

Nebraska State Colleges

Student Fees and Facilities Revenue and Refunding Bond Program

Independent Auditor's Report and Financial Statements

June 30, 2020 and 2019

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
June 30, 2020 and 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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 20, 2020

Nebraska State Colleges

Student Fees and Facilities Revenue and Refunding Bond Program

Management's Discussion and Analysis

Years Ended June 30, 2020 and 2019

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, 2020 and 2019:

Bonds	Financing Objective
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 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, 2020, with operating income that provided debt service coverage ratios of 174% for Chadron State College, 221% for Peru State College and 330% for Wayne State College. Debt service coverage ratios were 146% for Chadron State College, 219% for Peru State College and 280% for Wayne State College in 2019 and 150% for Chadron State College, 290% for Peru State College and 249% for Wayne State College in 2018. 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.

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The significant decrease in operations of the program is due to lost revenue when the COVID-19 pandemic began. All courses at the Colleges moved to an online format mid to late March, and the Colleges issued room and board refunds for students who chose to leave at that time. The Colleges chose to reimburse the revenue bond programs for most of the lost revenue through the available Coronavirus Aid, Relief, and Economic Security Act (CARES Act) federal funding, which is treated as a non-operating revenue. Operations of the Program decreased in fiscal year 2020 with operating income (loss) posting a 342.45% decrease over 2019. If the offsetting CARES Act revenue were included as operating, the result would have been an increase of 50.96% in operating income. This compares with a decrease of 70.59% from fiscal year 2018 to 2019.

The student fee portion of the Program is dictated by a per credit hour fee. For fiscal years 2020 and 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 per credit hour at Chadron State College, \$26 per credit hour at Peru State College and \$19.05 per credit hour (\$255 maximum per semester) at Wayne State College for fiscal year 2018. Student fee revenue generated through this per credit facilities fee was \$3,511,518, \$3,399,559 and \$3,315,525 for fiscal years 2020, 2019 and 2018, respectively. The overall increase in facilities fee revenue from 2018 to 2020 was \$195,993 or 5.91%.

Overall Program occupancy of residence halls for fiscal year 2020 slightly increased with a 72.5% combined occupancy rate for the fall semester and increased slightly with a 63.6% combined occupancy rate for the spring semester prior to COVID-19. In March, when the Colleges switched to remote learning the occupancy rate dropped to 5.9% and the colleges issued room and board refunds. As part of the CARES Act, the Colleges were able to recuperate the majority of lost revenue with the institutional share of the federal grant. In 2019 and 2018, respectively, the combined occupancy rates for the fall semester were 66.8% and 66.3% and for the spring semester were 61.0% and 58.6%.

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
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Management's Discussion and Analysis
Years Ended June 30, 2020 and 2019

The Statements

Condensed statements are presented below in an all-inclusive format for the Program for the fiscal years ended June 30, 2020, 2019 and 2018.

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 \$39,755,290, \$37,640,518, and \$35,533,868 at June 30, 2020, 2019 and 2018, 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 \$2,167,270, \$2,197,545, and \$2,085,398 as of June 30, 2020, 2019 and 2018, respectively. These amounts include bond reserves.

Condensed Statements of Net Position

	2020	2019	2018
Assets			
Current assets	\$ 19,540,148	\$ 18,492,868	\$ 18,189,205
Noncurrent assets	56,159,500	57,289,961	59,319,462
Total assets	<u>75,699,648</u>	<u>75,782,829</u>	<u>77,508,667</u>
Deferred Outflows of Resources	<u>28,403</u>	<u>32,180</u>	<u>35,959</u>
Liabilities			
Current liabilities	4,517,069	4,319,671	3,813,688
Noncurrent liabilities	37,587,808	38,450,009	40,580,450
Total liabilities	<u>42,104,877</u>	<u>42,769,680</u>	<u>44,394,138</u>
Net Position			
Net investment in capital assets	17,686,594	16,980,052	16,926,490
Restricted for			
Debt service	2,167,270	2,197,545	2,085,398
By enabling legislation	13,769,310	13,867,732	14,138,600
Total net position	<u>\$ 33,623,174</u>	<u>\$ 33,045,329</u>	<u>\$ 33,150,488</u>

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Management's Discussion and Analysis
Years Ended June 30, 2020 and 2019

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 (loss) is net of depreciation of \$2,146,224, \$2,113,292, and \$2,016,932 for the years ended June 30, 2020, 2019 and 2018, respectively.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2020	2019	2018
Operating Revenues			
Rentals	\$ 7,907,588	\$ 8,419,992	\$ 7,703,203
Food service	7,827,832	8,646,810	8,727,143
Facilities	3,511,518	3,399,559	3,315,525
Bookstore	145,966	177,635	183,229
Other	309,037	264,391	299,567
Total operating revenues	<u>19,701,941</u>	<u>20,908,387</u>	<u>20,228,667</u>
Operating Expenses			
Food service	5,466,193	5,707,318	5,483,374
Other	15,587,554	14,643,519	12,849,699
Total operating expenses	<u>21,053,747</u>	<u>20,350,837</u>	<u>18,333,073</u>
Operating Income (Loss)	(1,351,806)	557,550	1,895,594
Nonoperating Revenue (Expenses)	1,443,753	(662,709)	(857,360)
Capital Contributions	485,898	-	-
Increase (Decrease) in Net Position	577,845	(105,159)	1,038,234
Net Position, Beginning of Year	<u>33,045,329</u>	<u>33,150,488</u>	<u>32,112,254</u>
Net Position, End of Year	<u>\$ 33,623,174</u>	<u>\$ 33,045,329</u>	<u>\$ 33,150,488</u>

Capital Assets and Debt Administration

As of June 30, 2020, the Program had recorded \$52.7 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 \$1.1 million from the previous year.

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Years Ended June 30, 2020 and 2019

The following table details the capital asset totals at fiscal year-end for 2020 and 2019. More detailed information is available in the notes to the financial statements.

	<u>2020</u>	<u>2019</u>
Land	\$ 498,649	\$ 498,649
Buildings and improvements	89,149,777	89,149,777
Equipment	1,278,446	1,211,168
Infrastructure	617,129	617,129
Construction in progress	904,817	-
Accumulated depreciation	<u>(39,755,290)</u>	<u>(37,640,518)</u>
Total	<u>\$ 52,693,528</u>	<u>\$ 53,836,205</u>

No new debt was issued during fiscal year 2018, 2019, or 2020.

At the end of fiscal years 2020, 2019 and 2018, the Program had \$38,245,000, \$40,350,000 and \$42,410,000, respectively, in outstanding debt. Debt service repayment will be entirely through charges for services and facility fees. Debt service payments decreased bonds payable by \$2,105,000 in 2020, \$2,060,000 in 2019, and \$1,740,000 in 2018.

Economic Outlook and Subsequent Events That Will Affect the Future

It is management's current 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.

As noted earlier, the Colleges were directly impacted by COVID-19 when the Spring 2020 term classes moved online and students were offered refunds if they chose to leave campus, although campuses did remain open. For Fall 2020, the Colleges welcomed students back a week early and will end the regular fall session just prior to Thanksgiving. A three-week December term has been added, giving students an opportunity to take additional courses, complete an internship, or return home and work until the start of the spring semester. The fall term has included significant changes to face-to-face instruction that include social distancing and the wearing of face masks or other coverings. Preparations have included considerations of traffic flow, room sizes and capacity/seating considerations, additional cleaning protocols, the provision of personal protection equipment (PPE), and for resident students, adjustments to food service and designated areas for quarantine, as needed. The State of Nebraska provided a significant contribution of PPE and available testing capacity. These supplies were critical in the NSCS's ability to resume face-to-face classes and to have students return to living in the residence halls. It is difficult to predict the magnitude or length of the impact of the coronavirus pandemic on the NSCS, however the NSCS is monitoring closely for any impact on students. This is a continually evolving situation and decisions are being made daily. The leadership teams, with input from all the appropriate external and internal resources available, will continue to move forward with decisions, as appropriate.

