

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Independent Auditor's Report and Financial Statements
June 30, 2016 and 2015



Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
June 30, 2016 and 2015

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Independent Auditor's Report

The Board of Trustees
Nebraska State Colleges Student Fees and Facilities Revenue and Refunding Bond Program
Lincoln, Nebraska

We have audited the accompanying basic financial statements, which are comprised of statements of net position as of June 30, 2016 and 2015, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended and the related notes to the basic financial statements, as listed in the table of contents, of the Nebraska State Colleges Student Fees and Facilities Revenue and Refunding Bond Program (the Program), a program of the Nebraska State College System.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nebraska State Colleges Student Fees and Facilities Revenue and Refunding Bond Program as of June 30, 2016 and 2015, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Program's basic financial statements. Schedules 1-5, 7 and 8, listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. Schedules 6 and 9 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Lincoln, Nebraska
October 21, 2016

Nebraska State Colleges

Student Fees and Facilities Revenue and Refunding Bond Program

Management's Discussion and Analysis

Years Ended June 30, 2016 and 2015

Introduction

The following is an overview of the financial position and changes in net position of the Nebraska State College Systems Student Fees and Facilities Revenue and Refunding Bond Program (the Program). Management has prepared the following discussion and analysis and it is intended to be read in conjunction with the financial statements and related notes that follow this section.

The Board, for the benefit of the Nebraska State Colleges, issues bonds to finance the construction, repair, and maintenance of revenue bond buildings owned and operated by the Board of Trustees of the Nebraska State College System. The Program provides funding for general operations as well as funding for various construction and renovation projects as specified by the individual bond documents. The Program is designed to provide greater flexibility to finance revenue bond projects at the three Colleges. The current revenue bond master resolution was approved in 2002 by the Board.

The financial statements include the following bonded projects for the years ended June 30, 2016 and 2015:

Bonds	Financing Objective
Student Fees and Facilities Revenue Bonds Series 2010	Pile Hall Improvements at Wayne State College
Student Fees and Facilities Revenue Bonds Series 2011	Morgan Hall Improvements at Peru State College
Student Fees and Facilities Revenue and Refunding Bond Series 2012	Refund Series 2002 Bonds for Peru State College and Wayne State College
Student Fees and Facilities Revenue Bonds Series 2013	Eagle Ridge Housing and Various Roof Repairs for Chadron State College
Student Fees and Facilities Revenue and Refunding Bond Series 2014	Refund Series 2003 Bonds for Chadron State College
Student Fees and Facilities Revenue Bonds Series 2015	Delzell Hall Improvements at Peru State College
Student Fees and Facilities Revenue Bonds Series 2016	Bowen Hall Improvements at Wayne State College
Student Fees and Facilities Revenue and Refunding Bond Series 2016B	Refund Series 2010 Bonds for Wayne State College

Financial Highlights

The financial position of the Program remained favorable during the year ended June 30, 2016, with operating income that provided a debt service coverage ratios of 206% for Chadron State College, 320% for Peru State College and 364% for Wayne State College. Debt service coverage ratios were 875% for Chadron State College, 332% for Peru State College and 371% for Wayne State College in 2015 and 331% for Chadron State College, 292% for Peru State College and 272% for Wayne State College in 2014. This

Nebraska State Colleges

Student Fees and Facilities Revenue and Refunding Bond Program

Management's Discussion and Analysis

Years Ended June 30, 2016 and 2015

performance is in line with expectations. The debt service ratio required by the Master Resolution is 110%; however, Board policy requires Chadron State College and Wayne State College maintain a minimum 125% debt service coverage and Peru State College maintain a 135% debt service coverage ratio.

Operations of the Program declined in fiscal year 2016 with operating income posting a 16.09% decrease over 2015. This compares with an increase of 56.38% from fiscal year 2014 to 2015. From fiscal year 2015 to 2016, revenues increased by 2.03% while expenses increased by 5.52%, creating the operating income decrease of \$541,074. From fiscal year 2014 to 2015, revenues increased by 4.43% while expenses decreased 1.86%, creating an operating income increase of \$1,212,256. Cash flows from operations were \$4,316,857 in 2016 compared to \$4,795,954 in 2015 and \$3,420,137 in 2014.

The student fee portion of the Program is dictated by a per credit hour fee. For fiscal year 2016 the revenue bond portion of the facilities fee was \$16 per credit hour at Chadron State College, \$22 per credit hour at Peru State College and \$16.75 per credit hour (\$225 maximum per semester) at Wayne State College. The revenue bond portion of the facilities fee was \$16 and \$16 per credit hour at Chadron State College, \$20 and \$18 per credit hour at Peru State College and \$16.50 and \$16 per credit hour (\$198 and \$192 maximum per semester) at Wayne State College for fiscal years 2015 and 2014, respectively. Student fee revenue generated through this per credit facilities fee was \$3,231,066, \$3,179,003 and \$3,055,548 for fiscal years 2016, 2015 and 2014, respectively. The overall increase in facilities fee revenue from 2014 to 2016 was \$175,518 or 5.74%.

Overall Program occupancy of residence halls remained strong for 2016 with a 77% combined occupancy rate for the fall semester and a 66% combined occupancy rate for the spring semester. In 2015 and 2014, respectively, the combined occupancy rates for the fall semester were 80% and 80% and for the spring semester were 67% and 69%.

Using the Financial Statements

The financial statements of the Program include the statements of net position; the statements of revenues, expenses and changes in net position; and the statements of cash flows. These statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. The statements are presented on a combined basis to focus on the revenue-producing activities and the trustee accounts of the Program as a single reporting entity.

The statements of net position include the operating facilities of the Program and the related trustee accounts of the respective bond issues. The statements of revenues, expenses and changes in net position depict the combined operating revenues and expenses of the Program, which, when combined with the nonoperating revenues and expenses, provide resources for debt service as well as the purchase, construction and renovation of the designated facilities. The statements of cash flows show the sources and uses of cash from operations, investing activities and capital and other financing activities.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Management's Discussion and Analysis
Years Ended June 30, 2016 and 2015

The Statements

Condensed statements are presented below in an all-inclusive format for the Program for the fiscal years ended June 30, 2016, 2015 and 2014.

Current assets consist of resources held by the bond trustee that are designated or restricted by the bond covenants for current maturities of bonds and related interest. Noncurrent assets are primarily capital assets that are presented net of accumulated depreciation of \$32,243,921, \$30,829,217 and \$29,230,491 at June 30, 2016, 2015 and 2014, respectively, and resources held by the bond trustee for debt service and Program expenditures.

Current liabilities comprise accounts and accrued interest payable and amounts due the next year for accrued compensated absences, capital lease payable, bond obligations payable and unearned revenues. Noncurrent liabilities represent accrued compensated absences, capital lease obligations due after one year and bond obligations due after one year along with the noncurrent portion of unearned revenue related to longevity bonus revenues and investment (improvement) revenues from food service and/or vending contractors.

The classification of net position includes amounts restricted for debt service of \$1,401,110, \$1,516,118 and \$885,037 as of June 30, 2016, 2015 and 2014, respectively. These amounts include bond reserves.

Condensed Statements of Net Position			
	2016	2015	2014
Assets			
Current assets	\$ 18,357,596	\$ 18,142,606	\$ 15,674,636
Noncurrent assets	62,495,271	41,383,929	42,282,431
Total assets	80,852,867	59,526,535	57,957,067
Deferred Outflow of Resources	43,515	47,293	51,070
Liabilities			
Current liabilities	4,088,253	3,318,654	2,928,921
Noncurrent liabilities	45,150,634	26,678,040	28,403,186
Total liabilities	49,238,887	29,996,694	31,332,107
Net Position			
Net investment in capital assets	16,114,191	14,002,452	13,369,094
Restricted for			
Debt service	1,401,110	1,516,118	885,037
By enabling legislation	14,142,194	14,058,564	12,421,899
Total net position	\$ 31,657,495	\$ 29,577,134	\$ 26,676,030

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Management's Discussion and Analysis
Years Ended June 30, 2016 and 2015

The condensed statements of revenues, expenses and changes in net position depict the combined financial activities of the Program. The operating income provides resources to pay debt service on bond obligations. The operating income is net of depreciation of \$1,630,316, \$1,604,386 and \$1,515,366 for the years ended June 30, 2016, 2015 and 2014, respectively.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2016	2015	2014
Operating Revenues			
Rental	\$ 8,036,450	\$ 7,965,011	\$ 7,589,301
Food service	9,235,217	9,026,729	8,588,780
Facilities	3,231,066	3,179,003	3,055,548
Bookstore	239,328	225,944	276,717
Other	451,216	375,930	380,490
Total operating revenues	<u>21,193,277</u>	<u>20,772,617</u>	<u>19,890,836</u>
Operating Expenses			
Food service	6,027,822	5,833,914	5,605,751
Other	12,344,066	11,576,240	12,134,878
Total operating expenses	<u>18,371,888</u>	<u>17,410,154</u>	<u>17,740,629</u>
Operating Income	2,821,389	3,362,463	2,150,207
Nonoperating Revenue (Expenses)	<u>(741,028)</u>	<u>(461,359)</u>	<u>(694,280)</u>
Increase in Net Position	2,080,361	2,901,104	1,455,927
Net Position, Beginning of Year	<u>29,577,134</u>	<u>26,676,030</u>	<u>25,220,103</u>
Net Position, End of Year	<u>\$ 31,657,495</u>	<u>\$ 29,577,134</u>	<u>\$ 26,676,030</u>

Long Term Debt Activity

On June 6, 2014, the Program issued \$4,270,000 in Student Fee and Facilities Revenue and Refunding Bonds, Series 2014 to current refund Series 2003A Bonds. Refunding of the Series 2003A Bonds resulted in a present value savings of \$654,661 to Chadron State College. During fiscal year 2014, Wayne State College opted to call the outstanding Series 2003B debt of \$755,000.

No new debt was issued during fiscal year 2015.

During fiscal year 2016, two new money revenue bond issues and one refunding revenue bond issuance occurred. On December 17, 2015, the Program issued \$8,935,000 in Student Fee and Facilities Revenue Bonds, Series 2015 for the renovation of Delzell Hall at Peru State College. On January 21, 2016, the Program issued \$11,270,000 in Student Fee and Facilities Revenue Bonds, Series 2016 for the renovation of Bowen Hall at Wayne State College. On March 18, 2016, the Program issued \$3,810,000 in Student Fee and Facilities Revenue and Refunding Bonds, Series 2016B to current refund Series 2010 Bonds. Refunding of the Series 2010 Bonds resulted in a present value savings of \$380,673 to Wayne State College.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Management's Discussion and Analysis
Years Ended June 30, 2016 and 2015

At the end of fiscal years 2016, 2015 and 2014, the Program had \$45,590,000, \$27,015,000 and \$27,900,000, respectively, in outstanding debt. Debt service repayment will be entirely through charges for services and facility fees. Debt service payments, debt refundings and debt extinguishments decreased bonds payable by \$5,440,000 in 2016, \$885,000 in 2015 and \$6,450,000 in 2014.

Economic Outlook and Subsequent Events That Will Affect the Future

It is management's belief that the Program will continue to realize revenues sufficient to cover debt service. Each College budgets expenses prudently while allocating sufficient funds to adequately repair and maintain the facilities so that services can be offered at competitive prices to students.

Residence halls opened with lower occupancies in fall 2016 when compared to fall 2015 and 2014. Peru State College's Delzell Hall and Wayne State College's Bowen Hall are both offline in 2016-2017 for major renovations. Occupancies are anticipated to increase in 2017-2018 when both residence halls will again be available and updated. Food service revenues and student fee revenue are projected to also decline somewhat, with a corresponding decrease in food service expenditures.

Chadron State College began construction of the Eagle Ridge Complex in November of 2013 to replace the West Court Housing Complex. In the fall of 2014 the Eagle Ridge Complex was opened for use. The West Court Housing Complex had limited occupancy usage for 2015 and 2016. Demolition of the West Court Housing Complex will occur in phases. Phase I demolition took place in the summer of 2015. Phase II demolition began in the summer of 2016.

