Nebraska State Colleges Facilities Corporation

A Component Unit of the Nebraska State College System

Independent Auditor's Report and Financial Statements

June 30, 2026 and 2025

Nebraska State Colleges Facilities Corporation
A Component Unit of the Nebraska State College System
Contents
June 30, 2026 and 2025

Independent Auditor's Report 1

Management's Discussion and Analysis 4

Financial Statements

Statements of Net Position 8

Statements of Revenues, Expenses and Changes in Net Position 9

Statements of Cash Flows 10

Notes to Financial Statements 11

Supplementary Information

Math Science Project (Series 2020 Bonds)

Schedule of Principal and Interest Payments (Series 2020 Bonds) 16

Facilities Program Refunding and Athletic & Recreation Projects (Series 2022A and 2022B Bonds)

Schedule of Principal and Interest Payments (Series 2022A Bonds) 17

Schedule of Principal and Interest Payments (Series 2022B Bonds) 18

Forvis Mazars, LLP
1248 O Street, Suite 1040
Lincoln, NE 68508
P 402.473.7600 | F 402.473.7698
forvismazars.us

Independent Auditor's Report

Board of Directors
Nebraska State Colleges Facilities Corporation
Lincoln, Nebraska

Opinion

We have audited the financial statements of the Nebraska State Colleges Facilities Corporation, a component unit of the Nebraska State College System, as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the Nebraska State Colleges Facilities Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Nebraska State Colleges Facilities Corporation, as of June 30, 2026 and 2025, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Nebraska State Colleges Facilities Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2026, Nebraska State Colleges Facilities Corporation adopted Governmental Accounting Standards Board Statement No. 103, *Financial Reporting Model Improvements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nebraska State Colleges Facilities Corporation's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Nebraska State Colleges Facilities Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nebraska State Colleges Facilities Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Nebraska State Colleges Facilities Corporation's basic financial statements. The schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Forvis Mazars, LLP

Lincoln, Nebraska
August 28, 2026

Introduction

The following is an overview of the financial position and changes in net position of the Nebraska State Colleges Facilities Corporation (the Corporation), a component unit of the Nebraska State College System (the System). 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 Corporation was organized by the Board of Trustees of the System to finance buildings and related improvements. The Corporation is a component unit of the System. The buildings and related improvements financed by the Corporation are not reflected in the accompanying financial statements as they have been transferred to the System and are reported in the System's financial statements. The bonds issued by the Corporation are secured by a pledge of the System's fee revenues and legislative appropriations.

The financial statements include the bonded projects for the years ended June 30, 2026 and 2025, for the following:

Bonds	Financing Objective
Math Science Project (Series 2020 Bonds)	Math Science Construction Project at Chadron State College
Facilities Program Refunding (Series 2022A Bonds)	Refunding of Deferred Maintenance Refunding (Series 2016 Bonds)
Facilities Program (Series 2022B Bonds)	Athletic & Recreation Project at Wayne State College and Indoor/Outdoor Athletic Complex at Peru State College

Financial Highlights

The Corporation continued to meet its debt service obligations through scheduled principal and interest payments, resulting in a reduction in outstanding bonded debt and an improvement in net position. State noncapital subsidies and transfers from the System remained sufficient to fund debt service requirements throughout the year. The Corporation's financial position continued to improve as outstanding liabilities declined through scheduled principal repayments, while no new debt was issued during the fiscal year.

Overview of the Financial Statements

The Corporation's financial statements include the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows. These statements provide information regarding the Corporation's financial position, operating results, and cash flows.

The statements of net position include the trusteed accounts of the outstanding bond issues. The statements of revenues, expenses and changes in net position depict noncapital subsidies, nonoperating revenues and expenses that provide resources for the purchase, construction and renovation of designated facilities and for debt service. The statements of cash flows show the sources and uses of cash from issuance of bonds, investments, trustee activity and other capital and financing activities.

Financial Summary

Condensed statements in an all-inclusive format are presented below for the Corporation for the years ended June 30, 2026, 2025, and 2024.

