



**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, 2010 and 2009

(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, 2010 and 2009. 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, 2010 and 2009, 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 28, 2010

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

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

Years ended June 30, 2010 and 2009

	2010				2009			
	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	\$ 6,241,101	—	—	6,241,101	6,000,215	—	—	6,000,215
Food service	6,604,982	—	—	6,604,982	6,203,051	—	—	6,203,051
Facilities fees	1,971,880	—	—	1,971,880	1,817,996	—	—	1,817,996
Deposits forfeited and damages collected	54,799	—	—	54,799	42,338	—	—	42,338
Food service commission	316,995	—	—	316,995	347,963	—	—	347,963
Vending machine	90,896	—	—	90,896	122,304	—	—	122,304
Bookstore	294,872	—	—	294,872	248,634	—	—	248,634
Parking permits	72,622	—	—	72,622	83,891	—	—	83,891
Convention housing	55,411	—	—	55,411	47,435	—	—	47,435
Recreation center	6,876	—	—	6,876	7,993	—	—	7,993
Investment income	148	38,992	30,943	70,083	3,375	32,064	70,737	106,176
Office rent	50,000	—	—	50,000	50,000	—	—	50,000
Student union snack bar	8,950	—	—	8,950	11,100	—	—	11,100
Lease income	—	—	27,565	27,565	—	—	42,544	42,544
Other	150,599	—	—	150,599	128,621	—	—	128,621
<b>Total revenues collected</b>	<b>15,920,131</b>	<b>38,992</b>	<b>58,508</b>	<b>16,017,631</b>	<b>15,114,916</b>	<b>32,064</b>	<b>113,281</b>	<b>15,260,261</b>
Less rent fees and board refunds	(28,169)	—	—	(28,169)	(16,624)	—	—	(16,624)
<b>Net revenues collected</b>	<b>15,891,962</b>	<b>38,992</b>	<b>58,508</b>	<b>15,989,462</b>	<b>15,098,292</b>	<b>32,064</b>	<b>113,281</b>	<b>15,243,637</b>
Expenditures paid:								
Operations and maintenance	—	6,939,586	—	6,939,586	—	7,022,050	—	7,022,050
Food service contract	—	—	4,592,449	4,592,449	—	—	4,389,147	4,389,147
Interest	—	—	773,418	773,418	—	—	799,768	799,768
Other	—	1,785	208,258	210,043	203	5,332	149,098	154,633
Capital improvements and extraordinary repairs	—	—	760,857	760,857	—	—	1,505,099	1,505,099
<b>Total expenditures paid</b>	<b>—</b>	<b>6,941,371</b>	<b>6,334,982</b>	<b>13,276,353</b>	<b>203</b>	<b>7,027,382</b>	<b>6,843,112</b>	<b>13,870,697</b>
Excess (deficiency) of revenues collected over expenditures paid before bond transactions and transfers	15,891,962	(6,902,379)	(6,276,474)	2,713,109	15,098,089	(6,995,318)	(6,729,831)	1,372,940
Redemption of bonds	—	—	(810,000)	(810,000)	—	—	(775,000)	(775,000)
Transfers in (out), net	(15,928,335)	7,265,000	8,663,335	—	(15,097,210)	7,100,000	7,997,210	—
Excess (deficiency) of revenues collected over expenditures paid	(36,373)	362,621	1,576,861	1,903,109	879	104,682	492,379	597,940
Fund balance, beginning of year	24,445	355,521	9,995,156	10,375,122	23,566	250,839	9,502,777	9,777,182
Fund balance, end of year	\$ (11,928)	718,142	11,572,017	12,278,231	24,445	355,521	9,995,156	10,375,122

See accompanying notes to financial statements.

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

Notes to Financial Statements

June 30, 2010 and 2009

**(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, 2010 totaled \$5,475,000 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 3.70% 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%.

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

Notes to Financial Statements

June 30, 2010 and 2009

**(b) *Peru State College***

Revenue and refunding bonds outstanding as of June 30, 2010 totaled \$2,990,000 and consist of Nebraska State Colleges Student Fees and Facilities Revenue and Refunding Bonds, Series 2002B due in annual principal installments on July 1 in variable amounts ranging from \$110,000 to \$240,000 through July 1, 2027, with interest rates ranging from 3.70% to 5.00%.

