

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED SEPTEMBER 30, 2024 AND 2023



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**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
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YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Nebraska Student Loan Program, Inc.
dba: National Student Loan Program
Lincoln, Nebraska

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Nebraska Student Loan Program, Inc. dba: National Student Loan Program (NSLP), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NSLP, as of September 30, 2024 and 2023, and the changes in its net assets 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of NSLP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NSLP's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and *Government Auditing Standards* 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 NSLP'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NSLP'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.

Board of Directors
Nebraska Student Loan Program, Inc.
dba: National Student Loan Program

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of financial position and consolidating statement of activities, which are the responsibility of management, are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of NSLP’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NSLP’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NSLP’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 11, 2024

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023**

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 97,112,600	\$ 91,704,747
Investments	177,645,582	152,358,867
Account Maintenance Fee and Transition Fee Receivable from U.S. Department of Education	191,030	1,443,071
Accrued Interest Receivable	74,132	132,063
Purchased Loans	-	64,940
Receivable from Federal Fund	-	57,200
Other Assets	3,891,030	4,174,420
Net Assets Held on Behalf of Federal Fund	6,536,235	5,355,919
Total Assets	\$ 285,450,609	\$ 255,291,227
LIABILITIES AND NET ASSETS		
LIABILITIES		
Payable to U.S. Department of Education, Federal Fund Liability	\$ 6,536,235	\$ 5,355,919
Payable to Federal Fund	20,030	-
Accounts Payable and Accrued Expenses	2,060,236	2,233,511
Unearned Revenue	308,895	125,371
Total Liabilities	8,925,396	7,714,801
NET ASSETS WITHOUT DONOR RESTRICTIONS	276,525,213	247,576,426
Total Liabilities and Net Assets	\$ 285,450,609	\$ 255,291,227

See accompanying Notes to Consolidated Financial Statements.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
REVENUES		
Recovery Revenue	\$ 35,334	\$ 21,123,582
Account Maintenance Fee	837,697	1,037,136
Transition Fee	11,426,783	946,443
Default Aversion Fee	(454,612)	(487,437)
Investment Income, Net	39,941,583	20,956,339
Other Income	1,374,562	1,911,835
Total Revenues	53,161,347	45,487,898
EXPENSES		
Salaries and Benefits	9,394,937	9,282,080
Collection Agency Fees	10,512	27,398
Rehabilitation Discount	-	6,719
General and Administrative	13,207,115	10,654,535
Servicing Fees	1,599,996	1,599,996
Provision for Default Aversion Fee Rebate	-	(910,181)
Total Expenses	24,212,560	20,660,547
CHANGE IN NET ASSETS	28,948,787	24,827,351
Net Assets without Donor Restrictions - Beginning of Year	247,576,426	222,749,075
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	\$ 276,525,213	\$ 247,576,426

See accompanying Notes to Consolidated Financial Statements.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Reconciliation of Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Change in Net Assets	\$ 28,948,787	\$ 24,827,351
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Realized (Gains) Losses on Investments, Net	1,538,729	(3,234,016)
Unrealized Gains on Investments, Net	(31,349,514)	(8,867,742)
Amortization	1,616,203	1,320,095
Changes in Assets and Liabilities:		
Account Maintenance Fee Receivable from		
U.S. Department of Education	305,598	(195,547)
Transition Fee Receivable from U.S. Department of Education	946,443	(946,443)
Accrued Interest Receivable	57,932	23,102
Purchased Loans	64,940	-
Default Aversion Fee Refund Allowance	-	(910,181)
Receivable from Federal Fund	60,009	4,198,774
Other Assets	(25,353)	(1,078,750)
Default Aversion Fee Receivable/Payable	17,221	(47,113)
Accounts Payable and Accrued Expenses	(852,607)	1,323,091
Unearned Revenue	183,523	(68,594)
Net Cash Provided by Operating Activities	1,511,911	16,344,027
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(4,392,022)	(2,781,858)
Sales of Investments	8,916,093	6,669,556
Acquisition of Capital Assets	(628,130)	(515,887)
Net Cash Provided by Investing Activities	3,895,942	3,371,811
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,407,853	19,715,838
Cash and Cash Equivalents - Beginning of Year	91,704,747	71,988,909
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 97,112,600	\$ 91,704,747

