

ITEMS FOR DISCUSSION AND ACTION/FISCAL, FACILITIES AND AUDIT

November 14, 2019

ACTION: **Accept Revenue Bond Audit Report for Fiscal Year Ending June 30, 2019**

BKD has completed the audit report for the revenue bond programs at the Colleges for years ending June 30, 2019 and June 30, 2018. The 2002 Master Resolution calls for an annual audit of the records of the revenue bond program to show revenues, fees, and earnings credited to the program, the financial condition at the close of the fiscal year, transactions during the year, a review of insurance carried on the facilities and other buildings, the percentage of occupancy and use of the facilities, and any other matters deemed relevant and necessary to make the audit informative. The audit is a systemwide report, with information for each of the Colleges provided, along with system summaries. The audit incorporates information for the 2011, 2012, 2013, 2014, 2015, 2016, 2016B, and 2016C supplemental issues. The audit is completed on an accrual basis.

Board Policy 9005 requires that CSC and WSC maintain a minimum 125% debt service coverage and PSC a 135% debt service coverage ratio. This policy helps make our bonds attractive in the market. Historical and current ratios are shown below.

DEBT SERVICE COVERAGE

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
CSC	875%	206%	191%	150%	146%
PSC	332%	320%	233%	290%	219%
WSC	371%	364%	235%	249%	280%

BKD indicates that the financial statements “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, 2019 and 2018, 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.”

The System Office recommends approval of the Revenue Bond Audit Report for Fiscal Year Ending June 30, 2019.

ATTACHMENTS:

- Nebraska State College Revenue and Refunding Bond Program Audit Report (PDF)

Nebraska State Colleges

Student Fees and Facilities Revenue and Refunding Bond Program

Independent Auditor's Report and Financial Statements

June 30, 2019 and 2018

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
June 30, 2019 and 2018

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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 financial statements of the Nebraska State Colleges Student Fees and Facilities Revenue and Refunding Bond Program (the Program), a program of the Nebraska State College System, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the table of contents.

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, 2019 and 2018, and the changes in financial position and 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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a 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 audits 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Program's basic financial statements. Schedules 1-9 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Schedules 1-5, 7 and 8 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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, Schedules 1-5, 7 and 8 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Schedules 6 and 9 have not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

BKD, LLP

Lincoln, Nebraska
October 23, 2019

Nebraska State Colleges

Student Fees and Facilities Revenue and Refunding Bond Program

Management's Discussion and Analysis

Years Ended June 30, 2019 and 2018

Introduction

The following is an overview of the financial position and changes in net position of the Nebraska State Colleges 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, 2019 and 2018:

<u>Bonds</u>	<u>Financing Objective</u>
Student Fees and Facilities Revenue Refunding Bonds 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 Refunding Bonds 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 Refunding Bonds Series 2016B	Refund Series 2010 Bonds for Wayne State College
Student Fees and Facilities Revenue Refunding Bonds Series 2016C	Refund Series 2011 Bonds for Peru State College

Financial Highlights

The financial position of the Program remained favorable during the year ended June 30, 2019, with operating income that provided debt service coverage ratios of 146% for Chadron State College, 219% for Peru State College and 280% for Wayne State College. Debt service coverage ratios were 150% for Chadron State College, 290% for Peru State College and 249% for Wayne State College in 2018 and 191% for Chadron State College, 233% for Peru State College and 235% for Wayne State College in 2017. This performance is in line with expectations for Chadron State College and exceeded expectations for Peru State College and Wayne State College. The debt service coverage 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.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Management's Discussion and Analysis
Years Ended June 30, 2019 and 2018

Operations of the Program decreased in fiscal year 2019 with operating income posting a 70.59% decrease over 2018. This compares with an increase of 120.97% from fiscal year 2017 to 2018. From fiscal year 2018 to 2019, revenues increased by 3.36% along with expenses by 11.01%, creating the operating income decrease of \$1,338,044. From fiscal year 2017 to 2018, revenues increased by 2.44% while expenses decreased by 2.94%, creating the operating income increase of \$1,037,749. Cash flows from operations were \$3,035,776 in 2019 compared to \$2,299,504 in 2018 and \$2,665,925 in 2017.

The student fee portion of the Program is dictated by a per credit hour fee. For fiscal year 2019 the revenue bond portion of the facilities fee was \$16 per credit hour at Chadron State College, \$28 per credit hour at Peru State College and \$19.05 per credit hour (\$255 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, \$26 and \$24 per credit hour at Peru State College and \$19.05 and \$18.15 per credit hour (\$255 and \$244.20 maximum per semester) at Wayne State College for fiscal years 2018 and 2017, respectively. Student fee revenue generated through this per credit facilities fee was \$3,399,559, \$3,315,525 and \$3,264,446 for fiscal years 2019, 2018 and 2017, respectively. The overall increase in facilities fee revenue from 2017 to 2019 was \$135,113 or 4.14%.

Overall Program occupancy of residence halls for fiscal year 2019 slightly increased with a 67% combined occupancy rate for the fall semester and increased slightly with a 61% combined occupancy rate for the spring semester. In 2018 and 2017, respectively, the combined occupancy rates for the fall semester were 66% and 67% and for the spring semester were 59% and 58%.

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, 2019 and 2018

The Statements

Condensed statements are presented below in an all-inclusive format for the Program for the fiscal years ended June 30, 2019, 2018 and 2017.

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 \$37,640,518, \$35,533,868 and \$33,680,090 at June 30, 2019, 2018 and 2017, 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 \$2,197,545, \$2,085,398, and \$1,768,620 as of June 30, 2019, 2018 and 2017, respectively. These amounts include bond reserves.

Condensed Statements of Net Position

	2019	2018	2017
Assets			
Current assets	\$ 18,492,868	\$ 18,189,205	\$ 17,602,050
Noncurrent assets	57,289,961	59,319,462	63,359,844
Total assets	<u>75,782,829</u>	<u>77,508,667</u>	<u>80,961,894</u>
Deferred Outflows of Resources	<u>32,180</u>	<u>35,959</u>	<u>39,737</u>
Liabilities			
Current liabilities	4,319,671	3,813,688	5,949,450
Noncurrent liabilities	38,450,009	40,580,450	42,939,927
Total liabilities	<u>42,769,680</u>	<u>44,394,138</u>	<u>48,889,377</u>
Net Position			
Net investment in capital assets	16,980,052	16,926,490	18,000,511
Restricted for			
Debt service	2,197,545	2,085,398	1,768,620
By enabling legislation	13,867,732	14,138,600	12,343,123
Total net position	<u>\$ 33,045,329</u>	<u>\$ 33,150,488</u>	<u>\$ 32,112,254</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Management's Discussion and Analysis
Years Ended June 30, 2019 and 2018

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 \$2,113,292, \$2,016,932, and \$1,606,390 for the years ended June 30, 2019, 2018 and 2017, respectively.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2019	2018	2017
Operating Revenues			
Rentals	\$ 8,419,992	\$ 7,703,203	\$ 7,377,973
Food service	8,646,810	8,727,143	8,611,546
Facilities	3,399,559	3,315,525	3,264,446
Bookstore	177,635	183,229	202,085
Other	264,391	299,567	290,311
Total operating revenues	<u>20,908,387</u>	<u>20,228,667</u>	<u>19,746,361</u>
Operating Expenses			
Food service	5,707,318	5,483,374	5,890,745
Other	14,643,519	12,849,699	12,997,771
Total operating expenses	<u>20,350,837</u>	<u>18,333,073</u>	<u>18,888,516</u>
Operating Income	557,550	1,895,594	857,845
Nonoperating Revenue (Expenses)	<u>(662,709)</u>	<u>(857,360)</u>	<u>(403,086)</u>
Increase (Decrease) in Net Position	(105,159)	1,038,234	454,759
Net Position, Beginning of Year	<u>33,150,488</u>	<u>32,112,254</u>	<u>31,657,495</u>
Net Position, End of Year	<u><u>\$ 33,045,329</u></u>	<u><u>\$ 33,150,488</u></u>	<u><u>\$ 32,112,254</u></u>

Capital Assets and Debt Administration

As of June 30, 2019, the Program had recorded \$53.8 million in the carrying value of capital assets. This includes land, buildings and improvements, equipment, and infrastructure, and is net of accumulated depreciation. This was a decrease of \$2.0 million from the previous year.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Management's Discussion and Analysis
Years Ended June 30, 2019 and 2018

The following table details the capital asset totals at fiscal year-end for 2019 and 2018. More detailed information is available in the notes to the financial statements.

	<u>2019</u>	<u>2018</u>
Land	\$ 498,649	\$ 498,649
Buildings and improvements	89,149,777	89,149,777
Equipment	1,211,168	1,130,061
Infrastructure	617,129	617,129
Construction in progress	-	62
Accumulated depreciation	<u>(37,640,518)</u>	<u>(35,533,868)</u>
 Total	 <u>\$ 53,836,205</u>	 <u>\$ 55,861,810</u>

During fiscal year 2017, one refunding revenue bond issuance occurred. On December 19, 2016, the Program settled \$2,865,000 in Student Fee and Facilities Revenue Refunding Bonds, Series 2016C to current refund Series 2011 Bonds. Refunding of the Series 2011 Bonds resulted in a present value savings of \$407,674 to Peru State College.

No new debt was issued during fiscal year 2018 or 2019.

At the end of fiscal years 2019, 2018 and 2017, the Program had \$40,350,000, \$42,410,000 and \$44,150,000, respectively, in outstanding debt. Debt service repayment will be entirely through charges for services and facility fees. Debt service payments and debt refundings decreased bonds payable by \$2,060,000 in 2019, \$1,740,000 in 2018 and \$4,305,000 in 2017.

