Board of Trustees of the Nebraska State Colleges

Meeting Date**: November 12, 2026**

Agenda Item: **4.3**

ITEMS FOR DISCUSSION AND ACTION:

Committee: **Fiscal, Facilities, & Audit Committee**

Action Item: **Auxiliary Audit Report for Fiscal Year Ending June 30, 2026**

Forvis Mazars has completed the audit report for the auxiliary programs at the Colleges for years ending June 30, 2026, and June 30, 2024. The 2002 Master Resolution calls for an annual audit of the records of the auxiliary program to show revenues, fees, and earnings credited to the program, the financial condition at the close of the fiscal year, transactions during the year, a review of insurance carried on the facilities and other buildings, the percentage of occupancy and use of the facilities, and any other matters deemed relevant and necessary to make the audit informative. The audit is a system-wide report that includes information for each of the Colleges, along with system summaries. The audit incorporates information for the following bond issues:

- Series 2012 - Refund Series 2002 Bonds for Peru State College and Wayne State College
- Series 2013 - Eagle Ridge Housing and Various Roof Repairs for Chadron State College
- Series 2014 - Refund Series 2003 Bonds for Chadron State College
- Series 2015 - Delzell Hall Improvements at Peru State College.
- Series 2016 - Bowen Hall Improvements at Wayne State College
- Series 2016B - Refund Series 2010 Bonds for Wayne State College
- Series 2016C - Refund Series 2011 Bonds for Peru State College
- Series 2023 - New Student Housing (Stearns Hall) at Wayne State College

Forvis Mazars has issued an unqualified opinion for the Nebraska State Colleges Student Fees and Facilities Revenue and Refunding Bond Program (the Program): *"In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Program, 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."*

The financial position of the Program remained favorable during the year ended June 30, 2026, with operating income that provided debt service coverage ratios of 142% for Chadron State College, 180% for Peru State College and 176% for Wayne State College. The Master Resolution requires a debt service coverage ratio of 110%; however, Board Policy requires the Colleges to each maintain a minimum 125% debt service coverage ratio.

Occupancy of residence halls for fiscal year 2026 was up slightly, with a 79.7% combined occupancy rate for the fall semester and a 71.1% combined occupancy rate for the spring semester. In 2025 and 2024, the combined occupancy rates for the fall semester were 74.1% and 66.7%, and for the spring semester were 73.6% and 72.3%, respectively.

The full audit report is available on the NSCS Website: Fiscal Year 2026 Revenue Bond

The System Office recommends approval of the Auxiliary Audit Report for Fiscal Year Ending June 30, 2026.