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Upcoming revenue bond and contingency maintenance projects include: Chadron State College Andrews Hall Lighting, Elevator and Corridor Upgrades, Crites Hall Elevator Upgrade (Design), Eagle Ridge Drainage System (Phase II), High Rise Dorm Mechanical Room/Infrastructure Upgrades, Revenue Bond Buildings Asbestos Abatement, Entrance Upgrades, Envelope Repair, Furnishings and Mechanical Room/Infrastructure Upgrades, and Student Center Food Service Renovations; Peru State College Clayburn HVAC Upgrades, Student Center Food Service and Repairs/Maintenance Upgrades, and Residence Halls Furnishings and Repairs/Maintenance Upgrades; Wayne State College Berry Hall North Windows Replacement, Campus Technology Replacements, Morey Hall Restroom Upgrades, Natatorium Tuckpointing, Rec Center, Residence Halls and Student Center Equipment/Repairs/Furniture/Flooring, Student Center HVAC Upgrades, and Terrace Hall Air Conditioning & Electrical Upgrades.

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, 2020 and 2019

Assets and Deferred Outflows of Resources	<u>2020</u>	<u>2019</u>
Current Assets		
Restricted cash and cash equivalents	\$ 19,047,078	\$ 17,950,240
Accounts receivable, net	333,250	346,224
Interest receivable	18,719	38,376
Prepaid expenses and other charges	109,240	52,069
Other receivables	31,861	105,959
Total current assets	<u>19,540,148</u>	<u>18,492,868</u>
Noncurrent Assets		
Restricted cash and cash equivalents	2,703,440	2,715,085
Investments held by trustee-restricted	762,532	738,017
Prepaid expenses and other charges	-	654
Capital assets, net of accumulated depreciation	52,693,528	53,836,205
Total noncurrent assets	<u>56,159,500</u>	<u>57,289,961</u>
Total assets	<u>75,699,648</u>	<u>75,782,829</u>
Deferred Outflows of Resources		
Unamortized bond refunding amount, net	28,403	32,180
Total deferred outflows of resources	<u>28,403</u>	<u>32,180</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	1,343,816	1,558,937
Accrued compensated absences	31,587	23,749
Unearned revenue-fees and rentals	53,762	51,187
Unearned revenue-current portion	393,000	-
Interest payable	559,865	576,697
Revenue bonds payable-current portion	2,115,000	2,105,000
Other	20,039	4,101
Total current liabilities	<u>4,517,069</u>	<u>4,319,671</u>
Noncurrent Liabilities		
Accrued compensated absences	284,283	213,737
Unearned revenue, net of current portion	1,179,000	-
Revenue bonds payable, net of current portion	36,124,525	38,236,272
Total noncurrent liabilities	<u>37,587,808</u>	<u>38,450,009</u>
Total liabilities	<u>42,104,877</u>	<u>42,769,680</u>
Net Position		
Net investment in capital assets	17,686,594	16,980,052
Restricted		
Expendable		
Debt service	2,167,270	2,197,545
By enabling legislation	13,769,310	13,867,732
Total net position	<u>\$ 33,623,174</u>	<u>\$ 33,045,329</u>

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Student Fees and Facilities Revenue and Refunding Bond Program
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Rentals	\$ 7,907,588	\$ 8,419,992
Food service	7,775,504	8,577,506
Food service commission	52,328	69,304
Facilities fees	3,511,518	3,399,559
Application fee	80,550	73,642
Bookstore	145,966	177,635
Parking permits	17,496	16,776
Vending	91,458	45,095
Recreation center	327	1,291
Other	119,206	127,587
	<u>19,701,941</u>	<u>20,908,387</u>
Operating Expenses		
Compensation and benefits	4,589,340	4,209,830
Supplies, services, and other	3,504,604	3,237,035
Depreciation	2,146,224	2,113,292
Utilities	1,700,874	1,856,415
Repairs and maintenance	3,646,512	3,226,947
Food service	5,466,193	5,707,318
	<u>21,053,747</u>	<u>20,350,837</u>
Operating Income (Loss)	<u>(1,351,806)</u>	<u>557,550</u>
Nonoperating Revenue (Expenses)		
Investment income	380,566	489,693
Interest expense	(1,126,760)	(1,160,583)
Gain (loss) on disposal of asset	(3,539)	8,181
Federal grants	2,193,486	-
	<u>1,443,753</u>	<u>(662,709)</u>
Other Revenues, Expenses, or Gains (Losses)		
Capital contributions	485,898	-
	<u>485,898</u>	<u>-</u>
Increase (Decrease) in Net Position	577,845	(105,159)
Net Position, Beginning of Year	<u>33,045,329</u>	<u>33,150,488</u>
Net Position, End of Year	<u>\$ 33,623,174</u>	<u>\$ 33,045,329</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Activities		
Rentals	\$ 7,932,330	\$ 8,467,894
Food service	7,521,213	8,224,313
Food service commission	50,835	66,376
Facilities fees	3,525,949	3,427,387
Application fee	80,717	73,692
Bookstore	148,641	174,664
Parking permits	17,496	16,776
Vending	196,806	27,962
Recreation center	327	1,291
Payment to vendors	(13,005,311)	(13,373,782)
Payments to employees	(4,500,799)	(4,226,760)
Other	46,631	155,963
	<u>2,014,835</u>	<u>3,035,776</u>
Net cash provided by operating activities		
Non-Capital Financing Activities		
Federal grants	2,193,486	-
	<u>2,193,486</u>	<u>-</u>
Net cash provided by non-capital financing activities		
Capital and Related Financing Activities		
Purchase of capital assets	(743,172)	(89,068)
Disposal of capital assets	-	9,562
Capital contributions	485,898	-
Principal paid on bonds payable	(2,105,000)	(2,060,000)
Principal paid on capital lease	-	(30,774)
Interest paid on capital lease and bonds payable	(1,136,562)	(1,168,623)
	<u>(3,498,836)</u>	<u>(3,338,903)</u>
Net cash used in capital and related financing activities		
Investing Activities		
Sale of investment	-	602,259
Investment income	375,708	461,730
	<u>375,708</u>	<u>1,063,989</u>
Net cash provided by investing activities		
Change in Cash and Cash Equivalents	1,085,193	760,862
Cash and Cash Equivalents, Beginning of Year	<u>20,665,325</u>	<u>19,904,463</u>
Cash and Cash Equivalents, End of Year	<u>\$ 21,750,518</u>	<u>\$ 20,665,325</u>
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Restricted cash and cash equivalents - current	\$ 19,047,078	\$ 17,950,240
Restricted cash and cash equivalents - noncurrent	2,703,440	2,715,085
	<u>\$ 21,750,518</u>	<u>\$ 20,665,325</u>
Total cash and cash equivalents		

Nebraska State Colleges
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Statements of Cash Flows - Continued
Years Ended June 30, 2020 and 2019

	2020	2019
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by Operating Activities		
Operating income (loss)	\$ (1,351,806)	\$ 557,550
Depreciation expense	2,146,224	2,113,292
Changes in operating assets and liabilities		
Accounts receivable	87,072	(63,486)
Prepays	(56,517)	(49,714)
Unearned revenue	1,574,575	(345,791)
Accounts payable and accrued liabilities	(476,796)	850,499
Accrued compensated absences	78,384	(26,574)
Other assets and liabilities	13,699	-
Net Cash Provided by Operating Activities	\$ 2,014,835	\$ 3,035,776
Supplemental Cash Flows Information		
Accounts payable incurred for capital asset purchases	\$ 261,675	\$ -

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Notes to the Financial Statements
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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, 2020 and 2019

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, 2020 and 2019.