**(c) *Wayne State College***

Revenue and refunding bonds outstanding as of June 30, 2010 totaled \$7,960,000 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 \$245,000 to \$535,000 through July 1, 2027, with interest rates ranging from 3.70% 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 3.00% 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:			
2011	\$ 345,000	250,483	595,483
2012	235,000	239,861	474,861
2013	200,000	231,823	431,823
2014	205,000	223,974	428,974
2015	215,000	215,571	430,571
2016 – 2020	1,205,000	930,158	2,135,158
2021 – 2025	1,530,000	590,387	2,120,387
2026 – 2029	1,540,000	159,000	1,699,000
	<u>\$ 5,475,000</u>	<u>2,841,257</u>	<u>8,316,257</u>

<u>Peru State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2011	\$ 110,000	137,422	247,422
2012	120,000	133,078	253,078
2013	120,000	128,368	248,368
2014	125,000	123,467	248,467
2015	130,000	118,303	248,303
2016 – 2020	745,000	498,726	1,243,726
2021 – 2025	950,000	295,420	1,245,420
2026 – 2028	690,000	52,750	742,750
	<u>\$ 2,990,000</u>	<u>1,487,534</u>	<u>4,477,534</u>

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

Notes to Financial Statements

June 30, 2010 and 2009

<u>Wayne State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2011	\$ 375,000	356,481	731,481
2012	385,000	342,529	727,529
2013	400,000	327,435	727,435
2014	420,000	311,199	731,199
2015	435,000	293,951	728,951
2016 – 2020	2,295,000	1,167,986	3,462,986
2021 – 2025	2,115,000	656,533	2,771,533
2026 – 2028	1,535,000	117,625	1,652,625
	<u>\$ 7,960,000</u>	<u>3,573,739</u>	<u>11,533,739</u>
<u>Nebraska State Colleges (total)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2011	\$ 830,000	744,386	1,574,386
2012	740,000	715,468	1,455,468
2013	720,000	687,626	1,407,626
2014	750,000	658,640	1,408,640
2015	780,000	627,825	1,407,825
2016 – 2020	4,245,000	2,596,870	6,841,870
2021 – 2025	4,595,000	1,542,340	6,137,340
2026 – 2029	3,765,000	329,375	4,094,375
	<u>\$ 16,425,000</u>	<u>7,902,530</u>	<u>24,327,530</u>

Bond activity for the year ended June 30, 2010 is as follows:

	<u>Beginning balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending balance</u>	<u>Current portion</u>
Chadron State College	\$ 5,815,000	—	340,000	5,475,000	345,000
Peru State College	3,100,000	—	110,000	2,990,000	110,000
Wayne State College	8,320,000	—	360,000	7,960,000	375,000
Total	<u>\$ 17,235,000</u>	<u>—</u>	<u>810,000</u>	<u>16,425,000</u>	<u>830,000</u>



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

Notes to Financial Statements

June 30, 2010 and 2009

Bond activity for the year ended June 30, 2009 is as follows:

	<u>Beginning balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending balance</u>	<u>Current portion</u>
Chadron State College	\$ 6,135,000	—	320,000	5,815,000	340,000
Peru State College	3,205,000	—	105,000	3,100,000	110,000
Wayne State College	8,670,000	—	350,000	8,320,000	360,000
Total	<u>\$ 18,010,000</u>	<u>—</u>	<u>775,000</u>	<u>17,235,000</u>	<u>810,000</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, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Chadron State College	221%	221%
Peru State College	338	231
Wayne State College	283	245

**(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, 2010 and 2009, the unexpended balance of outstanding Board resolutions under construction commitments is approximately as follows:

	<u>2010</u>	<u>2009</u>
Chadron State College	\$ 1,023,000	796,000
Peru State College	41,000	33,000
Wayne State College	1,460,000	956,000
Total construction commitments	<u>\$ 2,524,000</u>	<u>1,785,000</u>

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

Notes to Financial Statements

June 30, 2010 and 2009

**(5) Room and Board Waivers**

Room and board waivers not included in rentals and food service revenues for the years ended June 30, 2010 and 2009 are approximately as follows:

	<b>2010</b>	<b>2009</b>
Chadron State College	\$ 393,000	333,000
Peru State College	137,000	133,000
Wayne State College	682,000	650,000
Total room and board waivers	\$ 1,212,000	1,116,000

**(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 Seryery 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. This agreement expired in April 2010.

