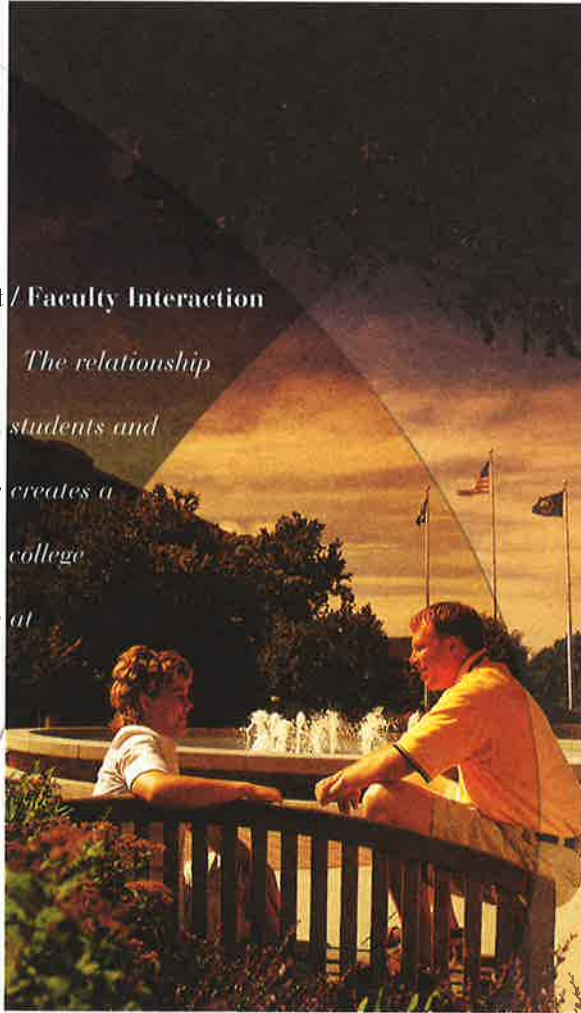
We are cultivating a scholarly learning environment through personal interaction between students and professors.

This kind of interaction spawns intellectual and personal growth.

What we have to teach is the beginning. What we have to learn is our future.

**What we have to share is our promise.**

**Student / Faculty Interaction**  
*The relationship between students and professors creates a private college experience at a public university cost.*



While the University of Nebraska at Kearney continues to advance the undergraduate experience, we are also developing the qualities that lead our students to become constructive workers, responsible citizens – and ultimately – successful contributors to our society. We provide multidimensional growth and leadership opportunities both inside and outside the classroom.

## Scholarly Teaching

*Our scholars are effective communicators – they teach many important lessons, but none*