The Program considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2020 and 2019, 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 \$297,916 and \$358,449 at June 30, 2020 and 2019, respectively. Management does not believe an allowance for doubtful accounts is necessary for the other accounts receivable at June 30, 2020 and 2019.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2020 and 2019

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. 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, 2020 and 2019

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, 2020 and 2019.

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, 2020 and 2019

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, 2020 and 2019, were approximately \$2,171,000 and \$2,174,000, respectively.

Reclassifications

Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 financial statement presentation. These reclassifications had no effect on the change in net position.

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, 2020 and 2019

Note 4: Deposits, Investments and Investment Income - Continued

Deposits - Continued

At June 30, 2020 and 2019, cash and cash equivalents of \$12,654,056 and \$12,236,286 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, 2020 and 2019, the Program has money market mutual funds and cash accounts held by the bond trustee totaling \$9,096,462 and \$8,429,039, 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, 2020, 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	\$ 762,532	\$ 247,843	\$ 514,689	\$ -
Total	<u>\$ 762,532</u>	<u>\$ 247,843</u>	<u>\$ 514,689</u>	<u>\$ -</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2020 and 2019

Note 4: Deposits, Investments and Investment Income - Continued

At June 30, 2019, the Program had the following investments and maturities:

Investment type	Fair Value	Maturities in Years		
		Less than 1	1-5	6-10
Fixed income				
Negotiable certificates of deposit	\$ 738,017	\$ -	\$ 738,017	\$ -
Total	<u>\$ 738,017</u>	<u>\$ -</u>	<u>\$ 738,017</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. As of June 30, 2020 and 2019, 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, 2020 and 2019

Note 5: Capital Assets

The Program's capital assets activity for the year ended June 30, 2020, was:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Assets					
Land	\$ 498,649	\$ -	\$ -	\$ -	\$ 498,649
Building and improvements	89,149,777	-	-	-	89,149,777
Equipment	1,211,168	100,030	(32,752)	-	1,278,446
Infrastructure	617,129	-	-	-	617,129
Construction in progress	-	904,817	-	-	904,817
Total assets	91,476,723	1,004,847	(32,752)	-	92,448,818
Accumulated depreciation					
Building and improvements	36,509,912	2,011,364	-	-	38,521,276
Equipment	829,471	96,841	(31,452)	-	894,860
Infrastructure	301,135	38,019	-	-	339,154
Total accumulated depreciation	37,640,518	2,146,224	(31,452)	-	39,755,290
Net capital assets	<u>\$ 53,836,205</u>	<u>\$ (1,141,377)</u>	<u>\$ (1,300)</u>	<u>\$ -</u>	<u>\$ 52,693,528</u>

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>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2020 and 2019

Note 6: Long-Term Liabilities

The following is a summary of long-term obligation transactions for the Program for the year ended June 30, 2020:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Accrued compensated absences	\$ 237,486	\$ 86,811	\$ (8,427)	\$ 315,870	\$ 31,587
Bonds payable	40,350,000	-	(2,105,000)	38,245,000	2,115,000
Bond premium, net of accumulated amortization	190,169	-	(8,901)	181,268	-
Bond discount, net of accumulated amortization	(198,897)	-	12,154	(186,743)	-
Unearned revenue	-	1,965,000	(393,000)	1,572,000	393,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total long-term liabilities	<u>\$ 40,578,758</u>	<u>\$ 2,051,811</u>	<u>\$ (2,503,174)</u>	<u>\$ 40,127,395</u>	<u>\$ 2,539,587</u>

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)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total long-term liabilities	<u>\$ 42,698,161</u>	<u>\$ 8,016</u>	<u>\$ (2,127,419)</u>	<u>\$ 40,578,758</u>	<u>\$ 2,128,749</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2020 and 2019

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, 2020 and 2019, totaled \$4,910,000 and \$5,480,000, respectively, and consisted of Series 2012A (Wayne State College Project - \$3,390,000 and \$3,785,000, respectively) and Series 2012B (Peru State College Project - \$1,520,000 and \$1,695,000, 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, 2020 and 2019

Note 7: Revenue and Refunding Bonds Outstanding - Continued

Student Fees and Facilities Revenue Bonds Series 2013 - Continued

Bonds outstanding as of June 30, 2020 and 2019, totaled \$5,940,000 and \$6,305,000, 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, 2020 and 2019, totaled \$2,885,000 and \$3,175,000, 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, 2020 and 2019, totaled \$8,510,000 and \$8,725,000, 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, 2020 and 2019

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, 2020 and 2019, totaled \$10,580,000 and \$10,815,000, 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, 2020 and 2019, totaled \$3,000,000 and \$3,250,000, 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, 2020 and 2019

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, 2020 and 2019, totaled \$2,420,000 and \$2,600,000, 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, 2020, are as follows:

<u>Chadron State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
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	715,000	162,907	877,907
2026 – 2030	3,475,000	519,735	3,994,735
2031 – 2034	1,915,000	116,925	2,031,925
	<u>\$ 8,825,000</u>	<u>\$ 1,615,521</u>	<u>\$ 10,440,521</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2020 and 2019

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:			
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	620,000	322,346	942,346
2026 – 2030	2,895,000	1,368,297	4,263,297
2031 – 2035	1,880,000	1,005,005	2,885,005
2036 – 2040	1,715,000	714,949	2,429,949
2041 – 2045	2,050,000	371,405	2,421,405
2046 – 2047	930,000	35,250	965,250
	<u>\$ 12,450,000</u>	<u>\$ 5,230,365</u>	<u>\$ 17,680,365</u>

<u>Wayne State College</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year(s) ending June 30:			
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	980,000	411,929	1,391,929
2026 – 2030	4,350,000	1,603,621	5,953,621
2031 – 2035	2,110,000	1,156,653	3,266,653
2036 – 2040	2,160,000	828,078	2,988,078
2041 – 2045	2,555,000	429,712	2,984,712
2046 – 2047	1,150,000	40,600	1,190,600
	<u>\$ 16,970,000</u>	<u>\$ 6,368,882</u>	<u>\$ 23,338,882</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2020 and 2019

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:			
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	2,315,000	897,182	3,212,182
2026 – 2030	10,720,000	3,491,653	14,211,653
2031 – 2035	5,905,000	2,278,583	8,183,583
2036 – 2040	3,875,000	1,543,027	5,418,027
2041 – 2045	4,605,000	801,117	5,406,117
2046 – 2047	2,080,000	75,850	2,155,850
	<u>\$ 38,245,000</u>	<u>\$ 13,214,768</u>	<u>\$ 51,459,768</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, 2020 and 2019, was as follows:

	<u>2020</u>	<u>2019</u>
Chadron State College	174 %	146 %
Peru State College	221	219
Wayne State College	330	280