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.

Upcoming revenue bond and contingency maintenance projects include: Chadron State College Andrews Hall Lighting Upgrade, Crites Hall ADA Ramp, Eagle Ridge Drainage System, High Rise Dorm Plumbing and Mechanical Room/Infrastructure Upgrades, Revenue Bond Buildings Asbestos Abatement, Entrance Upgrades, Envelope Repair, Furnishings and Mechanical Room/Infrastructure Upgrades, and Student Center Flooring & Lighting Upgrades & Specialty Equipment; Peru State College Clayburn-Matthews Electrical Upgrades, Davidson-Palmer Electrical Upgrades, and Nicholas-Pate Electrical Upgrades; Wayne State College Anderson Hall Door/Hardware & Restroom Upgrades, Berry Hall Hot Water Heater Replacement, Campus Grounds Upgrades & Equipment, Food Service Repairs & Equipment, Morey Hall Fire Sprinklers & Restroom Upgrades, Natatorium Tuckpointing & Roof Replacement, Rec Center, Residence Halls and Student Center Equipment/Repairs/Furniture/Flooring, Student Center Atrium Windows & HVAC Upgrades, and Terrace Hall Air Conditioning & Electrical Upgrades.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Management's Discussion and Analysis
Years Ended June 30, 2019 and 2018

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, 2019 and 2018

Assets and Deferred Outflows of Resources	<u>2019</u>	<u>2018</u>
Current Assets		
Restricted cash and cash equivalents	\$ 17,950,240	\$ 17,766,105
Accounts receivable, net	346,224	331,897
Interest receivable	38,376	31,394
Prepaid expenses and other charges	52,069	3,009
Other receivables	105,959	56,800
Total current assets	<u>18,492,868</u>	<u>18,189,205</u>
Noncurrent Assets		
Restricted cash and cash equivalents	2,715,085	2,138,358
Investments held by trustee-restricted	738,017	1,319,294
Prepaid expenses and other charges	654	-
Capital assets, net of accumulated depreciation	53,836,205	55,861,810
Total noncurrent assets	<u>57,289,961</u>	<u>59,319,462</u>
Total assets	<u>75,782,829</u>	<u>77,508,667</u>
Deferred Outflows of Resources		
Unamortized bond refunding amount, net	32,180	35,959
Total deferred outflows of resources	<u>32,180</u>	<u>35,959</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	1,558,937	703,130
Accrued compensated absences	23,749	26,937
Unearned revenue	51,187	396,978
Interest payable	576,697	591,768
Capital lease payable-current portion	-	30,774
Revenue bonds payable-current portion	2,105,000	2,060,000
Other	4,101	4,101
Total current liabilities	<u>4,319,671</u>	<u>3,813,688</u>
Noncurrent Liabilities		
Accrued compensated absences	213,737	242,431
Revenue bonds payable, net of current portion	38,236,272	40,338,019
Total noncurrent liabilities	<u>38,450,009</u>	<u>40,580,450</u>
Total liabilities	<u>42,769,680</u>	<u>44,394,138</u>
Net Position		
Net investment in capital assets	16,980,052	16,926,490
Restricted		
Expendable		
Debt service	2,197,545	2,085,398
By enabling legislation	13,867,732	14,138,600
Total net position	<u>\$ 33,045,329</u>	<u>\$ 33,150,488</u>

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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Rentals	\$ 8,419,992	\$ 7,703,203
Food service	8,577,506	8,657,907
Food service commission	69,304	69,236
Facilities fees	3,399,559	3,315,525
Application fee	73,642	69,400
Bookstore	177,635	183,229
Parking permits	16,776	17,096
Vending	45,095	71,774
Recreation center	1,291	1,340
Other	127,587	139,957
	<u>20,908,387</u>	<u>20,228,667</u>
Total operating revenues		
Operating Expenses		
Compensation and benefits	4,209,830	4,536,366
Contractual services	1,586,727	908,907
Supplies, materials and other	1,537,281	1,154,351
Depreciation	2,113,292	2,016,932
Utilities	1,856,415	1,840,526
Repairs and maintenance	3,226,947	2,283,163
Communications	113,027	109,454
Food service	5,707,318	5,483,374
	<u>20,350,837</u>	<u>18,333,073</u>
Total operating expenses		
Operating Income	<u>557,550</u>	<u>1,895,594</u>
Nonoperating Revenue (Expenses)		
Investment income	489,693	331,869
Interest expense	(1,160,583)	(1,191,121)
Gain on disposal of asset	8,181	-
Other	-	1,892
	<u>(662,709)</u>	<u>(857,360)</u>
Net nonoperating expenses		
Increase (Decrease) in Net Position	(105,159)	1,038,234
Net Position, Beginning of Year	<u>33,150,488</u>	<u>32,112,254</u>
Net Position, End of Year	<u>\$ 33,045,329</u>	<u>\$ 33,150,488</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Activities		
Rentals	\$ 8,467,894	\$ 7,666,647
Food service	8,224,313	8,372,329
Food service commission	66,376	78,900
Facilities fees	3,427,387	3,309,783
Application fee	73,692	69,485
Bookstore	174,664	170,016
Parking permits	16,776	17,096
Vending	27,962	52,393
Recreation center	1,291	1,340
Payments to vendors	(13,373,782)	(13,065,664)
Payments to employees	(4,226,760)	(4,549,246)
Other	155,963	176,425
	<u>3,035,776</u>	<u>2,299,504</u>
Net cash provided by operating activities		
Capital and Related Financing Activities		
Purchase of capital assets	(89,068)	(2,285,734)
Disposal of capital assets	9,562	-
Principal paid on bonds payable	(2,060,000)	(1,740,000)
Principal paid on capital lease	(30,774)	(33,148)
Interest paid on capital lease and bonds payable	(1,168,623)	(1,196,668)
Other	-	1,892
	<u>(3,338,903)</u>	<u>(5,253,658)</u>
Net cash used in capital and related financing activities		
Investing Activities		
Sale of investment	602,259	-
Investment income	461,730	353,548
	<u>1,063,989</u>	<u>353,548</u>
Net cash provided by investing activities		
Change in Cash and Cash Equivalents	760,862	(2,600,606)
Cash and Cash Equivalents, Beginning of Year	<u>19,904,463</u>	<u>22,505,069</u>
Cash and Cash Equivalents, End of Year	<u>\$ 20,665,325</u>	<u>\$ 19,904,463</u>
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Restricted cash and cash equivalents - current	\$ 17,950,240	\$ 17,766,105
Restricted cash and cash equivalents - noncurrent	2,715,085	2,138,358
	<u>\$ 20,665,325</u>	<u>\$ 19,904,463</u>
Total cash and cash equivalents		

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Statements of Cash Flows - Continued
Years Ended June 30, 2019 and 2018

	2019	2018
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating income	\$ 557,550	\$ 1,895,594
Depreciation expense	2,113,292	2,016,932
Changes in operating assets and liabilities		
Accounts receivable	(63,486)	(77,481)
Prepays	(49,714)	457
Unearned revenue	(345,791)	(246,808)
Accounts payable and accrued liabilities	850,499	(1,286,525)
Accrued compensated absences	(26,574)	(3,796)
Other assets and liabilities	-	1,131
	\$ 3,035,776	\$ 2,299,504
Net Cash Provided by Operating Activities	\$ 3,035,776	\$ 2,299,504

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 1: Description of the Entity and Program

The Board of Trustees (the Board) of the Nebraska State Colleges 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 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.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

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 or held by the bond trustee in money market accounts with brokers. 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 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, 2019 and 2018.

The Program considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2019 and 2018, 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 \$358,449 and \$440,891 at June 30, 2019 and 2018, respectively. Management does not believe an allowance for doubtful accounts is necessary for the other accounts receivable at June 30, 2019 and 2018.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 3: Summary of Significant Accounting Policies - Continued

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, 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. Prior to fiscal year 2018, interest cost incurred during the construction phase of capital assets was included as part of the capitalized value of the assets constructed. For 2018, NSCS adopted GASB 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*, which requires such costs to be expensed in the period incurred. GASB 89 provisions have been applied prospectively in accordance with the transition provisions of the pronouncement. 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.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 3: Summary of Significant Accounting Policies - Continued

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.

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, 2019 and 2018.

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:

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 3: Summary of Significant Accounting Policies - Continued

Net Position - Continued

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 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, 2019 and 2018, were approximately \$2,174,000 and \$2,038,000, 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 the 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.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 4: Deposits, Investments and Investment Income - Continued

Deposits - Continued

At June 30, 2019 and 2018, cash and cash equivalents of \$12,236,286 and \$11,933,127 on the statements of net position represents the Program’s equity position in the State Treasurer’s Short-term Investment Pool (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, 2019 and 2018, the Program has money market mutual funds and cash accounts held by the bond trustee totaling \$8,429,039 and \$7,971,336, respectively, which were entirely covered 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 are rated AAAM by S&P and Aaa-mf 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, 2019, the Program had the following investments and maturities:

	Fair Value	Maturities in Years		
		Less than 1	1-5	6-10
Investment type				
Fixed income				
Negotiable certificates of deposit	\$ 738,017	\$ -	\$ 738,017	\$ -
Total	<u>\$ 738,017</u>	<u>\$ -</u>	<u>\$ 738,017</u>	<u>\$ -</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 4: Deposits, Investments and Investment Income - Continued

At June 30, 2018, the Program had the following investments and maturities:

Investment type	Fair Value	Maturities in Years		
		Less than 1	1-5	6-10
Debt securities				
Federal National Mortgage Association	\$ 602,259	\$ -	\$ 602,259	\$ -
Fixed income				
Negotiable certificates of deposit	717,035	-	717,035	-
Total	<u>\$ 1,319,294</u>	<u>\$ -</u>	<u>\$ 1,319,294</u>	<u>\$ -</u>

The Program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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. Negotiable certificates of deposit are classified in Level 2 of the fair value hierarchy description of valuation technique and are valued using quoted prices for markets that are not active.