The condensed statement of net position, total assets increased modestly by 4.6%, during fiscal year 2026, primarily due to an increase in restricted cash and investments held for debt service. Total liabilities decreased by approximately $2.8 million, or 4.9%, as a result of scheduled principal payments on outstanding bonds. Restricted net position, representing resources restricted for debt service under the bond indentures, increased to $1.3 million at June 30, 2026, while unrestricted net position remained negative due to the outstanding bonded debt issued to finance facilities that are reported as capital assets by the System rather than by the Corporation.

The condensed statement of net position, total assets decreased by 47.9%, during fiscal year 2025, primarily due to a decrease in restricted cash and investments held for construction costs. Total liabilities decreased by approximately $3.7 million, or 6.1%, as a result of scheduled principal payments on outstanding bonds. Restricted net position, representing resources restricted for debt service under the bond indentures, increased to $1.2 million at June 30, 2025, while unrestricted net position remained negative due to the outstanding bonded debt issued to finance facilities that are reported as capital assets by the System rather than by the Corporation.

Over the three-year period, total liabilities have continued to decline as scheduled debt service payments reduced outstanding bond obligations, while restricted net position has gradually increased as resources accumulated for future debt service requirements.

Condensed Statements of Net Position

	2026	2025	2024
Assets			
Current assets	$ 2,121,858	$ 2,024,618	$ 3,917,162
Noncurrent assets	35,274	37,979	40,684
Total Assets	2,157,132	2,062,597	3,957,846
Liabilities			
Current liabilities	3,291,445	3,213,749	4,137,723
Noncurrent liabilities	50,662,727	53,509,280	56,255,834
Total Liabilities	53,954,172	56,723,029	60,393,557
Deferred Inflows of Resources	485,192	605,239	725,287
Net Position			
Restricted for			
Debt service	1,332,323	1,212,846	1,084,387
Unrestricted	(53,614,555)	(56,478,517)	(58,245,385)
Total Net Position	$ (52,282,232)	$ (55,265,671)	$ (57,160,998)

The condensed statements of revenues, expenses, and changes in net position include investment income, revenues designated for debt service, interest expense, and other capital-related revenues and expenses. Net position increased by approximately $3.0 million during fiscal year 2026. Net position increased by approximately $1.9 million during fiscal year 2025. The increases resulted primarily from payment of interest expense and scheduled principal repayments, reducing debt service requirements. Investment earnings declined in 2026 and 2025 as interest rates moderated and trustee-held balances continued to decrease following completion of the Series 2022B construction projects. No transfers for construction projects occurred during fiscal year 2026 because all bond-funded projects had been completed. Transfers to the System dropped from over $14.9 million in 2024 to about $1.0 million in 2025 and to zero in 2026. The change in transfers to the System in fiscal years 2025 and 2024 is due to the completion of designated projects under the 2022B Bonds.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2026	2025	2024
Noncapital Subsidies			
State appropriations	$ 3,341,000	$ 3,341,000	$ -
Transfers to the System	-	(1,008,092)	-
Transfers from the System	1,468,210	1,473,480	-
Total Noncapital Subsidies	4,809,210	3,806,388	-
Other Nonoperating Revenues (Expenses)			
State appropriations	-	-	3,341,000
Capital improvement fee	-	-	1,470,125
Investment income	70,493	90,800	580,149
Interest expense	(1,868,054)	(1,968,381)	(2,063,367)
Other financing and investment expenses	(28,210)	(33,480)	(30,125)
Total Nonoperating Expenses	(1,825,771)	(1,911,061)	3,297,782
Transfers to the System	-	-	(14,946,111)
Increase (Decrease) in Net Position	2,983,439	1,895,327	(11,648,329)
Net Position, Beginning of Year	(55,265,671)	(57,160,998)	(45,512,669)
Net Position, End of Year	$ (52,282,232)	$ (55,265,671)	$ (57,160,998)

During fiscal year 2026, the Corporation adopted GASB Statement No. 103, Financial Reporting Model Improvements. The implementation primarily affected the financial statement presentation by reclassifying state appropriations and transfers in and out as noncapital subsidies. This change affects presentation only and did not change the amount of revenue recognized or the Corporation's net position. See also disclosure in Note 1.

Long-Term Financing Activity

For fiscal years 2026, 2025, and 2024, the Legislature appropriated $3,341,000 each year in General funds for bond repayment for the payment of the 2020 and 2022 Bonds.