**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, 2010 and 2009

	2010												
	Revenue Bond Funds				Operation and Maintenance Funds				Funds held by trustee and State of Nebraska Operations				Combined
									Investment Pool				
Chadron State College	Peru State College	Wayne State College	Total	Chadron State College	Peru State College	Wayne State College	Total	Chadron State College	Peru State College	Wayne State College	Total		
Revenues collected:													
Rentals	\$ 2,260,570	1,101,981	2,878,550	6,241,101	—	—	—	—	—	—	—	—	6,241,101
Food service	1,974,912	964,109	3,665,961	6,604,982	—	—	—	—	—	—	—	—	6,604,982
Facilities fees	864,466	242,024	865,390	1,971,880	—	—	—	—	—	—	—	—	1,971,880
Deposits forfeited and damages collected	28,471	26,328	—	54,799	—	—	—	—	—	—	—	—	54,799
Food service commission	254,678	—	62,317	316,995	—	—	—	—	—	—	—	—	316,995
Vending machine	19,000	48,081	23,815	90,896	—	—	—	—	—	—	—	—	90,896
Bookstore	153,913	—	140,959	294,872	—	—	—	—	—	—	—	—	294,872
Parking permits	—	—	72,622	72,622	—	—	—	—	—	—	—	—	72,622
Convention housing	—	—	55,411	55,411	—	—	—	—	—	—	—	—	55,411
Recreation center	—	—	6,876	6,876	—	—	—	—	—	—	—	—	6,876
Investment income	—	148	—	148	12,499	5,699	20,794	38,992	338	15,978	14,627	30,943	70,083
Office rent	50,000	—	—	50,000	—	—	—	—	—	—	—	—	50,000
Student union snack bar	8,950	—	—	8,950	—	—	—	—	—	—	—	—	8,950
Lease income	—	—	—	—	—	—	—	—	—	27,565	—	27,565	27,565
Other	25,398	80,000	45,201	150,599	—	—	—	—	—	—	—	—	150,599
Total revenues collected	5,640,358	2,462,671	7,817,102	15,920,131	12,499	5,699	20,794	38,992	338	43,543	14,627	58,508	16,017,631
Less rent fees and board refunds	(3,844)	(12,756)	(11,569)	(28,169)	—	—	—	—	—	—	—	—	(28,169)
Net revenues collected	5,636,514	2,449,915	7,805,533	15,891,962	12,499	5,699	20,794	38,992	338	43,543	14,627	58,508	15,989,462
Expenditures paid:													
Operations and maintenance	—	—	—	—	2,541,302	770,272	3,628,012	6,939,586	—	—	—	—	6,939,586
Food service contract	—	—	—	—	—	—	—	—	1,565,917	878,928	2,147,604	4,592,449	4,592,449
Interest	—	—	—	—	—	—	—	—	262,815	141,383	369,220	773,418	773,418
Other	—	—	—	—	1,785	—	—	1,785	208,258	—	—	208,258	210,043
Capital improvements and extraordinary repairs	—	—	—	—	—	—	—	—	523,219	16,935	220,703	760,857	760,857
Total expenditures paid	—	—	—	—	2,543,087	770,272	3,628,012	6,941,371	2,560,209	1,037,246	2,737,527	6,334,982	13,276,353
Excess (deficiency) of revenues collected over expenditures paid before bond transactions and transfers	5,636,514	2,449,915	7,805,533	15,891,962	(2,530,588)	(764,573)	(3,607,218)	(6,902,379)	(2,559,871)	(993,703)	(2,722,900)	(6,276,474)	2,713,109
Redemption of bonds	—	—	—	—	—	—	—	—	(340,000)	(110,000)	(360,000)	(810,000)	(810,000)
Transfers in (out), net	(5,629,824)	(2,454,421)	(7,844,090)	(15,928,335)	2,815,000	800,000	3,650,000	7,265,000	2,814,824	1,654,421	4,194,090	8,663,335	—
Excess (deficiency) of revenues collected over expenditures paid	6,690	(4,506)	(38,557)	(36,373)	284,412	35,427	42,782	362,621	(85,047)	550,718	1,111,190	1,576,861	1,903,109
Fund balance, beginning of year	1,000	5,506	17,939	24,445	130	92,681	262,710	355,521	3,206,459	1,790,113	4,998,584	9,995,156	10,375,122
Fund balance, end of year	\$ 7,690	1,000	(20,618)	(11,928)	284,542	128,108	305,492	718,142	3,121,412	2,340,831	6,109,774	11,572,017	12,278,231