*is as critical to the*

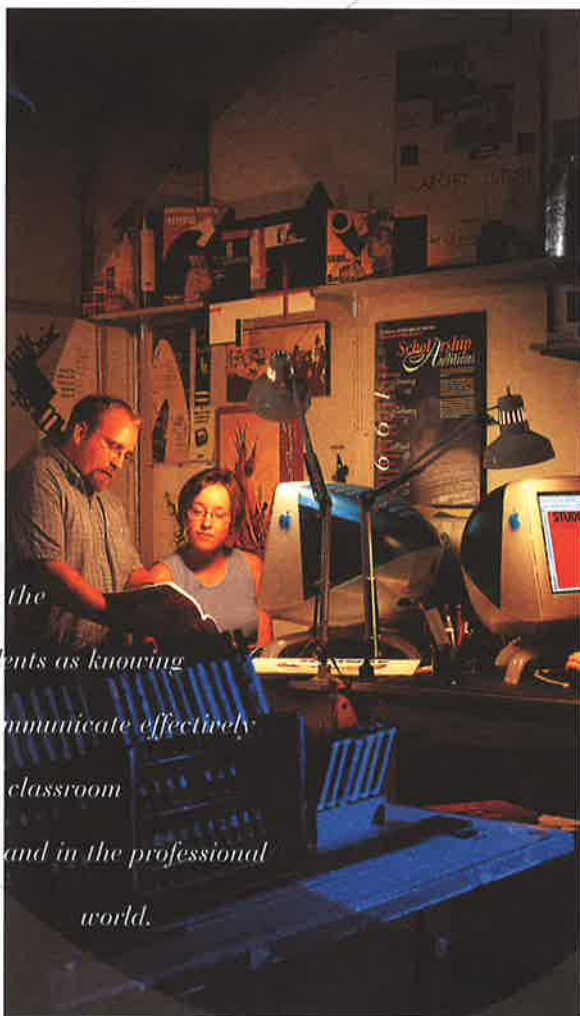
*success of students as knowing*

*how to communicate effectively*

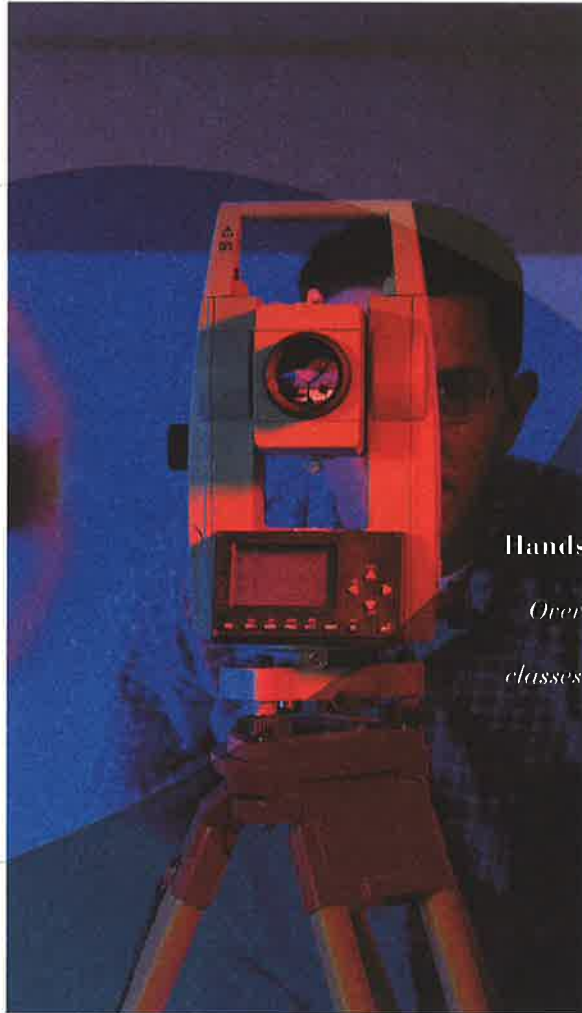
*in the classroom*

*and in the professional*

*world.*



The future success of our students is the focus of all our departments. This means shaping programs to meet the needs of Nebraska's employers as well as our students' interests. Our new multimedia major combines the capabilities of three departments across two different colleges to meet a growing market demand.



### **Hands-on Intensity**

*Over 65 percent of all classes have fewer than 25 students in them, helping to ensure a “hands-on” learning environment.*

The Industrial Technology Department boasts 100 percent placement of its graduates. Our general studies requirements include writing - intensive courses because good writing requires good thinking. What happens to our students before graduation is our challenge to them. What happens to our students after graduation fulfills our promise to them.