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Notes to the Financial Statements
June 30, 2020 and 2019

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 2020 and 2019, 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, 2020 and 2019, by plan members and the Nebraska State Colleges related to the Program were approximately \$140,200 and \$128,800; and \$186,900 and \$171,700, respectively. A total of 95 and 96 Program employees participated in the plan during fiscal years 2020 and 2019, 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 \$12,900 to the SRA, \$6,500 to the Roth 403(b), and \$0 to the 457 plan in 2020 and contributed approximately \$18,700 to the SRA, \$23,200 to the Roth 403(b), and \$0 to the 457 plan in 2019. 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, 2020 and 2019

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, 2020, the unexpended balance of outstanding Board resolutions under construction commitments totaled:

Chadron State College	\$ 1,342,000
Peru State College	381,000
Wayne State College	<u>1,665,000</u>
	<u><u>\$ 3,388,000</u></u>

Included in the table above are Board-approved resolutions for capital improvements and extraordinary repairs, which were approved at the November 20, 2019 and January 14, 2020, Board meetings for \$750,000, \$644,522 and \$2,820,000 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. At the April 13, 2020 Board meeting, funds previously approved for capital improvements and extraordinary repairs totaling \$425,000 were released from commitment for Peru State College.

The Board has also authorized and approved construction commitments of approximately \$217,000 at Chadron State College, \$4,000 at Peru State College and \$444,000 at Wayne State College as of June 30, 2020, related to the Program.

Note 10: Subsequent Event

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Program. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Supplementary Information

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Net Position
June 30, 2020

	<u>Chadron</u>	<u>Peru</u>	<u>Wayne</u>	<u>Total</u>
Assets and Deferred Outflows of Resources				
Current Assets				
Restricted cash and cash equivalents	\$ 4,656,019	\$ 4,665,493	\$ 9,725,566	\$ 19,047,078
Accounts receivable, net	50,457	200,755	82,038	333,250
Interest receivable	3,614	3,952	11,153	18,719
Prepaid expenses and other charges	12,120	7,827	89,293	109,240
Other receivables	16,953	-	14,908	31,861
	<u>4,739,163</u>	<u>4,878,027</u>	<u>9,922,958</u>	<u>19,540,148</u>
Noncurrent Assets				
Restricted cash and cash equivalents	900,218	389,303	1,413,919	2,703,440
Investments held by trustee-restricted	-	762,532	-	762,532
Capital assets, net of accumulated depreciation	11,075,170	14,226,128	27,392,230	52,693,528
	<u>11,975,388</u>	<u>15,377,963</u>	<u>28,806,149</u>	<u>56,159,500</u>
Total noncurrent assets	<u>11,975,388</u>	<u>15,377,963</u>	<u>28,806,149</u>	<u>56,159,500</u>
Total assets	<u>16,714,551</u>	<u>20,255,990</u>	<u>38,729,107</u>	<u>75,699,648</u>
Deferred Outflow of Resources				
Unamortized bond refunding amount, net	15,647	4,544	8,212	28,403
	<u>15,647</u>	<u>4,544</u>	<u>8,212</u>	<u>28,403</u>
Total deferred outflow of resources	<u>15,647</u>	<u>4,544</u>	<u>8,212</u>	<u>28,403</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	189,003	83,685	1,071,128	1,343,816
Accrued compensated absences	9,050	4,633	17,904	31,587
Unearned revenue-fees and rentals	4,500	-	49,262	53,762
Unearned revenue-current portion	-	66,000	327,000	393,000
Interest payable	116,509	186,775	256,581	559,865
Revenue bonds payable-current portion	655,000	570,000	890,000	2,115,000
Other	20,039	-	-	20,039
	<u>994,101</u>	<u>911,093</u>	<u>2,611,875</u>	<u>4,517,069</u>
Total current liabilities	<u>994,101</u>	<u>911,093</u>	<u>2,611,875</u>	<u>4,517,069</u>
Noncurrent Liabilities				
Accrued compensated absences	81,446	41,698	161,139	284,283
Unearned revenue, net of current portion	-	198,000	981,000	1,179,000
Revenue bonds payable, net of current portion	8,130,314	11,772,359	16,221,852	36,124,525
	<u>8,211,760</u>	<u>12,012,057</u>	<u>17,363,991</u>	<u>37,587,808</u>
Total noncurrent liabilities	<u>8,211,760</u>	<u>12,012,057</u>	<u>17,363,991</u>	<u>37,587,808</u>
Total liabilities	<u>9,205,861</u>	<u>12,923,150</u>	<u>19,975,866</u>	<u>42,104,877</u>
Net Position				
Net investment in capital assets	3,205,719	3,040,040	11,440,835	17,686,594
Restricted				
Expendable				
Debt service	667,664	596,157	903,449	2,167,270
By enabling legislation	3,650,954	3,701,187	6,417,169	13,769,310
	<u>4,318,618</u>	<u>4,307,344</u>	<u>17,761,453</u>	<u>18,387,414</u>
Total net position	<u>\$ 7,524,337</u>	<u>\$ 7,337,384</u>	<u>\$ 18,761,453</u>	<u>\$ 33,623,174</u>

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	11,427,639	14,781,237	27,627,329	53,836,205
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	17,602	5,193	9,385	32,180
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-fees and rentals	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	8,783,334	12,337,418	17,115,520	38,236,272
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	3,566,776	3,742,878	6,558,078	13,867,732
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 Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2020

	Chadron	Peru	Wayne	Total
Operating Revenues				
Rentals	\$ 2,055,072	\$ 1,825,563	\$ 4,026,953	\$ 7,907,588
Food service	2,136,590	1,796,007	3,842,907	7,775,504
Food service commission	-	-	52,328	52,328
Facilities fees	879,648	1,103,750	1,528,120	3,511,518
Application fee	25,550	-	55,000	80,550
Bookstore	22,000	18,052	105,914	145,966
Parking permits	-	-	17,496	17,496
Vending	27,064	-	64,394	91,458
Recreation center	-	-	327	327
Other	57,056	18,760	43,390	119,206
	<u>5,202,980</u>	<u>4,762,132</u>	<u>9,736,829</u>	<u>19,701,941</u>
Operating Expenses				
Compensation and benefits	1,419,511	768,504	2,401,325	4,589,340
Supplies, services, and other	636,256	1,464,559	1,403,789	3,504,604
Depreciation	391,493	555,109	1,199,622	2,146,224
Utilities	615,544	307,337	777,993	1,700,874
Repairs and maintenance	324,512	300,892	3,021,108	3,646,512
Food service	1,751,941	1,598,077	2,116,175	5,466,193
	<u>5,139,257</u>	<u>4,994,478</u>	<u>10,920,012</u>	<u>21,053,747</u>
	<u>63,723</u>	<u>(232,346)</u>	<u>(1,183,183)</u>	<u>(1,351,806)</u>
Operating Income (Loss)				
Nonoperating Revenue (Expenses)				
Investment income	82,458	111,334	186,774	380,566
Interest expense	(236,954)	(379,140)	(510,666)	(1,126,760)
Loss on disposal of asset	-	-	(3,539)	(3,539)
Federal grants	465,129	467,578	1,260,779	2,193,486
	<u>310,633</u>	<u>199,772</u>	<u>933,348</u>	<u>1,443,753</u>
Other Revenues, Expenses, or Gains (Losses)				
Capital contributions	-	-	485,898	485,898
Net other revenues, expenses, or gains (losses)	-	-	485,898	485,898
	<u>374,356</u>	<u>(32,574)</u>	<u>236,063</u>	<u>577,845</u>
Increase (Decrease) in Net Position	<u>374,356</u>	<u>(32,574)</u>	<u>236,063</u>	<u>577,845</u>
Net Position, Beginning of Year	<u>7,149,981</u>	<u>7,369,958</u>	<u>18,525,390</u>	<u>33,045,329</u>
Net Position, End of Year	<u>\$ 7,524,337</u>	<u>\$ 7,337,384</u>	<u>\$ 18,761,453</u>	<u>\$ 33,623,174</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