See accompanying Notes to Consolidated Financial Statements.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 1 ORGANIZATION

The Nebraska Student Loan Program, Inc. dba: National Student Loan Program (NSLP) was incorporated as a private, nonprofit organization on October 23, 1986. The Foundation for Educational Services, Inc. (FES), a nonprofit corporation, serves as the sole member of NSLP and elects NSLP's board of directors. Up to two FES directors serve on NSLP's board of directors. NSLP's primary purpose is to guarantee the repayment of principal and accrued interest on eligible student loans made by participating lenders under the Federal Family Education Loan Program (FFELP) of the U.S. Department of Education (ED or Secretary), and to provide financial aid related services to colleges and universities.

The FFELP was established by the U.S. government to provide access to funds for students attending colleges, universities, and postsecondary education and vocational schools, and for parents of postsecondary education students. Guaranteed loans may be made under this program by certain lenders as defined by the Higher Education Act of 1965, as amended (the Act). NSLP guarantees the repayment of principal and accrued interest to the lender for each eligible loan. NSLP issues loan guarantees, tracks borrowers' status, pays lender claims, provides information and assistance to delinquent borrowers, collects on defaulted loans, and assists higher education institutions with financial aid processes and default prevention efforts.

The Healthcare and Education Reconciliation Act eliminated the issuance of any new loans under the FFELP as of July 1, 2010. NSLP remains responsible for loans that were guaranteed prior to July 1, 2010 and must comply with all FFELP regulations. NSLP plans to continue its commitment to provide FFELP services to students and institutions of higher education.

On October 27, 2022, Nebraska Student Loan Program, Inc. (NSLP) filed Articles of Incorporation for Inceptia with the Nebraska Secretary of State. Inceptia received notice of tax exempt status from the Internal Revenue Service on April 11, 2023. NSLP serves as the sole member of the Organization. NSLP and Inceptia have determined that operating the program separately through the Inceptia allows each organization to have specialized management focused on the activities of the entities. Inceptia will provide educational and charitable programs aimed at helping students learn how to pay for college, navigate financial aid, borrow wisely, and resolve their student loan repayment challenges.

In Fiscal 2023 and 2024, NSLP transferred certain underlying interests and assets, to Inceptia by grant. This included certain programs and intellectual property related to such programs, equipment, other tangible and intangible property, domain name registrations, web addresses, web site content, cash and other investment assets in order to support the activities of Inceptia.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity

The accompanying consolidated financial statements are prepared on the accrual basis of accounting.

The Higher Education Amendments of 1998 (the Amendments) were enacted on October 7, 1998, with an effective date of October 1, 1998, for most provisions. The Amendments changed the financial and reporting structure of guaranty agencies. Under the Amendments, NSLP established a Federal Student Loan Reserve Fund (Federal Fund) and Guaranty Agency Operating Fund (Operating Fund), as required, to account for the FFELP activities.

The Federal Fund's assets and earnings on those assets are the property of the federal government and are limited to paying lender claims and default aversion fees to the Operating Fund. All existing reserve funds, securities, and other liquid assets on October 1, 1998, were deposited into the Federal Fund. Additional ongoing deposits into the Federal Fund include reinsurance payments, the complement of reinsurance on default collections, the ED's equitable share of collections, federal default fee charged to borrowers, and the Federal Fund's interest income.

All the assets of the Federal Fund are not assets of the guaranty agency and are noted accordingly on the consolidated financial statements as net assets held on behalf of Federal Fund with a corresponding liability payable to U.S. Department of Education.

The Operating Fund is not restricted and is the property of the guaranty agency. The Operating Fund is used for the administration of the programs authorized by Title IV Part B of the Act, as amended, and other related activities under the statute. Deposits into this fund include an account maintenance fee paid by the Secretary on all outstanding loans, a default aversion fee paid from the Federal Fund, collections on defaulted loans after subtracting amounts to be paid to the Secretary and to the Federal Fund, and fees collected from colleges and universities for financial aid services.

Net assets are classified based on the existence or absence of donor-imposed restrictions. The operating fund is not restricted by donors. However, net assets without donor restriction may be designated for specific purposes by action of the board of directors.

Use of Estimates

The preparation of consolidated 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 and liabilities and the disclosure of contingencies at the date of the consolidated financial statements and the reporting of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

NSLP considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At times, the amounts on deposit may exceed the Federal Deposit Insurance Corporation limit.