During the 2021 legislative session, the Legislature passed LB384, which extended the appropriations relating to the bonds to fiscal year 2040. In order to monetize the value of the funds for current use, the Series 2016 Bonds were refunded, and issuance of new debt was used to help fund the renewal, renovation, replacement, or repair of facilities. On May 4, 2022, the Corporation issued $36,020,000 of which $17,205,000 was related to new bonds and $18,815,000 was related to refunding bonds. Settlement of these bonds took place on May 4, 2022; the Series 2016 Bonds were defeased at that time.

The Corporation did not issue bonds during the years ended June 30, 2026, 2025, or 2024. Debt service payments decreased Math Science Project Bonds payable by $1,480,000, $1,425,000, and $1,370,000 in the years ended June 30, 2026, 2025, and 2024, respectively. The debt service payment decreased Facilities Program and Facilities Program Refunding Bonds payable by $975,000, $935,000, and $580,000 in the years ended June 30, 2026, 2025, and 2024, respectively.

Currently Known Facts, Decisions, or Conditions

Management believes that the Corporation will continue to realize sufficient resources to cover debt service. The Series 2022 debt service is cumulatively paid 44% from state appropriations and 56% from the dedicated, per credit hour fee paid by all of the System's students. For the Series 2020 debt service, repayment comes from 100% state appropriations.

The biennial appropriation bill for the 2026 and 2027 fiscal years (LB261, 2025) acknowledged the commitment of the appropriation for the 2020 and 2022 bonds with the continued match from the System and acknowledges the future commitment to the remaining appropriations for the subsequent years through completion of the repayment (2040). For the fiscal year ended June 30, 2026, $2,164,941 was realized from the per credit hour fee at Chadron, Peru and Wayne State Colleges. The first priority for funds from this source is the $1,440,000 transfer required by the appropriations bill to be used toward the $2,537,946 annual debt service repayment for the Series 2022 Bonds for fiscal year 2026-2027.

Additional Information

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

Brenda Owen
CFO and Vice Chancellor for Finance and Administration,
1233 Lincoln Mall, Suite 100
Lincoln, NE 68508 or
bowen@nscs.edu

Nebraska State Colleges Facilities Corporation
A Component Unit of the Nebraska State College System
Statements of Net Position
June 30, 2026 and 2025

	2026	2025
ASSETS		
Current Assets		
Restricted cash and cash equivalents	$ 2,110,916	$ 2,012,278
Restricted interest receivable	7,733	9,131
Prepaid expenses	3,209	3,209
Total Current Assets	2,121,858	2,024,618
Noncurrent Assets		
Prepaid expenses	35,274	37,979
Total Noncurrent Assets	35,274	37,979
Total Assets	2,157,132	2,062,597
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Interest payable	736,445	758,749
Bonds payable, current portion	2,555,000	2,455,000
Total Current Liabilities	3,291,445	3,213,749
Noncurrent Liabilities		
Bond premium, net of accumulated amortization	3,077,727	3,369,280
Bonds payable, net of current portion	47,585,000	50,140,000
Total Noncurrent Liabilities	50,662,727	53,509,280
Total Liabilities	53,954,172	56,723,029
Deferred Inflows of Resources		
Deferred gain on bond refunding	485,192	605,239
Net Position		
Restricted for:		
Debt Service	1,332,323	1,212,846
Unrestricted	(53,614,555)	(56,478,517)
Total Net Position	$ (52,282,232)	$ (55,265,671)

Nebraska State Colleges Facilities Corporation
A Component Unit of the Nebraska State College System
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2026 and 2025

	2026	2025
Noncapital Subsidies		
State appropriations	$ 3,341,000	$ 3,341,000
Transfers to the System	-	(1,008,092)
Transfers from the System	1,468,210	1,473,480
Total Noncapital Subsidies	4,809,210	3,806,388
Nonoperating Revenues (Expenses)		
Investment income	70,493	90,800
Interest expense	(1,868,054)	(1,968,381)
Other financing and investment expenses	(28,210)	(33,480)
Total Nonoperating Expenses	(1,825,771)	(1,911,061)
Increase in Net Position	2,983,439	1,895,327
Net Position, Beginning of Year	(55,265,671)	(57,160,998)
Net Position, End of Year	$ (52,282,232)	$ (55,265,671)