**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, 2010 and 2009

	2009												
	Revenue Bond Funds				Operation and Maintenance Funds				Funds held by trustee and State of Nebraska Operations				Combined
	Investment Pool				Chadron State College	Peru State College	Wayne State College	Total	Chadron State College	Peru State College	Wayne State College	Total	
Chadron State College	Peru State College	Wayne State College	Total										
Revenues collected:													
Rentals	\$ 2,206,537	1,041,645	2,752,033	6,000,215	—	—	—	—	—	—	—	—	6,000,215
Food service	1,851,514	910,494	3,441,043	6,203,051	—	—	—	—	—	—	—	—	6,203,051
Facilities fees	804,658	191,276	822,062	1,817,996	—	—	—	—	—	—	—	—	1,817,996
Deposits forfeited and damages collected	30,252	12,096	(10)	42,338	—	—	—	—	—	—	—	—	42,338
Food service commission	318,812	—	29,151	347,963	—	—	—	—	—	—	—	—	347,963
Vending machine	51,250	45,448	25,606	122,304	—	—	—	—	—	—	—	—	122,304
Bookstore	103,465	—	145,169	248,634	—	—	—	—	—	—	—	—	248,634
Parking permits	—	—	83,891	83,891	—	—	—	—	—	—	—	—	83,891
Convention housing	—	—	47,435	47,435	—	—	—	—	—	—	—	—	47,435
Recreation center	—	—	7,993	7,993	—	—	—	—	—	—	—	—	7,993
Investment income	—	150	3,225	3,375	11,913	7,177	12,974	32,064	17,617	24,845	28,275	70,737	106,176
Office rent	50,000	—	—	50,000	—	—	—	—	—	—	—	—	50,000
Student union snack bar	11,100	—	—	11,100	—	—	—	—	—	—	—	—	11,100
Lease income	—	—	—	—	—	—	—	—	—	42,544	—	42,544	42,544
Other	47,803	1,114	79,704	128,621	—	—	—	—	—	—	—	—	128,621
Total revenues collected	5,475,391	2,202,223	7,437,302	15,114,916	11,913	7,177	12,974	32,064	17,617	67,389	28,275	113,281	15,260,261
Less rent fees and board refunds	(4,193)	(2,602)	(9,829)	(16,624)	—	—	—	—	—	—	—	—	(16,624)
Net revenues collected	5,471,198	2,199,621	7,427,473	15,098,292	11,913	7,177	12,974	32,064	17,617	67,389	28,275	113,281	15,243,637
Expenditures paid:													
Operations and maintenance	—	—	—	—	2,518,276	808,708	3,695,066	7,022,050	—	—	—	—	7,022,050
Food service contract	—	—	—	—	—	—	—	—	1,513,135	888,837	1,987,175	4,389,147	4,389,147
Interest	—	—	—	—	—	—	—	—	274,045	145,040	380,683	799,768	799,768
Other	—	—	203	203	5,332	—	—	5,332	149,098	—	—	149,098	154,633
Capital improvements and extraordinary repairs	—	—	—	—	—	—	—	—	785,310	63,106	656,683	1,505,099	1,505,099
Total expenditures paid	—	—	203	203	2,523,608	808,708	3,695,066	7,027,382	2,721,588	1,096,983	3,024,541	6,843,112	13,870,697
Excess (deficiency) of revenues collected over expenditures paid before bond transactions and transfers	5,471,198	2,199,621	7,427,270	15,098,089	(2,511,695)	(801,531)	(3,682,092)	(6,995,318)	(2,703,971)	(1,029,594)	(2,996,266)	(6,729,831)	1,372,940
Redemption of bonds	—	—	—	—	—	—	—	—	(320,000)	(105,000)	(350,000)	(775,000)	(775,000)
Transfers in (out), net	(5,471,198)	(2,199,527)	(7,426,485)	(15,097,210)	2,370,000	805,000	3,925,000	7,100,000	3,101,198	1,394,527	3,501,485	7,997,210	—
Excess (deficiency) of revenues collected over expenditures paid	—	94	785	879	(141,695)	3,469	242,908	104,682	77,227	259,933	155,219	492,379	597,940
Fund balance, beginning of year	1,000	5,412	17,154	23,566	141,825	89,212	19,802	250,839	3,129,232	1,530,180	4,843,365	9,502,777	9,777,182
Fund balance, end of year	\$ 1,000	5,506	17,939	24,445	130	92,681	262,710	355,521	3,206,459	1,790,113	4,998,584	9,995,156	10,375,122