**P r o m i s e .**





University of Nebraska  
Medical Center

The University of Nebraska Medical Center

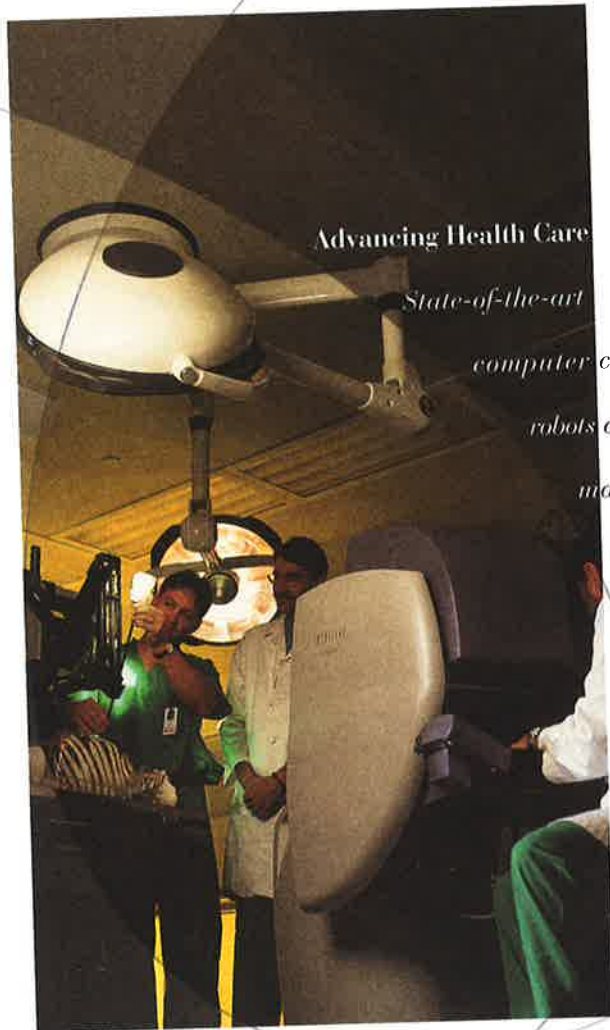
is quickly developing into a world-renowned health sciences center.



We are leading the way to state-of-the-art health care  
and we are creating tomorrow's health care leaders right here in Nebraska.

Our mission is to serve the people of Nebraska.

**Our responsibility is to enhance the promise of life.**



Advancing Health Care

*State-of-the-art*

*computer controlled*

*robots are*

*making their*

*debut in the*

*operating*

*room.*

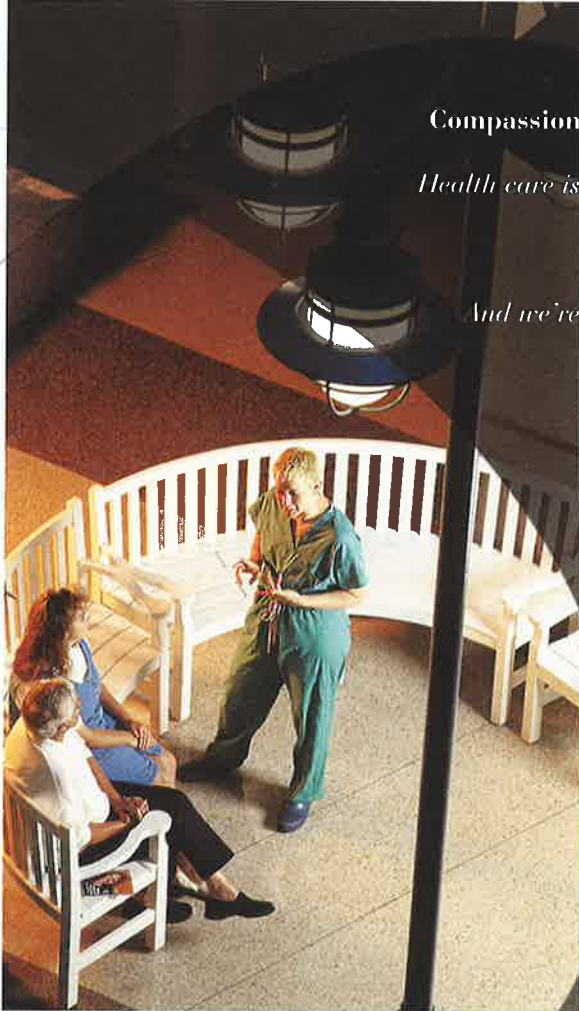
The University of Nebraska Medical Center provides comprehensive care and innovative medical treatment that is improving the quality of life for people throughout Nebraska and the world. Our research facilities are filled with doctors and scientists making breakthrough discoveries in the fight against cancer, cardiovascular disease, Alzheimer's, multiple sclerosis, and AIDS.