Upcoming revenue bond and contingency maintenance projects include: Chadron State College Andrews Hall sprinkler system and elevator, High Rise shower upgrades, and campus wireless upgrades; Peru State College Delzell renovation and Student Center roof replacement; and Wayne State Bowen Hall renovation, Anderson Hall ceiling replacement, Berry Hall roof replacement and fire sprinklers, and Neihardt Hall voice over fire alarm and panel upgrade.

Additional Information

For additional information with respect to the management's discussion and analysis or for information concerning the financial statements, please contact:

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Lincoln, Nebraska 68508 or
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Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Statements of Net Position
June 30, 2016 and 2015

Assets and Deferred Outflows of Resources

Current Assets	2016	2015
Restricted cash and cash equivalents	\$ 17,743,538	\$ 17,635,924
Accounts receivable, net	533,554	466,591
Interest receivable	35,333	18,460
Prepaid expenses and other charges	2,200	2,973
Deposit with vendor	42,971	18,658
	<hr/>	<hr/>
Total current assets	18,357,596	18,142,606
	<hr/>	<hr/>
Noncurrent Assets		
Restricted cash and cash equivalents	21,582,829	2,235,170
Investments held by trustee-restricted	605,121	-
Capital assets, net of accumulated depreciation	40,307,321	39,148,759
	<hr/>	<hr/>
Total noncurrent assets	62,495,271	41,383,929
	<hr/>	<hr/>
Total assets	80,852,867	59,526,535
	<hr/>	<hr/>
Deferred Outflow of Resources		
Unamortized bond refunding amount, net	43,515	47,293
	<hr/>	<hr/>
Total deferred outflow of resources	43,515	47,293
	<hr/>	<hr/>

Liabilities

Current Liabilities		
Accounts payable and accrued liabilities	1,692,796	1,081,473
Accrued compensated absences	23,299	21,825
Unearned revenue	320,244	317,162
Interest payable	614,902	346,111
Capital lease payable-current portion	32,712	32,283
Revenue bonds payable-current portion	1,400,000	1,515,000
Deposits held in custody for others	200	700
Other	4,100	4,100
	<hr/>	<hr/>
Total current liabilities	4,088,253	3,318,654
	<hr/>	<hr/>
Noncurrent Liabilities		
Accrued compensated absences	309,532	289,965
Unearned revenue	605,667	883,528
Capital lease payable, net of current portion	63,922	96,634
Revenue bonds payable, net of current portion	44,171,513	25,407,913
	<hr/>	<hr/>
Total noncurrent liabilities	45,150,634	26,678,040
	<hr/>	<hr/>
Total liabilities	49,238,887	29,996,694
	<hr/>	<hr/>

Net Position

Net investment in capital assets	16,114,191	14,002,452
Restricted		
Expendable		
Debt service	1,401,110	1,516,118
By enabling legislation	14,142,194	14,058,564
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Total net position	\$ 31,657,495	\$ 29,577,134
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Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2016 and 2015

Operating Revenues	2016	2015
Rentals	\$ 8,036,450	\$ 7,965,011
Food service	9,161,921	8,957,884
Food service commission	73,296	68,845
Facilities fees	3,231,066	3,179,003
Application fee	79,970	83,700
Bookstore	239,328	225,944
Parking permits	89,612	84,267
Vending	94,543	80,705
Recreation center	10,245	10,130
Other	176,846	117,128
	<hr/>	<hr/>
Total operating revenues	21,193,277	20,772,617
	<hr/>	<hr/>
Operating Expenses		
Compensation and benefits	4,674,275	4,592,912
Contractual services	584,001	474,625
Supplies and materials	917,534	941,047
Depreciation	1,630,316	1,604,386
Utilities	2,012,588	1,762,759
Repairs and maintenance	2,202,751	1,825,930
Communications	240,190	252,130
Food service	6,027,822	5,833,914
Other	82,411	122,451
	<hr/>	<hr/>
Total operating expenses	18,371,888	17,410,154
	<hr/>	<hr/>
Operating Income	2,821,389	3,362,463
	<hr/>	<hr/>
Nonoperating Revenue (Expenses)		
Investment income	291,261	226,888
Interest expense	(712,410)	(684,267)
Bond issuance costs	(318,876)	-
Other nonoperating expenses	(1,003)	(3,980)
	<hr/>	<hr/>
Net nonoperating expenses	(741,028)	(461,359)
	<hr/>	<hr/>
Increase in Net Position	2,080,361	2,901,104
Net Position, Beginning of Year	29,577,134	26,676,030
	<hr/>	<hr/>
Net Position, End of Year	\$ 31,657,495	\$ 29,577,134
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Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Statements of Cash Flows
Years Ended June 30, 2016 and 2015

Operating Activities	2016	2015
Rentals	\$ 8,003,911	\$ 7,963,468
Food service	8,807,488	8,709,456
Food service commission	74,404	65,757
Facilities fees	3,233,157	3,162,881
Application fee	80,120	83,560
Bookstore	238,586	237,139
Parking permits	89,651	84,236
Vending	103,872	63,236
Recreation center	10,245	10,130
Payment to vendors	(11,775,203)	(11,103,686)
Payments to employees	(4,665,023)	(4,607,420)
Other	115,649	127,197
	<hr/>	<hr/>
Net cash provided by operating activities	4,316,857	4,795,954
	<hr/>	<hr/>
Capital and Related Financing Activities		
Proceeds from bonds	24,083,796	-
Purchase of capital assets	(2,108,095)	(3,291,147)
Principal paid on bonds payable	(5,440,000)	(885,000)
Principal paid on capital lease	(32,283)	(2,817)
Interest paid on capital lease and bonds payable	(715,393)	(650,692)
Bond issuance costs	(318,876)	-
Other	-	(2,000)
	<hr/>	<hr/>
Net cash provided by (used in) capital and related financing activities	15,469,149	(4,831,656)
	<hr/>	<hr/>
Investing Activities		
Purchase of investment	(605,000)	-
Investment income	274,267	228,700
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(330,733)	228,700
	<hr/>	<hr/>
Increase in Cash and Cash Equivalents	19,455,273	192,998
Cash and Cash Equivalents, Beginning of Year	19,871,094	19,678,096
	<hr/>	<hr/>
Cash and Cash Equivalents, End of Year	\$ 39,326,367	\$ 19,871,094
	<hr/>	<hr/>
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Restricted cash and cash equivalents - current	\$ 17,743,538	\$ 17,635,924
Restricted cash and cash equivalents - noncurrent	21,582,829	2,235,170
	<hr/>	<hr/>
Total cash and cash equivalents	\$ 39,326,367	\$ 19,871,094
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Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Statements of Cash Flows - Continued
Years Ended June 30, 2016 and 2015

	2016	2015
Reconciliation of Net Operating Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 2,821,389	\$ 3,362,463
Depreciation expense	1,630,316	1,604,386
Changes in operating assets and liabilities		
Accounts receivable	(92,279)	93,076
Prepays	773	(8,306)
Unearned revenue	(274,779)	(315,730)
Accounts payable and accrued liabilities	210,895	56,878
Accrued compensated absences	21,042	2,424
Other assets and liabilities	(500)	763
	\$ 4,316,857	\$ 4,795,954
Net Cash Provided by Operating Activities	\$ 4,316,857	\$ 4,795,954
Supplemental Cash Flows Information		
Accounts payable incurred for capital asset purchases	\$ 756,448	\$ 376,940

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 1: Description of the Entity and Program

The Board of Trustees (the Board) of the Nebraska State College System (NSCS) was established in 1919 under a provision of the state constitution. The Board has seven members, six of whom are appointed by the governor to six-year terms with legislative approval. The Nebraska Commissioner of Education serves as an ex-officio member. The Board is responsible for policy and oversight of Nebraska's three state Colleges: Chadron State College (established in 1911), Peru State College (established in 1867) and Wayne State College (established in 1910).

The Board, for the benefit of the Nebraska State Colleges, issues bonds to finance the construction, repair and maintenance of revenue bond buildings owned and operated by the three state colleges (the Colleges). The Student Fees and Facilities Revenue and Refunding Bond Program (the Program) provides funding for general operations as well as funding for various construction and renovation projects as specified by the individual bond documents. The Program is designed to provide greater flexibility to finance revenue bond projects at the three Colleges. The current revenue bond master resolution was approved in 2002 by the Board.

Note 2: Basis of Presentation

The accompanying financial statements of the Program, which include Bond Series 2010, 2011, 2012, 2013, 2014, 2015 and 2016, have been prepared in accordance with U.S. generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board (GASB) using the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange transaction takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from nonexchange activities are recognized when all applicable eligibility requirements are met. Nonexchange transactions that are not program specific, investment income and interest on capital asset-related debt are included in nonoperating revenues and expenses.

Note 3: Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents held by the Nebraska State Treasurer are deposited on a pooled basis in a State fund. Income earned by the pool is allocated to the Program based upon average daily balances. From time to time, the Nebraska State Investment Officer, as allowed by statute, participates in securities lending transactions, which make use of amounts on deposit from the

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 3: Summary of Significant Accounting Policies - Continued

Cash and Cash Equivalents - Continued

Program. Securities lending transactions cannot be specifically identified as amounts on deposit from the Program and, as such, are not included in the financial statements for the years ended June 30, 2016 and 2015.

The Program considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2016 and 2015, cash equivalents consisted of money market accounts held by the bond trustee and pooled funds invested by the Nebraska State Investment Officer. All amounts are considered restricted, either for debt service or by enabling legislation.

Investments and Investment Income

All investments are carried at fair value. Fair value is determined using quoted market prices. Investment income consists of dividend income and the net change for the year in the fair value of investments carried at fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expense and other changes in net position during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

The Program's accounts receivable consist primarily of charges for student room and board and facilities fees, charges for room and board for various summer camps, a guaranteed bookstore commission and vending contract receivable. The accounts receivable for charges for student room and board and facilities fees are recorded net of estimated uncollectible amounts. The allowance for uncollectible amounts was \$389,159 and \$373,654 at June 30, 2016 and 2015, respectively. Management does not believe an allowance for doubtful accounts is necessary for the other accounts receivable at June 30, 2016 and 2015.

Capital Assets

The Program's capital assets are recorded at cost as of the date of acquisition, or acquisition value at the date of donation if acquired by gift. The Program follows the capitalization policy set forth by the Board for the NSCS. Generally, equipment that has a cost in excess of \$5,000 at the date of acquisition and has an expected useful life of two or more years is capitalized. Also, all land,

Nebraska State Colleges
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Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 3: Summary of Significant Accounting Policies - Continued

Capital Assets - Continued

buildings, infrastructure and construction in progress are capitalized if they are expected to meet the Program's capitalization threshold as dictated by the capitalization policy. In addition, interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Art objects, specimens, artifacts and collections are expensed so long as the items meet three conditions in accordance with GASB 34. Asset depreciation is computed using the straight-line method over the estimated useful life of each asset beginning with the month of purchase. The following estimated useful lives are being used by the NSCS:

Buildings and improvements	25-50 years
Infrastructure	10-30 years
Furniture, fixtures and equipment	3-10 years

Compensated Absences

The NSCS's policies permit most employees to accumulate vacation benefits. Staff earn 12 to 25 days of vacation each year and may accrue vacation up to the maximums established in Board policy and/or in the respective bargaining agreements. An employee's accrued vacation is paid out to the employee upon termination. Expense and the related liability are recognized as vacation benefits when earned whether the employee is expected to realize the benefit as time off or cash. In addition, professional and support staff receive a cash payment of one-fourth of accrued sick leave upon retirement from the NSCS. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as an expense when the time off occurs.

Unearned Revenue

Unearned revenue represents facilities fees collected in advance for the summer term for which the College has not met all the applicable eligibility requirements and longevity bonus revenues and investment (improvement) revenues from food service and/or vending contractors, which are being amortized over the life of the contracts.

Income Taxes

As a state institution, the income of the NSCS and the Program is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and provisions of state law. However, the NSCS and the Program is subject to federal income tax on any unrelated business taxable income.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 3: Summary of Significant Accounting Policies - Continued

Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred outflow of resources is a consumption of net position by the Program that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position by the Program that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statements of net position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate. Deferred outflows of resources of the Program consist of unamortized bond refunding amounts. The Program has no deferred inflows of resources as of June 30, 2016 and 2015.