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 Program's investments in negotiable certificates of deposit are unrated.

Concentration of Credit Risk. The Program places no limit on the amount that may be invested in any one issuer. At June 30, 2018, the Program's investments were in one debt issuer. As of June 30, 2019 and 2018, the Program's investments in negotiable certificates of deposit were in two issuers.

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
June 30, 2019 and 2018

Note 5: Capital Assets

The Program's capital assets activity for the year ended June 30, 2019, was:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Assets					
Land	\$ 498,649	\$ -	\$ -	\$ -	\$ 498,649
Building and improvements	89,149,777	-	-	-	89,149,777
Equipment	1,130,061	89,068	(7,961)	-	1,211,168
Infrastructure	617,129	-	-	-	617,129
Construction in progress	62	-	(62)	-	-
Total assets	91,395,678	89,068	(8,023)	-	91,476,723
Accumulated depreciation					
Building and improvements	34,529,304	1,980,608	-	-	36,509,912
Equipment	741,446	94,667	(6,642)	-	829,471
Infrastructure	263,118	38,017	-	-	301,135
Total accumulated depreciation	35,533,868	2,113,292	(6,642)	-	37,640,518
Net capital assets	<u>\$ 55,861,810</u>	<u>\$ (2,024,224)</u>	<u>\$ (1,381)</u>	<u>\$ -</u>	<u>\$ 53,836,205</u>

The Program's capital assets activity for the year ended June 30, 2018, was:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Assets					
Land	\$ 498,649	\$ -	\$ -	\$ -	\$ 498,649
Building and improvements	68,268,333	-	(152,074)	21,033,518	89,149,777
Equipment	1,044,672	96,469	(11,080)	-	1,130,061
Infrastructure	617,129	-	-	-	617,129
Construction in progress	20,021,083	1,012,497	-	(21,033,518)	62
Total assets	90,449,866	1,108,966	(163,154)	-	91,395,678
Accumulated depreciation					
Building and improvements	32,817,607	1,863,771	(152,074)	-	34,529,304
Equipment	637,382	115,144	(11,080)	-	741,446
Infrastructure	225,101	38,017	-	-	263,118
Total accumulated depreciation	33,680,090	2,016,932	(163,154)	-	35,533,868
Net capital assets	<u>\$ 56,769,776</u>	<u>\$ (907,966)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,861,810</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 6: Long-Term Liabilities

The following is a summary of long-term obligation transactions for the Program for the year ended June 30, 2019:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Accrued compensated absences	\$ 269,368	\$ 8,016	\$ (39,898)	\$ 237,486	\$ 23,749
Capital lease payable	30,774	-	(30,774)	-	-
Bonds payable	42,410,000	-	(2,060,000)	40,350,000	2,105,000
Bond premium, net of accumulated amortization	199,070	-	(8,901)	190,169	-
Bond discount, net of accumulated amortization	(211,051)	-	12,154	(198,897)	-
Total long-term liabilities	\$ 42,698,161	\$ 8,016	\$ (2,127,419)	\$ 40,578,758	\$ 2,128,749

The following is a summary of long-term obligation transactions for the Program for the year ended June 30, 2018:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Accrued compensated absences	\$ 290,197	\$ 25,000	\$ (45,829)	\$ 269,368	\$ 26,937
Capital lease payable	63,922	-	(33,148)	30,774	30,774
Bonds payable	44,150,000	-	(1,740,000)	42,410,000	2,060,000
Bond premium, net of accumulated amortization	207,971	-	(8,901)	199,070	-
Bond discount, net of accumulated amortization	(223,206)	-	12,155	(211,051)	-
Total long-term liabilities	\$ 44,488,884	\$ 25,000	\$ (1,815,723)	\$ 42,698,161	\$ 2,117,711

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 7: 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.

The official statements define an event of default as missing principal and/or interest payments, discontinuation, unreasonable delay, or failure to construct the Project or acquire the facility, promptly repair destroyed or damaged buildings and facilities, or the Board become insolvent. In the event of such default, the outstanding bonds contain a provision stating that the registered owners of 25% of the aggregate principal amount of the Bonds then outstanding may declare the principal of all bonds then outstanding to be due and payable immediately.

Student Fees and Facilities Revenue Refunding Bonds Series 2012

In April 2012, the Board authorized the issuance of \$8,750,000 of Student Fees and Facilities Revenue 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, 2019 and 2018, totaled \$5,480,000 and \$6,040,000, respectively, and consisted of Series 2012A (Wayne State College Project - \$3,785,000 and \$4,170,000, respectively) and Series 2012B (Peru State College Project - \$1,695,000 and \$1,870,000, respectively). Annual principal installments are due on July 1. Series 2012A annual installments range from \$385,000 to \$460,000 through July 1, 2027, with interest rates ranging from 1.00% to 3.20%. Series 2012B annual installments range from \$175,000 to \$205,000 through July 1, 2027, with interest rates ranging from 1.25% 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.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 7: Revenue and Refunding Bonds Outstanding - Continued

Student Fees and Facilities Revenue Bonds Series 2013 - Continued

Bonds outstanding as of June 30, 2019 and 2018, totaled \$6,305,000 and \$6,665,000, respectively. Annual principal installments are due on July 1 in variable amounts ranging from \$360,000 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 1.05% 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.

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 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 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, 2019 and 2018, totaled \$3,175,000 and \$3,455,000, respectively. Annual principal installments are due on July 1 in variable amounts ranging from \$280,000 to \$360,000 through July 1, 2028, with interest ranging from 2.00% 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, 2019 and 2018, totaled \$8,725,000 and \$8,935,000, respectively. 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%.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 7: Revenue and Refunding Bonds Outstanding - Continued

Student Fees and Facilities Revenue Bonds Series 2015 - Continued

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.

Bonds outstanding as of June 30, 2019 and 2018, totaled \$10,815,000 and \$11,045,000, respectively. Annual principal installments are due on July 1 in variable amounts ranging from \$230,000 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 3.00% 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 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, 2019 and 2018, totaled \$3,250,000 and \$3,495,000, respectively. Annual principal installments are due on July 1 in variable amounts ranging from \$245,000 to \$300,000 through July 1, 2030, with interest ranging from 1.00% 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.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 7: Revenue and Refunding Bonds Outstanding - Continued

Student Fees and Facilities Revenue Refunding Bonds Series 2016C

In November 2016, the Board authorized the issuance of \$2,865,000 of Student Fees and Facilities Revenue Refunding Bonds Series 2016C. The purpose of the issuance was to redeem in full the outstanding principal amount of the Student Fees and Facilities Revenue Bonds Series 2011.

On December 19, 2016, the net proceeds from Series 2016C bonds were used to redeem the Series 2011 bonds. This current refunding reduced total debt service payments over the remaining 14 years by \$604,271. Bond refunding resulted in an estimated economic gain of \$407,674. 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, 2019 and 2018, totaled \$2,600,000 and \$2,775,000, respectively. Annual principal installments are due on July 1 in variable amounts ranging from \$175,000 to \$230,000 through July 1, 2031, with interest ranging from 1.15% to 3.20%.

Bonds maturing on or after July 1, 2022, are able to be redeemed, in part or in whole, on or after December 19, 2021.

Bond Maturities

Maturities of revenue and refunding bonds outstanding and related interest payments as of June 30, 2019, are as follows:

<u>Chadron State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2020	\$ 655,000	\$ 238,108	\$ 893,108
2021	655,000	227,578	882,578
2022	675,000	213,044	888,044
2023	690,000	195,690	885,690
2024	700,000	179,642	879,642
2025 – 2029	3,745,000	618,518	4,363,518
2030 – 2034	2,360,000	181,050	2,541,050
	<u>\$ 9,480,000</u>	<u>\$ 1,853,630</u>	<u>\$ 11,333,630</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 7: Revenue and Refunding Bonds Outstanding - Continued

Bond Maturities - Continued

<u>Peru State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2020	\$ 570,000	\$ 377,430	\$ 947,430
2021	570,000	369,111	939,111
2022	585,000	359,488	944,488
2023	600,000	348,431	948,431
2024	605,000	336,083	941,083
2025 – 2029	3,030,000	1,448,136	4,478,136
2030 – 2034	2,055,000	1,069,490	3,124,490
2035 – 2039	1,655,000	775,244	2,430,244
2040 – 2044	1,980,000	446,008	2,426,008
2045 – 2047	1,370,000	78,375	1,448,375
	<u>\$ 13,020,000</u>	<u>\$ 5,607,796</u>	<u>\$ 18,627,796</u>

<u>Wayne State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2020	\$ 880,000	\$ 521,024	\$ 1,401,024
2021	890,000	504,476	1,394,476
2022	905,000	486,184	1,391,184
2023	920,000	466,124	1,386,124
2024	950,000	441,505	1,391,505
2025 – 2029	4,690,000	1,741,306	6,431,306
2030 – 2034	2,360,000	1,224,228	3,584,228
2035 – 2039	2,090,000	898,522	2,988,522
2040 – 2044	2,470,000	516,150	2,986,150
2045 – 2047	1,695,000	90,388	1,785,388
	<u>\$ 17,850,000</u>	<u>\$ 6,889,907</u>	<u>\$ 24,739,907</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 7: Revenue and Refunding Bonds Outstanding - Continued