**Healthy Resources**

*Doctors and nurses  
educated at UNMC  
can be found in  
most Nebraska clinics,  
like this one located  
in Doniphan.*



We are Nebraska's only public academic health science center. We have successfully performed more than 7,500 bone marrow, peripheral stem cell, and solid organ transplants. Combining the latest advances in immunology and genetics, we have developed new lymphoma classifications leading to precisely targeted treatment programs.



**Compassion for Life**

*Health care is about people –*

*not procedures.*

*And we're making a difference*

*in the classroom,*

*in the laboratory, and*

*in the hospital*

*one person*

*at a time.*

We are educating Nebraskans to help ensure and revitalize the good health of Nebraska. As a partner with the Nebraska Health System, we will continue to enhance the educational process, with a strong emphasis on primary care. Helping Nebraskans lead healthy lives has always been our challenge. We promise this will never change.



Pr o m i s e .

## Regents



**Charles S. Wilson, M.D.**  
LINCOLN • DISTRICT 1



**Nancy L. O'Brien, Ph.D.**  
WATERLOO • DISTRICT 2



**Chuck Hassebrook**  
LYONS • DISTRICT 3



**Drew Miller, Ph.D.**  
PAPILLION • DISTRICT 4



**Robert M. Allen**  
HASTINGS • DISTRICT 5



**Kent Schroeder, J.D.**  
KEARNEY • DISTRICT 6



**Don S. Blank, D.D.S.**  
MCCOOK • DISTRICT 7



**Rosemary M. Skrupa, J.D.**  
OMAHA • DISTRICT 8

## Student Regents



**Joel Schafer**  
UNIVERSITY OF NEBRASKA-LINCOLN



**William Marunda**  
UNIVERSITY OF NEBRASKA AT OMAHA



**Ryan Samuelson**  
UNIVERSITY OF NEBRASKA AT KEARNEY



**Allison Cushman-Vokoun**  
UNIVERSITY OF NEBRASKA MEDICAL CENTER

## Administration



**L. Dennis Smith, Ph.D.**  
PRESIDENT



**Lee B. Jones, Ph.D.**  
EXECUTIVE VICE PRESIDENT AND PROVOST,  
DEAN OF THE GRADUATE COLLEGE



**David E. Lechner**  
VICE PRESIDENT FOR  
BUSINESS AND FINANCE



**Kim M. Robak, J.D.**  
VICE PRESIDENT FOR EXTERNAL AFFAIRS  
AND CORPORATION SECRETARY



**Richard R. Wood, J.D.**  
VICE PRESIDENT AND GENERAL  
COUNSEL



**Irvin T. Omtvedt, Ph.D.**  
VICE PRESIDENT AND VICE  
CHANCELLOR FOR AGRICULTURE  
AND NATURAL RESOURCES



**James Moeser, D.M.A.**  
VICE PRESIDENT  
AND UNL CHANCELLOR



**Nancy Belck, Ph.D.**  
VICE PRESIDENT  
AND UNO CHANCELLOR



**Gladys Styles Johnston, Ph.D.**  
VICE PRESIDENT  
AND UNK CHANCELLOR



**Harold M. Maurer, M.D.**  
VICE PRESIDENT  
AND UNMC CHANCELLOR

University of Nebraska

Leadership



### Revenues by Source - 1999

Dollar Amounts in Thousands



### Expenditures and Mandatory Transfers by Function - 1999

Dollar Amounts in Thousands



# University of Nebraska

## Condensed Financial Information (thousands)

June 30, 1999

With comparative totals for the year ended June 30, 1998

### Balance Sheet

Assets:	Current Funds	Loan, Endowment, and Agency Funds	Plant Funds	(Memorandum Only)	
				1999	1998
Cash and investments	\$174,474	\$63,690	\$48,411	\$286,575	\$260,278
Cash and securities held by trustees	27,957	1,300	112,900	142,157	84,306
Investment in joint venture	43,575	-	85,346	128,921	119,801
Accounts receivable and undrawn appropriation	98,165	1,492	5,990	105,647	104,878
Loans to students, net	-	31,977	-	31,977	31,277