Nebraska State Colleges Facilities Corporation
A Component Unit of the Nebraska State College System
Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Noncapital Financing Activities		
State appropriations	$ 3,341,000	$ 3,341,000
Transfers from the System	1,468,210	1,473,480
Principal paid on bonds payable	(2,455,000)	(2,360,000)
Interest paid on bonds payable	(2,299,253)	(2,398,301)
Other financing and investment expenses	(28,210)	(33,480)
Transfers to the System	-	(2,006,044)
Net Cash Provided by (Used In) Noncapital Financing Activities	26,747	(1,983,345)
Investing Activities		
Interest received on investments	71,891	105,819
Net Cash Provided by Investing Activities	71,891	105,819
Change in Cash and Cash Equivalents	98,638	(1,877,526)
Cash and Cash Equivalents, Beginning of Year	2,012,278	3,889,804
Cash and Cash Equivalents, End of Year	$ 2,110,916	$ 2,012,278

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Nebraska State Colleges Facilities Corporation (the Corporation) is a nonprofit corporation incorporated in 1983 created by the Nebraska State College System (the System) to finance its repair or construction of buildings or the acquisition of equipment for use by the System. The Corporation is a component unit of the System.

Basis of Accounting and Presentation

The financial statements of the Corporation have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally state appropriations) are recognized when all applicable eligibility requirements are met. Government-mandated nonexchange transactions that are not program specific (state appropriations) are included as noncapital subsidies, investment income and interest on debt are included in other nonoperating revenues and expenses.

The financial statements include all accounts cited in the bond resolution issued by the Corporation in conjunction with the Math Science Project (Series 2020 Bonds), the Facilities Program Refunding (Series 2022A Bonds), and the Facilities Program (Series 2022B Bonds). Assets relating to capital project costs have not been reflected in the accompanying financial statements as these assets have been transferred to the System and are reported in the System's financial statements.

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, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Restricted Cash Equivalents

The Corporation considers all liquid investments with original maturities of three months or less to be cash equivalents. These funds are held by the bond trustee in money market accounts with brokers and pooled funds invested by the Nebraska State Investment Officer. Cash equivalents are restricted for debt service and project construction.

Cash equivalents held by the Nebraska State Treasurer are deposited on a pooled basis in a State fund. Income earned by the pool is allocated to the Corporation based upon average daily balances. From time to time, the Nebraska State Investment Officer, as allowed by statute, participates in securities lending transactions, which may make use of amounts on deposit from the Corporation. Securities lending transactions cannot be specifically identified to amounts on deposit from the Corporation and, as such, are not included in the financial statements for the years ended June 30, 2026 and 2025.

Investments and Investment Income

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

Unamortized Bond Premium

The bond premiums are being amortized over the life of the bonds using the straight-line method. Total amortization for the years ended June 30, 2026 and 2025, was $291,553 and $291,554, respectively.

State Appropriations

State appropriations consist of designated appropriations of funds from the State of Nebraska to pay debt service for the bonds. Total appropriations for the years ended June 30, 2026 and 2025, were $3,341,000 each year.

Transfers from the System

Transfers from the System are capital improvement fees charged on a per credit hour basis to students of Chadron, Peru and Wayne State Colleges (Colleges). The fees are collected by the Colleges, and a designated amount is appropriated from the State of Nebraska to pay debt service for the bonds. A total of $1,440,000 was committed to support bond obligations for the years ended June 30, 2026 and 2025, and until the bonds are satisfied. In addition, $28,210 and $33,480, respectively, were also transferred to pay for other financing and investment expenses of the Corporation for the years ended June 30, 2026 and 2025.

Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred outflow of resources is a consumption of net assets by the Corporation that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net assets by the Corporation 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 inflows of resources of the Corporation consist of the unamortized deferred gain on bond refunding. The Corporation has no deferred outflows of resources as of June 30, 2026 and 2025.