Bond Maturities - Continued

<u>Nebraska State Colleges (Total)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
2020	\$ 2,105,000	\$ 1,136,562	\$ 3,241,562
2021	2,115,000	1,101,165	3,216,165
2022	2,165,000	1,058,716	3,223,716
2023	2,210,000	1,010,245	3,220,245
2024	2,255,000	957,230	3,212,230
2025 – 2029	11,465,000	3,807,960	15,272,960
2030 – 2034	6,775,000	2,474,768	9,249,768
2035 – 2039	3,745,000	1,673,766	5,418,766
2040 – 2044	4,450,000	962,158	5,412,158
2045 – 2047	3,065,000	168,763	3,233,763
	<u>\$ 40,350,000</u>	<u>\$ 14,351,333</u>	<u>\$ 54,701,333</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 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, 2019 and 2018, was as follows:

	<u>2019</u>	<u>2018</u>
Chadron State College	146 %	150 %
Peru State College	219	290
Wayne State College	280	249

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2019 and 2018

Note 8: 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 2014). 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 2019 and 2018, 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, 2019 and 2018, by plan members and the Nebraska State Colleges related to the Program were approximately \$128,800 and \$133,000; and \$171,700 and \$177,700, respectively. A total of 96 and 90 Program employees participated in the plan during fiscal years 2019 and 2018, 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 (403(b)), and 457 deferred compensation supplemental plan. Program plan members contributed approximately \$18,700 to the SRA, \$23,200 to the Roth 403(b), and \$0 to the 457 plan in 2019 and contributed approximately \$13,700 to the SRA, \$23,900 to the Roth 403(b), and \$0 to the 457 plan in 2018. 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
June 30, 2019 and 2018

Note 9: 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, 2019, the unexpended balance of outstanding Board resolutions under construction commitments totaled:

Chadron State College	\$ 1,179,000
Peru State College	1,031,000
Wayne State College	<u>1,890,000</u>
	<u>\$ 4,100,000</u>

Included in the table above are Board-approved resolutions for capital improvements and extraordinary repairs, which were approved at the March 22, 2019, Board meeting for \$750,000, \$497,000 and \$2,100,000 for Chadron State College, Peru State College, and Wayne State College, respectively. These funds are expended in accordance with procedures noted in Board Policy 9006.

The Board has also authorized and approved construction commitments of approximately \$264,000 at Chadron State College, \$700,000 at Peru State College and \$430,000 at Wayne State College as of June 30, 2019, related to the Program.

Supplementary Information

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Net Position
June 30, 2019

	Chadron	Peru	Wayne	Total
Assets and Deferred Outflows of Resources				
Current Assets				
Restricted cash and cash equivalents	\$ 4,667,777	\$ 4,552,085	\$ 8,730,378	\$ 17,950,240
Accounts receivable, net	45,718	199,297	101,209	346,224
Interest receivable	9,443	8,144	20,789	38,376
Prepaid expenses and other charges	2,329	6,266	43,474	52,069
Other receivables	3,697	94,452	7,810	105,959
Total current assets	<u>4,728,964</u>	<u>4,860,244</u>	<u>8,903,660</u>	<u>18,492,868</u>
Noncurrent Assets				
Restricted cash and cash equivalents	900,218	400,948	1,413,919	2,715,085
Investments held by trustee-restricted	-	738,017	-	738,017
Prepaid expenses and other charges	-	-	654	654
Capital assets, net of accumulated depreciation	<u>11,427,639</u>	<u>14,781,237</u>	<u>27,627,329</u>	<u>53,836,205</u>
Total noncurrent assets	<u>12,327,857</u>	<u>15,920,202</u>	<u>29,041,902</u>	<u>57,289,961</u>
Total assets	<u>17,056,821</u>	<u>20,780,446</u>	<u>37,945,562</u>	<u>75,782,829</u>
Deferred Outflow of Resources				
Unamortized bond refunding amount, net	<u>17,602</u>	<u>5,193</u>	<u>9,385</u>	<u>32,180</u>
Total deferred outflow of resources	<u>17,602</u>	<u>5,193</u>	<u>9,385</u>	<u>32,180</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	277,026	276,660	1,005,251	1,558,937
Accrued compensated absences	8,115	4,095	11,539	23,749
Unearned revenue	2,233	-	48,954	51,187
Interest payable	121,599	190,655	264,443	576,697
Revenue bonds payable-current portion	655,000	570,000	880,000	2,105,000
Other	4,101	-	-	4,101
Total current liabilities	<u>1,068,074</u>	<u>1,041,410</u>	<u>2,210,187</u>	<u>4,319,671</u>
Noncurrent Liabilities				
Accrued compensated absences	73,034	36,853	103,850	213,737
Revenue bonds payable, net of current portion	<u>8,783,334</u>	<u>12,337,418</u>	<u>17,115,520</u>	<u>38,236,272</u>
Total noncurrent liabilities	<u>8,856,368</u>	<u>12,374,271</u>	<u>17,219,370</u>	<u>38,450,009</u>
Total liabilities	<u>9,924,442</u>	<u>13,415,681</u>	<u>19,429,557</u>	<u>42,769,680</u>
Net Position				
Net investment in capital assets	2,907,125	3,017,814	11,055,113	16,980,052
Restricted				
Expendable				
Debt service	676,080	609,266	912,199	2,197,545
By enabling legislation	<u>3,566,776</u>	<u>3,742,878</u>	<u>6,558,078</u>	<u>13,867,732</u>
Total net position	<u>\$ 7,149,981</u>	<u>\$ 7,369,958</u>	<u>\$ 18,525,390</u>	<u>\$ 33,045,329</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Net Position
June 30, 2018

	Chadron	Peru	Wayne	Total
Assets and Deferred Outflows of Resources				
Current Assets				
Restricted cash and cash equivalents	\$ 5,068,320	\$ 4,084,707	\$ 8,613,078	\$ 17,766,105
Accounts receivable, net	10,503	212,004	109,390	331,897
Interest receivable	8,405	5,901	17,088	31,394
Prepaid expenses and other charges	2,137	872	-	3,009
Other receivables	7,558	49,242	-	56,800
Total current assets	<u>5,096,923</u>	<u>4,352,726</u>	<u>8,739,556</u>	<u>18,189,205</u>
Noncurrent Assets				
Restricted cash and cash equivalents	900,218	426,347	811,793	2,138,358
Investments held by trustee-restricted	-	717,035	602,259	1,319,294
Capital assets, net of accumulated depreciation	11,795,024	15,336,345	28,730,441	55,861,810
Total noncurrent assets	<u>12,695,242</u>	<u>16,479,727</u>	<u>30,144,493</u>	<u>59,319,462</u>
Total assets	<u>17,792,165</u>	<u>20,832,453</u>	<u>38,884,049</u>	<u>77,508,667</u>
Deferred Outflow of Resources				
Unamortized bond refunding amount, net	19,558	5,842	10,559	35,959
Total deferred outflow of resources	<u>19,558</u>	<u>5,842</u>	<u>10,559</u>	<u>35,959</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	213,376	145,690	344,064	703,130
Accrued compensated absences	11,283	3,584	12,070	26,937
Unearned revenue	3,983	-	392,995	396,978
Interest payable	126,289	193,955	271,524	591,768
Capital lease payable-current portion	-	30,774	-	30,774
Revenue bonds payable-current portion	640,000	560,000	860,000	2,060,000
Other	4,101	-	-	4,101
Total current liabilities	<u>999,032</u>	<u>934,003</u>	<u>1,880,653</u>	<u>3,813,688</u>
Noncurrent Liabilities				
Accrued compensated absences	101,551	32,253	108,627	242,431
Revenue bonds payable, net of current portion	9,436,353	12,902,477	17,999,189	40,338,019
Total noncurrent liabilities	<u>9,537,904</u>	<u>12,934,730</u>	<u>18,107,816</u>	<u>40,580,450</u>
Total liabilities	<u>10,536,936</u>	<u>13,868,733</u>	<u>19,988,469</u>	<u>44,394,138</u>
Net Position				
Net investment in capital assets	2,638,447	2,992,180	11,295,863	16,926,490
Restricted				
Expendable				
Debt service	649,291	564,239	871,868	2,085,398
By enabling legislation	3,987,049	3,413,143	6,738,408	14,138,600
Total net position	<u>\$ 7,274,787</u>	<u>\$ 6,969,562</u>	<u>\$ 18,906,139</u>	<u>\$ 33,150,488</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, 2019