Due from other funds	9,426	850	2,718	12,994	30,568
Prepaid expenses and inventories	11,324	-	632	11,956	13,739
Plant	-	-	1,076,270	1,076,270	1,102,998
<b>Total assets</b>	<b>\$364,921</b>	<b>\$99,309</b>	<b>\$1,332,267</b>	<b>\$1,796,497</b>	<b>\$1,747,845</b>
<b>Liabilities:</b>					
Accounts payable	\$29,025	\$56	\$9,746	\$38,827	\$44,293
Accrued salaries and benefits	62,081	316	-	62,397	54,231
Bonds payable and capitalized lease obligations	-	-	164,007	164,007	89,137
Due to other funds	12,780	214	-	12,994	30,568
Deferred revenues and deposits	19,416	2,895	1,981	24,292	22,225
Health claim reserve and general liability	11,659	-	-	11,659	15,281
<b>Total liabilities</b>	<b>134,961</b>	<b>3,481</b>	<b>175,734</b>	<b>314,176</b>	<b>255,735</b>
<b>Fund Balances:</b>					
Unrestricted	102,811	31,772	-	134,583	120,457
Restricted	66,224	64,056	-	130,280	121,797
Investment in joint venture	43,575	-	-	43,575	34,455
Trusteed insurance programs	17,350	-	-	17,350	20,488
Plant	-	-	1,156,533	1,156,533	1,194,913
<b>Total fund balances</b>	<b>229,960</b>	<b>95,828</b>	<b>1,156,533</b>	<b>1,482,321</b>	<b>1,492,110</b>
<b>Total liabilities and fund balances</b>	<b>\$364,921</b>	<b>\$99,309</b>	<b>\$1,332,267</b>	<b>\$1,796,497</b>	<b>\$1,747,845</b>

A copy of the audited financial statements may be obtained from the Vice President for Business and Finance Office.

# University of Nebraska

Condensed Financial Information (thousands)

June 30, 1999

With comparative totals for the year ended June 30, 1998

## Changes in Fund Balances

Revenues and Other Additions:	Current Funds	Loan, Endowment, and Agency Funds	Plant Funds	(Memorandum Only)	
				1999	1998
Unrestricted Revenues	\$791,683	\$ -	\$ -	\$791,683	\$763,801
State appropriations - restricted	-	-	11,687	11,687	19,370
Government grants, contracts, and advances	159,520	801	-	160,321	147,675
Private gifts, grants and contracts	84,342	550	32,691	117,583	120,372
Expended for plant facilities	-	-	4,938	4,938	27,195
Retirement of lease obligations	-	-	2,196	2,196	1,977
Other sources and additions	2,579	5,096	6,494	14,169	17,841
<b>Total revenues and other additions</b>	<b>1,038,124</b>	<b>6,447</b>	<b>58,006</b>	<b>1,102,577</b>	<b>1,098,231</b>
Expenditures and Other Deductions:					
Educational and general expenditures	860,482	-	-	860,482	816,498
Auxiliary operations expenditures	122,905	-	-	122,905	127,732
Indirect costs recovered	15,232	129	-	15,361	13,056
Administrative expense and loan cancel, write offs	-	908	97	1,005	951
Increase in capital lease obligations	-	-	1,136	1,136	2,730
Interest on indebtedness	-	-	7,425	7,425	3,966
Disposals and other deductions	-	1,270	102,782	104,052	46,305
<b>Total expenditures and other deductions</b>	<b>998,619</b>	<b>2,307</b>	<b>111,440</b>	<b>1,112,366</b>	<b>1,011,238</b>
Transfers Among Funds-Additions (Deductions)	(15,168)	115	15,053	-	-
Net Revenue University Hospital	-	-	-	-	8,744
<b>Net Increase (decrease) for the Year</b>	<b>24,337</b>	<b>4,255</b>	<b>(38,381)</b>	<b>(9,789)</b>	<b>95,737</b>
Fund Balances at Beginning of Year	205,623	91,573	1,194,914	1,492,110	1,396,373
<b>Fund Balances at End of Year</b>	<b>\$229,960</b>	<b>\$95,828</b>	<b>\$1,156,533</b>	<b>\$1,482,321</b>	<b>\$1,492,110</b>