Investments

Investments are reported at fair value in the consolidated statements of financial position, with gains and losses included in the consolidated statements of activities. Fair value is determined by readily available current market values for equity and debt securities. If quoted market prices for those debt securities are not available, the fair values are estimated using pricing models, quoted prices of similar securities with similar characteristics, or discounted cash flows.

Fair Value Measurements

NSLP applies the provisions of Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, for fair value measurements of financial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction among market participants at the measurement date. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Revenue Recognition

Most revenue is derived from long-term contracts, the duration of which is expected to span more than one year. These contracts are billable monthly, as services are rendered, based on a percentage of the balance collected or the transaction processed, a flat fee per transaction or a stated rate per the service performed. In accordance with ASC 606, the unit of account is a contractual performance obligation, a promise to provide a distinct good or service to a customer. The transaction price is allocated to each distinct performance obligation when or as the good or service is transferred to the customer and the obligation is satisfied. Distinct performance obligations are identified based on the services specified in the contract that are capable of being distinct such that the customer can benefit from the service on its own or together with other resources that are available from a third party and are also distinct in the context of the contract such that the transfer of the services is separately identifiable from other services promised in the contract. Most contracts include integrated service offerings that include obligations that are not separately identifiable and distinct in the context of the contracts. Accordingly, the contracts generally have a single performance obligation. A limited number of full-service offerings include multiple performance obligations. Substantially all revenue from contracts with customers is variable revenue which is recognized over time as customers receive and consume the benefit of services in an amount consistent with monthly billings. Accordingly, NSLP does not disclose variable consideration associated with the remaining performance obligation as NSLP recognized revenue in the amount NSLP has the right to invoice for services performed. Fees correspond to the value the customer has realized from the performance of each increment of the service (for example, an individual transaction processed or collection of a past due balance).

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

In addition to administering the federal reserve funds, from which claims are paid, guaranty agencies are charged with responsibility for maintaining records on all loans which they have insured, assisting lenders to prevent default by delinquent borrowers, post-default loan administration and collections and program awareness and oversight. These activities are funded by revenues from the following statutorily prescribed sources described below. For each revenue stream below, revenue is recognized at a point in time described in their respective paragraph.

Recovery Revenue

Recovery revenue on collections is recognized during the month for which collections are received. When a borrower makes a payment on a loan after NSLP has paid a claim on that loan, NSLP must pay the federal government an equitable share of those payments equal to the amount collected, reduced by 10.0% for recoveries due to a consolidation and 16.0% for regular default collections. Retention for rehabilitations is accrued interest and applicable collection costs only. For 98.0% and 95.0% guaranteed loans, an additional 2.0% and 5.0%, respectively, is deducted for the un-reinsured portion, which is the complement of reinsurance. The 10.0%, the 16.0%, and applicable collection costs are recorded as recovery revenue by NSLP.

Default Aversion Fee

A one-time default aversion fee is recognized for default aversion activities on delinquent loans at the time the lenders request aversion assistance. At the time the guaranty agency receives a request from a lender for pre-claims assistance, a fee equal to 1% of principal and accrued interest on the loan is payable from the Federal Fund to the Operating Fund. However, such fee must be refunded to the Federal Fund in the event the loan is later paid as a default claim.

Account Maintenance Fee and Transition Fee

NSLP's Operating Fund receives an account maintenance fee based on 0.06% of the principal amount of outstanding loans at each quarter-end. The fee is paid quarterly by ED and is recognized as earned. The Fund also received a transition fee (special account maintenance fee) based on the original principal outstanding as of the end of the payment pause multiplied by 0.7% for an annual amount that was paid quarterly. This transition fee was paid in addition to the account maintenance fee through September 2024.

Rehabilitation Discount

Defaulted borrowers may make qualifying payments to rehabilitate their loans and return to a repayment status. Loans may be sold at a premium or a discount and recorded as a revenue/expense at the time of the sale. During the year ended September 30, 2023, NSLP sold rehabilitated loans at a discount, which was recorded as rehabilitation discount expense, at the time of sale. During the year ended September 30, 2024, there were no rehabilitated loans sold at a discount; therefore, there was no rehabilitation discount expense.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Assets

Other assets consist of the following at September 30:

	2024	2023
Internally Developed Software	\$ 1,361,205	\$ 2,647,480
Prepaid Building Improvement Project	1,059,676	1,011,477
Accounts Receivable	1,470,149	515,463
Total Other Assets	<u>\$ 3,891,030</u>	<u>\$ 4,174,420</u>

Advertising

NSLP expenses advertising costs as incurred. Advertising expense was \$266,072 and \$250,156 for the years ended September 30, 2024 and 2023, respectively.