	Chadron	Peru	Wayne	Total
Operating Revenues				
Rentals	\$ 2,222,703	\$ 1,847,851	\$ 4,349,438	\$ 8,419,992
Food service	2,433,887	1,710,944	4,432,675	8,577,506
Food service commission	-	-	69,304	69,304
Facilities fees	904,065	1,091,894	1,403,600	3,399,559
Application fee	25,750	-	47,892	73,642
Bookstore	29,189	36,969	111,477	177,635
Parking permits	-	-	16,776	16,776
Vending	26,246	-	18,849	45,095
Recreation center	-	-	1,291	1,291
Other	60,470	27,677	39,440	127,587
	<u>5,702,310</u>	<u>4,715,335</u>	<u>10,490,742</u>	<u>20,908,387</u>
Total operating revenues				
Operating Expenses				
Compensation and benefits	1,377,208	774,400	2,058,222	4,209,830
Contractual services	309,894	889,765	387,068	1,586,727
Supplies, materials and other	345,083	198,306	993,892	1,537,281
Depreciation	382,148	555,108	1,176,036	2,113,292
Utilities	622,019	229,530	1,004,866	1,856,415
Repairs and maintenance	492,754	86,011	2,648,182	3,226,947
Communications	36,877	9,645	66,505	113,027
Food service	2,133,409	1,313,488	2,260,421	5,707,318
	<u>5,699,392</u>	<u>4,056,253</u>	<u>10,595,192</u>	<u>20,350,837</u>
Total operating expenses				
Operating Income (Loss)	<u>2,918</u>	<u>659,082</u>	<u>(104,450)</u>	<u>557,550</u>
Nonoperating Revenue (Expenses)				
Investment income	119,410	128,372	241,911	489,693
Interest expense	(247,134)	(387,058)	(526,391)	(1,160,583)
Gain on disposal of asset	-	-	8,181	8,181
	<u>(127,724)</u>	<u>(258,686)</u>	<u>(276,299)</u>	<u>(662,709)</u>
Net nonoperating expenses				
Increase (Decrease) in Net Position	(124,806)	400,396	(380,749)	(105,159)
Net Position, Beginning of Year	<u>7,274,787</u>	<u>6,969,562</u>	<u>18,906,139</u>	<u>33,150,488</u>
Net Position, End of Year	<u>\$ 7,149,981</u>	<u>\$ 7,369,958</u>	<u>\$ 18,525,390</u>	<u>\$ 33,045,329</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, 2018

	Chadron	Peru	Wayne	Total
Operating Revenues				
Rentals	\$ 2,432,946	\$ 1,730,848	\$ 3,539,409	\$ 7,703,203
Food service	2,702,415	1,654,979	4,300,513	8,657,907
Food service commission	-	-	69,236	69,236
Facilities fees	969,584	1,063,795	1,282,146	3,315,525
Application fee	25,600	-	43,800	69,400
Bookstore	27,686	39,693	115,850	183,229
Parking permits	-	-	17,096	17,096
Vending	26,371	-	45,403	71,774
Recreation center	-	-	1,340	1,340
Other	63,814	2,678	73,465	139,957
	<u>6,248,416</u>	<u>4,491,993</u>	<u>9,488,258</u>	<u>20,228,667</u>
Total operating revenues				
Operating Expenses				
Compensation and benefits	1,816,466	706,695	2,013,205	4,536,366
Contractual services	93,348	557,682	257,877	908,907
Supplies, materials and other	383,023	203,610	567,718	1,154,351
Depreciation	400,506	528,192	1,088,234	2,016,932
Utilities	577,453	246,119	1,016,954	1,840,526
Repairs and maintenance	808,305	35,120	1,439,738	2,283,163
Communications	44,745	10,756	53,953	109,454
Food service	2,110,990	1,256,314	2,116,070	5,483,374
	<u>6,234,836</u>	<u>3,544,488</u>	<u>8,553,749</u>	<u>18,333,073</u>
Total operating expenses				
Operating Income	<u>13,580</u>	<u>947,505</u>	<u>934,509</u>	<u>1,895,594</u>
Nonoperating Revenue (Expenses)				
Investment income	86,553	59,154	186,162	331,869
Interest expense	(256,514)	(394,053)	(540,554)	(1,191,121)
Other	-	-	1,892	1,892
	<u>(169,961)</u>	<u>(334,899)</u>	<u>(352,500)</u>	<u>(857,360)</u>
Net nonoperating expenses				
Increase (Decrease) in Net Position	(156,381)	612,606	582,009	1,038,234
Net Position, Beginning of Year	<u>7,431,168</u>	<u>6,356,956</u>	<u>18,324,130</u>	<u>32,112,254</u>
Net Position, End of Year	<u>\$ 7,274,787</u>	<u>\$ 6,969,562</u>	<u>\$ 18,906,139</u>	<u>\$ 33,150,488</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Cash Flows
Year Ended June 30, 2019

	<u>Chadron</u>	<u>Peru</u>	<u>Wayne</u>	<u>Total</u>
Operating Activities				
Rentals	\$ 2,273,952	\$ 1,842,004	\$ 4,351,938	\$ 8,467,894
Food service	2,471,553	1,663,446	4,089,314	8,224,313
Food service commission	-	-	66,376	66,376
Facilities fees	912,953	1,088,484	1,425,950	3,427,387
Application fee	25,800	-	47,892	73,692
Bookstore	28,888	39,129	106,647	174,664
Perking permits	-	-	16,776	16,776
Vending	26,462	-	1,500	27,962
Recreation center	-	-	1,291	1,291
Payments to vendors	(4,009,688)	(2,601,780)	(6,762,314)	(13,373,782)
Payments to employees	(1,411,366)	(770,303)	(2,045,091)	(4,226,760)
Other	65,181	51,394	39,388	155,963
	<u>383,735</u>	<u>1,312,374</u>	<u>1,339,667</u>	<u>3,035,776</u>
Net cash provided by operating activities				
Capital and Related Financing Activities				
Purchase of capital assets	(14,763)	-	(74,305)	(89,068)
Disposal of capital assets	-	-	9,562	9,562
Principal paid on bonds payable	(640,000)	(560,000)	(860,000)	(2,060,000)
Principal paid on capital lease	-	(30,774)	-	(30,774)
Interest paid on capital lease and bonds payable	(247,887)	(384,769)	(535,967)	(1,168,623)
Net cash used in capital and related financing activities	<u>(902,650)</u>	<u>(975,543)</u>	<u>(1,460,710)</u>	<u>(3,338,903)</u>
Investing Activities				
Sale of investment	-	-	602,259	602,259
Investment income	118,372	105,148	238,210	461,730
	<u>118,372</u>	<u>105,148</u>	<u>840,469</u>	<u>1,063,989</u>
Net cash provided by investing activities				
Change in Cash and Cash Equivalents	(400,543)	441,979	719,426	760,862
Cash and Cash Equivalents, Beginning of Year	5,968,538	4,511,054	9,424,871	19,904,463
Cash and Cash Equivalents, End of Year	<u>\$ 5,567,995</u>	<u>\$ 4,953,033</u>	<u>\$ 10,144,297</u>	<u>\$ 20,665,325</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Restricted cash and cash equivalents - current	\$ 4,667,777	\$ 4,552,085	\$ 8,730,378	\$ 17,950,240
Restricted cash and cash equivalents - noncurrent	900,218	400,948	1,413,919	2,715,085
Total cash and cash equivalents	<u>\$ 5,567,995</u>	<u>\$ 4,953,033</u>	<u>\$ 10,144,297</u>	<u>\$ 20,665,325</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Cash Flows - Continued
Year Ended June 30, 2019

**Reconciliation of Net Operating Income (Loss) to Net
Cash Provided by Operating Activities**

	Chadron	Peru	Wayne	Total
Operating income (loss)	\$ 2,918	\$ 659,082	\$ (104,450)	\$ 557,550
Depreciation expense	382,148	555,108	1,176,036	2,113,292
Changes in operating assets and liabilities				
Accounts receivable	(31,354)	(32,503)	371	(63,486)
Prepays	(192)	(5,394)	(44,128)	(49,714)
Unearned revenue	(1,750)	-	(344,041)	(345,791)
Accounts payable and accrued liabilities	63,650	130,970	655,879	850,499
Accrued compensated absences	(31,685)	5,111	-	(26,574)
Net Cash Provided by Operating Activities	\$ 383,735	\$ 1,312,374	\$ 1,339,667	\$ 3,035,776

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Cash Flows
Year Ended June 30, 2018

	Chadron	Peru	Wayne	Total
Operating Activities				
Rentals	\$ 2,436,421	\$ 1,690,816	\$ 3,539,410	\$ 7,666,647
Food service	2,704,530	1,594,443	4,073,356	8,372,329
Food service commission	-	-	78,900	78,900
Facilities fees	971,612	1,058,530	1,279,641	3,309,783
Application fee	25,685	-	43,800	69,485
Bookstore	27,622	40,988	101,406	170,016
Perking permits	-	-	17,096	17,096
Vending	25,839	-	26,554	52,393
Recreation center	-	-	1,340	1,340
Payments to vendors	(4,191,521)	(3,092,145)	(5,781,998)	(13,065,664)
Payments to employees	(1,819,191)	(699,518)	(2,030,537)	(4,549,246)
Other	60,622	42,338	73,465	176,425
	<u>241,619</u>	<u>635,452</u>	<u>1,422,433</u>	<u>2,299,504</u>
Net cash provided by operating activities				
Capital and Related Financing Activities				
Purchase of capital assets	(14,650)	(697,172)	(1,573,912)	(2,285,734)
Principal paid on bonds payable	(635,000)	(260,000)	(845,000)	(1,740,000)
Principal paid on capital lease	-	(33,148)	-	(33,148)
Interest paid on capital lease and bonds payable	(256,604)	(391,848)	(548,216)	(1,196,668)
Other	-	-	1,892	1,892
	<u>(906,254)</u>	<u>(1,382,168)</u>	<u>(2,965,236)</u>	<u>(5,253,658)</u>
Net cash used in capital and related financing activities				
Investing Activities				
Investment income	83,374	81,856	188,318	353,548
	<u>83,374</u>	<u>81,856</u>	<u>188,318</u>	<u>353,548</u>
Net cash provided by investing activities				
Change in Cash and Cash Equivalents	(581,261)	(664,860)	(1,354,485)	(2,600,606)
Cash and Cash Equivalents, Beginning of Year	6,549,799	5,175,914	10,779,356	22,505,069
Cash and Cash Equivalents, End of Year	<u>\$ 5,968,538</u>	<u>\$ 4,511,054</u>	<u>\$ 9,424,871</u>	<u>\$ 19,904,463</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Restricted cash and cash equivalents - current	\$ 5,068,320	\$ 4,084,707	\$ 8,613,078	\$ 17,766,105
Restricted cash and cash equivalents - noncurrent	900,218	426,347	811,793	2,138,358
	<u>\$ 5,968,538</u>	<u>\$ 4,511,054</u>	<u>\$ 9,424,871</u>	<u>\$ 19,904,463</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, 2018

