



**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Statements of Revenues Collected and Expenditures Paid  
and Changes in Fund Balances and Supplementary Schedules

June 30, 2008 and 2007

(With Independent Auditors' Report Thereon)

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

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## **Independent Auditors' Report**

The Board of Trustees  
Nebraska State Colleges:

We have audited the accompanying statements of revenues collected and expenditures paid and changes in fund balances of Student Fees and Facilities Revenue and Refunding Bond Funds, Series 2002 and Revenue Bonds, Series 2003 (Revenue and Refunding Bond Funds) of the Nebraska State Colleges (the College) for the years ended June 30, 2008 and 2007. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in note 1 to the financial statements, these financial statements were prepared on the basis of cash receipts and disbursements of the Revenue and Refunding Bond Funds of the College pursuant to the bond agreements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles, and are not intended to be a complete presentation of the College's assets, liabilities, revenues, and expenses on the basis described.

In our opinion, the financial statements referred to above present fairly, in all material respects, the revenues collected and expenditures paid and changes in fund balances for the Nebraska State Colleges Revenue and Refunding Bond Funds for the years ended June 30, 2008 and 2007 in conformity with the basis of accounting described in note 1.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules 1 through 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Revenue and Refunding Bond Funds of the College has not presented management's discussion and analysis that U.S. generally accepted accounting principles has determined is necessary to supplement, although not required to be part of, the basic financial statements.

KPMG LLP

Omaha, Nebraska  
September 12, 2008

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Statements of Revenues Collected and Expenditures Paid  
and Changes in Fund Balances

Years ended June 30, 2008 and 2007

	2008				2007			
	Revenue Bond Funds	Operation and Maintenance Funds	Funds held by trustee and by State of Nebraska Operating Investment Pool	Total	Revenue Bond Funds	Operation and Maintenance Funds	Funds held by trustee and by State of Nebraska Operating Investment Pool	Total
Revenues collected:								
Rentals	\$ 5,658,621	—	—	5,658,621	5,247,376	—	—	5,247,376
Food service	5,881,343	—	—	5,881,343	5,102,118	—	—	5,102,118
Facilities fees	1,695,320	—	—	1,695,320	1,410,550	—	—	1,410,550
Deposits forfeited and damages collected	18,501	—	—	18,501	24,584	—	—	24,584
Installment fees	22,709	—	—	22,709	17,710	—	—	17,710
Food service commission	311,212	—	—	311,212	307,659	—	—	307,659
Vending machine	142,312	—	—	142,312	117,187	—	—	117,187
Bookstore	236,589	—	—	236,589	220,552	—	—	220,552
Parking permits	75,068	—	—	75,068	130,840	—	—	130,840
Convention housing	7,068	—	—	7,068	58,055	—	—	58,055
Recreation center	7,331	35,371	379,564	422,266	9,258	31,300	412,988	449,902
Investment income	50,761	—	—	50,761	5,614	—	—	5,614
Office rent	11,546	—	—	11,546	54,569	—	—	54,569
Student union snack bar	—	—	57,525	57,525	5,213	—	—	5,213
Lease income	98,053	—	—	98,053	86,604	—	—	86,604
Other	—	—	—	—	—	—	—	—
Total revenues collected	14,265,705	35,371	437,089	14,738,165	12,797,889	31,300	470,513	13,299,702
Less rent fees and board refunds	(35,214)	—	—	(35,214)	(20,585)	—	—	(20,585)
Net revenues collected	14,230,491	35,371	437,089	14,702,951	12,777,304	31,300	470,513	13,279,117
Expenditures paid:								
Operations and maintenance	—	6,661,858	—	6,661,858	—	6,304,048	—	6,304,048
Food service contract	—	—	4,194,930	4,194,930	—	—	3,704,256	3,704,256
Interest	—	—	823,233	823,233	—	—	843,854	843,854
Other	80	—	89,981	90,061	244	—	—	244
Capital improvements and extraordinary repairs	—	—	930,083	930,083	—	—	1,307,962	1,307,962
Total expenditures paid	80	6,661,858	6,038,227	12,700,165	244	6,304,048	5,856,072	12,160,364
Excess (deficiency) of revenues collected over expenditures paid before bond transactions and transfers	14,230,411	(6,626,487)	(5,601,138)	2,002,786	12,777,060	(6,272,748)	(5,385,559)	1,118,753
Redemption of bonds	—	—	(760,000)	(760,000)	—	—	(740,000)	(740,000)
Transfers in (out), net	(14,225,704)	6,525,000	7,700,704	—	(12,766,232)	6,440,000	6,326,232	—
Excess (deficiency) of revenues collected over expenditures paid	4,707	(101,487)	1,339,566	1,242,786	10,828	167,252	200,673	378,753
Fund balance, beginning of year	18,859	352,326	8,163,211	8,534,396	8,031	185,074	7,962,538	8,155,643
Fund balance, end of year	23,566	250,839	9,502,777	9,777,182	18,859	352,326	8,163,211	8,534,396

See accompanying notes to financial statements.