# University of Nebraska

## Condensed Financial Information (thousands)

June 30, 1999

With comparative totals for the year ended June 30, 1998

### Current Funds Revenues, Expenditures and Other Changes

Revenues:	Current Funds	Auxiliary Funds	Restricted Funds	(Memorandum Only)	
				1999	1998
Tuition and fees	\$119,160	\$13,170	\$ -	\$132,330	\$123,779
State appropriations	356,676	-	-	356,676	342,498
Grants and contracts	14,385	-	142,699	157,084	148,048
Private Grants	1,268	-	79,178	80,446	72,164
Health care entities	72,665	-	-	72,665	66,664
Auxiliary operations	-	118,847	-	118,847	121,493
Trusteed insurance	38,680	-	-	38,680	43,372
Other sources	56,834	-	2,726	59,560	55,148
<b>Total revenues</b>	<b>659,668</b>	<b>132,017</b>	<b>224,603</b>	<b>1,016,288</b>	<b>973,166</b>
<b>Expenditures and Mandatory Transfers:</b>					
Instruction	229,534	-	38,361	267,895	254,703
Research	57,877	-	66,582	124,459	119,880
Public services	35,227	-	36,024	71,251	68,367
Administration	143,706	-	6,292	149,998	131,282
Operations	42,497	-	121	42,618	44,625
Health care entities	58,742	-	5,028	63,770	59,323
Scholarships	25,005	-	72,198	97,203	90,977
Trusteed insurance	43,289	-	-	43,289	47,075
Auxiliary operations	-	122,905	-	122,905	127,732
<b>Mandatory transfers for:</b>					
Principal and interest	1,486	5,870	-	7,356	5,835
Loan funds matching grant	205	-	-	205	160
<b>Total expenditures and mandatory transfers</b>	<b>637,568</b>	<b>128,775</b>	<b>224,606</b>	<b>990,949</b>	<b>949,959</b>
Excess of Restricted Receipts over Transfer to Revenue			6,605	6,605	4,057
Other Transfers and Additions (Deductions):	(7,171)	(399)	(37)	(7,607)	7,742
Net revenue University Hospital	-	-	-	-	8,744
<b>Net increase (decrease) in fund balances</b>	<b>\$14,929</b>	<b>\$2,843</b>	<b>\$6,565</b>	<b>\$24,337</b>	<b>\$43,750</b>

A copy of the audited financial statements may be obtained from the Vice President for Business and Finance Office.

# U n i v e r s i t y   o f   N e b r a s k a

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Notes to Condensed Financial Information for the year Ended June 30, 1999  
(Dollar Amounts in Thousands)

The following is a condensed version of the notes to the General Purpose Financial Statements (GPFS) of the University of Nebraska and is not intended to be a presentation in accordance with generally accepted accounting principles. The reader should refer to the audited General Purpose Financial Statements and Notes of the University of Nebraska available in the Vice President for Business and Finance Office for more detailed disclosures.

## **A. Summary of Significant Accounting Policies**

The major accounting principles and practices followed by the University of Nebraska are presented in accordance with standards recommended in Audits of Colleges and Universities, an Industry Audit Guide (American Institute of Certified Public Accountants), College and University Business Administration, (NACUBO), and pronouncements issued by Governmental Accounting Standards Board (GASB).

**Current Funds.** Current fund balances include both funds that are unrestricted and those that are restricted by donors or grantors. The university annually provides for debt service and renewal and replacement of plant assets from these funds. In the full financial statements for the year ended June 30, 1999, the university, at its discretion, has allocated fund balances of unrestricted funds for certain internal and external designations. Reserves for trustee insurance plans are also included in the current fund.

**Plant Funds.** This fund group includes resources provided from current funds, bond financing and from various sources for the acquisition of plant assets. Also included are resources for the payment of principal and interest on debt, and all long-life assets in the service of the university. Additions are made as assets are acquired by purchase, donation or through construction. Reductions are recorded when assets are disposed of and upon taking of physical inventory.