	<u>Chadron</u>	<u>Peru</u>	<u>Wayne</u>	<u>Total</u>
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>
Operating Expenses				
Compensation and benefits	1,377,208	774,400	2,058,222	4,209,830
Supplies, services, and other	691,854	1,097,716	1,447,465	3,237,035
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
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>
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>
Increase (Decrease) in Net Position	<u>(124,806)</u>	<u>400,396</u>	<u>(380,749)</u>	<u>(105,159)</u>
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 Cash Flows
Year Ended June 30, 2020

	<u>Chadron</u>	<u>Peru</u>	<u>Wayne</u>	<u>Total</u>
Operating Activities				
Rentals	\$ 2,041,803	\$ 1,863,574	\$ 4,026,953	\$ 7,932,330
Food service	2,131,150	1,848,156	3,541,907	7,521,213
Food service commission	-	-	50,835	50,835
Facilities fees	878,998	1,105,845	1,541,106	3,525,949
Application fee	25,717	-	55,000	80,717
Bookstore	22,944	25,440	100,257	148,641
Perking permits	-	-	17,496	17,496
Vending	28,412	-	168,394	196,806
Recreation center	-	-	327	327
Payment to vendors	(3,423,059)	(3,536,012)	(6,046,240)	(13,005,311)
Payment to employees	(1,396,698)	(764,135)	(2,339,966)	(4,500,799)
Other	57,692	(52,264)	41,203	46,631
Net cash provided by operating activities	<u>366,959</u>	<u>490,604</u>	<u>1,157,272</u>	<u>2,014,835</u>
Non-Capital Financing Activities				
Federal grants	465,129	467,578	1,260,779	2,193,486
Net cash provided by non-capital financing activities	<u>465,129</u>	<u>467,578</u>	<u>1,260,779</u>	<u>2,193,486</u>
Capital and Related Financing Activities				
Purchase of capital assets	(39,024)	-	(704,148)	(743,172)
Capital contributions	-	-	485,898	485,898
Principal paid on bonds payable	(655,000)	(570,000)	(880,000)	(2,105,000)
Interest paid on bonds payable	(238,109)	(377,430)	(521,023)	(1,136,562)
Net cash used in capital and related financing activities	<u>(932,133)</u>	<u>(947,430)</u>	<u>(1,619,273)</u>	<u>(3,498,836)</u>
Investing Activities				
Investment income	88,287	91,011	196,410	375,708
Net cash provided by investing activities	<u>88,287</u>	<u>91,011</u>	<u>196,410</u>	<u>375,708</u>
Change in Cash and Cash Equivalents	(11,758)	101,763	995,188	1,085,193
Cash and Cash Equivalents, Beginning of Year	<u>5,567,995</u>	<u>4,953,033</u>	<u>10,144,297</u>	<u>20,665,325</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,556,237</u>	<u>\$ 5,054,796</u>	<u>\$ 11,139,485</u>	<u>\$ 21,750,518</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Restricted cash and cash equivalents - current	\$ 4,656,019	\$ 4,665,493	\$ 9,725,566	\$ 19,047,078
Restricted cash and cash equivalents - noncurrent	900,218	389,303	1,413,919	2,703,440
Total cash and cash equivalents	<u>\$ 5,556,237</u>	<u>\$ 5,054,796</u>	<u>\$ 11,139,485</u>	<u>\$ 21,750,518</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Schedules of Cash Flows - Continued
Year Ended June 30, 2020

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

	<u>Chadron</u>	<u>Peru</u>	<u>Wayne</u>	<u>Total</u>
Operating (loss) income	\$ 63,723	\$ (232,346)	\$ (1,183,183)	\$ (1,351,806)
Depreciation expense	391,493	555,109	1,199,622	2,146,224
Changes in operating assets and liabilities				
Accounts receivable	(17,995)	92,994	12,073	87,072
Prepays	(9,791)	(1,561)	(45,165)	(56,517)
Unearned revenue	2,267	264,000	1,308,308	1,574,575
Accounts payable and accrued liabilities	(88,023)	(192,975)	(195,798)	(476,796)
Accrued compensated absences	9,347	5,383	63,654	78,384
Other assets and liabilities	15,938	-	(2,239)	13,699
Net Cash Provided by Operating Activities	<u>\$ 366,959</u>	<u>\$ 490,604</u>	<u>\$ 1,157,272</u>	<u>\$ 2,014,835</u>

Supplemental Cash Flows Information

Accounts payable incurred for capital asset purchases	\$ -	\$ -	\$ 261,675	\$ 261,675
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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
Payment to vendors	(4,009,688)	(2,601,780)	(6,762,314)	(13,373,782)
Payment to employees	(1,411,366)	(770,303)	(2,045,091)	(4,226,760)
Other	65,181	51,394	39,388	155,963
Net cash provided by operating activities	<u>383,735</u>	<u>1,312,374</u>	<u>1,339,667</u>	<u>3,035,776</u>
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
Net cash provided by investing activities	<u>118,372</u>	<u>105,148</u>	<u>840,469</u>	<u>1,063,989</u>
Change in Cash and Cash Equivalents	(400,543)	441,979	719,426	760,862
Cash and Cash Equivalents, Beginning of Year	<u>5,968,538</u>	<u>4,511,054</u>	<u>9,424,871</u>	<u>19,904,463</u>
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 Revenues, Expenses and Changes in Net Position by Fund Type
 Year Ended June 30, 2020