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Notes to Financial Statements

June 30, 2008 and 2007

**(1) Organization and Summary of Significant Accounting Policies**

**(a) Ownership and Operation**

Nebraska State Colleges Revenue and Refunding Bond Funds (the Funds), which are funds of Chadron State College, Peru State College, and Wayne State College, were established to account for revenues and earnings derived from the operation of all revenue facilities and special student fees, which are pledged for the payment of principal and interest of the revenue bonds. The Funds are not subject to income taxes. Nebraska has three state colleges under the control and management of the board of trustees (the Board): Chadron State College was established in 1911, Peru State College was established in 1867, and Wayne State College was established in 1910. The Board was established in 1919 under a provision of the state constitution. Prior to that time, its predecessor agency was charged with the responsibility of operating state institutions for higher education and training of teachers. The Board, with the exception of the state commissioner of education as an ex-officio member, is appointed by the governor, with two members being appointed every other year.

**(b) Basis of Accounting**

The statements of revenues collected and expenditures paid and changes in fund balances of the Funds are prepared on the basis of cash receipts and disbursements and, consequently, do not reflect receivables, capital assets, notes payable, bonds payable, accounts payable, and accrued items. Revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the statements are not intended to be a complete presentation of the Nebraska State College System's or the Funds' financial position and results of operations in conformity with U.S. generally accepted accounting principles. A comprehensive management's discussion and analysis is prepared for the Nebraska State Colleges' consolidated financial statements, which includes the Funds' financial results. Therefore, a separate management discussion and analysis is not included in this report.

**(2) Revenue and Refunding Bonds Outstanding**

**(a) Chadron State College**

Revenue and refunding bonds outstanding as of June 30, 2008 totaled \$6,135,000 and consist of Nebraska State Colleges Student Fees and Facilities Revenue and Refunding Bonds, Series 2002C due in annual principal installments on July 1 in variable amounts ranging from \$45,000 to \$345,000 through July 1, 2011, with interest rates ranging from 3.30% to 3.85%, and Chadron State College Revenue Bonds, Series 2003A due in annual principal installments on July 1 in variable amounts ranging from \$190,000 to \$415,000 through July 1, 2028, with interest rates ranging from 3.55% to 5.25%.

**(b) Peru State College**

Revenue and refunding bonds outstanding as of June 30, 2008 totaled \$3,205,000 and consist of Nebraska State Colleges Student Fees and Facilities Revenue and Refunding Bonds, Series 2002B

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Notes to Financial Statements

June 30, 2008 and 2007

due in annual principal installments on July 1 in variable amounts ranging from \$105,000 to \$240,000 through July 1, 2027, with interest rates ranging from 3.30% to 5.00%.

(c) **Wayne State College**

Revenue and refunding bonds outstanding as of June 30, 2008 totaled \$8,670,000 and consist of Nebraska State Colleges Student Fees and Facilities Revenue and Refunding Bonds, Series 2002A due in annual principal installments on July 1 in variable amounts ranging from \$235,000 to \$535,000 through July 1, 2027, with interest rates ranging from 3.30% to 5.00%, and Wayne State College Revenue Bonds, Series 2003B due in annual principal installments on July 1 in variable amounts ranging from \$115,000 to \$165,000 through July 1, 2018, with interest rates ranging from 2.70% to 4.50%.

Maturities of revenue and refunding bonds outstanding and related interest payments are as follows:

<u>Chadron State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2009	\$ 320,000	274,046	594,046
2010	340,000	262,816	602,816
2011	345,000	250,483	595,483
2012	235,000	239,861	474,861
2013	200,000	231,823	431,823
2014 – 2018	1,110,000	1,030,259	2,140,259
2019 – 2023	1,385,000	741,931	2,126,931
2024 – 2028	1,785,000	336,525	2,121,525
2029	415,000	10,375	425,375
	<u>\$ 6,135,000</u>	<u>3,378,119</u>	<u>9,513,119</u>

<u>Peru State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2009	\$ 105,000	145,040	250,040
2010	110,000	141,383	251,383
2011	110,000	137,422	247,422
2012	120,000	133,078	253,078
2013	120,000	128,368	248,368
2014 – 2018	680,000	561,651	1,241,651
2019 – 2023	860,000	384,515	1,244,515
2024 – 2028	1,100,000	142,500	1,242,500
	<u>\$ 3,205,000</u>	<u>1,773,957</u>	<u>4,978,957</u>

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Notes to Financial Statements

June 30, 2008 and 2007

<u>Wayne State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2009	\$ 350,000	380,663	730,663
2010	360,000	369,219	729,219
2011	375,000	356,481	731,481
2012	385,000	342,529	727,529
2013	400,000	327,435	727,435
2014 – 2018	2,265,000	1,371,063	3,636,063
2019 – 2023	2,090,000	859,106	2,949,106
2024 – 2028	2,445,000	317,125	2,762,125
	<u>\$ 8,670,000</u>	<u>4,323,621</u>	<u>12,993,621</u>

<u>Nebraska State Colleges (total)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2009	\$ 775,000	799,749	1,574,749
2010	810,000	773,418	1,583,418
2011	830,000	744,387	1,574,387
2012	740,000	715,468	1,455,468
2013	720,000	687,626	1,407,626
2014 – 2018	4,055,000	2,962,973	7,017,973
2019 – 2023	4,335,000	1,985,552	6,320,552
2024 – 2028	5,330,000	796,150	6,126,150
2029	415,000	10,375	425,375
	<u>\$ 18,010,000</u>	<u>9,475,698</u>	<u>27,485,698</u>

Bond activity for the year ended June 30, 2008 is as follows:

	<u>Beginning balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending balance</u>	<u>Current portion</u>
Chadron State College	\$ 6,455,000	—	320,000	6,135,000	320,000
Peru State College	3,305,000	—	100,000	3,205,000	105,000
Wayne State College	9,010,000	—	340,000	8,670,000	350,000
Total	<u>\$ 18,770,000</u>	<u>—</u>	<u>760,000</u>	<u>18,010,000</u>	<u>775,000</u>



**NEBRASKA STATE COLLEGES  
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Notes to Financial Statements

June 30, 2008 and 2007

Bond activity for the year ended June 30, 2007 is as follows:

	<u>Beginning balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending balance</u>	<u>Current portion</u>
Chadron State College	\$ 6,760,000	—	305,000	6,455,000	320,000
Peru State College	3,405,000	—	100,000	3,305,000	100,000
Wayne State College	<u>9,345,000</u>	<u>—</u>	<u>335,000</u>	<u>9,010,000</u>	<u>340,000</u>
Total	<u>\$ 19,510,000</u>	<u>—</u>	<u>740,000</u>	<u>18,770,000</u>	<u>760,000</u>

Under the bond resolution for Student Fees and Facilities Revenue and Refunding Bonds, revenues and earnings derived from the operation of all revenue facilities and special student fees are pledged for payment of the principal and interest amount of the bonds. The bonds are not an obligation of the state of Nebraska and no tax funds shall be appropriated for payment of principal and interest.

**(3) Bond Covenants**

The bond resolution requires the revenues of the facilities paid into the revenue bond fund during any fiscal year shall, after deducting these from the costs of operations and maintenance of the facilities and food service costs during such fiscal year, be at least equal to 110% of the amount of principal and interest maturing during such year. The debt service coverage for the years ended June 30, 2008 and 2007 is as follows:

	<u>2008</u>	<u>2007</u>
Chadron State College	196%	176%
Peru State College	254	208
Wayne State College	267	232

**(4) Outstanding Board Resolutions**

The Board has approved resolutions for capital improvements and extraordinary repairs to be made from Contingency Maintenance and Surplus Funds held by the bond fund trustee. At June 30, 2008 and 2007, the unexpended balance of outstanding Board resolutions under construction commitments is approximately as follows:

	<u>2008</u>	<u>2007</u>
Chadron State College	\$ 706,000	355,000
Peru State College	71,000	238,000
Wayne State College	<u>302,000</u>	<u>797,000</u>
Total construction commitments	<u>\$ 1,079,000</u>	<u>1,390,000</u>

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Notes to Financial Statements

June 30, 2008 and 2007

**(5) Room and Board Waivers**

Room and board waivers not included in rentals and food service revenues for the years ending June 30, 2008 and 2007 are approximately as follows:

	<b>2008</b>	<b>2007</b>
Chadron State College	\$ 314,000	319,000
Peru State College	139,000	132,000
Wayne State College	597,000	527,000
Total room and board waivers	\$ 1,050,000	978,000

**(6) Lease Purchase Agreement**

*Peru State College*

In April 2002, Peru State College entered into a capital lease purchase agreement with the Peru Achievement Foundation, Inc., whereby Peru State College will lease the Student Center Servedy Remodel for a term of eight years for a total lease price of \$203,560, plus interest at the rate of 6% per annum, with an annual payment due of \$32,780.

Future lease payments are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year ending June 30:			
2009	\$ 29,174	3,606	32,780
2010	30,925	1,855	32,780
	\$ 60,099	5,461	65,560

NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS

Student Fees and Facilities Revenue and Refunding Bonds, Series 2002 and Revenue Bonds, Series 2003

Combined Statements of Revenues Collected and Expenditures Paid  
and Changes in Fund Balances