Income Taxes

NSLP has been recognized as a tax-exempt organization by the Internal Revenue Service as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income tax on related income pursuant to Section 501(a) of the IRC.

NSLP applies the provisions of ASC Subtopic 740-10, *Income Taxes – Overall*. ASC Subtopic 740-10 provides specific guidance on how to address uncertainty in accounting for income tax assets and liabilities, prescribing recognition thresholds and measurement attributes. At September 30, 2024 and 2023, there were no uncertain tax positions. Accordingly, no provision for income taxes has been included in the accompanying consolidated financial statements.

Adoption of New Accounting Standards

NSLP has adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurements of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. NSLP adopted this new guidance utilizing a modified retrospective transition method. The adoption of this standard did not have an impact of NSLP’s consolidated financial statements.

Subsequent Events and COVID-19 Impact on Financial Performance

In preparing the consolidated financial statements, NSLP has evaluated events and transactions for potential recognition or disclosure through December 11, 2024, the date the consolidated financial statements were available to be issued.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events and COVID-19 Impact on Financial Performance (Continued)

On March 13, 2020, the President of the United States declared that a national emergency concerning the COVID-19 outbreak began on March 1, 2020. On March 27, 2020, President Trump signed into law the CARES Act. The CARES Act implemented an automatic forbearance until September 30, 2020, for any borrower with a student loan held by the Department and brought all delinquent loans current (zero days delinquent). As a result, recovery revenue was negatively impacted as post default collections were suspended. Additionally, with all delinquent borrowers being brought current and then having repayment suspended through September 30, 2020, NSLP had no default prevention activity or default prevention revenue for the last six months of fiscal 2020. On August 8, 2020 President Trump extended the 0% student loan interest and suspension of payments on student loans held by the Department until December 31, 2020. With the extension, the Department revised its definition of student loans held by the Department to exclude defaulted student loans held by Guaranty Agencies. With the change of definition, NSLP resumed the collection of defaulted loans activity in October 2020.

In January 2021 President Biden extended the pause through September 30, 2021. On March 30, 2021, the U.S. Department of Education announced an expansion of the pause on federal student loan interest and collections on all defaulted loans in the FFEL Program that are managed by GAs. On May 24, 2021, the Department issued Dear Colleague Letter (DCL) ID GEN-21-03 informing Guaranty Agencies (GAs) of their obligations regarding Federal Family Education Loan (FFEL) Program loans that are in default.

The DCL ordered all collection attempts on defaulted loans must cease, including notice or welcome letters that a GA would send when it receives a defaulted FFEL Program loan from a FFEL Program lender or the notice in 34 CFR 682.410(b)(6)(ii), and all other actions otherwise required by 34 CFR 682.410(b)(6) and (b)(9) must cease.

The DCL directed GAs to take the following actions:

- Interest rates must be set to 0%;
- Payments received through Administrative Wage Garnishment (AWG), the Treasury Offset Program (TOP), and other forms of involuntary collection since March 13, 2020, must be refunded;
- Borrowers who made voluntary payments must be given the option for a refund of those payments;
- The DCL authorizes a GA to reimburse itself from the Federal Fund for lost revenue due to implementing the DCL. On December 22, 2021, the Department extended the payment pause to May 1, 2022. On April 6, 2022, the Department of Education announced an extension of the pause on payment, interest, and collections through August 31, 2022. On August 24, 2022 the Department announced an extension of the pandemic payment pause from August 31, 2022, to December 31, 2022. In November of 2022, the Administration extended the pause. The pause ended on August 29, 2023.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events and COVID-19 Impact on Financial Performance (Continued)

- The DCL authorizes a GA to reimburse itself from the Federal Fund for lost revenue due to implementing the DCL. As of September 30, 2023, NSLP transferred \$71.5 million from the Federal Fund to the Agency Operating Fund. The Department of Education had reimbursed NSLP for lost revenue of \$63.4 million. There was no lost revenue recorded as of September 30, 2024.