**Loan, Endowment, and Agency Funds.** This fund group consists of resources available for loans to students, and the original value of the endowment including subsequent additions and realized investment gains/losses. Funds held by the university as custodian or fiscal agent for others are also included in this fund group.

**Accounts Receivable and Undrawn Appropriations.** Substantially all amounts included in accounts receivable in the current fund group represents tuition, unbilled charges, and undrawn appropriations as of June 30, 1999, but which are reappropriated in the following year.

**Prepaid Expenses and Inventories.** Inventories of merchandise and supplies are stated primarily at the lower of cost (first-in, first-out) or market. Livestock inventories are stated at market, less estimated selling expenses.

**Accrued Salaries and Benefits.** Accrued salaries and benefits includes accrued salaries, wages, vacation, and sick leave. University faculty and staff earn 12 to 25 days of vacation each year and may carry over up to one year of accrued vacation into the next year. In future years, accrued vacation may be used or received as a cash payment upon retirement or termination. In addition, certain classified staff receive a cash payment of one-fourth of accrued sick leave upon retirement from the university. The university has recognized a liability for sick and annual leave earned but not yet taken by its faculty and staff. Certain university faculty and staff also earn four floating holidays each year, which may be taken at any time during the year. Unused floating holidays expire at calendar year end.

**Plant Assets.** Plant assets consisting of land, land improvements, buildings and equipment are stated at cost or, if contributed, at fair market value at date of gift, except for library books and breeding livestock that are stated at one dollar per unit. Art objects, collections of historical material, and other artifacts, although considered valuable and irreplaceable, are not valued for financial statement purposes. No provision is made in the accounts for depreciation of plant assets.

#### **B. Scope of Statements:**

The University of Nebraska is a land-grant university governed by an elected eight member Board of Regents. The University of Nebraska is a component unit of the state of Nebraska. As required by generally accepted accounting principles, these financial statements present the university and its component units, entities for which it is considered financially accountable. Its blended component units, although legally separate entities are, in substance, part of the university's operations and so data from these units are combined with the data of the university. Separate financial statements for each of the blended entities may be obtained from the University of Nebraska Central Administration, Varner Hall, 3835 Holdrege Street, Lincoln, Nebraska 68583.

**Blended Component Units.** The University of Nebraska Facilities Corporation (UNFC) was organized to finance the construction, repair and renovation of buildings and acquisition of land and equipment and hold them in trust for the university. UNFC is governed by a Board of Directors composed of the Board of Regents. UNFC operates on a June 30 fiscal year end.

# University of Nebraska

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## B. Scope of Statements • Continued

The University Medical Associates (UMA) was organized for the purpose of billing, collecting and distributing medical service fees generated by clinicians employed by the University of Nebraska Medical Center (UNMC). UMA is governed by the University of Nebraska Board of Regents. The distribution of fees is governed by the terms of the University of Nebraska Medical Service Plan.

UNEhealth was organized to further the general health care purposes of the university and acts under the authority of the University of Nebraska Board of Regents.

The University Dental Associates (UDA) was organized for the purpose of billing, collecting and distributing dental service fees generated by dentists employed by UNMC. UDA is governed by the terms of the University of Nebraska Board of Regents. The distribution of fees is governed by the terms of the University of Nebraska Dental Service Plan.

**Other.** The university is exempt from income taxes as a non-profit organization under federal income tax laws and regulations of the Internal Revenue Service except for unrelated business income for which no provision is considered necessary.

## C. Joint Operating Agreement

On October 1, 1997, the University and Bishop Clarkson Memorial Hospital (Clarkson) entered into a Joint Operating Agreement forming the Nebraska Health System (NHS), a Nebraska non-profit corporation. NHS is governed by a Board of Directors comprised of six members appointed by Clarkson and six members appointed by the university. Upon dissolution of NHS, the university and Clarkson will share equally in the remaining net assets. The university has recorded a 50 percent equity in earnings of NHS for year ended June 30, 1999 totaling approximately \$9,120. In addition, to the extent that sufficient funds are available as determined by the NHS Board of Directors, the university will receive an annual capital distribution of \$6,000. No distribution was received in 1999.