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

	Chadron	Peru	Wayne	Total
Operating income	\$ 13,580	\$ 947,505	\$ 934,509	\$ 1,895,594
Depreciation expense	400,506	528,192	1,088,234	2,016,932
Changes in operating assets and liabilities				
Accounts receivable	31,151	(70,172)	(38,460)	(77,481)
Prepays	910	(453)	-	457
Unearned revenue	1	(1,231)	(245,578)	(246,808)
Accounts payable and accrued liabilities	(196,481)	(773,872)	(316,172)	(1,286,525)
Accrued compensated absences	(8,048)	4,252	-	(3,796)
Other assets and liabilities	-	1,231	(100)	1,131
Net Cash Provided by Operating Activities	\$ 241,619	\$ 635,452	\$ 1,422,433	\$ 2,299,504

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, 2019

	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	\$ 2,222,703	\$ 1,847,851	\$ 4,349,438	\$ 8,419,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,419,992
Food service	2,433,887	1,710,944	4,432,675	8,577,506	-	-	-	-	-	-	-	-	8,577,506
Food service commission	-	-	69,304	69,304	-	-	-	-	-	-	-	-	69,304
Facilities fees	904,065	1,091,894	1,403,600	3,399,559	-	-	-	-	-	-	-	-	3,399,559
Application fee	25,750	-	47,892	73,642	-	-	-	-	-	-	-	-	73,642
Bookstore	29,189	36,969	111,477	177,635	-	-	-	-	-	-	-	-	177,635
Parking permits	-	-	16,776	16,776	-	-	-	-	-	-	-	-	16,776
Vending	26,246	-	18,849	45,095	-	-	-	-	-	-	-	-	45,095
Recreation center	-	-	1,291	1,291	-	-	-	-	-	-	-	-	1,291
Other	60,470	27,677	39,440	127,587	-	-	-	-	-	-	-	-	127,587
Total operating revenues	5,702,310	4,715,335	10,490,742	20,908,387	-	-	-	-	-	-	-	-	20,908,387
Operating Expenses													
Compensation and benefits	1,377,208	774,400	2,058,222	4,209,830	-	-	-	-	-	-	-	-	4,209,830
Contractual services	75,913	214,276	323,915	614,104	233,981	675,489	63,153	972,623	-	-	-	-	1,586,727
Supplies, materials, and other	224,971	189,821	567,608	982,400	120,112	8,485	426,284	554,881	-	-	-	-	1,537,281
Depreciation	-	-	-	-	-	-	-	-	382,148	555,108	1,176,036	2,113,292	2,113,292
Utilities	622,019	229,530	1,004,866	1,856,415	-	-	-	-	-	-	-	-	1,856,415
Repairs and maintenance	55,046	42,992	549,308	647,346	437,708	43,019	2,098,874	2,579,601	-	-	-	-	3,226,947
Communications	36,877	9,645	66,505	113,027	-	-	-	-	-	-	-	-	113,027
Food service	-	-	-	-	2,133,409	1,313,488	2,260,421	5,707,318	-	-	-	-	5,707,318
Total operating expenses	2,392,034	1,460,664	4,570,424	8,423,122	2,925,210	2,040,481	4,848,732	9,814,423	382,148	555,108	1,176,036	2,113,292	20,350,837
Operating Income (Loss)	3,310,276	3,254,671	5,920,318	12,485,265	(2,925,210)	(2,040,481)	(4,848,732)	(9,814,423)	(382,148)	(555,108)	(1,176,036)	(2,113,292)	557,550
Nonoperating Revenue (Expenses)													
Investment income	11,084	36,070	30,865	78,019	108,326	92,302	211,046	411,674	-	-	-	-	489,693
Interest expense	-	-	-	-	(247,134)	(386,877)	(526,391)	(1,160,402)	-	(181)	-	(181)	(1,160,583)
Gain on disposal of asset	-	-	-	-	-	-	-	-	-	-	8,181	8,181	8,181
Net nonoperating revenues (expenses)	11,084	36,070	30,865	78,019	(138,808)	(294,575)	(315,345)	(748,728)	-	(181)	8,181	8,000	(662,709)
Income (Loss) Before Other Revenues, Expenses, Gains or (Losses)	3,321,360	3,290,741	5,951,183	12,563,284	(3,064,018)	(2,335,056)	(5,164,077)	(10,563,151)	(382,148)	(555,289)	(1,167,855)	(2,105,292)	(105,159)
Other Revenues, Expenses, Gains or (Losses)													
Transfers in (out), net	(3,104,026)	(3,616,125)	(5,576,907)	(12,297,058)	3,089,262	3,585,148	5,512,165	12,186,575	14,764	30,977	64,742	110,483	-
Net other revenues, expenses, gains or (losses)	(3,104,026)	(3,616,125)	(5,576,907)	(12,297,058)	3,089,262	3,585,148	5,512,165	12,186,575	14,764	30,977	64,742	110,483	-
Increase (Decrease) in Net Position	217,334	(325,384)	374,276	266,226	25,244	1,250,092	348,088	1,623,424	(367,384)	(524,312)	(1,103,113)	(1,994,809)	(105,159)
Net Position, Beginning of Year	65,717	1,536,746	(90,607)	1,511,856	(4,585,953)	(9,872,733)	(9,733,695)	(24,192,381)	11,795,023	15,305,549	28,730,441	55,831,013	33,150,488
Net Position, End of Year	\$ 283,051	\$ 1,211,362	\$ 283,669	\$ 1,778,082	\$ (4,560,709)	\$ (8,622,641)	\$ (9,385,607)	\$ (22,568,957)	\$ 11,427,639	\$ 14,781,237	\$ 27,627,328	\$ 53,836,204	\$ 33,045,329

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, 2018

	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	\$ 2,432,946	\$ 1,730,848	\$ 3,539,409	\$ 7,703,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,703,203
Food service	2,702,415	1,654,979	4,300,513	8,657,907	-	-	-	-	-	-	-	-	8,657,907
Food service commission	-	-	69,236	69,236	-	-	-	-	-	-	-	-	69,236
Facilities fees	969,584	1,063,795	1,282,146	3,315,525	-	-	-	-	-	-	-	-	3,315,525
Application fee	25,600	-	43,800	69,400	-	-	-	-	-	-	-	-	69,400
Bookstore	27,686	39,693	115,850	183,229	-	-	-	-	-	-	-	-	183,229
Parking permits	-	-	17,096	17,096	-	-	-	-	-	-	-	-	17,096
Vending	26,371	-	45,403	71,774	-	-	-	-	-	-	-	-	71,774
Recreation center	-	-	1,340	1,340	-	-	-	-	-	-	-	-	1,340
Other	63,814	2,678	73,465	139,957	-	-	-	-	-	-	-	-	139,957
Total operating revenues	6,248,416	4,491,993	9,488,258	20,228,667	-	-	-	-	-	-	-	-	20,228,667
Operating Expenses													
Compensation and benefits	1,816,466	706,695	2,013,205	4,536,366	-	-	-	-	-	-	-	-	4,536,366
Contractual services	54,638	215,431	257,877	527,946	38,710	342,251	-	380,961	-	-	-	-	908,907
Supplies, materials, and other	323,191	203,610	567,718	1,094,519	59,832	-	-	59,832	-	-	-	-	1,154,351
Depreciation	-	-	-	-	-	-	-	-	400,506	528,192	1,088,234	2,016,932	2,016,932
Utilities	577,453	246,119	1,016,954	1,840,526	-	-	-	-	-	-	-	-	1,840,526
Repairs and maintenance	73,458	24,841	178,232	276,531	734,847	10,279	1,261,506	2,006,632	-	-	-	-	2,283,163
Communications	44,745	10,756	53,953	109,454	-	-	-	-	-	-	-	-	109,454
Food service	-	-	-	-	2,110,990	1,256,314	2,116,070	5,483,374	-	-	-	-	5,483,374
Total operating expenses	2,889,951	1,407,452	4,087,939	8,385,342	2,944,379	1,608,844	3,377,576	7,930,799	400,506	528,192	1,088,234	2,016,932	18,333,073
Operating Income (Loss)	3,358,465	3,084,541	5,400,319	11,843,325	(2,944,379)	(1,608,844)	(3,377,576)	(7,930,799)	(400,506)	(528,192)	(1,088,234)	(2,016,932)	1,895,594
Nonoperating Revenue (Expenses)													
Investment income	10,318	33,641	26,479	70,438	76,235	25,513	159,683	261,431	-	-	-	-	331,869
Interest expense	-	-	-	-	(256,514)	(393,432)	(540,554)	(1,190,500)	-	(621)	-	(621)	(1,191,121)
Other	-	-	1,892	1,892	-	-	-	-	-	-	-	-	1,892
Net nonoperating revenues (expenses)	10,318	33,641	28,371	72,330	(180,279)	(367,919)	(380,871)	(929,069)	-	(621)	-	(621)	(857,360)
Income (Loss) Before Other Revenues, Expenses, Gains or (Losses)	3,368,783	3,118,182	5,428,690	11,915,655	(3,124,658)	(1,976,763)	(3,758,447)	(8,859,868)	(400,506)	(528,813)	(1,088,234)	(2,017,553)	1,038,234
Other Revenues, Expenses, Gains or (Losses)													
Transfers in (out), net	(3,461,496)	(2,184,591)	(5,438,761)	(11,084,848)	3,446,846	1,453,626	5,041,618	9,942,090	14,650	730,965	397,143	1,142,758	-
Net other revenues, expenses, gains or (losses)	(3,461,496)	(2,184,591)	(5,438,761)	(11,084,848)	3,446,846	1,453,626	5,041,618	9,942,090	14,650	730,965	397,143	1,142,758	-
Increase (Decrease) in Net Position	(92,713)	933,591	(10,071)	830,807	322,188	(523,137)	1,283,171	1,082,222	(385,856)	202,152	(691,091)	(874,795)	1,038,234
Net Position, Beginning of Year	158,430	603,155	(80,536)	681,049	(4,908,141)	(9,349,596)	(11,016,866)	(25,274,603)	12,180,879	15,103,397	29,421,532	56,705,808	32,112,254
Net Position, End of Year	\$ 65,717	\$ 1,536,746	\$ (90,607)	\$ 1,511,856	\$ (4,585,953)	\$ (9,872,733)	\$ (9,733,695)	\$ (24,192,381)	\$ 11,795,023	\$ 15,305,549	\$ 28,730,441	\$ 55,831,013	\$ 33,150,488