	Funds Held by Trustee and State of Nebraska Operations												Overall Total
	Operation and Maintenance Funds				Investment Pool				Plant				
	Chadron State College	Peru State College	Wayne State College	Total	Chadron State College	Peru State College	Wayne State College	Total	Chadron State College	Peru State College	Wayne State College	Total	
Operating Revenues													
Rentals	\$ 2,055,072	\$ 1,825,563	\$ 4,026,953	\$ 7,907,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,907,588
Food service	2,136,590	1,796,007	3,842,907	7,775,504	-	-	-	-	-	-	-	-	7,775,504
Food service commission	-	-	52,328	52,328	-	-	-	-	-	-	-	-	52,328
Facilities fees	879,648	1,103,750	1,528,120	3,511,518	-	-	-	-	-	-	-	-	3,511,518
Application fee	25,550	-	55,000	80,550	-	-	-	-	-	-	-	-	80,550
Bookstore	22,000	18,052	105,914	145,966	-	-	-	-	-	-	-	-	145,966
Parking permits	-	-	17,496	17,496	-	-	-	-	-	-	-	-	17,496
Vending	27,064	-	64,394	91,458	-	-	-	-	-	-	-	-	91,458
Recreation center	-	-	327	327	-	-	-	-	-	-	-	-	327
Other	57,056	18,760	43,390	119,206	-	-	-	-	-	-	-	-	119,206
Total operating revenues	5,202,980	4,762,132	9,736,829	19,701,941	-	-	-	-	-	-	-	-	19,701,941
Operating Expenses													
Compensation and benefits	1,419,511	768,504	2,401,325	4,589,340	-	-	-	-	-	-	-	-	4,589,340
Supplies, services, and other	330,719	599,768	1,244,644	2,175,131	305,537	864,791	159,145	1,329,473	-	-	-	-	3,504,604
Depreciation	-	-	-	-	-	-	-	-	391,493	555,109	1,199,622	2,146,224	2,146,224
Utilities	615,544	307,337	777,993	1,700,874	-	-	-	-	-	-	-	-	1,700,874
Repairs and maintenance	77,324	299,942	1,521,574	1,898,840	247,188	950	1,499,534	1,747,672	-	-	-	-	3,646,512
Food service	-	-	-	-	1,751,941	1,598,077	2,116,175	5,466,193	-	-	-	-	5,466,193
Total operating expenses	2,443,098	1,975,551	5,945,536	10,364,185	2,304,666	2,463,818	3,774,854	8,543,338	391,493	555,109	1,199,622	2,146,224	21,053,747
Operating Income (Loss)	2,759,882	2,786,581	3,791,293	9,337,756	(2,304,666)	(2,463,818)	(3,774,854)	(8,543,338)	(391,493)	(555,109)	(1,199,622)	(2,146,224)	(1,351,806)
Nonoperating Revenue (Expenses)													
Investment income	10,816	31,662	25,086	67,564	71,642	79,672	161,688	313,002	-	-	-	-	380,566
Interest expense	-	-	-	-	(236,954)	(379,140)	(510,666)	(1,126,760)	-	-	-	-	(1,126,760)
Loss on disposal of asset	-	-	-	-	-	-	-	-	-	-	(3,539)	(3,539)	(3,539)
Federal grants	465,129	467,578	1,260,779	2,193,486	-	-	-	-	-	-	-	-	2,193,486
Net nonoperating revenues (expenses)	475,945	499,240	1,285,865	2,261,050	(165,312)	(299,468)	(348,978)	(813,758)	-	-	(3,539)	(3,539)	1,443,753
Income (Loss) Before Other Revenues, Expenses, Gains or (Losses)	3,235,827	3,285,821	5,077,158	11,598,806	(2,469,978)	(2,763,286)	(4,123,832)	(9,357,096)	(391,493)	(555,109)	(1,203,161)	(2,149,763)	91,947
Other Revenues, Expenses, Gains or (Losses)													
Capital contributions	-	-	-	-	-	-	-	-	-	-	485,898	485,898	485,898
Transfers in (out), net	(3,338,174)	(2,818,411)	(6,055,762)	(12,212,347)	3,299,150	2,818,411	5,573,597	11,691,158	39,024	-	482,165	521,189	-
Net other revenues, expenses, gains or (losses)	(3,338,174)	(2,818,411)	(6,055,762)	(12,212,347)	3,299,150	2,818,411	5,573,597	11,691,158	39,024	-	968,063	1,007,087	485,898
Increase (Decrease) in Net Position	(102,347)	467,410	(978,604)	(613,541)	829,172	55,125	1,449,765	2,334,062	(352,469)	(555,109)	(235,098)	(1,142,676)	577,845
Net Position, Beginning 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
Net Position, End of Year	\$ 180,704	\$ 1,678,772	\$ (694,935)	\$ 1,164,541	\$ (3,731,537)	\$ (8,567,516)	\$ (7,935,842)	\$ (20,234,895)	\$ 11,075,170	\$ 14,226,128	\$ 27,392,230	\$ 52,693,528	\$ 33,623,174

Note: The amount expended in relation to the food service provider investments at Peru and Wayne is included in the Operating Expenses of the Operation and Maintenance Fund.

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	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
Supplies, services, and other	337,761	413,742	958,028	1,709,531	354,093	683,974	489,437	1,527,504	-	-	-	-	3,237,035
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
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
Cash Receipts and Disbursements, Trustee's Account
Year Ended June 30, 2020
(With Comparative Totals for June 30, 2019)

Chadron State College

	2020					2020	2019
	Revenue Fund	Surplus Fund	Bond Fund	Reserve Fund 2013	Reserve Fund 2014		
Receipts							
Board of trustees deposits	\$ 5,870,833	\$ -	\$ -	\$ -	\$ -	\$ 5,870,833	\$ 6,261,515
Income from investments	12,403	47,297	2,902	7,117	3,643	73,362	107,590
Receipts before transfer of funds	5,883,236	47,297	2,902	7,117	3,643	5,944,195	6,369,105
Transfer of funds, net	(1,265,939)	399,998	876,701	(7,117)	(3,643)	(0,710)	-
Total receipts	4,617,297	447,295	879,603	-	-	5,944,194	6,369,105
Disbursements							
Remitted to operation and maintenance fund	2,325,000	-	-	-	-	2,325,000	3,276,404
Payments on food service contract	1,726,180	-	-	-	-	1,726,180	2,083,681
Remitted to paying agent:							
Bond principal	-	-	655,000	-	-	655,000	640,000
Bond interest	-	-	238,109	-	-	238,109	247,887
Other	-	-	-	-	-	-	-
Payments to contractors and others	-	692,275	-	-	-	692,275	804,239
Total disbursements	4,051,180	692,275	893,109	-	-	5,636,564	7,052,211
Excess (deficiency) of receipts over disbursements	566,117	(244,980)	(13,506)	-	-	307,631	(683,106)
Balance at Beginning of Year	584,801	2,655,367	797,679	518,310	381,908	4,938,065	5,621,171
Balance at End of Year	\$ 1,150,918	\$ 2,410,387	\$ 784,173	\$ 518,310	\$ 381,908	\$ 5,245,696	\$ 4,938,065
Balance at End of Year Consisted of							
Savings and money market accounts	\$ 1,150,918	\$ 454,253	\$ 784,173	\$ 518,310	\$ 381,908	\$ 3,289,561	\$ 3,020,452
State of Nebraska Operating Investment Pool	-	1,956,134	-	-	-	1,956,134	1,917,613
	\$ 1,150,918	\$ 2,410,387	\$ 784,173	\$ 518,310	\$ 381,908	\$ 5,245,696	\$ 4,938,065

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Cash Receipts and Disbursements, Trustee's Account
Year Ended June 30, 2020
(With Comparative Totals for June 30, 2019)