The DCL temporarily waived the following statutory and regulatory requirements:

- Minimum Reserve Ratio (34 CFR 682.410)
- Limits on Loan Consolidation Volume (34 CFR 682.401(b)(18))
- Reinsurance Trigger Rate (34 CFR 682.404(b))

Subsequent to year end, a new voluntary flexible agreement was signed with the Department of Education effective October 1, 2024. The agreement changes various terms related to guarantor funding model, including: payment of the special account maintenance fee, assigning loans to the Department of Education and collection activities.

Reclassifications

Certain amounts in the prior year consolidated financial statements have been reclassified for comparative purposes to confirm with the presentation in the current year financial statements. The reclassifications have no effect on reported amounts of total net assets or change in total net assets.

NOTE 3 INVESTMENTS

The aggregate carrying amounts of investments included in the statements of financial position are as follows at September 30:

	<u>2024</u>	<u>2023</u>
Equity Investments	\$ 143,532,930	\$ 112,212,770
Asset-Backed Securities	34,112,652	40,146,097
Total Carrying Amount of Investments	<u>\$ 177,645,582</u>	<u>\$ 152,358,867</u>

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 3 INVESTMENTS (CONTINUED)

All realized gains and unrealized gains (losses) and income arising from investments held in the Operating Fund are accounted for in the consolidated statements of activities as increases to net assets without restrictions. The following table summarizes the composition of net investment income for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Interest/Dividends	\$ 10,130,796	\$ 8,854,581
Realized Gains (Losses), Net	(1,538,728)	3,245,262
Unrealized Gains, Net	31,349,515	8,856,496
Total Investment Income, Net	<u>\$ 39,941,583</u>	<u>\$ 20,956,339</u>

NOTE 4 FAIR VALUE MEASUREMENTS

NSLP applies the provisions of ASC Topic 820, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The statement requires certain additional disclosures, as set forth below. The provisions of ASC Topic 820 apply to other accounting pronouncements that require or permit fair value measurements. ASC Topic 820:

- Defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction among market participants at the measurement date, and
- Establishes a three-level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability as of the measurement date.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. To increase consistency and comparability in fair value measurements and related disclosures, the fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the hierarchy are defined as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that NSLP has the ability to access at the measurement date.

Level 2 – Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, through either corroboration or observable market data.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 – Inputs are unobservable inputs for asset or liability. Therefore, unobservable inputs shall reflect the entity’s own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. The following tables present assets that are measured on a recurring basis at September 30:

	2024			
	Fair Value	Level 1	Level 2	Level 3
Equity Investments	\$ 143,532,930	\$ 143,532,930	\$ -	\$ -
Asset-Backed Securities	34,112,652	-	34,112,652	-
Total Assets at Fair Value	\$ 177,645,582	\$ 143,532,930	\$ 34,112,652	\$ -
	2023			
	Fair Value	Level 1	Level 2	Level 3
Equity Investments	\$ 112,212,770	\$ 112,212,770	\$ -	\$ -
Asset-Backed Securities	40,146,097	-	40,146,097	-
Total Assets at Fair Value	\$ 152,358,867	\$ 112,212,770	\$ 40,146,097	\$ -

Fair value of the NSLP’s financial instruments is determined using the methods and assumptions as set forth below.

Equity Investments

These securities are mainly measured using quoted market prices at the reporting date multiplied by the quantity held. These are classified as Level 1 securities as they are traded in an active market for which closing prices are readily available.

Asset-Backed Securities

These securities are not actively traded or whose underlying investments are valued using observable marketplace inputs. These are classified as Level 2 as the fair value of these securities is generally determined using valuation models that use observable inputs, such as interest rates, bond yields, low volume market quotes and quoted prices for similar assets.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 5 NET ASSETS HELD ON BEHALF OF FEDERAL FUND

Assets of the Federal Fund are property of the federal government, for which NSLP has custodial responsibility, and include amounts due to or payable by the Federal Fund as follows:

	2024	2023
Cash and Cash Equivalents	\$ 6,271,766	\$ 5,285,888
Receivable from U.S. Department of Education	244,439	127,231
Amounts Receivable from Operating Fund	20,030	-
Amounts Due to Operating Fund	-	(57,200)
Total Net Assets Held on Behalf of Federal Fund	\$ 6,536,235	\$ 5,355,919

NOTE 6 GUARANTEED LOANS

FFELP loans outstanding and guaranteed by NSLP at September 30, 2024 and 2023 were \$1.3 billion and 1.6 billion, respectively.