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, 2010  
(With comparative totals for June 30, 2009)

<b>Chadron State College</b>							
<b>2010</b>							
	<b>Revenue Fund 2002C</b>	<b>Bond Fund 2002C</b>	<b>Reserve Fund 2002C</b>	<b>Surplus Fund 2002C</b>	<b>Reserve Fund 2003A</b>	<b>Total</b>	
						<b>2010</b>	<b>2009</b>
<b>Receipts:</b>							
Board of trustees deposits	\$ 5,629,824	—	—	—	—	5,629,824	5,471,198
Income from investments	132	68	26	68	44	338	17,617
Receipts before transfer of funds	5,629,956	68	26	68	44	5,630,162	5,488,815
Transfer of funds, net	(1,902,330)	602,400	(26)	1,300,000	(44)	—	—
Total receipts	3,727,626	602,468	—	1,300,068	—	5,630,162	5,488,815
<b>Disbursements:</b>							
Remitted to operation and maintenance fund	2,815,000	—	—	—	—	2,815,000	2,370,000
Payments on food service contract	1,565,917	—	—	—	—	1,565,917	1,513,135
Remitted to paying agent:							
Bond principal	—	340,000	—	—	—	340,000	320,000
Bond interest	—	262,815	—	—	—	262,815	274,045
Other	208,258	—	—	—	—	208,258	149,098
Payments to contractors and others	—	—	—	523,219	—	523,219	785,310
Total disbursements	4,589,175	602,815	—	523,219	—	5,715,209	5,411,588
Excess (deficiency) of receipts over disbursements	(861,549)	(347)	—	776,849	—	(85,047)	77,227
Balance at beginning of year	1,335,386	510,301	251,500	673,522	435,750	3,206,459	3,129,232
Balance at end of year	\$ 473,837	509,954	251,500	1,450,371	435,750	3,121,412	3,206,459
<b>Balance at end of year consisted of:</b>							
Cash	\$ 70	—	—	—	—	70	36,128
Savings and money market accounts	473,767	509,954	251,500	1,195,419	435,750	2,866,390	2,915,379
State of Nebraska Operating Investment Pool	—	—	—	254,952	—	254,952	254,952
	\$ 473,837	509,954	251,500	1,450,371	435,750	3,121,412	3,206,459

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

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

Cash Receipts and Disbursements, Trustee's Account

Year ended June 30, 2010  
(With comparative totals for June 30, 2009)

**Peru State College**

	2010				Total	
	Revenue Bond 2002B	Surplus Fund 2002B	Bond Fund 2002B	Reserve Fund 2002B	2010	2009
Receipts:						
Board of trustees deposits	\$ 2,454,421	—	—	—	2,454,421	2,199,527
Majors Hall lease income	27,565	—	—	—	27,565	42,544
Income (loss) from investments	(4,602)	20,544	10	26	15,978	24,845
Receipts before transfer of funds	2,477,384	20,544	10	26	2,497,964	2,266,916
Transfer of funds, net	(849,574)	600,000	249,600	(26)	—	—
Total receipts	1,627,810	620,544	249,610	—	2,497,964	2,266,916
Disbursements:						
Remitted to operation and maintenance fund	800,000	—	—	—	800,000	805,000
Payments on food service contract	878,927	—	—	—	878,927	888,837
Remitted to paying agent:						
Bond principal	—	—	110,000	—	110,000	105,000
Bond interest	—	—	141,383	—	141,383	145,040
Payments to contractors and others	—	16,936	—	—	16,936	63,106
Total disbursements	1,678,927	16,936	251,383	—	1,947,246	2,006,983
Excess (deficiency) of receipts over disbursements	(51,117)	603,608	(1,773)	—	550,718	259,933
Balance at beginning of year	112,736	1,226,992	194,997	255,388	1,790,113	1,530,180
Balance at end of year	\$ 61,619	1,830,600	193,224	255,388	2,340,831	1,790,113
Balance at end of year consisted of:						
Cash	\$ 26	—	—	—	26	10,015
Savings and money market accounts	61,593	1,191,507	193,224	255,388	1,701,712	1,161,490
State of Nebraska Operating Investment Pool	—	639,093	—	—	639,093	618,608
	\$ 61,619	1,830,600	193,224	255,388	2,340,831	1,790,113