Net Position

Net position of the Corporation is classified in two components. Restricted net position consists of noncapital assets that must be used for a particular purpose as specified by creditors external to the Corporation, including amounts deposited with trustees as required by bond indentures, and state legislation, reduced by the outstanding balances of any related borrowings. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted. The Corporation first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Income Taxes

As a state institution, the income of the Corporation is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law. However, the Corporation is subject to federal income tax on any unrelated business taxable income. The Corporation had no unrelated business taxable income in 2026 and 2025.

Change in Accounting Principle

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*, to enhance the financial reporting model's effectiveness in providing information essential to decision-making and assessing a government's accountability. This statement requires the Corporation to reclassify line items on the financial statements. Material reclassifications that affected the statements of revenues, expenses, and changes in net position include reclassifying state appropriations, transfers to the System, and transfers from the System into a new section, called Noncapital Subsidies. This statement has no impact on beginning net position or the previously reported change in net position.

Note 2. Investments

All investments of the Corporation are held by the bond trustee or the Nebraska State Treasurer and invested in accordance with the bond resolution. The bond resolution allows investment of bond proceeds in various securities and obligations including U.S. government and U.S. agency obligations; bonds, notes or other obligations of the State or any political subdivision thereof (rated in either of the two highest rating categories at the time of purchase); bank repurchase agreements; certificates of deposit or other securities or investments within the State investing guidelines. Management of Corporation funds is delegated to the bond trustee as appointed by the Board.

On June 30, 2026 and 2025, the Corporation's investments included money market mutual funds totaling $2,110,916 and $2,012,278, respectively, held by the bond trustees, which were entirely covered by collateral in the trustee's name. All money market investments are redeemable in full immediately but are shown as restricted cash and cash equivalents in the statements of net position as they are held for debt service or project construction. All money market mutual funds are valued using amortized cost.

The investments at June 30, 2026 and 2025 are rated as follows by Moody's and S&P:

Investment	Moody's	S&P
Money market mutual funds	Aaa-mf	AAAm

The Corporation 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. Investments with the State Treasurer measured at fair value using the NAV practical expedient and money market mutual funds carried at amortized cost have not been classified in the fair value hierarchy.

Note 3. Bonds Payable

The following is a summary of bonds payable transactions for the Corporation for the years ended June 30, 2026 and 2025:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
2026					
Bonds payable	$ 52,595,000	$ -	$ (2,455,000)	$ 50,140,000	$ 2,555,000
Bond premium, net of accumulated amortization	3,369,280	-	(291,553)	3,077,727	-
Total bonds payable	$ 55,964,280	$ -	$ (2,746,553)	$ 53,217,727	$ 2,555,000

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
2025					
Bonds payable	$ 54,955,000	$ -	$ (2,360,000)	$ 52,595,000	$ 2,455,000
Bond premium, net of accumulated amortization	3,660,834	-	(291,554)	3,369,280	-
Total bonds payable	$ 58,615,834	$ -	$ (2,651,554)	$ 55,964,280	$ 2,455,000

The official statements define an event of default as missing principal and/or interest payments on the due date for a period of 60 days after written notice has been given to the Corporation by any registered owner. 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.

Deferred Maintenance Refunding Bonds Payable

On August 17, 2016, the Corporation issued $26,655,000 in Series 2016 Bonds, of which $19,295,000 was related to new bonds and $7,360,000 was related to refunding bonds. Settlement of these bonds took place on September 1, 2016. The bonds bear interest, payable semiannually, at rates of 2.00% to 5.00%. Principal maturities, due in annual installments, began July 15, 2017, and continue until July 15, 2030. Bonds maturing on or after July 15, 2027, are able to be redeemed, in part or in whole, on or after July 15, 2026. The Series 2006 Bonds were refunded on September 19, 2016. This current refunding reduced total debt service payments by approximately $850,000 and resulted in an economic gain of approximately $470,000. 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 old bonds. Issuance of new bond proceeds were used to help fund the renovation of the stadium at Chadron State College, the renovation of the Theatre/Event Center at Peru State College and the construction of applied technology programmatic space at Wayne State College.