Peru State College

	2020							Total	
	Revenue Fund	Surplus Fund	Bond Fund	Project Fund 2015	Reserve Fund 2012B	Reserve Fund 2015	Reserve Fund 2016C	2020	2019
Receipts									
Board of trustees deposits	\$ 6,240,858	\$ 27,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,268,410	\$ 5,015,148
Income from investments	11,003	22,810	2,997	2,639	3,048	31,096	10,379	83,972	89,824
Receipts before transfer of funds	6,251,861	50,362	2,997	2,639	3,048	31,096	10,379	6,352,382	5,104,972
Transfer of funds, net	(2,056,351)	1,153,046	927,442	-	(3,048)	(11,968)	(9,121)	-	-
Total receipts	4,195,510	1,203,408	930,439	2,639	-	19,128	1,258	6,352,382	5,104,972
Disbursements									
Remitted to operation and maintenance fund	3,450,000	-	-	-	-	-	-	3,450,000	1,430,000
Payments on food service contract	1,526,791	-	-	-	-	-	-	1,526,791	1,354,378
Remitted to paying agent:									
Bond principal	-	-	570,000	-	-	-	-	570,000	560,000
Bond interest	-	-	377,430	-	-	-	-	377,430	384,564
Other	-	-	-	-	-	-	-	-	-
Payments to contractors and others	-	1,003,986	-	10,156	-	-	-	1,014,142	672,126
Total disbursements	4,976,791	1,003,986	947,430	10,156	-	-	-	6,938,363	4,401,068
Excess (deficiency) of receipts over disbursements	(781,281)	199,422	(16,991)	(7,517)	-	19,128	1,258	(585,981)	703,904
Balance at Beginning of Year	1,256,281	1,353,896	799,922	174,168	222,653	495,561	246,585	4,549,066	3,845,162
Balance at End of Year	\$ 475,000	\$ 1,553,318	\$ 782,931	\$ 166,651	\$ 222,653	\$ 514,689	\$ 247,843	\$ 3,963,085	\$ 4,549,066
Balance at End of Year Consisted of									
Savings and money market accounts	\$ 475,000	\$ 576,167	\$ 782,931	\$ 89,074	\$ 222,653	\$ -	\$ -	\$ 2,145,825	\$ 3,064,494
State of Nebraska Operating Investment Pool	-	977,151	-	77,577	-	-	-	1,054,728	746,555
Investments	-	-	-	-	-	514,689	247,843	762,532	738,017
	\$ 475,000	\$ 1,553,318	\$ 782,931	\$ 166,651	\$ 222,653	\$ 514,689	\$ 247,843	\$ 3,963,085	\$ 4,549,066

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Cash Receipts and Disbursements, Trustee's Account
Year Ended June 30, 2020
(With Comparative Totals for June 30, 2019)

Wayne State College

	2020						Total	
	Revenue Fund	Surplus Fund	Bond Fund	Reserve Fund 2012A	Reserve Fund 2016	Reserve Fund 2016B	2020	2019
Receipts								
Board of trustees deposits	\$ 10,838,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,838,990	\$ 10,523,269
Income from investments	8,296	147,144	6,478	-	5,808	3,017	170,743	207,334
Receipts before transfer of funds	10,847,286	147,144	6,478	-	5,808	3,017	11,009,733	10,730,603
Transfer of funds, net	(2,969,108)	1,600,000	1,377,933	-	(5,808)	(3,017)	-	-
Total receipts	7,878,178	1,747,144	1,384,411	-	-	-	11,009,733	10,730,603
Disbursements								
Remitted to operation and maintenance fund	4,800,000	-	-	-	-	-	4,800,000	4,975,000
Payments on food service contract	2,116,175	-	-	-	-	-	2,116,175	2,260,420
Remitted to paying agent:								
Bond principal	-	-	880,000	-	-	-	880,000	860,000
Bond interest	-	-	521,023	-	-	-	521,023	535,968
Payments to contractors and others	-	1,980,093	-	-	-	-	1,980,093	1,961,860
Total disbursements	6,916,175	1,980,093	1,401,023	-	-	-	10,297,291	10,593,248
Excess (deficiency) of receipts over disbursements	962,003	(232,949)	(16,612)	-	-	-	712,442	137,355
Balance at Beginning 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	<u>\$ 1,101,612</u>	<u>\$ 6,635,395</u>	<u>\$ 1,160,030</u>	<u>\$ 489,780</u>	<u>\$ 607,884</u>	<u>\$ 316,255</u>	<u>\$ 10,310,956</u>	<u>\$ 9,598,514</u>
Balance at End of Year Consisted of								
Savings and money market accounts	\$ 1,101,612	\$ 475,295	\$ 1,160,030	\$ -	\$ 607,884	\$ 316,255	\$ 3,661,076	\$ 2,344,094
State of Nebraska Operating Investment Pool	-	6,160,100	-	489,780	-	-	6,649,880	7,254,420
	<u>\$ 1,101,612</u>	<u>\$ 6,635,395</u>	<u>\$ 1,160,030</u>	<u>\$ 489,780</u>	<u>\$ 607,884</u>	<u>\$ 316,255</u>	<u>\$ 10,310,956</u>	<u>\$ 9,598,514</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Rentals
Years Ended June 30, 2020 and 2019

Chadron State College	2020	2019
Facility		
High Rise Dormitory	\$ 902,274	\$ 1,089,021
Andrews Hall	652,534	757,631
Kent Hall	628,416	442,711
Edna Work Hall	119,750	133,341
Edna Work Wing	208,993	229,165
Eagle Ridge	207,156	203,529
Guest housing	5,968	80,406
Less room waivers	(670,019)	(713,101)
	<u>\$ 2,055,072</u>	<u>\$ 2,222,703</u>
Total rentals	<u>\$ 2,055,072</u>	<u>\$ 2,222,703</u>
Peru State College	2020	2019
Facility		
Centennial Complex	\$ 869,721	\$ 838,196
Eliza Morgan Hall	520,179	557,157
Delzell Hall	507,762	487,288
Guest and temporary housing	56,765	30,760
Faculty housing	57,257	45,801
Oak Hill	93,701	107,064
Less room waivers	(279,822)	(218,415)
	<u>\$ 1,825,563</u>	<u>\$ 1,847,851</u>
Total rentals	<u>\$ 1,825,563</u>	<u>\$ 1,847,851</u>
Wayne State College	2020	2019
Facility		
Bowen Hall	\$ 1,391,828	\$ 1,608,115
Berry Hall	812,421	725,393
Morey Hall	566,718	564,891
Neihardt Hall	604,764	646,204
Anderson Hall	431,039	557,606
Pile Hall	473,335	518,955
Terrace Hall	428,330	398,665
Guest housing	49,726	44,707
Less room waivers	(731,208)	(715,098)
	<u>\$ 4,026,953</u>	<u>\$ 4,349,438</u>
Total rentals	<u>\$ 4,026,953</u>	<u>\$ 4,349,438</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Operation and Maintenance Fund Expenditures
Years Ended June 30, 2020 and 2019

Chadron State College	2020	2019
Compensation and benefits	\$ 1,419,511	\$ 1,377,208
Utilities	615,544	622,019
Repairs and maintenance	77,324	55,046
Supplies, services, and other	330,719	337,761
	<u>330,719</u>	<u>337,761</u>
Total operation and maintenance fund expenditures	<u>\$ 2,443,098</u>	<u>\$ 2,392,034</u>
Peru State College	2020	2019
Compensation and benefits	\$ 768,504	\$ 774,400
Utilities	307,337	229,530
Repairs and maintenance	299,942	42,992
Supplies, services, and other	599,768	413,742
	<u>599,768</u>	<u>413,742</u>
Total operation and maintenance fund expenditures	<u>\$ 1,975,551</u>	<u>\$ 1,460,664</u>
Wayne State College	2020	2019
Compensation and benefits	\$ 2,401,325	\$ 2,058,222
Utilities	777,993	1,004,866
Repairs and maintenance	1,521,574	549,308
Supplies, services, and other	1,244,644	958,028
	<u>1,244,644</u>	<u>958,028</u>
Total operation and maintenance fund expenditures	<u>\$ 5,945,536</u>	<u>\$ 4,570,424</u>

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Insurance in Force
(Unaudited)
Year Ended June 30, 2020

Chadron State College

Type	Coverage Amount
Business interruption value	\$ 3,316,101
Blanket contents	4,437,472
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	54,479,458
Student union and other buildings, 90% coinsurance	14,478,608

Peru State College

Type	Coverage Amount
Business interruption value	\$ 1,813,232
Blanket contents	2,269,003
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	28,912,744
Student union and other buildings, 90% coinsurance	5,058,851