**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, 2010  
(With comparative totals for June 30, 2009)

		Wayne State College								
		2010							Total	
		Revenue Fund 2002A	Bond Fund 2002A	Surplus Fund 2002A	Construction Fund 2002A	Reserve Fund 2002A	Construction Fund 2003B	Reserve Fund 2003B	2010	2009
Receipts:										
Board of trustees deposits	\$	7,844,090	—	—	—	—	—	—	7,844,090	7,426,485
Income from investments		348	32	14,171	—	58	—	18	14,627	28,275
Receipts before transfer of funds		7,844,438	32	14,171	—	58	—	18	7,858,717	7,454,760
Transfer of funds, net		(3,038,644)	738,720	2,300,000	—	(58)	—	(18)	—	—
Total receipts		4,805,794	738,752	2,314,171	—	—	—	—	7,858,717	7,454,760
Disbursements:										
Remitted to operation and maintenance fund		3,650,000	—	—	—	—	—	—	3,650,000	3,925,000
Payments on food service contract		2,147,604	—	—	—	—	—	—	2,147,604	1,987,175
Remitted to paying agent:										
Bond principal		—	360,000	—	—	—	—	—	360,000	350,000
Bond interest		—	369,220	—	—	—	—	—	369,220	380,683
Other		—	—	—	—	—	—	—	—	—
Payments to contractors and others		—	—	220,703	—	—	—	—	220,703	656,683
Total disbursements		5,797,604	729,220	220,703	—	—	—	—	6,747,527	7,299,541
Excess (deficiency) of receipts over disbursements		(991,810)	9,532	2,093,468	—	—	—	—	1,111,190	155,219
Balance at beginning of year		2,099,509	589,758	1,567,177	—	569,425	—	172,715	4,998,584	4,843,365
Balance at end of year	\$	1,107,699	599,290	3,660,645	—	569,425	—	172,715	6,109,774	4,998,584
Balance at end of year consisted of:										
Cash	\$	3,869	—	—	—	—	—	—	3,869	32,754
Savings and money market accounts		1,103,830	599,290	421,722	—	569,425	—	172,715	2,866,982	4,540,959
State of Nebraska Operating Investment Pool		—	—	3,238,923	—	—	—	—	3,238,923	424,871
	\$	1,107,699	599,290	3,660,645	—	569,425	—	172,715	6,109,774	4,998,584

See accompanying independent auditors' report.

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

Rentals

Years ended June 30, 2010 and 2009

<b>Chadron State College</b>	<b>2010</b>	<b>2009</b>
Facility:		
High Rise Dormitory	\$ 766,821	725,607
Andrews Hall	478,285	463,352
Kent Hall	563,000	487,645
Edna Work Hall	172,533	176,069
Edna Work Wing	178,041	197,138
Brooks Hall	125,445	138,085
Family housing	158,712	149,577
Guest housing	86,380	93,849
Less room waivers	(268,647)	(224,785)
Total rentals	\$ 2,260,570	2,206,537
<b>Peru State College</b>	<b>2010</b>	<b>2009</b>
Facility:		
Centennial Complex	\$ 673,512	636,114
Eliza Morgan Hall	216,124	185,151
Delzell Hall	250,371	264,445
Guest and temporary housing	—	—
Faculty housing	34,734	33,707
Married student housing	37,932	29,626
Less room waivers	(110,692)	(107,398)
Total rentals	\$ 1,101,981	1,041,645
<b>Wayne State College</b>	<b>2010</b>	<b>2009</b>
Facility:		
Bowen Hall	\$ 868,977	806,963
Berry Hall	662,987	648,704
Morey Hall	488,821	474,708
Anderson Hall	336,989	303,209
Neihardt Hall	397,576	406,815
Pile Hall	315,882	310,713
Terrace Hall	320,023	299,021
Family housing	6,600	6,600
Single night housing	7,862	—
Less room waivers	(527,167)	(504,700)
Total rentals	\$ 2,878,550	2,752,033

See accompanying independent auditors' report.