## D. Cash and Investments:

Cash and temporary investment balances are as of June 30, 1999, and do not reflect a constant condition, nor do they represent uncommitted resources. The balances will be used to cover expenses incurred, but not yet paid and to provide capital for operations that in 1998-99 exceeded \$1,102,000.

Investments are stated at fair value based on quoted prices. Investments received from donors as gifts are stated at fair value at the date of the gift. Investment income is recognized as earned. In accordance with prevalent health care industry practice, the investment of capital reserve represents amounts designated for the repair and replacement of equipment for the Medical Center Health Care Entities. These amounts are on deposit with the Nebraska State Treasurer.

Funds held for the support of university operations, excluding trust funds, are invested according to state statute by the State Investment Officer. University trust funds are invested by the university in accordance with the prudent person rule as established by the university. The prudent person rule places no restrictions on the investment of these funds.

## **E. Undrawn Appropriations:**

Undrawn appropriations for the General Fund will be used to pay salaries for the academic period ended in June which will be paid in July and August, as well as the excess of summer session expenditures over tuition revenues. All are included in state appropriations for fiscal 1999-00.

Undrawn appropriations for Plant Funds include accounts payable on state funded construction projects which were available from 1998-99 state appropriation but had not been drawn at June 30, 1999.

## **F. Lease Obligations:**

The university is acquiring buildings, properties and certain items of equipment under lease agreements that provide for the university to purchase them over a period of years. These leases are capitalized under the indebtedness and invested in plant funds group.

## **G. Trusteed Insurance Programs:**

The Board of Regents provides for protection against comprehensive general and hospital medical professional liability and property losses through a partially self-insured program. The self-insured program also covers the retained deductible for directors and officers liability and other claims not covered by insurance.

Since 1980, the Board of Regents has provided for faculty and staff group health and dental benefits through a split-funded minimum premium insurance program. The university

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## G. *Trusteed Insurance Programs • Continued*

accrued an estimate for known and incurred but not reported claims based on claim history. A trust agreement with a Nebraska bank provides for the collection, investment and administration of premiums and for payment to the insurance company for claims paid.

### H. **Retirement Plans:**

The university has a defined contribution retirement plan currently in effect, which was established by the Board of Regents. The contribution plan covers all academic faculty, administrative and classified staff and provides investment options administered by Teachers Insurance and Annuity Association/College Retirement Equity Fund and Fidelity Investments. Under the plan, the faculty and staff are required to contribute 2% to 5.5% of monthly earnings. The university will match the faculty and staff contributions plus an additional 2% to 2.5% of earnings. The university's policy is to fund pension costs accrued on an annual basis.

### I. **Commitments and Contingencies:**

The university has contracted for the construction of several facilities which are estimated to cost approximately \$155,743. As of June 30, 1999, the approximate remaining costs to complete these facilities were \$62,047.

### J. **Subsequent Event:**

On October 1, 1999, the Board of Regents approved the following actions relating to various construction projects relating to the university. The Board of Regents accepted a gift from the University Foundation which includes the Security Mutual Life Insurance Company and Coastal Mart properties and partial funding to renovate and develop the Security Mutual property for use by the University of Nebraska-Lincoln campus. The commitment for the renovation includes \$3,200 from the Foundation and \$2,900 to be funded by the University of Nebraska-Lincoln through cash funds and rentals received on the Coastal Mart property. The Board of Regents also approved a new chemical engineering facility at University of Nebraska-Lincoln. The contract for the construction of this project has not been selected, however, the estimated project cost is \$24,000. The university has also entered into an interlocal agreement with City of Lincoln, NEBCO, and the Railroad Transportation Safety District for the construction of a baseball and softball complex to be constructed on City-owned property. The estimated project cost is approximately \$29,500 from which the University of Nebraska-Lincoln athletic department would contribute \$10,600 available from private donations.





University of Nebraska

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