Classification of Revenues and Expenses

The Program has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating revenues include activities that have the characteristics of exchange transactions, such as 1) student tuition and fees, net of waivers and 2) sales and services of auxiliary enterprises. Operating expenses represent the full cost of providing the services and goods associated with operating revenues. These expenses are accrued when incurred and measurable.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions and investment income. Nonoperating expenses include debt service expenses.

Application of Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the Program's policy to use restricted resources first, and then unrestricted resources as they are needed.

Net Position

Net position of the Program is required to be classified into three components – net investment in capital assets, restricted and unrestricted. The Program has no unrestricted net position component as any Program revenues not restricted by other sources are restricted for the purpose of the operation and maintenance of the Program per enabling legislation. The Program's net position is classified as follows:

The net investment in capital assets component of net position represents the total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to the acquisition, construction or improvement of those capital assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction or improvement of those assets, if any, are included in this component of net position. If there are significant unspent related debt

Nebraska State Colleges
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Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 3: Summary of Significant Accounting Policies - Continued

Net Position - Continued

proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

The restricted expendable component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), contributors, or law or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Waivers

Room and board are reported net of institutional waiver allowances in the statements of revenues, expenses and changes in net position. The institutional waivers on room and board for the Program for the years ended June 30, 2016 and 2015, were approximately \$1,912,000 and \$1,698,000, respectively.

Note 4: Deposits, Investments and Investment Income

Deposits

All Program deposits are either insured or collateralized. By state statute, the State Treasurer is required to ensure that all state funds are either insured by Federal Deposit Insurance Corporation (FDIC), collateralized by securities held by the cognizant Federal Reserve Bank or invested in U.S. government obligations. The Program's deposits with the State Treasurer are pooled with the funds of other state agencies and then, in accordance with statutory limitations, deposited in banks or invested as the State Treasurer may determine. Interest on funds held by the State Treasurer is periodically disbursed to the participating agencies. These funds are considered to be cash and cash equivalents which are available for expenditures as needed.

At June 30, 2016 and 2015, cash and cash equivalents of \$21,796,165 and \$11,568,048 on the statements of net position represents the Program's equity position in the State Treasurer's STIP funds. Additional information on the deposit and investment risk associated with STIP funds may be obtained from the State of Nebraska's Comprehensive Annual Financial Report (CAFR). An electronic version of this report is available by accessing the Nebraska Auditor of Public Accounts website (www.auditor.nebraska.gov) and clicking "APA Reports Issued."

Cash Equivalents

At June 30, 2016 and 2015, the Program has money market mutual funds and cash accounts held by the bond trustee totaling \$17,530,232 and \$8,303,046, respectively, which were entirely covered

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 4: Cash and Investments - Continued

Cash Equivalents – Continued

by collateral in the trustee’s name. All money market mutual funds are redeemable in full immediately and are shown as restricted cash and cash equivalents in the statements of net position as they are held for the Program’s debt service and expenditures. The money market mutual funds held by the bond trustee are rated AAAM by S&P and Aaa by Moody’s.

Investments

Management of Program funds is delegated to the bond trustee as appointed by the Board. The bond trustee invests Program funds in accordance with the bond resolution.

At June 30, 2016, the Program had the following investments and maturities:

	Fair Value	Maturities in Years		
		Less than 1	1-5	6-10
Investment type:				
Debt securities:				
Federal National Mortgage Association	\$ 605,121	\$ -	\$ 605,121	\$ -

All debt securities are classified in Level 1 of the fair value hierarchy and are valued using prices quoted in active markets for those securities.

The Program did not have any investments at June 30, 2015.

Interest Rate Risk. The Program does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The bond resolution allows investment of Program funds in various securities and obligations including U.S. government and U.S. agency obligations; bank demand deposits; bonds, notes or other obligations of any agency or instrumentality of the U.S.; bank repurchase agreements; shares of any open-end diversified management investment company; or within the State Treasurer’s Short Term Investment Pool (STIP). The Programs one investment was rated AAA by Moody’s and AA+ by S&P.

Concentration of Credit Risk. The Program places no limit on the amount that may be invested in any one issuer. At June 30, 2016, the Program’s investments were in one debt security.

Custodial Risk. For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the Program will not be able to recover the value of its investments that are in the possession of an outside party. The Program does not have a formal policy for custodial credit risk. All securities are held by the investment’s counterparty, not in the name of the Program.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 5: Capital Assets

The Program's capital assets activity for the year ended June 30, 2016, was:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Assets					
Land	\$ 498,649	\$ -	\$ -	\$ -	\$ 498,649
Building and improvements	66,634,112	-	(209,099)	1,075,282	67,500,295
Equipment	862,333	118,235	(6,513)	-	974,055
Infrastructure	617,129	-	-	-	617,129
Construction in progress	1,365,753	2,670,643	-	(1,075,282)	2,961,114
Total assets	69,977,976	2,788,878	(215,612)	-	72,551,242
Accumulated depreciation					
Building and improvements	30,229,329	1,508,232	(209,099)	-	31,528,462
Equipment	450,867	84,021	(6,513)	-	528,375
Infrastructure	149,021	38,063	-	-	187,084
Total accumulated depreciation	30,829,217	1,630,316	(215,612)	-	32,243,921
Net capital assets	<u>\$ 39,148,759</u>	<u>\$ 1,158,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,307,321</u>

The Program's capital assets activity for the year ended June 30, 2015, was:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Assets					
Land	\$ 498,649	\$ -	\$ -	\$ -	\$ 498,649
Building and improvements	59,964,255	670	-	6,669,187	66,634,112
Equipment	664,152	203,841	(5,660)	-	862,333
Infrastructure	605,252	977	-	10,900	617,129
Construction in progress	5,184,528	2,861,312	-	(6,680,087)	1,365,753
Total assets	66,916,836	3,066,800	(5,660)	-	69,977,976
Accumulated depreciation					
Building and improvements	28,728,470	1,500,859	-	-	30,229,329
Equipment	390,492	66,035	(5,660)	-	450,867
Infrastructure	111,529	37,492	-	-	149,021
Total accumulated depreciation	29,230,491	1,604,386	(5,660)	-	30,829,217
Net capital assets	<u>\$ 37,686,345</u>	<u>\$ 1,462,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,148,759</u>

Interest expense capitalized, net of related interest income for the Program, was \$280,355 and \$14,447 for the fiscal years ended June 30, 2016 and 2015, respectively.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 6: Long-Term Liabilities

The following is a summary of long-term obligation transactions for the Program for the year ended June 30, 2016:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Accrued compensated absences	\$ 311,790	\$ 23,299	\$ (2,258)	\$ 332,831	\$ 23,299
Capital lease payable	128,917	-	(32,283)	96,634	32,712
Bonds payable	27,015,000	24,015,000	(5,440,000)	45,590,000	1,400,000
Bond premium, net of accumulated amortization	36,230	186,232	(5,589)	216,873	-
Bond discount, net of accumulated amortization	(128,317)	(117,436)	10,393	(235,360)	-
Total long-term liabilities	<u>\$ 27,363,620</u>	<u>\$ 24,107,095</u>	<u>\$ (5,469,737)</u>	<u>\$ 46,000,978</u>	<u>\$ 1,456,011</u>

The following is a summary of long-term obligation transactions for the Program for the year ended June 30, 2015:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Accrued compensated absences	\$ 309,366	\$ 21,825	\$ (19,401)	\$ 311,790	\$ 21,825
Capital lease payable	-	131,588	(2,671)	128,917	32,283
Bonds payable	27,900,000	-	(885,000)	27,015,000	1,515,000
Bond premium, net of accumulated amortization	39,017	-	(2,787)	36,230	-
Bond discount, net of accumulated amortization	(136,626)	-	8,309	(128,317)	-
Total long-term liabilities	<u>\$ 28,111,757</u>	<u>\$ 153,413</u>	<u>\$ (901,550)</u>	<u>\$ 27,363,620</u>	<u>\$ 1,569,108</u>

Note 7: Capital Lease

The State of Nebraska, through the Department of Administrative Services (DAS) – Accounting Division, has a Master Lease Agreement to be used by various agencies to purchase equipment. Peru State College used this financing arrangement to finance equipment for their wireless internet upgrade. Payback of this lease will be funded 43% through the Program and 57% through Peru State College general funds. Peru State College’s Master Lease expires in fiscal year 2019.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 7: Capital Lease - Continued

Future minimum Master Lease payments for the Program as of June 30, 2016, were:

Year(s) ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 32,712	\$ 1,081	\$ 33,793
2018	33,148	645	33,793
2019	<u>30,774</u>	<u>204</u>	<u>30,978</u>
	<u>\$ 96,634</u>	<u>\$ 1,930</u>	<u>\$ 98,564</u>

Note 8: Revenue and Refunding Bonds Outstanding

Under the bond resolutions for the Student Fees and Facilities Revenue and Refunding Bond Program, revenues and earnings derived from operations 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 obligations of the State of Nebraska, and no tax funds shall be appropriated for payment of principal and interest.

Student Fees and Facilities Revenue Bonds Series 2010

In September 2010, the Board authorized the issuance of \$5,000,000 of Student Fees and Facilities Revenue Bonds Series 2010. The purpose of the issuance was to finance improvements to Wayne State's Pile Hall.

Bonds outstanding as of June 30, 2015, totaled \$4,135,000. Bonds maturing on or after July 1, 2016, were redeemable on or after January 1, 2016. On March 18, 2016, the Series 2010 debt, with principal outstanding of \$3,925,000, was refunded using Student Fees and Facilities Revenue and Refunding Bonds Series 2016B proceeds.

Student Fees and Facilities Revenue Bonds Series 2011

In November 2010, the Board authorized the issuance of \$3,600,000 of Student Fees and Facilities Revenue Bonds Series 2011. The purpose of the issuance was to finance improvements to Peru State's Morgan Hall.

Bonds outstanding as of June 30, 2016 and 2015, totaled \$3,050,000 and \$3,190,000, respectively. Annual principal installments are due on July 1 in variable amounts ranging from \$145,000 to \$205,000 through July 1, 2026, and term bonds of \$1,185,000 due on July 1, 2031, with mandatory sinking fund redemption payments ranging from \$215,000 to \$260,000, with interest ranging from 2.30% to 5.05%.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 8: Revenue and Refunding Bonds Outstanding - Continued

Student Fees and Facilities Revenue Bonds Series 2011 - Continued

Bonds maturing on or after July 1, 2017, are able to be redeemed, in part or in whole, on or after July 1, 2016.

Student Fees and Facilities Revenue and Refunding Bonds Series 2012

In April 2012, the Board authorized the issuance of \$8,750,000 of Student Fees and Facilities Revenue and Refunding Bonds Series 2012 (Series 2012A - \$6,045,000 and Series 2012B - \$2,705,000). The purpose of the issuance was to redeem in full the outstanding principal amount of the Student Fees and Facilities Revenue and Refunding Bonds Series 2002.

On July 1, 2012, the net proceeds from Series 2012 bonds were used to redeem the Series 2002 bonds. This advanced refunding reduced total debt service payments over the remaining 15 years by \$2,264,673. Bond refunding resulted in an estimated economic gain of \$1,515,352. The difference between the reacquisition price and the net carrying amount of the old debt has been deferred and is amortized over the remaining life of the new debt, which is same as the life of the refunded debt.

Bonds outstanding as of June 30, 2016 and 2015, totaled \$7,140,000 and \$7,685,000, respectively, and consisted of Series 2012A (Wayne State College Project - \$4,925,000 and \$5,305,000, respectively) and Series 2012B (Peru State College Project - \$2,215,000 and \$2,380,000, respectively). Annual principal installments are due on July 1. Series 2012A annual installments range from \$380,000 to \$460,000 through July 1, 2027, with interest rates ranging from 0.75% to 3.20%. Series 2012B annual installments range from \$170,000 to \$205,000 through July 1, 2027, with interest rates ranging from 0.75% to 3.20%.

Bonds maturing on or after July 1, 2018, are able to be redeemed, in part or in whole, on or after July 1, 2017.