NOTE 7 RESERVE RATIO

Section 428(c)(9)(A) of the Act was amended to require an agency to maintain a Federal Fund current minimum reserve ratio of at least 0.25% of the total attributable amount of all outstanding loans guaranteed by such agency. During the years ended September 30, 2024 and 2023, NSLP did not transfer any amounts from the Operating Fund to the Federal Fund to meet such reserve ratio. Although Section 428(c)(9)(A) of the Act states “for purpose of this paragraph, such total attributable amount does not include amounts of outstanding loans transferred to the guaranty agency from another guaranty agency pursuant to a plan of the Secretary,” the ED does include the transferred in amount from Higher Education Assistance Fund when it publishes the fiscal reserve ratios. Based on this method of calculating the reserve ratio, management has calculated NSLP’s fiscal years 2024 and 2023 reserve ratios at 1.09% and 0.56%, respectively.

NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 8 RELATED-PARTY TRANSACTIONS

FES, under terms of a management agreement, provides personnel and support services to NSLP, subject to the direction of NSLP's officers and board of directors. In addition, NSLP also leases facilities and equipment from FES based on actual expenses incurred by FES. Leases are year to year. Total management fees, rent, and related expenses incurred by NSLP during the years ended September 30, 2024 and 2023, were \$15,708,233 and \$13,807,021, respectively, and are included in salaries and benefits and general and administrative expenses on the accompanying consolidated statements of activities. NSLP participates in FES's defined-contribution plan and 401(k) plan. NSLP's contributions to these plans totaled \$703,656 and \$753,848 for the years ended September 30, 2024 and 2023, respectively. In addition, at September 30, 2024 and 2023, \$91,059 and \$1,179,974 was payable to FES, respectively. For 2024, there is \$1,115,709 in accounts payable and \$1,024,650 in other assets, netting to a receivable balance. For 2023, these balances are included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position.

NOTE 9 COMMITMENTS AND CONTINGENCIES

NSLP is subject to lawsuits and claims for various amounts brought about in the normal course of business. In the opinion of management, the ultimate disposition of any claims currently pending will not have a material adverse effect on the financial position or results of operations of NSLP.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 10 FUNCTIONAL EXPENSES

Natural expenses allocated by functional category are as follows at September 30:

	2024			
	Program			Total
	FFELP/ Guarantor	Other Financial Aid Related Services	Support Services	
Salaries and Benefits	\$ 1,302,425	\$ 4,287,960	\$ 3,804,552	\$ 9,394,937
Collection Agency Fees	10,512	-	-	10,512
Servicing Fees	1,599,996	-	-	1,599,996
GPO Programming Fees	16,050	-	-	16,050
FES Shared Expenses (Non-FISMA)	677,362	1,739,696	1,644,935	4,061,993
FISMA Related Expenses	381,911	757,637	775,522	1,915,070
Product Development and Amortization	610,976	3,786,323	-	4,397,299
Contracted Services	197,660	479,130	209,382	886,172
Advertising and Branding	641	3,527	261,904	266,072
Information Technology	41,973	290,950	-	332,923
Other Expenses	58,650	303,606	969,280	1,331,536
Total	<u>\$ 4,898,156</u>	<u>\$ 11,648,829</u>	<u>\$ 7,665,575</u>	<u>\$ 24,212,560</u>

	2023			
	Program			Total
	FFELP/ Guarantor	Other Financial Aid Related Services	Support Services	
Salaries and Benefits	\$ 1,573,850	\$ 4,560,145	\$ 3,148,086	\$ 9,282,081
Collection Agency Fees	27,398	-	-	27,398
Rehabilitation Discount	6,719	-	-	6,719
Provision for Default Aversion				
Fee Rebate	(910,181)	-	-	(910,181)
Servicing Fees	1,599,996	-	-	1,599,996
GPO Programming Fees	76,388	-	-	76,388
FES Shared Expenses (Non-FISMA)	601,849	1,537,918	1,098,170	3,237,937
FISMA Related Expenses	409,402	748,489	594,252	1,752,143
Product Development and Amortization	129,895	3,345,998	-	3,475,893
Contracted Services	174,298	370,838	61,228	606,364
Advertising and Branding	26	4,582	245,548	250,156
Information Technology	31,778	247,260	-	279,038
Other Expenses	91,390	270,936	614,289	976,615
Total	<u>\$ 3,812,808</u>	<u>\$ 11,086,166</u>	<u>\$ 5,761,573</u>	<u>\$ 20,660,547</u>