Years ended June 30, 2008 and 2007

	Revenue Bond Funds			2008			Funds held by trustee and State of Nebraska			Investment Pool			
	Chadron State College	Peru State College	Wayne State College	Chadron State College	Peru State College	Wayne State College	Chadron State College	Peru State College	Wayne State College	Chadron State College	Peru State College	Wayne State College	Total
Revenues collected:													
Rentals	2,027,074	937,644	2,693,903	—	—	—	—	—	—	—	—	—	5,658,621
Food service	1,678,188	949,461	3,253,694	—	—	—	—	—	—	—	—	—	5,881,343
Facilities fees	701,009	171,141	823,170	—	—	—	—	—	—	—	—	—	1,695,320
Deposits forfeited and damages collected	—	11,822	6,679	—	—	—	—	—	—	—	—	—	18,501
Installation fees	22,709	—	—	—	—	—	—	—	—	—	—	—	22,709
Food service commission	248,000	—	30,312	—	—	—	—	—	—	—	—	—	278,312
Vending machine	403,840	—	27,221	—	—	—	—	—	—	—	—	—	431,061
Books	106,584	74,251	130,005	—	—	—	—	—	—	—	—	—	236,589
Bookings	—	—	75,068	—	—	—	—	—	—	—	—	—	75,068
Parking permits	—	—	49,271	—	—	—	—	—	—	—	—	—	49,271
Convention housing	—	—	7,068	—	—	—	—	—	—	—	—	—	7,068
Recreation center	—	—	7,331	—	—	—	—	—	—	—	—	—	7,331
Investment income	50,761	270	7,061	13,627	6,581	15,163	—	—	—	111,792	69,676	198,096	422,266
Office rent	11,546	—	—	—	—	—	—	—	—	—	—	—	11,546
Student union snack bar	—	—	—	—	—	—	—	—	—	—	—	—	—
Lease income	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	28,819	1,140	68,094	—	—	—	—	—	—	—	—	—	98,053
Total revenues collected	4,948,430	2,145,729	7,171,546	13,627	6,581	15,163	—	—	—	111,792	127,201	198,096	14,738,165
Less rent fees and board refunds	(7,706)	(8,003)	(19,505)	—	—	—	—	—	—	—	—	—	(35,214)
Net revenues collected	4,940,724	2,137,726	7,152,041	13,627	6,581	15,163	—	—	—	111,792	127,201	198,096	14,702,951
Expenditures paid:													
Operation and maintenance	—	—	—	2,351,530	744,949	3,565,379	—	—	—	1,441,774	904,053	1,849,103	6,661,858
Food service contract	—	—	—	—	—	—	—	—	—	284,125	148,273	390,835	4,194,930
Interest	—	—	80	—	—	—	—	—	—	89,981	—	—	823,233
Other	—	—	—	—	—	—	—	—	—	98,844	243,195	588,044	89,981
Capital improvements and extraordinary repairs	—	—	—	—	—	—	—	—	—	—	—	—	930,083
Total expenditures paid	—	—	80	2,351,530	744,949	3,565,379	—	—	—	1,914,724	1,295,521	2,827,982	6,038,227
Excess (deficiency) of revenues collected over expenditures paid before bond transactions and transfers	4,940,724	2,137,726	7,151,961	(2,337,903)	(738,368)	(3,550,216)	(6,626,487)	(1,802,932)	(1,168,320)	(320,000)	(100,000)	(340,000)	(5,601,138)
Redemption of bonds	(4,940,724)	(2,138,013)	(7,146,967)	—	—	—	—	—	—	—	—	—	(760,000)
Transfers in (out), net	—	—	—	2,305,000	720,000	3,500,000	6,525,000	2,635,724	1,418,013	2,635,724	1,418,013	3,646,967	7,700,704
Excess (deficiency) of revenues collected over expenditures paid	—	(287)	4,994	(32,903)	(18,368)	(50,216)	(101,487)	512,792	149,693	512,792	149,693	677,081	1,242,786
Fund balance, beginning of year	1,000	5,699	12,160	174,728	107,580	70,018	352,326	2,616,440	1,380,487	2,616,440	1,380,487	4,166,284	8,163,211
Fund balance, end of year	1,000	5,412	17,154	141,825	89,212	19,802	250,839	3,129,232	1,530,180	3,129,232	1,530,180	4,843,365	9,502,777

NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS

Student Fees and Facilities Revenue and Refunding Bonds, Series 2002 and Revenue Bonds, Series 2003

Combined Statements of Revenues Collected and Expenditures Paid  
and Changes in Fund Balances

Years ended June 30, 2008 and 2007

	Revenue Bond Funds		Operation and Maintenance Funds		2007		Funds held by trustee and State of Nebraska		Investment Pool		Combined
	Chadron State College	Wayne State College	Chadron State College	Wayne State College	Chadron State College	Wayne State College	Chadron State College	Wayne State College	Chadron State College	Wayne State College	
Revenues collected:											
Rentals	1,874,198	2,428,426	—	—	—	—	—	—	—	—	5,247,376
Food service	1,551,545	803,913	—	—	—	—	—	—	—	—	5,102,118
Facilities fees	581,812	102,438	—	—	—	—	—	—	—	—	1,410,550
Deposits forfeited and damages collected	18,293	6,291	—	—	—	—	—	—	—	—	24,584
Installation fees	17,770	28,582	—	—	—	—	—	—	—	—	17,710
Food service commission	24,607	31,694	—	—	—	—	—	—	—	—	30,459
Vending machine	94,946	125,606	—	—	—	—	—	—	—	—	117,187
Books	44,584	86,256	—	—	—	—	—	—	—	—	220,552
Parking permits	—	58,055	—	—	—	—	—	—	—	—	130,840
Convention housing	—	9,258	—	—	—	—	—	—	—	—	58,055
Recreation center	—	282	10,048	5,865	—	—	—	—	—	—	9,258
Investment income	—	5,332	—	—	—	—	—	—	—	—	412,988
Office rent	—	54,569	—	—	—	—	—	—	—	—	449,902
Student union snack bar	—	5,213	—	—	—	—	—	—	—	—	54,569
Lease income	—	1,051	—	—	—	—	—	—	—	—	5,213
Other	—	28,903	—	—	—	—	—	—	—	—	57,525
Total revenues collected	4,577,565	1,911,214	10,048	5,865	15,387	15,387	129,024	214,271	127,218	470,513	13,299,702
Less rent fees and board refunds	(4,935)	(6,309,110)	—	—	—	—	—	—	—	—	(20,585)
Net revenues collected	4,572,630	1,905,261	10,048	5,865	15,387	15,387	129,024	214,271	127,218	470,513	13,279,117
Expenditures paid:											
Operation and maintenance	—	—	2,278,813	725,279	3,299,956	3,299,956	1,382,212	1,526,396	795,648	1,526,396	6,304,048
Food service contract	—	—	—	—	—	—	293,043	599,688	151,123	843,854	3,704,256
Interest	—	—	—	—	—	—	—	—	—	—	843,854
Other	—	—	—	—	—	—	—	—	—	—	244
Capital improvements and extraordinary repairs	—	—	—	—	—	—	112,674	879,755	315,533	879,755	1,307,962
Total expenditures paid	—	—	2,278,813	725,279	3,299,956	3,299,956	1,787,929	2,805,839	1,262,304	2,805,839	5,856,072
Excess (deficiency) of revenues collected over expenditures paid before bond transactions and transfers	4,572,630	1,905,261	(2,268,765)	(719,414)	(3,284,569)	(3,284,569)	(1,658,905)	(2,591,568)	(1,135,086)	(5,385,559)	1,118,753
Redemption of bonds	—	—	—	—	—	—	(305,000)	(335,000)	(100,000)	(740,000)	(740,000)
Transfers in (out), net	(4,572,630)	(1,904,978)	2,350,000	740,000	3,350,000	3,350,000	2,222,630	2,938,624	1,164,978	6,326,232	(740,000)
Excess (deficiency) of revenues collected over expenditures paid	—	283	81,235	20,586	65,431	65,431	258,725	12,086	(70,108)	200,673	378,753
Fund balance, beginning of year	1,000	5,416	93,493	86,994	4,587	4,587	185,074	4,154,228	1,450,595	7,962,538	8,155,643
Fund balance, end of year	1,000	5,699	174,728	107,580	70,018	70,018	2,616,440	4,166,284	1,380,487	8,163,211	8,534,396