Student Fees and Facilities Revenue Bonds Series 2013

In September 2012, the Board authorized the issuance of \$7,735,000 of Student Fees and Facilities Revenue Bonds Series 2013. The purpose of the issuance was to finance the construction of Chadron State's Eagle Ridge housing and maintenance to several revenue bond building roofs.

Bonds outstanding as of June 30, 2016 and 2015, totaled \$7,380,000 and \$7,735,000, respectively. Annual principal installments are due on July 1 in variable amounts ranging from \$355,000 to \$435,000 through July 1, 2028, and term bonds of \$2,360,000 due on July 1, 2033, with mandatory sinking fund redemption payments ranging from \$445,000 to \$500,000, with interest ranging from 0.75% to 3.00%.

Bonds maturing on or after July 1, 2018, are able to be redeemed, in part or in whole, on or after January 3, 2018.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 8: Revenue and Refunding Bonds Outstanding - Continued

Student Fees and Facilities Revenue Refunding Bonds Series 2014

In April 2014, the Board authorized the issuance of \$4,270,000 of Student Fees and Facilities Revenue and Refunding Bonds Series 2014. The purpose of the issuance was to redeem in full the outstanding principal amount of the Student Fees and Facilities Revenue and Refunding Bonds Series 2003A.

On June 5, 2014, the net proceeds from Series 2014 bonds were used to redeem the Series 2003A bonds. This current refunding reduced total debt service payments over the remaining 14 years by \$1,085,523. Bond refunding resulted in an estimated economic gain of \$654,661. The difference between the reacquisition price and the net carrying amount of the old debt has been deferred and is amortized over the remaining life of the new debt, which is same as the life of the refunded debt.

Bonds outstanding as of June 30, 2016 and 2015, totaled \$4,005,000 and \$4,270,000, respectively. Annual principal installments are due on July 1 in variable amounts ranging from \$275,000 to \$360,000 through July 1, 2028, with interest ranging from 0.60% to 4.00%.

Bonds maturing on or after July 1, 2020, are able to be redeemed, in part or in whole, on or after July 1, 2019.

Student Fees and Facilities Revenue Bonds Series 2015

In November 2015, the Board authorized the issuance of \$8,935,000 of Student Fees and Facilities Revenue Bonds Series 2015. The purpose of the issuance was to finance improvements to Peru State's Delzell Hall.

Bonds outstanding as of June 30, 2016, totaled \$8,935,000. Annual principal installments are due on July 1 in variable amounts ranging from \$210,000 to \$280,000 through July 1, 2031, term bonds of \$1,550,000 due on July 1, 2036, with mandatory sinking fund redemption payments ranging from \$290,000 to \$330,000, term bonds of \$1,840,000 due on July 1, 2041, with mandatory sinking fund redemption payments ranging from \$340,000 to \$395,000 and term bonds of \$2,205,000 due on July 1, 2046, with mandatory sinking fund redemption payments ranging from \$410,000 to \$475,000, with interest ranging from 1.10% to 3.75%.

Bonds maturing on or after July 1, 2026, are able to be redeemed, in part or in whole, on or after July 1, 2025.

Student Fees and Facilities Revenue Bonds Series 2016

In November 2015, the Board authorized the issuance of \$11,270,000 of Student Fees and Facilities Revenue Bonds Series 2016. The purpose of the issuance was to finance improvements to Wayne State's Bowen Hall.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 8: Revenue and Refunding Bonds Outstanding - Continued

Student Fees and Facilities Revenue Bonds Series 2016 - Continued

Bonds outstanding as of June 30, 2016, totaled \$11,270,000. Annual principal installments are due on July 1 in variable amounts ranging from \$225,000 to \$355,000 through July 1, 2031, term bonds of \$1,965,000 due on July 1, 2036, with mandatory sinking fund redemption payments ranging from \$370,000 to \$420,000, term bonds of \$2,305,000 due on July 1, 2041, with mandatory sinking fund redemption payments ranging from \$430,000 to \$495,000 and term bonds of \$2,735,000 due on July 1, 2046, with mandatory sinking fund redemption payments ranging from \$510,000 to \$585,000, with interest ranging from 2.00% to 5.00%.

Bonds maturing on or after July 1, 2026, are able to be redeemed, in part or in whole, on or after January 1, 2026.

Student Fees and Facilities Revenue Refunding Bonds Series 2016B

In January 2016, the Board authorized the issuance of \$3,810,000 of Student Fees and Facilities Revenue and Refunding Bonds Series 2016B. The purpose of the issuance was to redeem in full the outstanding principal amount of the Student Fees and Facilities Revenue Bonds Series 2010.

On March 18, 2016, the net proceeds from Series 2016B bonds were used to redeem the Series 2010 bonds. This current refunding reduced total debt service payments over the remaining 14 years by \$611,743. Bond refunding resulted in an estimated economic gain of \$380,673. The reacquisition price equaled the net carrying amount of the old debt and therefore no amount was required to be deferred and amortized.

Bonds outstanding as of June 30, 2016, totaled \$3,810,000. Annual principal installments are due on July 1 in variable amounts ranging from \$70,000 to \$300,000 through July 1, 2030, with interest ranging from 0.65% to 2.80%.

Bonds maturing on or after July 1, 2021, are able to be redeemed, in part or in whole, on or after March 18, 2021.

Bond Maturities

Maturities of revenue and refunding bonds outstanding and related interest payments as of June 30, 2016, are as follows:

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 8: Revenue and Refunding Bonds Outstanding - Continued

Bond Maturities - Continued

<u>Chadron State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2017	\$ 630,000	\$ 262,786	\$ 892,786
2018	635,000	256,604	891,604
2019	640,000	247,888	887,888
2020	655,000	238,108	893,108
2021	655,000	227,578	882,578
2022 – 2026	3,520,000	895,914	4,415,914
2027 – 2031	3,195,000	425,655	3,620,655
2032 – 2034	1,455,000	66,375	1,521,375
	<u>\$ 11,385,000</u>	<u>\$ 2,620,908</u>	<u>\$ 14,005,908</u>

<u>Peru State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2017	\$ 320,000	\$ 466,552	\$ 786,552
2018	315,000	450,534	765,534
2019	535,000	443,264	978,264
2020	545,000	433,498	978,498
2021	550,000	422,216	972,216
2022 – 2026	2,990,000	1,885,465	4,875,465
2027 – 2031	2,810,000	1,388,888	4,198,888
2032 – 2036	1,760,000	947,953	2,707,953
2037 – 2041	1,775,000	651,991	2,426,991
2042 – 2046	2,125,000	293,709	2,418,709
2047	475,000	8,906	483,906
	<u>\$ 14,200,000</u>	<u>\$ 7,392,976</u>	<u>\$ 21,592,976</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 8: Revenue and Refunding Bonds Outstanding - Continued

Bond Maturities - Continued

<u>Wayne State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2017	\$ 450,000	\$ 519,151	\$ 969,151
2018	845,000	548,215	1,393,215
2019	860,000	535,968	1,395,968
2020	880,000	521,024	1,401,024
2021	890,000	504,476	1,394,476
2022 – 2026	4,760,000	2,185,591	6,945,591
2027 – 2031	3,960,000	1,480,499	5,440,499
2032 – 2036	1,900,000	1,093,675	2,993,675
2037 – 2041	2,230,000	754,775	2,984,775
2042 – 2046	2,645,000	339,628	2,984,628
2047	585,000	10,238	595,238
	<u>\$ 20,005,000</u>	<u>\$ 8,493,240</u>	<u>\$ 28,498,240</u>

<u>Nebraska State Colleges (Total)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2017	\$ 1,400,000	\$ 1,248,489	\$ 2,648,489
2018	1,795,000	1,255,353	3,050,353
2019	2,035,000	1,227,120	3,262,120
2020	2,080,000	1,192,630	3,272,630
2021	2,095,000	1,154,270	3,249,270
2022 – 2026	11,270,000	4,966,970	16,236,970
2027 – 2031	9,965,000	3,295,042	13,260,042
2032 – 2036	5,115,000	2,108,003	7,223,003
2037 – 2041	4,005,000	1,406,766	5,411,766
2042 – 2046	4,770,000	633,337	5,403,337
2047	1,060,000	19,144	1,079,144
	<u>\$ 45,590,000</u>	<u>\$ 18,507,124</u>	<u>\$ 64,097,124</u>

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. Board policy is more restrictive than the bond resolution and requires Chadron State College and Wayne State College maintain a minimum

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 8: Revenue and Refunding Bonds Outstanding - Continued

Bond Covenants - Continued

125% debt service coverage and Peru State College maintain a 135% debt service coverage ratio. The debt service coverage for the year ended June 30, 2016 and 2015, was as follows:

	2016	2015
Chadron State College	206 %	875 %
Peru State College	320	332
Wayne State College	364	371

Note 9: Pension Plan

The Nebraska State Colleges have a defined contribution retirement plan currently in effect, which was established by the Board of Trustees and may be amended by the Board in accordance with Neb. Rev. Stat. § 85-320 (Reissue 2008). The plan covers all faculty, professional staff and support staff, and provides investment options and annuity contracts administered by the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). The plan provides retirement and death benefits to plan members and their beneficiaries. Benefit provisions are contained in the plan document and may be amended by action of the Board of Trustees. Contribution rates for both 2016 and 2015, expressed as a percentage of covered payroll, were 6% for plan members and 8% for the Nebraska State Colleges. Contributions actually made for the fiscal years ended June 30, 2016 and 2015, by plan members and the Nebraska State Colleges related to the Program were approximately \$134,400 and \$179,200; and \$136,700 and \$182,300, respectively. A total of 95 and 101 Program employees participated in the plan during fiscal years 2016 and 2015, respectively.

Membership in the plan was mandatory for all full-time faculty and staff who attained the age of thirty. Voluntary membership is permitted for all full-time faculty and staff upon reaching the second anniversary of their employment and the attainment of age twenty-five. The plan benefits are fully vested at the date of contribution.

The NSCS also sponsors a supplemental retirement annuity (SRA) plan, Roth individual retirement account (IRA), and 457 deferred compensation supplemental plan. Program plan members contributed approximately \$28,000 to the SRA, \$6,500 to the Roth IRA, and \$0 to the 457 plan in 2016 and contributed approximately \$20,600 to the SRA, \$7,000 to the Roth IRA, and \$0 to the 457 plan in 2015. The NSCS does not contribute to these supplemental plans.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
Years Ended June 30, 2016 and 2015

Note 10: Commitments and Contingencies

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, 2016, the unexpended balance of outstanding Board resolutions under construction commitments totaled:

Chadron State College	\$ 1,739,000
Peru State College	702,000
Wayne State College	1,905,000
	\$ 4,346,000

Included in the table above are Board-approved resolutions for capital improvements and extraordinary repairs, which were approved at the March 18, 2016, Board meeting for \$1,450,000, \$605,000 and \$1,250,000 for Chadron State College, Peru State College, and Wayne State College, respectively. These funds are restricted from use until July 1, 2016.

The Board has also authorized and approved construction commitments of approximately \$7,583,000 at Peru State College and \$9,336,000 at Wayne State College as of June 30, 2016, related to the Program.