On May 4, 2022, the Corporation issued $18,815,000 in 2022A Facilities Program Refunding Bonds. The bonds bear interest, payable semiannually, at rates of 2.789% to 4.669%. Principal maturities, due in annual installments, began July 15, 2023, and continue until July 15, 2040. The bonds are not obligations of the State of Nebraska, and no tax shall ever be levied to raise the funds for the principal payment thereof or the interest or premium thereon. The bonds do not constitute debt of the Board of Trustees of the Nebraska State Colleges but shall be payable out of moneys derived from legislative appropriations and capital improvement fees. Bonds maturing on or after July 15, 2033, are able to be redeemed, in part or in whole, on or after July 15, 2032. The bond proceeds were used to provide for payment of the principal and interest on the $19,595,000 outstanding Series 2016 Bonds, through the redemption date of July 15, 2026, and to redeem any remaining balance of the Series 2016 Bonds on that redemption date. The refunding reduced total debt service payments by approximately $9,800,000 and resulted in an economic gain of approximately $1,500,000. 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 old bonds. At June 30, 2026, $11,730,000 of Series 2016 Bonds remain outstanding. Subsequent to fiscal year end, the remaining Series 2016 Bonds were called.

Math Science Project Bonds Payable

In May 2020, the Corporation issued $23,465,000 of Series 2020 Bonds. The bonds bear interest, payable semiannually, at rates of 3.00% to 5.00%. Principal maturities, due in annual installments, begin June 15, 2022, and continue until June 15, 2035. Proceeds from the issuance of these bonds were used to renovate the Math Science Building at Chadron State College. The bonds are not obligations of the State of Nebraska, and no tax shall ever be levied to raise the funds for the principal payment thereof or the interest or premium thereon. The bonds do not constitute debt of the Board of Trustees of the Nebraska State Colleges, but the first two interest payments were paid with funds from Chadron State College and the remaining debt payments shall be payable solely out of moneys derived from legislative appropriations. The bonds are not subject to redemption prior to maturity.

Facilities Program Bonds Payable

In February 2022, the Corporation authorized the issuance of Facilities Program Bonds Series 2022. On May 4, 2022, the Corporation issued $17,205,000 in 2022B Facilities Program Bonds. The bonds bear interest, payable semiannually, at rates of 4.00% to 5.00%. Principal maturities, due in annual installments, began July 15, 2023, and continue until July 15, 2040. Proceeds from the issuance of these bonds will be used to help fund the Wayne State College Athletic and Recreation Project and the Peru State College Indoor/Outdoor Athletic Complex.

The bonds are not obligations of the State of Nebraska, and no tax shall ever be levied to raise the funds for the principal payment thereof or the interest or premium thereon. The bonds do not constitute debt of the Board of Trustees of the Nebraska State Colleges but shall be payable out of moneys derived from legislative appropriations and capital improvement fees. Bonds maturing on or after July 15, 2033, are able to be redeemed, in part or in whole, on or after July 15, 2032.

Debt Service Requirements

The debt service requirements as of June 30, 2026, are as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 2,555,000	$ 2,195,446	$ 4,750,446
2028	2,660,000	2,086,769	4,746,769
2029	2,790,000	1,957,064	4,747,064
2030	2,925,000	1,820,563	4,745,563
2031	3,070,000	1,676,717	4,746,717
2032-2036	15,175,000	6,331,120	21,506,120
2037-2041	20,965,000	2,446,704	23,411,704
	$ 50,140,000	$ 18,514,383	$ 68,654,383

Supplementary Information

Nebraska State Colleges Facilities Corporation
A Component Unit of the Nebraska State College System
Schedule of Principal and Interest Payments
Math Science Project (Series 2020 Bonds)
June 30, 2026

Fiscal Year	Due Dates	Principal Due	Interest Rate	Interest Due	Fiscal Year Debt Service
2027	December 15	$ -		$ 336,250	$ -
	June 15	1,540,000	4.000	336,250	2,212,500
2028	December 15	-		305,450	-
	June 15	1,600,000	5.000	305,450	2,210,900
2029	December 15	-		265,450	-
	June 15	1,680,000	5.000	265,450	2,210,900
2030	December 15	-		223,450	-
	June 15	1,765,000	5.000	223,450	2,211,900
2031	December 15	-		179,325	-
	June 15	1,855,000	4.000	179,325	2,213,650
2032	December 15	-		142,225	-
	June 15	1,930,000	4.000	142,225	2,214,450
2033	December 15	-		103,625	-
	June 15	2,005,000	4.000	103,625	2,212,250
2034	December 15	-		63,525	-
	June 15	2,085,000	3.000	63,525	2,212,050
2035	December 15	-		32,250	-
	June 15	2,150,000	3.000	32,250	2,214,500
		$ 16,610,000		$ 3,303,100	19,913,100