See accompanying independent auditors' report.

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Student Fees and Facilities Revenue and Refunding Bonds, Series 2002C and  
Chadron State College Revenue Bonds, Series 2003A

Cash Receipts and Disbursements, Trustee's Account

Year ended June 30, 2008

(With comparative totals for June 30, 2007)

	Chadron State College					
	2008	2008	2008	2008	2008	2007
	Revenue Fund 2002C	Bond Fund 2002C	Reserve Fund 2002C	Surplus Fund 2002C	Reserve Fund 2003A	Total
Receipts:						
Board of trustees deposits	\$ 4,940,724	—	—	—	—	4,940,724
Income from investments	43,419	8,623	12,059	27,974	19,717	111,792
Receipts before transfer of funds	4,984,143	8,623	12,059	27,974	19,717	5,052,516
Transfer of funds, net	(912,023)	598,800	(13,681)	350,000	(23,096)	—
Total receipts	4,072,120	607,423	(1,622)	377,974	(3,379)	4,701,654
Disbursements:						
Remitted to operation and maintenance fund	2,305,000	—	—	—	—	2,305,000
Payments on food service contract	1,441,774	—	—	—	—	1,441,774
Remitted to paying agent:						
Bond principal	—	305,000	—	—	—	305,000
Bond interest	—	299,125	—	—	—	299,125
Other	89,981	—	—	—	—	89,981
Payments to contractors and others	—	—	—	98,844	—	98,844
Total disbursements	3,836,755	604,125	—	98,844	—	4,539,724
Excess (deficiency) of receipts over disbursements	235,365	3,298	(1,622)	279,130	(3,379)	512,792
Balance at beginning of year	707,984	490,935	277,629	665,865	474,027	2,616,440
Balance at end of year	\$ 943,349	494,233	276,007	944,995	470,648	\$ 3,129,232
Balance at end of year consisted of:						
Cash	\$ 6,928	—	—	—	—	6,928
Savings and money market accounts	936,421	494,233	127,372	701,468	283,478	2,542,972
State of Nebraska Operating Investment Pool	—	—	—	243,527	—	243,527
U.S. government securities, at cost	—	—	—	—	—	—
(fair value 2008, \$309,670; 2007, \$306,525)	—	—	148,635	—	187,170	335,805
	\$ 943,349	494,233	276,007	944,995	470,648	\$ 3,129,232

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Student Fees and Facilities Revenue and Refunding Bond Funds, Series 2002B

Cash Receipts and Disbursements, Trustee's Account

Year ended June 30, 2008

(With comparative totals for June 30, 2007)

	Peru State College			
	2008		2007	
	Revenue Bond 2002B	Surplus Fund 2002B	Bond Fund 2002B	Reserve Fund 2002B
Receipts:				
Board of trustees deposits	\$ 2,138,013	—	—	—
Majors Hall lease income	57,525	—	—	—
Income from investments	16,399	35,970	3,352	13,955
Receipts before transfer of funds	2,211,937	35,970	3,352	13,955
Transfer of funds, net	(507,223)	270,000	252,000	(14,777)
Total receipts	1,704,714	305,970	255,352	(822)
Disbursements:				
Remitted to operation and maintenance fund	720,000	—	—	—
Payments on food service contract	904,053	—	—	—
Remitted to paying agent:				
Bond principal	—	—	100,000	—
Bond interest	—	—	148,273	—
Payments to contractors and others	—	243,195	—	—
Total disbursements	1,624,053	243,195	248,273	—
Excess (deficiency) of receipts over disbursements	80,661	62,775	7,079	(822)
Balance at beginning of year	57,113	847,217	184,067	292,090
Balance at end of year	\$ 137,774	909,992	191,146	291,268
Balance at end of year consisted of:				
Cash	\$ 1,233	—	—	—
Savings and money market accounts	136,541	319,106	191,146	38,038
State of Nebraska Operating Investment Pool	—	590,886	—	—
U.S. government securities, at cost (fair value 2008, \$233,521; 2007, \$231,150)	—	—	—	253,230
	\$ 137,774	909,992	191,146	291,268
				253,230
				1,530,180
				1,380,487
				(70,108)
				1,450,595
				2,115,521
				2,032,304
				2,265,214
				2,032,196
				2,138,013
				57,525
				69,676
				2,032,196
				—
				2,032,196
				740,000
				795,648
				100,000
				151,123
				315,533
				2,102,304
				149,693
				1,380,487
				1,450,595
				1,530,180
				1,380,487
				1,233
				684,831
				590,886
				253,230
				1,530,180
				1,380,487