Program activity expense and general and administrative are allocated directly to their respective functional category as able. Accordingly, certain general and administrative expenses have been allocated among programs and general and administrative. NSLP allocates salaries and benefits, FES support services, and various other general expenses by department.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
 DBA: NATIONAL STUDENT LOAN PROGRAM
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 SEPTEMBER 30, 2024 AND 2023**

NOTE 11 FINANCIAL ASSETS AND LIQUIDITY RESOURCES

NSLP monitors its liquidity so that it can meet operating needs and other commitments. There is a board approved strategic reserve plan in place. The majority of NSLP’s liquidity is provided by cash and cash equivalents and investments. Investments consist of liquid securities defined as securities that can be transacted quickly and efficiently, with minimal impact on market price. For purposes of analyzing resources available to meet general expenditures over a 12-month period, NSLP considers all expenditures related to their ongoing program and admin expenditures. As of September 30, 2024 and 2023, financial assets and liquidity resources available within one year are as follows:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 97,112,600	\$ 91,704,747
Investments	177,645,582	152,358,867
Accounts Receivable	242,118	1,522,757
Total Available Within One Year	<u>\$ 275,000,300</u>	<u>\$ 245,586,371</u>

NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	Nebraska Student Loan Program	Inceptia	Eliminations	Total
Cash and Cash Equivalents	\$ 18,823,787	\$ 78,288,813	\$ -	\$ 97,112,600
Investments	478,402	177,167,180	-	177,645,582
Account Maintenance Fee and Transition Fee Receivable from U.S. Department of Education	191,030	-	-	191,030
Accrued Interest Receivable	-	74,132	-	74,132
Intercompany Receivable	677,933	-	(677,933)	-
Other Assets	2,084,656	1,806,374	-	3,891,030
Net Assets Held on Behalf of Federal Fund	6,536,235	-	-	6,536,235
	<u>\$ 28,792,043</u>	<u>\$ 257,336,499</u>	<u>\$ (677,933)</u>	<u>\$ 285,450,609</u>
Total Assets				
LIABILITIES AND NET ASSETS				
LIABILITIES				
Payable to U.S. Department of Education, Federal Fund Liability	\$ 6,536,235	\$ -	\$ -	\$ 6,536,235
Payable to Federal Fund	20,030	-	-	20,030
Accounts Payable and Accrued Expenses	1,060,016	1,000,220	-	2,060,236
Intercompany Payable	-	677,933	(677,933)	-
Unearned Revenue	70,433	238,462	-	308,895
Total Liabilities	7,686,714	1,916,615	(677,933)	8,925,396
	<u>21,105,329</u>	<u>255,419,884</u>	<u>-</u>	<u>276,525,213</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Total Liabilities and Net Assets	<u>\$ 28,792,043</u>	<u>\$ 257,336,499</u>	<u>\$ (677,933)</u>	<u>\$ 285,450,609</u>

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	Nebraska Student Loan Program	Inceptia	Eliminations	Total
REVENUES				
Recovery Revenue	\$ 35,334	\$ -	\$ -	\$ 35,334
Account Maintenance Fee	837,697	-	-	837,697
Transition Fee	11,426,783	-	-	11,426,783
Default Aversion Fee	(454,612)	-	-	(454,612)
Grant Revenue	-	40,008,683	(40,008,683)	-
Investment Income, Net	2,715,277	37,226,306	-	39,941,583
Other Income	3,975	1,370,587	-	1,374,562
Total Revenues	<u>14,564,454</u>	<u>78,605,576</u>	<u>(40,008,683)</u>	<u>53,161,347</u>
EXPENSES				
Salaries and Benefits	2,235,874	7,159,063	-	9,394,937
Collection Agency Fees	10,512	-	-	10,512
General and Administrative	43,150,313	10,065,485	(40,008,683)	13,207,115
Servicing Fees	1,599,996	-	-	1,599,996
Total Expenses	<u>46,996,695</u>	<u>17,224,548</u>	<u>(40,008,683)</u>	<u>24,212,560</u>
CHANGE IN NET ASSETS	(32,432,241)	61,381,028	-	28,948,787
Net Assets without Donor Restrictions - Beginning of Year	<u>53,537,570</u>	<u>194,038,856</u>	<u>-</u>	<u>247,576,426</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u>\$ 21,105,329</u>	<u>\$ 255,419,884</u>	<u>\$ -</u>	<u>\$ 276,525,213</u>