Nebraska State Colleges Facilities Corporation
A Component Unit of the Nebraska State College System
Schedule of Principal and Interest Payments
Facilities Program Refunding (Series 2022A Bonds)
June 30, 2026

Fiscal Year	Due Dates	Principal Due	Interest Rate	Interest Due	Fiscal Year Debt Service
2027	July 15	$ 320,000	3.473	$ 401,964	$ -
	January 15	-		396,407	1,118,371
2028	July 15	330,000	3.573	396,407	-
	January 15	-		390,512	1,116,919
2029	July 15	340,000	3.711	390,511	-
	January 15	-		384,203	1,114,714
2030	July 15	355,000	3.841	384,203	-
	January 15	-		377,385	1,116,588
2031	July 15	370,000	4.069	377,385	-
	January 15	-		369,857	1,117,242
2032	July 15	385,000	4.069	369,857	-
	January 15	-		362,025	1,116,882
2033	July 15	400,000	4.069	362,025	-
	January 15	-		353,886	1,115,911
2034	July 15	415,000	4.169	353,887	-
	January 15	-		345,236	1,114,123
2035	July 15	430,000	4.269	345,236	-
	January 15	-		336,058	1,111,294
2036	July 15	450,000	4.369	336,058	-
	January 15	-		326,227	1,112,285
2037	July 15	2,685,000	4.469	326,227	-
	January 15	-		266,231	3,277,458
2038	July 15	2,805,000	4.519	266,231	-
	January 15	-		202,852	3,274,083
2039	July 15	2,935,000	4.569	202,852	-
	January 15	-		135,802	3,273,654
2040	July 15	3,065,000	4.619	135,802	-
	January 15	-		65,016	3,265,818
2041	July 15	2,785,000	4.699	65,016	2,850,016
		$ 18,070,000		$ 9,025,358	$ 27,095,358

Nebraska State Colleges Facilities Corporation
A Component Unit of the Nebraska State College System
Schedule of Principal and Interest Payments
Athletic & Recreation Projects (Series 2022B Bonds)
June 30, 2026

Fiscal Year	Due Dates	Principal Due	Interest Rate	Interest Due	Fiscal Year Debt Service
2027	July 15	$ 695,000	5.000	$ 370,975	$ -
	January 15	-		353,600	1,419,575
2028	July 15	730,000	5.000	353,600	-
	January 15	-		335,350	1,418,950
2029	July 15	770,000	5.000	335,350	-
	January 15	-		316,100	1,421,450
2030	July 15	805,000	5.000	316,100	-
	January 15	-		295,975	1,417,075
2031	July 15	845,000	5.000	295,975	-
	January 15	-		274,850	1,415,825
2032	July 15	890,000	5.000	274,850	-
	January 15	-		252,600	1,417,450
2033	July 15	935,000	5.000	252,600	-
	January 15	-		229,225	1,416,825
2034	July 15	980,000	5.000	229,225	-
	January 15	-		204,725	1,413,950
2035	July 15	1,035,000	5.000	204,725	-
	January 15	-		178,850	1,418,575
2036	July 15	1,085,000	5.000	178,850	-
	January 15	-		151,725	1,415,575
2037	July 15	1,140,000	5.000	151,725	-
	January 15	-		123,225	1,414,950
2038	July 15	1,195,000	5.000	123,225	-
	January 15	-		93,350	1,411,575
2039	July 15	1,250,000	5.000	93,350	-
	January 15	-		62,100	1,405,450
2040	July 15	1,315,000	4.000	62,100	-
	January 15	-		35,800	1,412,900
2041	July 15	1,790,000	4.000	35,800	1,825,800
		$ 15,460,000		$ 6,185,925	$ 21,645,925