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

Operation and Maintenance Fund Expenditures

Years ended June 30, 2010 and 2009

<b>Chadron State College</b>	<b>2010</b>	<b>2009</b>
Salaries, payroll taxes, and benefits	\$ 1,482,603	1,456,928
Utilities	514,332	530,789
Cable television	91,144	88,161
Supplies	276,355	247,697
Repairs and maintenance	112,587	98,081
Insurance	19,696	23,652
Professional and contractual services	9,100	22,938
Equipment and furnishings	6,426	15,008
Miscellaneous	29,059	40,354
Total operation and maintenance fund expenditures	\$ 2,541,302	2,523,608
<b>Peru State College</b>	<b>2010</b>	<b>2009</b>
Salaries, payroll taxes, and benefits	\$ 286,699	280,889
Communication service	12,738	67,671
Utilities	270,307	274,860
Repairs and maintenance	32,740	20,196
Supplies	90,094	81,694
Professional and contractual services	47,673	47,418
Insurance	23,760	26,488
Miscellaneous	6,261	9,492
Total operation and maintenance fund expenditures	\$ 770,272	808,708
<b>Wayne State College</b>	<b>2010</b>	<b>2009</b>
Salaries, payroll taxes, and benefits	\$ 1,995,481	1,984,408
Utilities	647,167	735,565
Supplies	466,121	472,770
Communication services	167,558	152,245
Repairs and maintenance	171,725	99,752
Professional and contractual services	179,960	190,315
Miscellaneous	—	60,011
Total operation and maintenance fund expenditures	\$ 3,628,012	3,695,066

See accompanying independent auditors' report.

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

Insurance in Force

(Unaudited)

June 30, 2010

**Chadron State College**

Type	Coverage amount
Business interruption value	\$ 3,470,000
Blanket contents	16,107,540
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	45,367,726
Student union and other buildings, 90% coinsurance	71,405,260

**Peru State College**

Type	Coverage amount
Business interruption value	\$ 4,790,043
Blanket contents	2,107,952
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	17,084,137
Student union and other buildings, 90% coinsurance	5,718,501

**Wayne State College**

Type	Coverage amount
Business interruption value	\$ 11,448,492
Blanket contents	5,833,160
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	48,334,051
Student union and other buildings, 90% coinsurance	17,762,089

See accompanying independent auditors' report.

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

Debt Service Coverage

Years ended June 30, 2010 and 2009

<b>Chadron State College</b>	<b>2010</b>	<b>2009</b>
Receipts:		
Dormitories	\$ 2,101,858	2,056,960
Family housing	158,712	149,577
Facilities fees	864,466	804,658
Food service and student union snack bar	2,238,540	2,181,426
Other	276,782	282,770
Total receipts	<u>5,640,358</u>	<u>5,475,391</u>
Less refunds	<u>(3,844)</u>	<u>(4,193)</u>
Net receipts	5,636,514	5,471,198
Interest earned	<u>12,837</u>	<u>29,530</u>
Total additions	<u>5,649,351</u>	<u>5,500,728</u>
Deductions:		
Operation and maintenance expenditures (note)	2,541,302	2,518,276
Food service contract payments	1,565,917	1,513,135
Other	208,258	154,430
Total deductions	<u>4,315,477</u>	<u>4,185,841</u>
Available for debt service, reserves, etc.	<u>\$ 1,333,874</u>	<u>1,314,887</u>
Debt service, principal, and interest requirement (note)	\$ 602,816	594,045
Debt service coverage	221%	221%

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 \$523,219 and \$785,310 during the years ended June 30, 2010 and 2009, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2010 and 2009, respectively.

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

Debt Service Coverage

Years ended June 30, 2010 and 2009

<u>Peru State College</u>	<u>2010</u>	<u>2009</u>
Receipts:		
Rentals	\$ 1,101,981	1,041,645
Facilities fees	242,024	191,276
Food service	964,109	910,494
Lease income	27,565	42,544
Other	154,409	58,658
Total receipts	<u>2,490,088</u>	<u>2,244,617</u>
Less refunds	<u>(12,756)</u>	<u>(2,602)</u>
Net receipts	2,477,332	2,242,015
Interest earned	<u>21,825</u>	<u>32,172</u>
Total additions	<u>2,499,157</u>	<u>2,274,187</u>
Deductions:		
Operation and maintenance expenditures (note)	770,272	808,708
Food service contract payments	<u>878,927</u>	<u>888,837</u>
Total deductions	<u>1,649,199</u>	<u>1,697,545</u>
Available for debt service, reserves, etc.	<u>\$ 849,958</u>	<u>576,642</u>
Debt service, principal, and interest requirement (note)	\$ 251,383	250,040
Debt service coverage	338%	231%

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 \$16,935 and \$63,106 during the years ended June 30, 2010 and 2009, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2010 and 2009, respectively.