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Student Fees and Facilities Revenue and Refunding Bonds, Series 2002A and  
Wayne State College Revenue Bonds, Series 2003B

Cash Receipts and Disbursements, Trustee's Account

Year ended June 30, 2008

(With comparative totals for June 30, 2007)

	Wayne State College								
	2008		2007		Total				
	Revenue Fund 2002A	Bond Fund 2002A	Surplus Fund 2002A	Construction Fund 2002A	Reserve Fund 2002A	Construction Fund 2003B	Reserve Fund 2003B	2008	2007
Receipts:									
Board of trustees deposits	\$ 7,146,965							7,146,965	6,288,624
Income from investments	107,110	10,201	40,065	1,104	31,154	599	7,863	198,096	214,271
Receipts before transfer of funds	7,254,075	10,201	40,065	1,104	31,154	599	7,863	7,345,061	6,502,895
Transfer of funds, net	(2,194,652)	736,800	1,500,000	—	(32,967)	—	(9,181)	—	—
Total receipts	5,059,423	747,001	1,540,065	1,104	(1,813)	599	(1,318)	7,345,061	6,502,895
Disbursements:									
Remitted to operation and maintenance fund	3,500,000							3,500,000	3,350,000
Payments on food service contract	1,849,103							1,849,103	1,526,396
Remitted to paying agent:									
Bond principal		340,000						340,000	335,000
Bond interest		390,835						390,835	399,687
Other								—	—
Payments to contractors and others			556,317	31,727				588,044	879,754
Total disbursements	5,349,103	730,835	556,317	31,727				6,667,982	6,490,837
Excess (deficiency) of receipts over disbursements	(289,680)	16,166	983,748	(30,623)	(1,813)	599	(1,318)	677,079	12,058
Balance at beginning of year	1,518,712	567,807	1,193,685	30,623	651,497	15,787	188,175	4,166,286	4,154,228
Balance at end of year	\$ 1,229,032	583,973	2,177,433		649,684	16,386	186,857	4,843,365	4,166,286
Balance at end of year consisted of:									
Cash								—	7,000
Savings and money market accounts	1,229,032	583,973	1,771,601		82,669	16,386	109,787	3,793,448	2,636,759
State of Nebraska Operating Investment Pool			405,832					405,832	878,442
U.S. government securities, at cost (fair value 2008, \$593,957; 2007, \$587,925)					567,015		77,070	644,085	644,085
	\$ 1,229,032	583,973	2,177,433		649,684	16,386	186,857	4,843,365	4,166,286

See accompanying independent auditors' report.

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Rentals

Years ended June 30, 2008 and 2007

<b>Chadron State College</b>	<b>2008</b>	<b>2007</b>
Facility:		
High Rise Dormitory	\$ 665,440	673,136
Andrews Hall	411,389	429,515
Kent Hall	464,353	423,732
Edna Work Hall	186,014	160,442
Edna Work Wing	165,048	141,676
Brooks Hall	95,271	11,710
Family housing	157,772	146,938
Guest housing	86,264	98,095
Less room waivers	(204,477)	(211,046)
Total rentals	\$ 2,027,074	1,874,198
<b>Peru State College</b>	<b>2008</b>	<b>2007</b>
Facility:		
Centennial Complex	\$ 536,313	464,183
Eliza Morgan Hall	182,684	256,092
Delzell Hall	266,265	251,023
Guest and temporary housing	580	11,020
Faculty housing	26,180	29,725
Married student housing	40,483	41,123
Less room waivers	(114,861)	(108,414)
Total rentals	\$ 937,644	944,752
<b>Wayne State College</b>	<b>2008</b>	<b>2007</b>
Facility:		
Bowen Hall	\$ 806,413	719,696
Berry Hall	634,127	581,179
Morey Hall	464,416	416,838
Anderson Hall	302,791	256,202
Neihardt Hall	362,243	347,630
Pile Hall	272,903	240,702
Terrace Hall	308,512	278,145
Family housing	9,500	216
Less room waivers	(467,002)	(412,182)
Total rentals	\$ 2,693,903	2,428,426

See accompanying independent auditors' report.