Supplementary Information

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Net Position
June 30, 2016

	Chadron	Peru	Wayne	Total
Assets and Deferred Outflows of Resources				
Current Assets				
Restricted cash and cash equivalents	\$ 6,109,696	\$ 3,037,888	\$ 8,595,954	\$ 17,743,538
Accounts receivable, net	86,042	302,576	144,936	533,554
Interest receivable	4,768	1,912	28,653	35,333
Prepaid expenses and other charges	1,208	992	-	2,200
Deposit with vendor	42,971	-	-	42,971
Total current assets	<u>6,244,685</u>	<u>3,343,368</u>	<u>8,769,543</u>	<u>18,357,596</u>
Noncurrent Assets				
Restricted cash and cash equivalents	900,218	9,197,498	11,485,113	21,582,829
Investments held by trustee-restricted	-	-	605,121	605,121
Capital assets, net of accumulated depreciation	12,576,794	7,801,593	19,928,934	40,307,321
Total noncurrent assets	<u>13,477,012</u>	<u>16,999,091</u>	<u>32,019,168</u>	<u>62,495,271</u>
Total assets	<u>19,721,697</u>	<u>20,342,459</u>	<u>40,788,711</u>	<u>80,852,867</u>
Deferred Outflow of Resources				
Unamortized bond refunding amount, net	23,470	7,140	12,905	43,515
Total deferred outflow of resources	<u>23,470</u>	<u>7,140</u>	<u>12,905</u>	<u>43,515</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	434,902	166,756	1,091,138	1,692,796
Accrued compensated absences	9,884	2,098	11,317	23,299
Unearned revenue	4,126	-	316,118	320,244
Interest payable	132,471	239,971	242,460	614,902
Capital lease payable-current portion	-	32,712	-	32,712
Revenue bonds payable-current portion	630,000	320,000	450,000	1,400,000
Deposits held in custody for others	-	-	200	200
Other	4,100	-	-	4,100
Total current liabilities	<u>1,215,483</u>	<u>761,537</u>	<u>2,111,233</u>	<u>4,088,253</u>
Noncurrent Liabilities				
Accrued compensated absences	131,308	27,874	150,350	309,532
Unearned revenue	-	-	605,667	605,667
Capital lease payable, net of current portion	-	63,922	-	63,922
Revenue bonds payable, net of current portion	10,707,391	13,752,596	19,711,526	44,171,513
Total non-current liabilities	<u>10,838,699</u>	<u>13,844,392</u>	<u>20,467,543</u>	<u>45,150,634</u>
Total liabilities	<u>12,054,182</u>	<u>14,605,929</u>	<u>22,578,776</u>	<u>49,238,887</u>
Net Position				
Net investment in capital assets	2,163,091	2,837,001	11,114,099	16,114,191
Restricted				
Expendable				
Debt service	630,567	320,278	450,265	1,401,110
By enabling legislation	4,897,327	2,586,391	6,658,476	14,142,194
Total net position	<u>\$ 7,690,985</u>	<u>\$ 5,743,670</u>	<u>\$ 18,222,840</u>	<u>\$ 31,657,495</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Net Position
June 30, 2015

	Chadron	Peru	Wayne	Total
Assets and Deferred Outflows of Resources				
Current Assets				
Restricted cash and cash equivalents	\$ 5,951,969	\$ 3,130,225	\$ 8,553,730	\$ 17,635,924
Accounts receivable, net	102,862	194,855	168,874	466,591
Interest receivable	4,269	1,431	12,760	18,460
Prepaid expenses and other charges	1,193	1,780	-	2,973
Deposit with vendor	18,658	-	-	18,658
Total current assets	<u>6,078,951</u>	<u>3,328,291</u>	<u>8,735,364</u>	<u>18,142,606</u>
Noncurrent Assets				
Restricted cash and cash equivalents	900,217	498,773	836,180	2,235,170
Capital assets, net of accumulated depreciation	13,036,256	7,236,321	18,876,182	39,148,759
Total noncurrent assets	<u>13,936,473</u>	<u>7,735,094</u>	<u>19,712,362</u>	<u>41,383,929</u>
Total assets	<u>20,015,424</u>	<u>11,063,385</u>	<u>28,447,726</u>	<u>59,526,535</u>
Deferred Outflow of Resources				
Unamortized bond refunding amount, net	25,426	7,789	14,078	47,293
Total deferred outflow of resources	<u>25,426</u>	<u>7,789</u>	<u>14,078</u>	<u>47,293</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	58,277	306,975	716,221	1,081,473
Accrued compensated absences	9,732	1,644	10,449	21,825
Unearned revenue	-	-	317,162	317,162
Interest payable	134,000	90,522	121,589	346,111
Capital lease payable-current portion	-	32,283	-	32,283
Revenue bonds payable-current portion	620,000	305,000	590,000	1,515,000
Deposits held in custody for others	-	-	700	700
Other	4,100	-	-	4,100
Total current liabilities	<u>826,109</u>	<u>736,424</u>	<u>1,756,121</u>	<u>3,318,654</u>
Noncurrent Liabilities				
Accrued compensated absences	129,305	21,837	138,823	289,965
Unearned revenue	-	-	883,528	883,528
Capital lease payable, net of current portion	-	96,634	-	96,634
Revenue bonds payable, net of current position	11,335,410	5,251,853	8,820,650	25,407,913
Total non-current liabilities	<u>11,464,715</u>	<u>5,370,324</u>	<u>9,843,001</u>	<u>26,678,040</u>
Total liabilities	<u>12,290,824</u>	<u>6,106,748</u>	<u>11,599,122</u>	<u>29,996,694</u>
Net Position				
Net investment in capital assets	1,985,569	1,867,814	10,149,069	14,002,452
Restricted				
Expendable				
Debt service	621,058	305,032	590,028	1,516,118
By enabling legislation	5,143,399	2,791,580	6,123,585	14,058,564
Total net position	<u>\$ 7,750,026</u>	<u>\$ 4,964,426</u>	<u>\$ 16,862,682</u>	<u>\$ 29,577,134</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2016

	<u>Chadron</u>	<u>Peru</u>	<u>Wayne</u>	<u>Total</u>
Operating Revenues				
Rentals	\$ 2,820,182	\$ 1,656,496	\$ 3,559,772	\$ 8,036,450
Food service	2,885,559	1,596,276	4,680,086	9,161,921
Food service commission	-	-	73,296	73,296
Facilities fees	1,078,523	970,740	1,181,803	3,231,066
Application fee	30,220	15,300	34,450	79,970
Bookstore	38,422	40,906	160,000	239,328
Parking permits	-	9,463	80,149	89,612
Vending	47,205	4,489	42,849	94,543
Recreation center	-	-	10,245	10,245
Other	65,160	17,586	94,100	176,846
	<u>6,965,271</u>	<u>4,311,256</u>	<u>9,916,750</u>	<u>21,193,277</u>
Operating Expenses				
Compensation and benefits	1,816,613	578,384	2,279,278	4,674,275
Contractual services	94,219	266,732	223,050	584,001
Supplies and materials	210,235	196,525	510,774	917,534
Depreciation	459,462	315,496	855,358	1,630,316
Utilities	614,087	320,318	1,078,183	2,012,588
Repairs and maintenance	1,279,363	228,004	695,384	2,202,751
Communications	146,659	10,004	83,527	240,190
Food service	2,151,791	1,312,672	2,563,359	6,027,822
Other	48,565	16,317	17,529	82,411
	<u>6,820,994</u>	<u>3,244,452</u>	<u>8,306,442</u>	<u>18,371,888</u>
Operating Income	<u>144,277</u>	<u>1,066,804</u>	<u>1,610,308</u>	<u>2,821,389</u>
Nonoperating Revenue (Expenses)				
Investment income	65,561	24,765	200,935	291,261
Interest expense	(268,879)	(193,111)	(250,420)	(712,410)
Bond issuance costs	-	(119,214)	(199,662)	(318,876)
Other nonoperating expense	-	-	(1,003)	(1,003)
	<u>(203,318)</u>	<u>(287,560)</u>	<u>(250,150)</u>	<u>(741,028)</u>
Increase (Decrease) in Net Position	(59,041)	779,244	1,360,158	2,080,361
Net Position, Beginning of Year	<u>7,750,026</u>	<u>4,964,426</u>	<u>16,862,682</u>	<u>29,577,134</u>
Net Position, End of Year	<u>\$ 7,690,985</u>	<u>\$ 5,743,670</u>	<u>\$ 18,222,840</u>	<u>\$ 31,657,495</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2015

	<u>Chadron</u>	<u>Peru</u>	<u>Wayne</u>	<u>Total</u>
Operating Revenues				
Rentals	\$ 2,857,450	\$ 1,606,511	\$ 3,501,050	\$ 7,965,011
Food service	2,723,687	1,534,776	4,699,421	8,957,884
Food service commission	-	-	68,845	68,845
Facilities fees	1,096,816	876,762	1,205,425	3,179,003
Application fee	32,250	15,500	35,950	83,700
Bookstore	27,796	38,148	160,000	225,944
Parking permits	-	8,340	75,927	84,267
Vending	28,872	6,415	45,418	80,705
Recreation center	-	-	10,130	10,130
Other	50,216	26,026	40,886	117,128
	<u>6,817,087</u>	<u>4,112,478</u>	<u>9,843,052</u>	<u>20,772,617</u>
Operating Expenses				
Compensation and benefits	1,731,329	607,037	2,254,546	4,592,912
Contractual services	97,541	185,347	191,737	474,625
Supplies and materials	213,100	166,125	561,822	941,047
Depreciation	463,143	295,385	845,858	1,604,386
Utilities	547,708	299,198	915,853	1,762,759
Repairs and maintenance	388,142	174,567	1,263,221	1,825,930
Communications	136,915	8,993	106,222	252,130
Food service	2,036,694	1,179,703	2,617,517	5,833,914
Other	72,132	22,770	27,549	122,451
	<u>5,686,704</u>	<u>2,939,125</u>	<u>8,784,325</u>	<u>17,410,154</u>
Operating Income	<u>1,130,383</u>	<u>1,173,353</u>	<u>1,058,727</u>	<u>3,362,463</u>
Nonoperating Revenue (Expenses)				
Investment income	48,125	18,359	160,404	226,888
Interest expense	(255,961)	(182,550)	(245,756)	(684,267)
Other nonoperating expense	-	-	(3,980)	(3,980)
	<u>(207,836)</u>	<u>(164,191)</u>	<u>(89,332)</u>	<u>(461,359)</u>
Increase in Net Position	922,547	1,009,162	969,395	2,901,104
Net Position, Beginning of Year	<u>6,827,479</u>	<u>3,955,264</u>	<u>15,893,287</u>	<u>26,676,030</u>
Net Position, End of Year	<u>\$ 7,750,026</u>	<u>\$ 4,964,426</u>	<u>\$ 16,862,682</u>	<u>\$ 29,577,134</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Cash Flows
Year Ended June 30, 2016

	<u>Chadron</u>	<u>Peru</u>	<u>Wayne</u>	<u>Total</u>
Operating Activities				
Rentals	\$ 2,818,392	\$ 1,636,495	\$ 3,549,024	\$ 8,003,911
Food service	2,901,542	1,498,332	4,407,614	8,807,488
Food service commission	-	-	74,404	74,404
Facilities fees	1,079,471	962,475	1,191,211	3,233,157
Application fee	30,570	15,100	34,450	80,120
Bookstore	35,975	39,810	162,801	238,586
Perking permits	-	9,463	80,188	89,651
Vending	47,205	4,667	52,000	103,872
Recreation center	-	-	10,245	10,245
Payment to vendors	(4,131,936)	(2,271,970)	(5,371,297)	(11,775,203)
Payment to employees	(1,815,655)	(571,667)	(2,277,701)	(4,665,023)
Other	13,573	8,234	93,842	115,649
	<u>979,137</u>	<u>1,330,939</u>	<u>2,006,781</u>	<u>4,316,857</u>
Capital and Related Financing Activities				
Proceeds from bonds	-	8,817,564	15,266,232	24,083,796
Purchase of capital assets	-	(929,431)	(1,178,664)	(2,108,095)
Principal paid on bonds payable	(620,000)	(305,000)	(4,515,000)	(5,440,000)
Principal paid on capital lease	-	(32,283)	-	(32,283)
Interest paid on capital lease and bonds payable	(266,471)	(180,471)	(268,451)	(715,393)
Bond issuance costs	-	(119,214)	(199,662)	(318,876)
Other	-	-	-	-
	<u>(886,471)</u>	<u>7,251,165</u>	<u>9,104,455</u>	<u>15,469,149</u>
Investing Activities				
Purchase of investment	-	-	(605,000)	(605,000)
Investment income	65,062	24,284	184,921	274,267
	<u>65,062</u>	<u>24,284</u>	<u>(420,079)</u>	<u>(330,733)</u>
Increase in Cash and Cash Equivalents	157,728	8,606,388	10,691,157	19,455,273
Cash and Cash Equivalents, Beginning of Year	6,852,186	3,628,998	9,389,910	19,871,094
Cash and Cash Equivalents, End of Year	<u>\$ 7,009,914</u>	<u>\$ 12,235,386</u>	<u>\$ 20,081,067</u>	<u>\$ 39,326,367</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Restricted cash and cash equivalents - current	\$ 6,109,696	\$ 3,037,888	\$ 8,595,954	\$ 17,743,538
Restricted cash and cash equivalents - noncurrent	900,218	9,197,498	11,485,113	21,582,829
	<u>\$ 7,009,914</u>	<u>\$ 12,235,386</u>	<u>\$ 20,081,067</u>	<u>\$ 39,326,367</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Cash Flows - Continued
Year Ended June 30, 2016