Wayne State College

Type	Coverage Amount
Business interruption value	\$ 5,202,818
Blanket contents	6,688,353
Fire and extended coverage:	
Dormitories and housing facilities, 90% coinsurance	49,002,595
Student union and other buildings, 90% coinsurance	25,672,815

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Debt Service Coverage
Years Ended June 30, 2020 and 2019

<u>Chadron State College</u>	<u>2020</u>	<u>2019</u>
Receipts		
Rentals	\$ 2,055,072	\$ 2,222,703
Facilities fees	879,648	904,065
Food service	2,136,590	2,433,887
Federal grants	465,129	-
Other	131,670	141,655
	<u>5,668,109</u>	<u>5,702,310</u>
Total receipts	5,668,109	5,702,310
Interest earned	82,458	119,410
	<u>82,458</u>	<u>119,410</u>
Total additions	5,750,567	5,821,720
Deductions		
Operation and maintenance expenditures (note)	2,443,098	2,392,034
Food service contract payments	1,751,941	2,133,409
	<u>4,195,039</u>	<u>4,525,443</u>
Total deductions	4,195,039	4,525,443
Available for debt service, reserves, etc.	<u>\$ 1,555,528</u>	<u>\$ 1,296,277</u>
Debt service, principal and interest requirement (note)	893,109	887,888
Debt service coverage	174%	146%

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 \$552,725 and \$791,801 during the years ended June 30, 2020 and 2019, respectively, have not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2020 and 2019.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Debt Service Coverage
Years Ended June 30, 2020 and 2019

<u>Peru State College</u>	<u>2020</u>	<u>2019</u>
Receipts		
Rentals	\$ 1,825,563	\$ 1,847,851
Facilities fees	1,103,750	1,091,894
Food service	1,796,007	1,710,944
Federal grants	467,578	-
Other	36,812	64,646
	<hr/>	<hr/>
Total receipts	5,229,710	4,715,335
Interest earned	111,334	128,372
	<hr/>	<hr/>
Total additions	5,341,044	4,843,707
Deductions		
Operation and maintenance expenditures (note)	1,645,551	1,460,664
Food service contract payments	1,598,077	1,313,488
	<hr/>	<hr/>
Total deductions	3,243,628	2,774,152
	<hr/>	<hr/>
Available for debt service, reserves, etc.	\$ 2,097,416	\$ 2,069,555
Debt service, principal and interest requirement (note)	947,430	944,565
Debt service coverage	221%	219%

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 \$865,741 and \$726,993 during the years ended June 30, 2020 and 2019, respectively, have not been deducted in arriving at the debt service coverage. Also, the amount expended in relation to the food service provider investment of \$330,000, has not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2020 and 2019.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Debt Service Coverage
Years Ended June 30, 2020 and 2019

<u>Wayne State College</u>	<u>2020</u>	<u>2019</u>
Receipts		
Rentals	\$ 4,026,953	\$ 4,349,438
Facilities fees	1,528,120	1,403,600
Food service	3,895,235	4,501,979
Federal grants	1,260,779	-
Other	286,521	235,725
Total receipts	10,997,608	10,490,742
Interest earned	186,774	241,911
Total additions	11,184,382	10,732,653
Deductions		
Operation and maintenance expenditures (note)	4,451,231	4,570,424
Food service contract payments	2,116,175	2,260,421
Total deductions	6,567,406	6,830,845
Available for debt service, reserves, etc.	<u>\$ 4,616,976</u>	<u>\$ 3,901,808</u>
Debt service, principal and interest requirement (note)	1,401,023	1,395,968
Debt service coverage	330%	280%

Note: In accordance with the debt agreement, expenditures paid for capital improvements and extraordinary repairs that were charged to surplus and construction funds held by the trustee in the amount of \$1,658,679 and \$2,588,311 during the year ended June 30, 2020 and 2019, respectively, have not been deducted in arriving at the debt service coverage. Also, the amount expended in relation to the food service provider investment of \$1,494,305, has not been deducted in arriving at the debt service coverage. The debt service requirement amount includes principal and interest payments due in 2020 and 2019.

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Bonds Outstanding
June 30, 2020

Chadron State College	Principal Amount, Series 2013 and Series 2014
Maturing July 1:	
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
	\$ 8,825,000
Total	\$ 8,825,000

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
 June 30, 2020**

Peru State College	Principal Amount, Series 2012B, Series 2015 and Series 2016C
Maturing July 1:	
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	\$ 12,450,000

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
June 30, 2020

Wayne State College	Principal Amount, Series 2012A, Series 2016 and Series 2016B
Maturing July 1:	
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	\$ 16,970,000

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, 2020

Chadron State College

	Summer session 2019			First term		Second Term - March*		Second term - April*		Summer session 2020	
	Capacity	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
High Rise Dormitory	422	—	0%	246	58%	222	53%	32	8%	5	1%
Edna Work/Wing Hall	186	5	3%	98	53%	85	46%	35	19%	10	5%
Kent Hall	275	4	1%	174	63%	115	42%	10	4%	5	2%
Andrews Hall	284	4	1%	147	52%	144	51%	30	11%	2	1%
Eagle Ridge	69	—	0%	47	68%	39	57%	9	13%	—	0%
	<u>1,236</u>	<u>13</u>		<u>712</u>		<u>605</u>		<u>116</u>		<u>22</u>	

Peru State College

	First term		Second Term - March*		Second term - April*		Summer session 2020		
	Capacity	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Centennial Complex	296	235	79%	187	63%	—	0%	—	0%
Eliza Morgan Hall	148	130	88%	106	72%	1	1%	—	0%
Delzell Hall	146	134	92%	112	77%	—	0%	—	0%
Faculty housing	8	8	100%	7	88%	7	88%	8	100%
Oak Hill	40	30	75%	25	63%	17	43%	4	10%
	<u>638</u>	<u>537</u>		<u>437</u>		<u>25</u>		<u>12</u>	

Nebraska State Colleges
Student Fees and Facilities Revenue and Refunding Bond Program
Occupancy - Continued
(Unaudited)
Year Ended June 30, 2020

	Wayne State College												
	Summer - July 2019		First term		Second Term - March*		Second term - April*		Summer - May 2020		Summer - June 2020		
Capacity	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	
Anderson Hall	159	0.0%	120	75.5%	105	66.0%	11	6.9%		0.0%		0.0%	
Berry Hall	306	0.0%	233	76.1%	215	70.3%	5	1.6%		0.0%		0.0%	
Bowen Hall	420	0.0%	356	84.8%	319	76.0%	5	1.2%		0.0%		0.0%	
Morey Hall	231	0.0%	150	64.9%	161	69.7%	8	3.5%		0.0%		0.0%	
Neihardt Hall	161	9	139	86.3%	134	83.2%	7	4.3%	6	3.7%	6	3.7%	
Pile Hall	139	0.0%	127	91.4%	118	84.9%	14	10.1%		0.0%		0.0%	
Terrace Hall	140	0.0%	112	80.0%	89	63.6%	13	9.3%		0.0%		0.0%	
	<u>1,556</u>		<u>9</u>		<u>1,237</u>		<u>1,141</u>		<u>63</u>		<u>6</u>		<u>6</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.

* All courses at the Colleges moved to an online format mid to late March, and the Colleges issued room and board refunds for students who chose to leave at that time. Occupancy numbers for the second term show the impact of COVID-19 after the option to leave was given.