**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Operation and Maintenance Fund Expenditures

Years ended June 30, 2008 and 2007

<b>Chadron State College</b>	<b>2008</b>	<b>2007</b>
Salaries, payroll taxes, and benefits	\$ 1,402,707	1,301,300
Utilities	433,734	481,503
Cable television	100,959	92,122
Supplies	270,452	201,671
Repairs and maintenance	74,018	84,720
Insurance	20,314	31,253
Professional and contractual services	9,184	7,367
Equipment and furnishings	14,770	53,585
Miscellaneous	25,392	25,292
Total operation and maintenance fund expenditures	<u>\$ 2,351,530</u>	<u>2,278,813</u>
<b>Peru State College</b>	<b>2008</b>	<b>2007</b>
Salaries, payroll taxes, and benefits	\$ 265,495	255,811
Communication service	72,468	74,797
Utilities	252,158	240,000
Repairs and maintenance	12,869	15,787
Supplies	65,750	52,103
Professional and contractual services	48,968	51,997
Insurance	23,685	30,825
Miscellaneous	3,556	3,959
Total operation and maintenance fund expenditures	<u>\$ 744,949</u>	<u>725,279</u>
<b>Wayne State College</b>	<b>2008</b>	<b>2007</b>
Salaries, payroll taxes, and benefits	\$ 1,954,885	1,810,707
Utilities	724,158	744,019
Supplies	175,159	148,240
Equipment and furnishings	150,063	35,527
Communication services	187,414	238,927
Repairs	116,840	89,581
Contractual services	195,269	150,968
Insurance	24,713	39,726
Printing	8,089	1,747
Miscellaneous	28,789	40,514
Total operation and maintenance fund expenditures	<u>\$ 3,565,379</u>	<u>3,299,956</u>

See accompanying independent auditors' report.

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Insurance in Force

(Unaudited)

June 30, 2008

**Chadron State College**

Type	Coverage amount
Business interruption value	\$ 2,703,750
Blanket contents	15,305,235
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	43,652,615
Student union and other buildings, 90% coinsurance	69,089,251

**Peru State College**

Type	Coverage amount
Business interruption value	\$ 2,331,834
Blanket contents	2,454,725
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	21,097,187
Student union and other buildings, 90% coinsurance	5,269,452

**Wayne State College**

Type	Coverage amount
Business interruption value	\$ 8,991,462
Blanket contents	5,555,870
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	42,415,836
Student union and other buildings, 90% coinsurance	21,533,012

See accompanying independent auditors' report.

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Debt Service Coverage

Years ended June 30, 2008 and 2007

<b>Chadron State College</b>	<b>2008</b>	<b>2007</b>
Receipts:		
Dormitories	\$ 1,869,302	1,727,260
Family housing	157,772	146,938
Facilities fees	701,009	581,812
Food service and student union snack bar	1,970,634	1,835,835
Other	249,713	285,720
Total receipts	4,948,430	4,577,565
Less refunds	(7,706)	(4,935)
Net receipts	4,940,724	4,572,630
Interest earned	125,420	139,072
Total additions	5,066,144	4,711,702
Deductions:		
Operation and maintenance expenditures (note)	2,351,530	2,278,813
Food service contract payments	1,441,774	1,382,212
Other	89,981	—
Total deductions	3,883,285	3,661,025
Available for debt service, reserves, etc.	\$ 1,182,859	1,050,677
Debt service, principal, and interest requirement (note)	\$ 604,125	598,043
Debt service coverage	196%	176%

Note: In accordance with the debt agreement, expenditures paid for capital improvements and extraordinary repairs that were charged to surplus and construction funds held by the trustee in the amount of \$98,844 and \$112,674 during the years ended June 30, 2008 and 2007, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2008 and 2007, respectively.

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Debt Service Coverage

Years ended June 30, 2008 and 2007

<b>Peru State College</b>	<b>2008</b>	<b>2007</b>
Receipts:		
Rentals	\$ 937,644	944,752
Facilities fees	171,141	102,438
Food service	949,461	803,913
Lease income	57,525	57,525
Other	86,073	58,778
Total receipts	<u>2,201,844</u>	<u>1,967,406</u>
Less refunds	<u>(8,003)</u>	<u>(5,953)</u>
Net receipts	2,193,841	1,961,453
Interest earned	<u>77,667</u>	<u>75,840</u>
Total additions	<u>2,271,508</u>	<u>2,037,293</u>
Deductions:		
Operation and maintenance expenditures (note)	744,949	725,279
Food service contract payments	<u>904,053</u>	<u>795,648</u>
Total deductions	<u>1,649,002</u>	<u>1,520,927</u>
Available for debt service, reserves, etc.	<u>\$ 622,506</u>	<u>516,366</u>
Debt service, principal, and interest requirement (note)	\$ 248,273	251,123
Debt service coverage	251%	206%

Note: In accordance with the debt agreement, expenditures paid for capital improvements and extraordinary repairs that were charged to surplus and construction funds held by the trustee in the amount of \$243,195 and \$315,533 during the years ended June 30, 2008 and 2007, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2008 and 2007, respectively.