**Reconciliation of Net Operating Income
to Net Cash Provided by Operating Activities**

	Chadron	Peru	Wayne	Total
Operating income	\$ 144,277	\$ 1,066,804	\$ 1,610,308	\$ 2,821,389
Depreciation expense	459,462	315,496	855,358	1,630,316
Changes in operating assets and liabilities				
Accounts receivable	(7,493)	(107,721)	22,935	(92,279)
Prepays	(15)	788	-	773
Unearned revenue	4,126	-	(278,905)	(274,779)
Accounts payable and accrued liabilities	376,625	49,080	(214,810)	210,895
Accrued compensated absences	2,155	6,492	12,395	21,042
Other assets and liabilities	-	-	(500)	(500)
Net Cash Provided by Operating Activities	\$ 979,137	\$ 1,330,939	\$ 2,006,781	\$ 4,316,857
Supplemental Cash Flows Information				
Accounts payable incurred for capital asset purchases	\$ -	\$ -	\$ 756,448	\$ 756,448

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Cash Flows
Year Ended June 30, 2015

	<u>Chadron</u>	<u>Peru</u>	<u>Wayne</u>	<u>Total</u>
Operating Activities				
Rentals	\$ 2,896,538	\$ 1,566,031	\$ 3,500,899	\$ 7,963,468
Food service	2,795,394	1,509,014	4,405,048	8,709,456
Food service commission	-	-	65,757	65,757
Facilities fees	1,095,706	869,922	1,197,253	3,162,881
Application fee	32,100	15,510	35,950	83,560
Bookstore	28,304	38,858	169,977	237,139
Perking permits	-	8,340	75,896	84,236
Vending	28,872	6,295	28,069	63,236
Recreation center	-	-	10,130	10,130
Payment to vendors	(3,540,387)	(2,006,814)	(5,556,485)	(11,103,686)
Payment to employees	(1,720,415)	(622,524)	(2,264,481)	(4,607,420)
Other	45,410	30,895	50,892	127,197
	<u>1,661,522</u>	<u>1,415,527</u>	<u>1,718,905</u>	<u>4,795,954</u>
Net cash provided by operating activities				
Capital and Related Financing Activities				
Purchase of capital assets	(2,214,721)	(253,930)	(822,496)	(3,291,147)
Principal paid on bonds payable	-	(305,000)	(580,000)	(885,000)
Principal paid on capital lease	-	(2,817)	-	(2,817)
Interest paid on bonds payable	(223,127)	(182,305)	(245,260)	(650,692)
Other	-	-	(2,000)	(2,000)
	<u>(2,437,848)</u>	<u>(744,052)</u>	<u>(1,649,756)</u>	<u>(4,831,656)</u>
Net cash used in capital and related financing activities				
Investing Activities				
Investment income	49,961	18,261	160,478	228,700
	<u>49,961</u>	<u>18,261</u>	<u>160,478</u>	<u>228,700</u>
Net cash provided by investing activities				
Increase (Decrease) in Cash and Cash Equivalents	(726,365)	689,736	229,627	192,998
Cash and Cash Equivalents, Beginning of Year	<u>7,578,551</u>	<u>2,939,262</u>	<u>9,160,283</u>	<u>19,678,096</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,852,186</u>	<u>\$ 3,628,998</u>	<u>\$ 9,389,910</u>	<u>\$ 19,871,094</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Restricted cash and cash equivalents - current	\$ 5,951,969	\$ 3,130,225	\$ 8,553,730	\$ 17,635,924
Restricted cash and cash equivalents - noncurrent	900,217	498,773	836,180	2,235,170
	<u>\$ 6,852,186</u>	<u>\$ 3,628,998</u>	<u>\$ 9,389,910</u>	<u>\$ 19,871,094</u>
Total cash and cash equivalents				

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Cash Flows - Continued
Year Ended June 30, 2015

**Reconciliation of Net Operating Income
to Net Cash Provided by Operating Activities**

	Chadron	Peru	Wayne	Total
Operating income	\$ 1,130,383	\$ 1,173,353	\$ 1,058,727	\$ 3,362,463
Depreciation expense	463,143	295,385	845,858	1,604,386
Changes in operating assets and liabilities				
Accounts receivable	139,658	(60,408)	13,826	93,076
Prepays	(11,916)	3,610	-	(8,306)
Unearned revenue	-	-	(315,730)	(315,730)
Accounts payable and accrued liabilities	(72,144)	19,732	109,290	56,878
Accrued compensated absences	9,135	(13,645)	6,934	2,424
Other assets and liabilities	3,263	(2,500)	-	763
Net Cash Provided by Operating Activities	\$ 1,661,522	\$ 1,415,527	\$ 1,718,905	\$ 4,795,954
Supplemental Cash Flows Information				
Accounts payable incurred for capital asset purchases	\$ 20,920	\$ 189,299	\$ 166,721	\$ 376,940

Nebraska State Colleges
 Student Fees and Facilities Revenue and Refunding Bond Program
 Schedules of Revenues, Expenses and Changes in Net Position by Fund Type
 Year Ended June 30, 2016

	Operation and Maintenance Funds				Funds Held by Trustee and State of Nebraska Operations				Plant				Overall Total
	Chadron State College	Peru State College	Wayne State College	Total	Investment Pool			Total	Chadron State College	Peru State College	Wayne State College	Total	
					Chadron State College	Peru State College	Wayne State College						
Operating Revenues													
Rentals	\$ 2,820,182	\$ 1,656,496	\$ 3,559,772	\$ 8,036,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8,036,450
Food service	2,885,559	1,596,276	4,680,086	9,161,921	-	-	-	-	-	-	-	-	9,161,921
Food service commission	-	-	73,296	73,296	-	-	-	-	-	-	-	-	73,296
Facilities fees	1,078,523	970,740	1,181,803	3,231,066	-	-	-	-	-	-	-	-	3,231,066
Application fee	30,220	15,300	34,450	79,970	-	-	-	-	-	-	-	-	79,970
Bookstore	38,422	40,906	160,000	239,328	-	-	-	-	-	-	-	-	239,328
Parking permits	-	9,463	80,149	89,612	-	-	-	-	-	-	-	-	89,612
Vending	47,205	4,489	42,849	94,543	-	-	-	-	-	-	-	-	94,543
Recreation center	-	-	10,245	10,245	-	-	-	-	-	-	-	-	10,245
Other	65,160	17,586	94,100	176,846	-	-	-	-	-	-	-	-	176,846
Total operating revenues	6,965,271	4,311,256	9,916,750	21,193,277	-	-	-	-	-	-	-	-	21,193,277
Operating Expenses													
Compensation and benefits	1,816,613	578,384	2,279,278	4,674,275	-	-	-	-	-	-	-	-	4,674,275
Contractual services	94,219	266,732	223,050	584,001	-	-	-	-	-	-	-	-	584,001
Supplies and materials	210,235	196,525	510,774	917,534	-	-	-	-	-	-	-	-	917,534
Depreciation	-	-	-	-	-	-	-	-	459,462	315,496	855,358	1,630,316	1,630,316
Utilities	614,087	320,318	1,078,183	2,012,588	-	-	-	-	-	-	-	-	2,012,588
Repairs and maintenance	123,350	87,411	236,988	447,749	1,156,013	140,593	458,396	1,755,002	-	-	-	-	2,202,751
Communications	146,659	10,004	83,527	240,190	-	-	-	-	-	-	-	-	240,190
Food service	-	-	-	-	2,151,791	1,312,672	2,563,359	6,027,822	-	-	-	-	6,027,822
Other	48,565	16,317	17,529	82,411	-	-	-	-	-	-	-	-	82,411
Total operating expenses	3,053,728	1,475,691	4,429,329	8,958,748	3,307,804	1,453,265	3,021,755	7,782,824	459,462	315,496	855,358	1,630,316	18,371,888
Operating Income (Loss)	3,911,543	2,835,565	5,487,421	12,234,529	(3,307,804)	(1,453,265)	(3,021,755)	(7,782,824)	(459,462)	(315,496)	(855,358)	(1,630,316)	2,821,389
Nonoperating Revenue (Expenses)													
Investment income	9,780	10,922	27,291	47,993	55,781	13,843	173,644	243,268	-	-	-	-	291,261
Interest expense	-	-	-	-	(268,879)	(193,111)	(250,420)	(712,410)	-	-	-	-	(712,410)
Bond issuance costs	-	-	(1,377)	(1,377)	-	(119,214)	(198,285)	(317,499)	-	-	-	-	(318,876)
Other nonoperating expense	-	-	(1,003)	(1,003)	-	-	-	-	-	-	-	-	(1,003)
Net nonoperating revenues (expenses)	9,780	10,922	24,911	45,613	(213,098)	(298,482)	(275,061)	(786,641)	-	-	-	-	(741,028)
Income (Loss) Before Other Revenues, Expenses, Gains or (Losses)	3,921,323	2,846,487	5,512,332	12,280,142	(3,520,902)	(1,751,747)	(3,296,816)	(8,569,465)	(459,462)	(315,496)	(855,358)	(1,630,316)	2,080,361
Other Revenues, Expenses, Gains or (Losses)													
Transfers in (out), net	(3,968,789)	(2,649,451)	(5,314,756)	(11,932,996)	3,968,789	1,768,683	3,406,646	9,144,118	-	880,768	1,908,110	2,788,878	-
Net other revenues, expenses, gains or (losses)	(3,968,789)	(2,649,451)	(5,314,756)	(11,932,996)	3,968,789	1,768,683	3,406,646	9,144,118	-	880,768	1,908,110	2,788,878	-
Increase (Decrease) in Net Position	(47,466)	197,036	197,576	347,146	447,887	16,936	109,830	574,653	(459,462)	565,272	1,052,752	1,158,562	2,080,361
Net Position, Beginning of Year	30,276	338,849	(745,343)	(376,218)	(5,316,506)	(2,610,744)	(1,268,157)	(9,195,407)	13,036,256	7,236,321	18,876,182	39,148,759	29,577,134
Net Position, End of Year	\$ (17,190)	\$ 535,885	\$ (547,767)	\$ (29,072)	\$ (4,868,619)	\$ (2,593,808)	\$ (1,158,327)	\$ (8,620,754)	\$ 12,576,794	\$ 7,801,593	\$ 19,928,934	\$ 40,307,321	\$ 31,657,495

Nebraska State Colleges
 Student Fees and Facilities Revenue and Refunding Bond Program
 Schedules of Revenues, Expenses and Changes in Net Position by Fund Type
 Year Ended June 30, 2015