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Cash Receipts and Disbursements, Trustee's Account
Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

Chadron State College

	2019					Total	
	Revenue Fund	Surplus Fund	Bond Fund	Reserve Fund 2013	Reserve Fund 2014	2019	2018
Receipts							
Board of trustees deposits	\$ 6,261,515	\$ -	\$ -	\$ -	\$ -	\$ 6,261,515	\$ 6,163,700
Income from investments	25,646	60,214	5,810	10,101	5,819	107,590	73,095
Receipts before transfer of funds	6,287,161	60,214	5,810	10,101	5,819	6,369,105	6,236,795
Transfer of funds, net	(1,188,257)	300,000	904,177	(10,101)	(5,819)	-	-
Total receipts	5,098,904	360,214	909,987	-	-	6,369,105	6,236,795
Disbursements							
Remitted to operation and maintenance fund	3,276,404	-	-	-	-	3,276,404	2,779,000
Payments on food service contract	2,083,681	-	-	-	-	2,083,681	2,101,978
Remitted to paying agent:							
Bond principal	-	-	640,000	-	-	640,000	635,000
Bond interest	-	-	247,887	-	-	247,887	256,604
Other	-	-	-	-	-	-	(278)
Payments to contractors and others	-	804,239	-	-	-	804,239	1,051,644
Total disbursements	5,360,085	804,239	887,887	-	-	7,052,211	6,823,948
Excess (deficiency) of receipts over disbursements	(261,181)	(444,025)	22,100	-	-	(683,106)	(587,153)
Balance at Beginning of Year	845,982	3,099,392	775,579	518,310	381,908	5,621,171	6,208,324
Balance at End of Year	<u>\$ 584,801</u>	<u>\$ 2,655,367</u>	<u>\$ 797,679</u>	<u>\$ 518,310</u>	<u>\$ 381,908</u>	<u>\$ 4,938,065</u>	<u>\$ 5,621,171</u>
Balance at End of Year Consisted of							
Savings and money market accounts	\$ 584,801	\$ 737,754	\$ 797,679	\$ 518,310	\$ 381,908	\$ 3,020,452	\$ 3,266,042
State of Nebraska Operating Investment Pool	-	1,917,613	-	-	-	1,917,613	2,355,129
	<u>\$ 584,801</u>	<u>\$ 2,655,367</u>	<u>\$ 797,679</u>	<u>\$ 518,310</u>	<u>\$ 381,908</u>	<u>\$ 4,938,065</u>	<u>\$ 5,621,171</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Cash Receipts and Disbursements, Trustee's Account
Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Peru State College							Total	
	Revenue Fund	Surplus Fund	Bond Fund	2019 Project Fund 2015	Reserve Fund 2012B	Reserve Fund 2015	Reserve Fund 2016C	2019	2018
Receipts									
Board of trustees deposits	\$ 5,015,148	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,015,148	\$ 3,634,873
Income from investments	17,027	21,394	5,629	3,318	4,321	27,175	10,960	89,824	49,907
Receipts before transfer of funds	5,032,175	21,394	5,629	3,318	4,321	27,175	10,960	5,104,972	3,684,780
Transfer of funds, net	(1,371,437)	425,000	980,708	-	(4,321)	(23,196)	(6,754)	-	-
Total receipts	3,660,738	446,394	986,337	3,318	-	3,979	4,206	5,104,972	3,684,780
Disbursements									
Remitted to operation and maintenance fund	1,430,000	-	-	-	-	-	-	1,430,000	1,500,000
Payments on food service contract	1,354,378	-	-	-	-	-	-	1,354,378	1,286,446
Remitted to paying agent:									
Bond principal	-	-	560,000	-	-	-	-	560,000	260,000
Bond interest	-	-	384,564	-	-	-	-	384,564	391,202
Other	-	-	-	-	-	-	-	-	23,932
Payments to contractors and others	-	656,206	-	15,920	-	-	-	672,126	1,797,557
Total disbursements	2,784,378	656,206	944,564	15,920	-	-	-	4,401,068	5,259,137
Excess (deficiency) of receipts over disbursements	876,360	(209,812)	41,773	(12,602)	-	3,979	4,206	703,904	(1,574,357)
Balance at Beginning of Year	379,921	1,563,708	758,149	186,770	222,653	491,582	242,379	3,845,162	5,419,519
Balance at End of Year	<u>\$ 1,256,281</u>	<u>\$ 1,353,896</u>	<u>\$ 799,922</u>	<u>\$ 174,168</u>	<u>\$ 222,653</u>	<u>\$ 495,561</u>	<u>\$ 246,585</u>	<u>\$ 4,549,066</u>	<u>\$ 3,845,162</u>
Balance at End of Year Consisted of									
Savings and money market accounts	\$ 1,256,281	\$ 683,201	\$ 799,922	\$ 98,308	\$ 222,653	\$ 291	\$ 3,838	\$ 3,064,494	\$ 2,796,666
State of Nebraska Operating Investment Pool	-	670,695	-	75,860	-	-	-	746,555	331,461
Investments	-	-	-	-	-	495,270	242,747	738,017	717,035
	<u>\$ 1,256,281</u>	<u>\$ 1,353,896</u>	<u>\$ 799,922</u>	<u>\$ 174,168</u>	<u>\$ 222,653</u>	<u>\$ 495,561</u>	<u>\$ 246,585</u>	<u>\$ 4,549,066</u>	<u>\$ 3,845,162</u>

Nebraska State Colleges
 Student Fees and Facilities Revenue and Refunding Bond Program
 Cash Receipts and Disbursements, Trustee's Account
 Year Ended June 30, 2019
 (With Comparative Totals for June 30, 2018)

	Wayne State College						Total	
	2019						2019	2018
	Revenue Fund	Surplus Fund	Bond Fund	Reserve Fund 2012A	Reserve Fund 2016	Reserve Fund 2016B		
Receipts								
Board of trustees deposits	\$ 10,523,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,523,269	\$ 9,915,601
Income from investments	17,165	156,779	10,834	-	17,738	4,818	207,334	159,739
Receipts before transfer of funds	10,540,434	156,779	10,834	-	17,738	4,818	10,730,603	10,075,340
Transfer of funds, net	(3,520,694)	2,124,999	1,418,384	-	(17,871)	(4,818)	-	-
Total receipts	7,019,740	2,281,778	1,429,218	-	(133)	-	10,730,603	10,075,340
Disbursements								
Remitted to operation and maintenance fund	4,975,000	-	-	-	-	-	4,975,000	4,550,000
Payments on food service contract	2,260,420	-	-	-	-	-	2,260,420	2,116,070
Remitted to paying agent:								
Bond principal	-	-	860,000	-	-	-	860,000	845,000
Bond interest	-	-	535,968	-	-	-	535,968	548,215
Payments to contractors and others	-	1,961,860	-	-	-	-	1,961,860	3,028,314
Total disbursements	7,235,420	1,961,860	1,395,968	-	-	-	10,593,248	11,087,599
Excess (deficiency) of receipts over disbursements	(215,680)	319,918	33,250	-	(133)	-	137,355	(1,012,259)
Balance at Beginning of Year	355,289	6,548,426	1,143,392	489,780	608,017	316,255	9,461,159	10,473,418
Balance at End of Year	\$ 139,609	\$ 6,868,344	\$ 1,176,642	\$ 489,780	\$ 607,884	\$ 316,255	\$ 9,598,514	\$ 9,461,159
Balance at End of Year Consisted of								
Savings and money market accounts	\$ 139,609	\$ 103,704	\$ 1,176,642	\$ -	\$ 607,884	\$ 316,255	\$ 2,344,094	\$ 1,908,628
State of Nebraska Operating Investment Pool	-	6,764,640	-	489,780	-	-	7,254,420	6,950,272
Investment	-	-	-	-	-	-	-	602,259
	\$ 139,609	\$ 6,868,344	\$ 1,176,642	\$ 489,780	\$ 607,884	\$ 316,255	\$ 9,598,514	\$ 9,461,159

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Rentals
Years Ended June 30, 2019 and 2018