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Debt Service Coverage

Years ended June 30, 2008 and 2007

<u>Wayne State College</u>	<u>2008</u>	<u>2007</u>
Receipts:		
Dormitories	\$ 2,693,903	2,428,426
Food service and commission	3,284,006	2,775,242
Facilities fees	823,170	726,300
Family housing	—	—
Other	363,406	373,810
Total receipts	<u>7,164,485</u>	<u>6,303,778</u>
Less refunds	<u>(19,505)</u>	<u>(9,697)</u>
Net receipts	7,144,980	6,294,081
Interest earned	<u>220,320</u>	<u>234,990</u>
Total additions	7,365,300	6,529,071
Deductions:		
Operation and maintenance expenditures (note)	3,565,379	3,299,956
Food service contract payments	1,849,103	1,526,396
Other	80	244
Total deductions	<u>5,414,562</u>	<u>4,826,596</u>
Available for debt service, reserves, etc.	<u>\$ 1,950,738</u>	<u>1,702,475</u>
Debt service, principal, and interest requirement (note)	\$ 730,835	734,688
Debt service coverage	267%	232%

Note: In accordance with the debt agreement, expenditures paid for capital improvements and extraordinary repairs that were charged to surplus and construction funds held by the trustee in the amount of \$588,044 and \$879,755 during the years ended June 30, 2008 and 2007, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2008 and 2007, respectively.

See accompanying independent auditors' report.

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Bonds Outstanding

June 30, 2008

Chadron State College	<b>Principal amount, Series 2002C &amp; Series 2003A</b>
Maturing July 1:	
2008	\$ 320,000
2009	340,000
2010	345,000
2011	235,000
2012	200,000
2013	205,000
2014	215,000
2015	220,000
2016	230,000
2017	240,000
2018	250,000
2019	265,000
2020	275,000
2021	290,000
2022	305,000
2023	320,000
2024	340,000
2025	355,000
2026	375,000
2027	395,000
2028	415,000
Total	\$ 6,135,000

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Bonds Outstanding

June 30, 2008

Peru State College	<b>Principal amount, Series 2002B</b>
Maturing July 1:	
2008	\$ 105,000
2009	110,000
2010	110,000
2011	120,000
2012	120,000
2013	125,000
2014	130,000
2015	135,000
2016	145,000
2017	145,000
2018	155,000
2019	165,000
2020	170,000
2021	180,000
2022	190,000
2023	200,000
2024	210,000
2025	220,000
2026	230,000
2027	240,000
	\$ 3,205,000

**NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS**

Bonds Outstanding

June 30, 2008

Wayne State College	<b>Principal amount, Series 2002A &amp; Series 2003B</b>
Maturing July 1:	
2008	\$ 350,000
2009	360,000
2010	375,000
2011	385,000
2012	400,000
2013	420,000
2014	435,000
2015	455,000
2016	470,000
2017	485,000
2018	515,000
2019	370,000
2020	385,000
2021	400,000
2022	420,000
2023	445,000
2024	465,000
2025	485,000
2026	515,000
2027	535,000
Total	\$ 8,670,000

See accompanying independent auditors' report.



NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS

Occupancy  
(Unaudited)  
Year ended June 30, 2008

	Summer session 2007				Chadron State College				Summer session 2008				
	Capacity	Number	Percent		First term Number	Percent	Capacity	Second term Number	Percent	Number	Percent	Number	Percent
High Rise Dormitory	422	23	5%		270	64%	422	248	59%	—	—	—	—
Edna Work/Wing Hall	186	3	2		125	67	186	118	63	40	40	22	22
Kent Hall	275	—	—		216	79	275	178	65	—	—	—	—
Andrews Hall	284	—	—		166	58	284	163	57	—	—	—	—
Brooks Hall	84	—	—		45	54	84	35	42	—	—	—	—
Family housing	41	34	83		37	90	41	34	83	29	29	71	71
	1,292	60			859		1,292	776		69	69		

	Peru State College				Wayne State College								
	Capacity	Number	Percent		First term Number	Percent	Capacity	Second term Number	Percent	Number	Percent	Number	Percent
Centennial Complex	260	202	78%		260	162	260	260	—	—	—	—	—
Eliza Morgan Hall	98	84	86		98	73	98	98	—	—	—	—	—
Delzell Hall	144	120	83		144	99	144	144	—	—	—	—	—
Faculty housing	8	5	63		8	6	8	8	5	63	63	33	33
Married student housing	12	11	92		12	10	12	12	4	4	4	4	4
	522	422			522	350	522	522	9	9	9	9	9

	Summer session July 2007				Wayne State College				Summer session May 2008				Summer session June 2008	
	Capacity	Number	Percent		First term Number	Percent	Second term Number	Percent	Number	Percent	Number	Percent	Number	Percent
Anderson Hall	160	—	—		131	82%	119	74%	—	—	—	—	—	—
Berry Hall	310	—	—		285	92	247	80	1	1	—	—	—	—
Bowen Hall	436	—	—		341	78	297	68	31	7	13	3	3	3
Morey Hall	229	—	—		208	91	185	81	—	—	—	—	—	—
Neilhardt Hall	177	7	4		141	80	127	72	—	—	—	—	—	—
Pile Hall	136	—	—		111	82	103	76	—	—	—	—	—	—
Terrace Hall	136	—	—		124	91	110	81	1	1	—	—	—	—
Family housing	1	—	—		1	100	1	100	1	100	1	100	1	100
	1,585	7			1,342		1,189		34	34	14	14	14	14

Note: Occupancy numbers are based on occupancy levels at the end of each term and do not reflect changes that may occur during the course of each term. The occupancy percentages are based on the number of beds occupied, as the rooms were designed. In many cases, students elect to pay a higher rate for a two-bed room and occupy it as a private room. The "room occupancy" rate, which is higher at all three colleges than the bed occupancy percentages, gives a clearer picture of the situation that exists.

See accompanying independent auditors' report.