	Operation and Maintenance Funds				Funds Held by Trustee and State of Nebraska Operations				Plant				Overall Total
	Chadron State College	Peru State College	Wayne State College	Total	Investment Pool				Chadron State College	Peru State College	Wayne State College	Total	
					Chadron State College	Peru State College	Wayne State College	Total					
Operating Revenues													
Rentals	\$ 2,857,450	\$ 1,606,511	\$ 3,501,050	\$ 7,965,011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	7,965,011
Food service	2,723,687	1,534,776	4,699,421	8,957,884	-	-	-	-	-	-	-	-	8,957,884
Food service commission	-	-	68,845	68,845	-	-	-	-	-	-	-	-	68,845
Facilities fees	1,096,816	876,762	1,205,425	3,179,003	-	-	-	-	-	-	-	-	3,179,003
Application fee	32,250	15,500	35,950	83,700	-	-	-	-	-	-	-	-	83,700
Bookstore	27,796	38,148	160,000	225,944	-	-	-	-	-	-	-	-	225,944
Parking permits	-	8,340	75,927	84,267	-	-	-	-	-	-	-	-	84,267
Vending	28,872	6,415	45,418	80,705	-	-	-	-	-	-	-	-	80,705
Recreation center	-	-	10,130	10,130	-	-	-	-	-	-	-	-	10,130
Other	50,216	26,026	40,886	117,128	-	-	-	-	-	-	-	-	117,128
Total operating revenues	6,817,087	4,112,478	9,843,052	20,772,617	-	-	-	-	-	-	-	-	20,772,617
Operating Expenses													
Compensation and benefits	1,731,329	607,037	2,254,546	4,592,912	-	-	-	-	-	-	-	-	4,592,912
Contractual services	97,541	185,347	191,737	474,625	-	-	-	-	-	-	-	-	474,625
Supplies and materials	213,100	166,125	561,822	941,047	-	-	-	-	-	-	-	-	941,047
Depreciation	-	-	-	-	-	-	-	-	463,143	295,385	845,858	1,604,386	1,604,386
Utilities	547,708	299,198	915,853	1,762,759	-	-	-	-	-	-	-	-	1,762,759
Repairs and maintenance	77,666	43,345	267,753	388,764	310,476	131,222	995,468	1,437,166	-	-	-	-	1,825,930
Communications	136,915	8,993	106,222	252,130	-	-	-	-	-	-	-	-	252,130
Food service	-	-	-	-	2,036,694	1,179,703	2,617,517	5,833,914	-	-	-	-	5,833,914
Other	72,132	22,770	27,549	122,451	-	-	-	-	-	-	-	-	122,451
Total operating expenses	2,876,391	1,332,815	4,325,482	8,534,688	2,347,170	1,310,925	3,612,985	7,271,080	463,143	295,385	845,858	1,604,386	17,410,154
Operating Income (Loss)	3,940,696	2,779,663	5,517,570	12,237,929	(2,347,170)	(1,310,925)	(3,612,985)	(7,271,080)	(463,143)	(295,385)	(845,858)	(1,604,386)	3,362,463
Nonoperating Revenue (Expenses)													
Investment income	7,243	7,400	21,382	36,025	40,882	10,959	139,022	190,863	-	-	-	-	226,888
Interest expense	-	-	-	-	(255,961)	(182,550)	(245,756)	(684,267)	-	-	-	-	(684,267)
Other nonoperating expense	-	-	(3,980)	(3,980)	-	-	-	-	-	-	-	-	(3,980)
Net nonoperating revenues (expenses)	7,243	7,400	17,402	32,045	(215,079)	(171,591)	(106,734)	(493,404)	-	-	-	-	(461,359)
Income (Loss) Before Other Revenues, Expenses, Gains or (Losses)	3,947,939	2,787,063	5,534,972	12,269,974	(2,562,249)	(1,482,516)	(3,719,719)	(7,764,484)	(463,143)	(295,385)	(845,858)	(1,604,386)	2,901,104
Other Revenues, Expenses, Gains or (Losses)													
Transfers in (out), net	(4,080,133)	(2,728,494)	(5,582,932)	(12,391,559)	2,578,698	2,153,387	4,592,674	9,324,759	1,501,435	575,107	990,258	3,066,800	-
Net other revenues, expenses, gains or (losses)	(4,080,133)	(2,728,494)	(5,582,932)	(12,391,559)	2,578,698	2,153,387	4,592,674	9,324,759	1,501,435	575,107	990,258	3,066,800	-
Increase (Decrease) in Net Position	(132,194)	58,569	(47,960)	(121,585)	16,449	670,871	872,955	1,560,275	1,038,292	279,722	144,400	1,462,414	2,901,104
Net Position, Beginning of Year	162,470	280,280	(697,383)	(254,633)	(5,332,955)	(3,281,615)	(2,141,112)	(10,755,682)	11,997,964	6,956,599	18,731,782	37,686,345	26,676,030
Net Position, End of Year	\$ 30,276	\$ 338,849	\$ (745,343)	\$ (376,218)	\$ (5,316,506)	\$ (2,610,744)	\$ (1,268,157)	\$ (9,195,407)	\$ 13,036,256	\$ 7,236,321	\$ 18,876,182	\$ 39,148,759	\$ 29,577,134

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Cash Receipts and Disbursements, Trustee's Account
Year Ended June 30, 2016
(With Comparative Totals for June 30, 2015)

Chadron State College

	2016					Total	
	Revenue Fund	Surplus Fund	Bond Fund	Reserve Fund 2013	Reserve Fund 2014	2016	2015
Receipts							
Board of trustees deposits	\$ 6,718,930	\$ -	\$ -	\$ -	\$ -	\$ 6,718,930	\$ 6,607,994
Income from investments	143	54,678	25	514	27	55,387	42,835
Receipts before transfer of funds	6,719,073	54,678	25	514	27	6,774,317	6,650,829
Transfer of funds, net	(1,843,886)	950,000	894,427	(514)	(27)	-	-
Total receipts	4,875,187	1,004,678	894,452	-	-	6,774,317	6,650,829
Disbursements							
Remitted to operation and maintenance fund	2,765,000	-	-	-	-	2,765,000	2,665,000
Payments on food service contract	2,176,104	-	-	-	-	2,176,104	2,048,572
Remitted to paying agent:							
Bond principal	-	-	620,000	-	-	620,000	-
Bond interest	-	-	266,471	-	-	266,471	223,128
Payments to contractors and others	-	797,069	-	-	-	797,069	2,594,913
Total disbursements	4,941,104	797,069	886,471	-	-	6,624,644	7,531,613
Excess (deficiency) of receipts over disbursements	(65,917)	207,609	7,981	-	-	149,673	(880,784)
Balance at Beginning of Year	930,448	4,031,580	755,057	518,310	381,908	6,617,303	7,498,087
Balance at End of Year	\$ 864,531	\$ 4,239,189	\$ 763,038	\$ 518,310	\$ 381,908	\$ 6,766,976	\$ 6,617,303
Balance at End of Year Consisted of							
Cash	\$ -	\$ -	\$ -	\$ 518,310	\$ -	\$ 518,310	\$ 518,310
Savings and money market accounts	864,531	1,787,120	763,038	-	381,908	3,796,597	3,701,523
State of Nebraska Operating Investment Pool	-	2,452,069	-	-	-	2,452,069	2,397,470
	\$ 864,531	\$ 4,239,189	\$ 763,038	\$ 518,310	\$ 381,908	\$ 6,766,976	\$ 6,617,303

Nebraska State Colleges
 Student Fees and Facilities Revenue and Refunding Bond Program
 Cash Receipts and Disbursements, Trustee's Account
 Year Ended June 30, 2016
 (With Comparative Totals for June 30, 2015)

		Peru State College								
		2016								
	Revenue Fund	Surplus Fund	Bond Fund	Project Fund 2015	Reserve Fund 2011	Reserve Fund 2012B	Reserve Fund 2015	2016	Total	2015
Receipts										
Bond issuance	\$ -	\$ -	\$ -	\$ 8,249,061	\$ -	\$ -	\$ 494,790	\$ 8,743,851	\$ -	\$ -
Board of trustees deposits	4,149,451	-	-	-	-	-	-	4,149,451	3,966,650	-
Income from investments	59	12,944	15	375	19	221	23	13,656	10,991	-
Receipts before transfer of funds	4,149,510	12,944	15	8,249,436	19	221	494,813	12,906,958	3,977,641	-
Transfer of funds, net	(648,400)	-	648,663	-	(19)	(221)	(23)	-	-	-
Total receipts	3,501,110	12,944	648,678	8,249,436	-	-	494,790	12,906,958	3,977,641	-
Disbursements										
Remitted to operation and maintenance fund	1,500,000	-	-	-	-	-	-	1,500,000	1,185,980	-
Payments on food service contract	1,387,928	-	-	-	-	-	-	1,387,928	1,197,722	-
Remitted to paying agent:										
Bond principal	-	-	305,000	-	-	-	-	305,000	305,000	-
Bond interest	-	-	178,960	-	-	-	-	178,960	182,305	-
Other	-	-	-	45,500	-	-	-	45,500	-	-
Payments to contractors and others	-	1,072,742	-	-	-	-	-	1,072,742	394,702	-
Total disbursements	2,887,928	1,072,742	483,960	45,500	-	-	-	4,490,130	3,265,709	-
Excess (deficiency) of receipts over disbursements	613,182	(1,059,798)	164,718	8,203,936	-	-	494,790	8,416,828	711,932	-
Balance at Beginning of Year	297,540	2,183,492	395,460	-	276,120	222,653	-	3,375,265	2,663,333	-
Balance at End of Year	\$ 910,722	\$ 1,123,694	\$ 560,178	\$ 8,203,936	\$ 276,120	\$ 222,653	\$ 494,790	\$ 11,792,093	\$ 3,375,265	-
Balance at End of Year Consisted of										
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222,653	\$ -	\$ 222,653	\$ 222,653	\$ -
Savings and money market accounts	910,722	545,553	560,178	8,203,936	276,120	-	494,790	10,991,299	2,587,345	-
State of Nebraska Operating Investment Pool	-	578,141	-	-	-	-	-	578,141	565,267	-
	\$ 910,722	\$ 1,123,694	\$ 560,178	\$ 8,203,936	\$ 276,120	\$ 222,653	\$ 494,790	\$ 11,792,093	\$ 3,375,265	-

Nebraska State Colleges
 Student Fees and Facilities Revenue and Refunding Bond Program
 Cash Receipts and Disbursements, Trustee's Account
 Year Ended June 30, 2016
 (With Comparative Totals for June 30, 2015)

Wayne State College

	2016							Total		
	Revenue Fund	Surplus Fund	Bond Fund	Project Fund 2016	Reserve Fund 2010	Reserve Fund 2012A	Reserve Fund 2016	Reserve Fund 2016B	2016	2015
Receipts										
Bond issuance	\$ -	\$ -	\$ 3,441,469	\$ 10,755,371	\$ -	\$ -	\$ 607,884	\$ 334,622	\$ 15,139,346	\$ -
Board of trustees deposits	9,622,423	-	-	-	-	-	-	-	9,622,423	9,532,475
Income from investments	63	158,404	413	387	-	-	129	6	159,402	139,096
Receipts before transfer of funds	9,622,486	158,404	3,441,882	10,755,758	-	-	608,013	334,628	24,921,171	9,671,571
Transfer of funds, net	(2,626,277)	1,650,000	1,322,677	-	(346,400)	-	-	-	-	-
Total receipts	6,996,209	1,808,404	4,764,559	10,755,758	(346,400)	-	608,013	334,628	24,921,171	9,671,571
Disbursements										
Remitted to operation and maintenance fund	4,425,000	-	-	-	-	-	-	-	4,425,000	4,400,000
Payments on food service contract	2,563,359	-	-	-	-	-	-	-	2,563,359	2,617,517
Remitted to paying agent:										
Bond principal	-	-	4,515,000	-	-	-	-	-	4,515,000	580,000
Bond interest	-	-	268,451	-	-	-	-	-	268,451	245,260
Other	-	-	-	53,025	-	-	202	18,373	71,600	-
Payments to contractors and others	-	1,902,346	-	26,345	-	-	-	-	1,928,691	1,242,831
Total disbursements	6,988,359	1,902,346	4,783,451	79,370	-	-	202	18,373	13,772,101	9,085,608
Excess (deficiency) of receipts over disbursements	7,850	(93,942)	(18,892)	10,676,388	(346,400)	-	607,811	316,255	11,149,070	585,963
Balance at Beginning of Year	110,047	7,181,025	711,617	-	346,400	489,780	-	-	8,838,869	8,252,906
Balance at End of Year	\$ 117,897	\$ 7,087,083	\$ 692,725	\$ 10,676,388	\$ -	\$ 489,780	\$ 607,811	\$ 316,255	\$ 19,987,939	\$ 8,838,869
Balance at End of Year Consisted of										
Cash	\$ -	\$ -	\$ 692,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 692,725	\$ 711,617
Savings and money market accounts	117,897	599,224	-	176,388	-	-	2,690	316,255	1,212,454	561,599
State of Nebraska Operating Investment Pool	-	6,487,859	-	10,500,000	-	489,780	-	-	17,477,639	7,565,653
Investment	-	-	-	-	-	-	605,121	-	605,121	-
	\$ 117,897	\$ 7,087,083	\$ 692,725	\$ 10,676,388	\$ -	\$ 489,780	\$ 607,811	\$ 316,255	\$ 19,987,939	\$ 8,838,869