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

Debt Service Coverage

Years ended June 30, 2010 and 2009

<u>Wayne State College</u>	<u>2010</u>	<u>2009</u>
Receipts:		
Dormitories	\$ 2,878,550	2,752,033
Food service and commission	3,752,093	3,470,194
Facilities fees	865,390	822,062
Other	321,069	389,788
Total receipts	<u>7,817,102</u>	<u>7,434,077</u>
Less refunds	<u>(11,569)</u>	<u>(9,829)</u>
Net receipts	7,805,533	7,424,248
Interest earned	<u>35,421</u>	<u>44,474</u>
Total additions	<u>7,840,954</u>	<u>7,468,722</u>
Deductions:		
Operation and maintenance expenditures (note)	3,628,012	3,695,066
Food service contract payments	2,147,604	1,987,175
Other	<u>—</u>	<u>203</u>
Total deductions	<u>5,775,616</u>	<u>5,682,444</u>
Available for debt service, reserves, etc.	<u>\$ 2,065,338</u>	<u>1,786,278</u>
Debt service, principal, and interest requirement (note)	\$ 729,219	730,683
Debt service coverage	283%	245%

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 \$220,703 and \$656,683 during the years ended June 30, 2010 and 2009, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2010 and 2009, respectively.

See accompanying independent auditors' report.

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

Bonds Outstanding

June 30, 2010

Chadron State College	<b>Principal amount, Series 2002C and Series 2003A</b>
Maturing July 1:	
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	\$ 5,475,000

See accompanying independent auditors' report.

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

Bonds Outstanding

June 30, 2010

<b>Peru State College</b>	<b>Principal amount, Series 2002B</b>
Maturing July 1:	
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
Total	\$ 2,990,000

See accompanying independent auditors' report.

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

Bonds Outstanding

June 30, 2010

Wayne State College	<b>Principal amount, Series 2002A and Series 2003B</b>
Maturing July 1:	
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	\$ 7,960,000

See accompanying independent auditors' report.



NEBRASKA STATE COLLEGES  
REVENUE AND REFUNDING BOND FUNDS

Occupancy  
(Unaudited)

Year ended June 30, 2010

Chadron State College

	Summer session 2009			First term		Capacity	Second term		Summer session 2010	
	Capacity	Number	Percentage	Number	Percentage		Number	Percentage	Number	Percentage
High Rise Dormitory	422	—	—%	285	68%	422	268	64%	—	—%
Edna Work/Wing Hall	186	29	16	120	65	186	107	58	15	8
Kent Hall	275	—	—	251	91	275	200	73	—	—
Andrews Hall	284	—	—	180	63	284	157	55	—	—
Brooks Hall	84	—	—	53	63	84	43	51	—	—
Family housing	41	30	73	30	73	41	36	88	24	59
	<u>1,292</u>	<u>59</u>		<u>919</u>		<u>1,292</u>	<u>811</u>		<u>39</u>	

Peru State College

	First term			Second term			Summer session		
	Capacity	Number	Percentage	Capacity	Number	Percentage	Capacity	Number	Percentage
Centennial Complex	260	252	97%	260	221	85%	260	—	—%
Eliza Morgan Hall	98	86	88	98	78	80	98	—	—
Delzell Hall	144	100	69	144	83	58	144	—	—
Faculty housing	8	8	100	8	7	88	8	8	100
Married student housing	12	9	75	12	9	75	12	5	42
	<u>522</u>	<u>455</u>		<u>522</u>	<u>398</u>		<u>522</u>	<u>13</u>	

Wayne State College

	Summer session July 2009			First term		Second term		Summer session May 2010		Summer session June 2010	
	Capacity	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Anderson Hall	160	—	—%	137	86%	129	81%	—	—%	—	—%
Berry Hall	306	—	—	280	92	231	75	—	—	—	—
Bowen Hall	434	—	—	326	75	295	68	—	—	—	—
Morey Hall	231	—	—	200	87	173	75	—	—	—	—
Neihardt Hall	161	13	8	142	88	126	78	23	14	9	6
Pile Hall	134	—	—	124	93	112	84	—	—	—	—
Terrace Hall	140	—	—	126	90	114	81	—	—	—	—
Family housing	1	—	—	1	100	1	100	1	100	1	100
	<u>1,567</u>	<u>13</u>		<u>1,336</u>		<u>1,181</u>		<u>24</u>		<u>10</u>	

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.