Chadron State College	2019	2018
Facility		
High Rise Dormitory	\$ 1,089,021	\$ 1,059,290
Andrews Hall	757,631	667,098
Kent Hall	442,711	535,678
Edna Work Hall	133,341	244,286
Edna Work Wing	229,165	247,055
Brooks Hall	-	60,924
Eagle Ridge	203,529	238,304
Guest housing	80,406	66,460
Less room waivers	(713,101)	(686,149)
	<u>\$ 2,222,703</u>	<u>\$ 2,432,946</u>
Total rentals		
	<u>\$ 2,222,703</u>	<u>\$ 2,432,946</u>
Peru State College	2019	2018
Facility		
Centennial Complex	\$ 838,196	\$ 612,626
Eliza Morgan Hall	557,157	626,451
Delzell Hall	487,288	540,169
Guest and temporary housing	30,760	30,249
Faculty housing	45,801	46,288
Oak Hill	107,064	97,480
Less room waivers	(218,415)	(222,415)
	<u>\$ 1,847,851</u>	<u>\$ 1,730,848</u>
Total rentals		
	<u>\$ 1,847,851</u>	<u>\$ 1,730,848</u>
Wayne State College	2019	2018
Facility		
Bowen Hall	\$ 1,608,115	\$ 1,471,210
Berry Hall	725,393	392,493
Morey Hall	564,891	348,223
Neihardt Hall	646,204	606,484
Anderson Hall	557,606	399,864
Pile Hall	518,955	521,790
Terrace Hall	398,665	396,866
Guest housing	44,707	37,795
Less room waivers	(715,098)	(635,316)
	<u>\$ 4,349,438</u>	<u>\$ 3,539,409</u>
Total rentals		
	<u>\$ 4,349,438</u>	<u>\$ 3,539,409</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Operation and Maintenance Fund Expenditures
Years Ended June 30, 2019 and 2018

Chadron State College	2019	2018
Salaries, payroll taxes and benefits	\$ 1,377,208	\$ 1,816,466
Utilities	622,019	577,453
Communications	36,877	44,745
Supplies, materials and other	224,971	323,191
Repairs and maintenance	55,046	73,458
Contractual services	75,913	54,638
	<u>\$ 2,392,034</u>	<u>\$ 2,889,951</u>
Total operation and maintenance fund expenditures		
Peru State College	2019	2018
Salaries, payroll taxes and benefits	\$ 774,400	\$ 706,695
Utilities	229,530	246,119
Communications	9,645	10,756
Supplies, materials and other	189,821	203,610
Repairs and maintenance	42,992	24,841
Contractual services	214,276	215,431
	<u>\$ 1,460,664</u>	<u>\$ 1,407,452</u>
Total operation and maintenance fund expenditures		
Wayne State College	2019	2018
Salaries, payroll taxes and benefits	\$ 2,058,222	\$ 2,013,205
Utilities	1,004,866	1,016,954
Communications	66,505	53,953
Supplies, materials and other	567,608	567,718
Repairs and maintenance	549,308	178,232
Contractual services	323,915	257,877
	<u>\$ 4,570,424</u>	<u>\$ 4,087,939</u>
Total operation and maintenance fund expenditures		

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Insurance in Force
(Unaudited)
Year Ended June 30, 2019

Chadron State College

Type	Coverage Amount
Business interruption value	\$ 10,400,000
Blanket contents	4,350,463
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	53,047,184
Student union and other buildings, 90% coinsurance	14,097,963

Peru State College

Type	Coverage Amount
Business interruption value	\$ 7,288,281
Blanket contents	2,224,513
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	28,089,518
Student union and other buildings, 90% coinsurance	5,754,972

Wayne State College

Type	Coverage Amount
Business interruption value	\$ 16,703,641
Blanket contents	6,384,819
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	46,459,892
Student union and other buildings, 90% coinsurance	24,340,674

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Debt Service Coverage
Years Ended June 30, 2019 and 2018

Chadron State College	2019	2018
Receipts		
Rentals	\$ 2,222,703	\$ 2,432,946
Facilities fees	904,065	969,584
Food service	2,433,887	2,702,415
Other	141,655	143,471
Total receipts	5,702,310	6,248,416
Interest earned	119,410	86,553
Total additions	5,821,720	6,334,969
Deductions		
Operation and maintenance expenditures (note)	2,392,034	2,889,951
Food service contract payments	2,133,409	2,110,990
Total deductions	4,525,443	5,000,941
Available for debt service, reserves, etc.	\$ 1,296,277	\$ 1,334,028
Debt service, principal and interest requirement (note)	887,888	891,604
Debt service coverage	146%	150%

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 \$791,801 and \$833,389 during the years ended June 30, 2019 and 2018, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2019 and 2018.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Debt Service Coverage
Years Ended June 30, 2019 and 2018

<u>Peru State College</u>	<u>2019</u>	<u>2018</u>
Receipts		
Rentals	\$ 1,847,851	\$ 1,730,848
Facilities fees	1,091,894	1,063,795
Food service	1,710,944	1,654,979
Other	64,646	42,371
Total receipts	4,715,335	4,491,993
Interest earned	128,372	59,154
Total additions	4,843,707	4,551,147
Deductions		
Operation and maintenance expenditures (note)	1,460,664	1,407,452
Food service contract payments	1,313,488	1,256,314
Total deductions	2,774,152	2,663,766
Available for debt service, reserves, etc.	\$ 2,069,555	\$ 1,887,381
Debt service, principal and interest requirement (note)	944,565	651,202
Debt service coverage	219%	290%

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 \$726,993 and \$352,530 during the years ended June 30, 2019 and 2018, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2019 and 2018.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Debt Service Coverage
Years Ended June 30, 2019 and 2018

Wayne State College	2019	2018
Receipts		
Rentals	\$ 4,349,438	\$ 3,539,409
Facilities fees	1,403,600	1,282,146
Food service	4,501,979	4,369,749
Other	235,725	296,954
Total receipts	10,490,742	9,488,258
Interest earned	241,911	186,162
Total additions	10,732,653	9,674,420
Deductions		
Operation and maintenance expenditures (note)	4,570,424	4,087,939
Food service contract payments	2,260,421	2,116,070
Total deductions	6,830,845	6,204,009
Available for debt service, reserves, etc.	\$ 3,901,808	\$ 3,470,411
Debt service, principal and interest requirement (note)	1,395,968	1,393,215
Debt service coverage	280%	249%

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 \$2,588,311 and \$1,261,506 during the year ended June 30, 2019 and 2018, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2019 and 2018.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Bonds Outstanding
Year Ended June 30, 2019

Chadron State College	Principal Amount, Series 2013 and Series 2014
Maturing July 1:	
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	\$ 9,480,000

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, 2019

Peru State College	Principal Amount, Series 2012B, Series 2015 and Series 2016C
Maturing July 1:	
2019	\$ 570,000
2020	570,000
2021	585,000
2022	600,000
2023	605,000
2024	620,000
2025	635,000
2026	655,000
2027	650,000
2028	470,000
2029	485,000
2030	500,000
2031	480,000
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	\$ 13,020,000

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, 2019

Wayne State College	Principal Amount, Series 2012A, Series 2016 and Series 2016B
Maturing July 1:	
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	\$ 17,850,000

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, 2019

	Chadron State College											
	Summer session 2018			First term			Second term			Summer session 2019		
	Capacity	Number	Percentage	Capacity	Number	Percentage	Capacity	Number	Percentage	Capacity	Number	Percentage
High Rise Dormitory	422	4	1%	422	272	64%	422	240	57%	422	—	0%
Edna Work/Wing Hall	186	13	7%	186	112	60%	186	97	52%	186	5	3%
Kent Hall	275	4	1%	275	105	38%	275	86	31%	275	4	1%
Andrews Hall	284	—	0%	284	149	52%	284	153	54%	284	4	1%
Brooks Hall*	84	—	0%	84	—	0%	—	—	N/A	—	—	N/A
Eagle Ridge	69	—	0%	69	40	58%	69	40	58%	69	—	0%
	<u>1,320</u>	<u>21</u>		<u>1,320</u>	<u>678</u>		<u>1,236</u>	<u>616</u>		<u>1,236</u>	<u>13</u>	

*Brooks Hall was closed December 15, 2018. Students moved to another dorm or off campus.

	Peru State College								
	First term			Second term			Summer session 2018		
	Capacity	Number	Percentage	Capacity	Number	Percentage	Capacity	Number	Percentage
Centennial Complex	296	193	65%	296	157	53%	296	5	2%
Eliza Morgan Hall	148	122	82%	148	110	74%	148	—	0%
Delzell Hall	146	111	76%	151	94	62%	151	—	0%
Faculty housing	8	8	100%	8	6	75%	8	5	63%
Oak Hill*	11	26	236%	11	26	236%	11	—	0%
	<u>609</u>	<u>460</u>		<u>614</u>	<u>393</u>		<u>614</u>	<u>10</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 26.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Occupancy - Continued
(Unaudited)
Year Ended June 30, 2019

	Wayne State College										
	Summer - July 2018		First term		Second term		Summer - May 2019		Summer - June 2019		
	Capacity	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Anderson Hall	159	—	0.0%	133	83.6%	122	76.7%	—	0.0%	—	0.0%
Berry Hall	306	—	0.0%	181	59.2%	167	54.6%	—	0.0%	—	0.0%
Bowen Hall	420	—	0.0%	370	88.1%	307	73.1%	—	0.0%	—	0.0%
Morey Hall	231	—	0.0%	140	60.6%	124	53.7%	—	0.0%	—	0.0%
Neihardt Hall	161	—	0.0%	144	89.4%	139	86.3%	7	4.3%	8	5.0%
Pile Hall	139	—	0.0%	124	89.2%	111	79.9%	—	0.0%	—	0.0%
Terrace Hall	140	6	4.3%	99	70.7%	100	71.4%	—	0.0%	—	0.0%
	<u>1,556</u>	<u>6</u>		<u>1,191</u>		<u>1,070</u>		<u>7</u>		<u>8</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.