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**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM**

UNIFORM GUIDANCE AUDIT REPORT

YEAR ENDED SEPTEMBER 30, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Nebraska Student Loan Program, Inc.
dba: National Student Loan Program
Lincoln, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Nebraska Student Loan Program, Inc. dba: National Student Loan Program (NSLP), which comprise the consolidated statement of financial position as of September 30, 2024, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 11, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered NSLP's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of NSLP's internal control. Accordingly, we do not express an opinion on the effectiveness of NSLP's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Directors
Nebraska Student Loan Program, Inc.
dba: National Student Loan Program

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NSLP’s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the NSLP’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 11, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER
COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Nebraska Student Loan Program, Inc.
dba: National Student Loan Program
Lincoln, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Nebraska Student Loan Program, Inc. dba: National Student Loan Program (NSLP)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of NSLP's major federal programs for the year ended September 30, 2024. NSLP's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, NSLP complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of NSLP and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of NSLP's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to NSLP's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on NSLP's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about NSLP's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 NSLP's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of NSLP's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of NSLP's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Board of Directors
Nebraska Student Loan Program, Inc.
dba: National Student Loan Program

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of NSLP as of and for the year ended September 30, 2024, and have issued our report thereon dated December 11, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 11, 2024

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Federal Expenditures
U.S. Department of Education, Federal Family Education Loans (Guaranty Agencies):	84.032G	
Federal Expenditures:		
Reinsurance		\$ 91,417,243
Account Maintenance Fee		837,697
Default Aversion Fees		(454,613)
Subtotal		<u>91,800,327</u>
Secretary's Equitable Share - Other Revenue		242,306
Original Principal Outstanding as of October 1, 2023		958,169,472
Loans in Default as of October 1, 2023		<u>376,481,089</u>
Subtotal		<u>1,334,650,561</u>
 Total		 <u><u>\$ 1,426,693,194</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2024**

NOTE 1 GENERAL

NSLP receives financial awards from the federal government for the purpose of administering the Federal Family Education Loan Program. The amounts reported as federal expenditures were obtained from the records maintained by NSLP. All amounts received during the year ended September 30, 2024 were expended.

NOTE 2 GUARANTEED LOANS

Loans outstanding and guaranteed by NSLP at September 30, 2024 subject to continual compliance requirements were approximately \$575 million.

The principal and interest balance of loans in default at September 30, 2024 was approximately \$439 million.

NOTE 3 BASIS OF PRESENTATION

The reporting entity for the schedule of expenditures of federal awards is the same as the related consolidated financial statements. The accompanying schedule of expenditures of federal awards includes the federal grant activity of NSLP and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, federal financial reports.

NOTE 4 INDIRECT COST RATE

For the year ended September 30, 2024, NSLP did not claim any indirect costs.

**NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024**

Section I – Summary of Auditors’ Results

A. Financial Statements

Type of auditors’ report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
• Significant deficiency(ies) identified? reported	_____ yes	_____ <input checked="" type="checkbox"/> none
Noncompliance material to financial statements noted?	_____ yes	_____ <input checked="" type="checkbox"/> no

B. Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
• Significant deficiency(ies) identified? reported	_____ yes	_____ <input checked="" type="checkbox"/> none
Type of auditors’ report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	_____ <input checked="" type="checkbox"/> no

Identification of Major Federal Programs

Federal Family Education Loan Program – Guaranty Agencies (Assistance Listing #84.032G)

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$4,280,080</u>
Auditee qualified as low-risk auditee?	_____ <input checked="" type="checkbox"/> yes _____ no

NEBRASKA STUDENT LOAN PROGRAM, INC.
DBA: NATIONAL STUDENT LOAN PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 *CFR* 200.516(a).



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