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Rentals
Years Ended June 30, 2016 and 2015

Chadron State College	2016	2015
Facility		
High Rise Dormitory	\$ 1,022,681	\$ 1,004,104
Andrews Hall	691,815	604,407
Kent Hall	624,333	694,166
Edna Work Hall	239,732	230,422
Edna Work Wing	223,290	212,428
Brooks Hall	188,651	167,387
Eagle Ridge	222,500	169,531
Family housing	109,975	147,176
Guest housing	75,344	72,941
Less room waivers	<u>(578,139)</u>	<u>(445,112)</u>
Total rentals	<u>\$ 2,820,182</u>	<u>\$ 2,857,450</u>
Peru State College	2016	2015
Facility		
Centennial Complex	\$ 795,533	\$ 811,027
Eliza Morgan Hall	464,436	450,546
Delzell Hall	422,688	374,857
Guest and temporary housing	50,576	33,316
Faculty housing	42,351	49,775
Oak Hill	82,637	91,587
Less room waivers	<u>(201,725)</u>	<u>(204,597)</u>
Total rentals	<u>\$ 1,656,496</u>	<u>\$ 1,606,511</u>
Wayne State College	2016	2015
Facility		
Bowen Hall	\$ 995,906	\$ 1,036,402
Berry Hall	792,976	840,503
Morey Hall	554,215	525,024
Neihardt Hall	491,259	445,195
Anderson Hall	455,575	399,659
Pile Hall	445,902	425,032
Terrace Hall	403,735	370,278
Guest housing	66,772	57,495
Less room waivers	<u>(646,568)</u>	<u>(598,538)</u>
Total rentals	<u>\$ 3,559,772</u>	<u>\$ 3,501,050</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Operation and Maintenance Fund Expenditures
Years Ended June 30, 2016 and 2015

Chadron State College	2016	2015
Salaries, payroll taxes and benefits	\$ 1,816,613	\$ 1,731,329
Utilities	614,087	547,708
Communication services	146,659	136,915
Supplies	210,235	213,100
Repairs and maintenance	123,350	77,666
Professional and contractual services	94,219	97,541
Other	48,565	72,132
	<u>3,053,728</u>	<u>2,876,391</u>
Total operation and maintenance fund expenditures	<u>\$ 3,053,728</u>	<u>\$ 2,876,391</u>
Peru State College	2016	2015
Salaries, payroll taxes and benefits	\$ 578,384	\$ 607,037
Utilities	320,318	299,198
Communications	10,004	8,993
Supplies	196,525	166,125
Repairs and maintenance	87,411	43,345
Professional and contractual services	266,732	185,347
Other	16,317	22,770
	<u>1,475,691</u>	<u>1,332,815</u>
Total operation and maintenance fund expenditures	<u>\$ 1,475,691</u>	<u>\$ 1,332,815</u>
Wayne State College	2016	2015
Salaries, payroll taxes and benefits	\$ 2,279,278	\$ 2,254,546
Utilities	1,078,183	915,853
Communication services	83,527	106,222
Supplies	510,774	561,822
Repairs and maintenance	236,988	267,753
Professional and contractual services	223,050	191,737
Other	17,529	27,549
	<u>4,429,329</u>	<u>4,325,482</u>
Total operation and maintenance fund expenditures	<u>\$ 4,429,329</u>	<u>\$ 4,325,482</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Insurance in Force
(Unaudited)
Year Ended June 30, 2016

Chadron State College

Type	Coverage Amount
Business interruption value	\$ 6,700,000
Blanket contents	4,348,846
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	55,141,734
Student union and other buildings, 90% coinsurance	13,707,811

Peru State College

Type	Coverage Amount
Business interruption value	\$ 4,939,041
Blanket contents	2,159,090
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	18,895,351
Student union and other buildings, 90% coinsurance	5,669,705

Wayne State College

Type	Coverage Amount
Business interruption value	\$ 16,104,158
Blanket contents	6,197,044
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	48,889,217
Student union and other buildings, 90% coinsurance	23,980,039

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Debt Service Coverage
Years Ended June 30, 2016 and 2015

<u>Chadron State College</u>	<u>2016</u>	<u>2015</u>
Receipts		
Rentals	\$ 2,820,182	\$ 2,857,450
Facilities fees	1,078,523	1,096,816
Food service	2,885,559	2,723,687
Other	<u>181,007</u>	<u>139,134</u>
Total receipts	6,965,271	6,817,087
Interest earned	<u>65,561</u>	<u>48,125</u>
Total additions	<u>7,030,832</u>	<u>6,865,212</u>
Deductions		
Operation and maintenance expenditures (note)	3,053,728	2,876,391
Food service contract payments	<u>2,151,791</u>	<u>2,036,694</u>
Total deductions	<u>5,205,519</u>	<u>4,913,085</u>
Available for debt service, reserves, etc.	<u>\$ 1,825,313</u>	<u>\$ 1,952,127</u>
Debt service, principal and interest requirement (note)	886,471	223,127
Debt service coverage	206%	875%

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 \$1,156,013 and \$310,476 during the years ended June 30, 2016 and 2015, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2016 and 2015.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Debt Service Coverage
Year Ended June 30, 2016 and 2015

Peru State College	2016	2015
Receipts		
Rentals	\$ 1,656,496	\$ 1,606,511
Facilities fees	970,740	876,762
Food service	1,596,276	1,534,776
Other	87,744	94,429
Total receipts	4,311,256	4,112,478
Interest earned	24,765	18,359
Total additions	4,336,021	4,130,837
Deductions		
Operation and maintenance expenditures (note)	1,475,691	1,332,815
Food service contract payments	1,312,672	1,179,703
Total deductions	2,788,363	2,512,518
Available for debt service, reserves, etc.	\$ 1,547,658	\$ 1,618,319
Debt service, principal and interest requirement (note)	483,960	487,305
Debt service coverage	320%	332%

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 \$140,593 and \$131,222 during the years ended June 30, 2016 and 2015, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2016 and 2015.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Debt Service Coverage
Years Ended June 30, 2016 and 2015

<u>Wayne State College</u>	<u>2016</u>	<u>2015</u>
Receipts		
Rentals	\$ 3,559,772	\$ 3,501,050
Facilities fees	1,181,803	1,205,425
Food service	4,753,382	4,768,266
Other	421,793	368,311
Total receipts	<u>9,916,750</u>	<u>9,843,052</u>
Interest earned	<u>200,935</u>	<u>160,404</u>
Total additions	<u>10,117,685</u>	<u>10,003,456</u>
Deductions		
Operation and maintenance expenditures (note)	4,429,329	4,325,482
Food service contract payments	2,563,359	2,617,517
Total deductions	<u>6,992,688</u>	<u>6,942,999</u>
Available for debt service, reserves, etc.	<u>\$ 3,124,997</u>	<u>\$ 3,060,457</u>
Debt service, principal and interest requirement (note)	858,451	825,260
Debt service coverage	364%	371%

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 \$458,396 and \$995,468 during the year ended June 30, 2016 and 2015, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2016 and 2015.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Bonds Outstanding
Year Ended June 30, 2016

Chadron State College	Principal Amount, Series 2013 and Series 2014
Maturing July 1:	
2016	\$ 630,000
2017	635,000
2018	640,000
2019	655,000
2020	655,000
2021	675,000
2022	690,000
2023	700,000
2024	715,000
2025	740,000
2026	760,000
2027	780,000
2028	750,000
2029	445,000
2030	460,000
2031	470,000
2032	485,000
2033	500,000
Total	\$ 11,385,000

Note: The schedule above has been prepared using the mandatory sinking fund redemption requirements for term bonds rather than the actual maturity date.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Bonds Outstanding
Year Ended June 30, 2016

Peru State College	Principal Amount, Series 2011, Series 2012B and Series 2015
Maturing July 1:	
2016	\$ 320,000
2017	315,000
2018	535,000
2019	545,000
2020	550,000
2021	565,000
2022	585,000
2023	595,000
2024	615,000
2025	630,000
2026	655,000
2027	655,000
2028	480,000
2029	500,000
2030	520,000
2031	540,000
2032	290,000
2033	300,000
2034	310,000
2035	320,000
2036	330,000
2037	340,000
2038	355,000
2039	370,000
2040	380,000
2041	395,000
2042	410,000
2043	425,000
2044	440,000
2045	455,000
2046	475,000
Total	\$ 14,200,000

Note: The schedule above has been prepared using the mandatory sinking fund redemption requirements for term bonds rather than the actual maturity date.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Bonds Outstanding
Year Ended June 30, 2016

Wayne State College	Principal Amount, Series 2012A, Series 2016 and Series 2016B
Maturing July 1:	
2016	\$ 450,000
2017	845,000
2018	860,000
2019	880,000
2020	890,000
2021	905,000
2022	920,000
2023	950,000
2024	980,000
2025	1,005,000
2026	1,045,000
2027	1,040,000
2028	620,000
2029	640,000
2030	615,000
2031	355,000
2032	370,000
2033	380,000
2034	390,000
2035	405,000
2036	420,000
2037	430,000
2038	445,000
2039	460,000
2040	475,000
2041	495,000
2042	510,000
2043	530,000
2044	545,000
2045	565,000
2046	585,000
Total	\$ 20,005,000

Note: The schedule above has been prepared using the mandatory sinking fund redemption requirements for term bonds rather than the actual maturity date.

**Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Occupancy
(Unaudited)
Year Ended June 30, 2016**

	Chadron State College											
	Summer session 2015			First term			Second term			Summer session 2016		
	Capacity	Number	Percentage	Capacity	Number	Percentage	Capacity	Number	Percentage	Capacity	Number	Percentage
High Rise Dormitory	422	2	1 %	422	297	70 %	422	261	62 %	422	2	1 %
Edna Work/Wing Hall	186	9	5	186	128	69	186	110	59	186	7	4
Kent Hall	275	2	1	275	205	75	275	149	54	275	-	-
Andrews Hall	284	2	1	284	195	69	284	183	64	284	2	1
Brooks Hall	84	1	1	84	59	70	84	42	50	84	1	1
Eagle Ridge	69	3	4	69	57	83	69	40	58	69	2	3
Family housing*	28	11	39	28	19	68	28	28	100	16	10	63
	<u>1,348</u>	<u>30</u>		<u>1,348</u>	<u>960</u>		<u>1,348</u>	<u>813</u>		<u>1,336</u>	<u>24</u>	

* One West Court unit was taken offline in Fall 2014. In the Summer of 2015 Chadron State College demolished several of the West Court units. Several additional units were demolished in the Summer of 2016.

	Peru State College								
	First term			Second term			Summer session 2016		
	Capacity	Number	Percentage	Capacity	Number	Percentage	Capacity	Number	Percentage
Centennial Complex	296	215	73 %	296	176	59 %	296	9	3 %
Eliza Morgan Hall	148	114	77	148	114	77	148	-	-
Delzell Hall	146	125	86	146	114	78	146	-	-
Faculty housing	8	8	100	8	6	75	8	7	88
Oak Hill**	11	11	100	11	11	100	11	-	-
	<u>609</u>	<u>473</u>		<u>609</u>	<u>421</u>		<u>609</u>	<u>16</u>	

** Oak Hill is apartment housing which has been converted to student housing. Students are paying the regular housing rates on a per bed basis. The 11 apartment units can house up to 40 students. Occupancy for first and second term were 24 and 21 beds, respectively.

	Wayne State College										
	Summer - July 2015			First term		Second term		Summer - May 2016		Summer - June 2016	
	Capacity	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Anderson Hall	159	-	-	138	97 %	130	82 %	-	-	-	-
Berry Hall	306	-	-	246	80	222	73	-	-	-	-
Bowen Hall	435	-	-	316	73	261	60	-	-	-	-
Morey Hall	231	-	-	180	78	139	60	-	-	-	-
Neihardt Hall	161	-	-	135	84	125	78	-	-	-	-
Pile Hall	139	8	6	133	96	109	79	-	-	-	-
Terrace Hall	140	-	-	121	85	101	72	13	9	7	5
	<u>1,571</u>	<u>8</u>		<u>1,269</u>		<u>1,087</u>		<u>13</u>		<u>7</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.