



FY19 Annual Financial Assessment

June 30, 2019

**Annual Financial Assessment
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Annual Financial Assessment Introduction

This report is intended to enhance the quarterly Financial Indicators report that is used to track cash trends at the universities. This report goes beyond looking at cash and provides financial information that will give a broader understanding of the potential influences on the overall financial standing of the six regental universities. The report includes annual and historical data for each university:

- Operating Cash Balance showing current commitments;
- Higher Learning Commission financial ratios.
- Total university revenue history and graphs of major sources;
- Unrestricted fund expenditures and graphs for each fund type;
- Auxiliary System operating revenues, expenses, and coverage ratios;
- Credit hour history for on-campus and off-campus;
- Long-term debt summaries for the BOR system and for each university;
- Campuses' Foundation financial statement highlights:

Financial assessment, as being used in this document, represents data showing past trends in financial information for the six universities. This information will assist the Board in identifying financial risk, assessing economic factors, providing accountability for the campuses, and making strategic decisions. The financial indicators will provide insight that is not always apparent upon review of the campus financial statements alone. The annual financial statements are available at: <https://www.sdbor.edu/administrative-offices/finance-administration/annual-reports/Pages/Financial-Reports.aspx>.

The Financial Assessment provides a macro picture of the availability and management of financial resources at a given point in time. It is necessary to look at the performance from year to year to see trends. Insufficient resources can create a barrier to achieving institutional goals and may result from a reduction in revenues or increased spending. The assessment information should be used both as a diagnostic tool, providing useful information about past financial performance, and as a resource to assist the Board and campuses with critical planning and decision-making tasks.

The report includes a number of reports requested by Board members at various times as well as reports that provide answers to specific questions. We can always add or remove reports as desired. We welcome input from Board members or the universities that might enhance the report.

Annual Financial Assessment Operating Cash Balance

Operating Cash Balances include the cash from all funds that are not restricted by an outside entity. These balances include:

- All tuition and fees
- All general sales and service
- Facilities & administrative fees (grants overhead)

The operating cash balance calculation starts with the amounts held in the fund types listed above, netted against any dollars held in the tuition system pool and tuition due from other campuses, less any hard commitments against the funds. The one-time commitments are committed dollars to capital projects.

The need for such operating balances is to address emergency situations, unanticipated shortfalls in revenue, increases in expenditures, cash flows, and and to meet other financial requirements.

Parameters for indicators:

- **Green Light** Minimum of 10% of identified revenue sources
- **Yellow Light** Between 5% and 10% of identified revenue sources
- **Red Light** Less than 5% of identified revenue sources

Based on these parameters, below is a summary of the adjusted operating cash balance by campus and their respective ratios.

	6/30/2018		6/30/2019	
	Adj Operating Cash	Ratio	Adj Operating Cash	Ratio
BHSU	\$6,475,726	19.32%	\$4,465,225	13.19%
DSU	\$3,282,772	10.03%	\$414,089	1.93%
NSU	\$7,524,523	25.70%	\$6,917,856	22.48%
SDSM&T	\$9,918,496	22.13%	\$9,173,600	19.83%
SDSU	\$20,587,156	10.24%	\$21,679,059	10.62%
USD	\$19,282,298	13.14%	\$21,569,445	14.62%

Black Hills State University
Operating Cash Balances as of 6/30/19

	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Unassigned - Tuition	\$5,003,197	\$4,093,700	\$2,192,007
Committed - Student Fees	\$2,156,600	\$2,177,024	\$2,013,590
Assigned - Sales and Service	<u>\$2,395,303</u>	<u>\$3,293,924</u>	<u>\$3,093,821</u>
 Operating Cash Balance as of June 30th	 \$9,555,100	 \$9,564,648	 \$7,299,418
Cash Held for Others			
Student Cards & Student Deposits	(\$115,440)	(\$134,050)	(\$157,314)
Commitments Against Cash			
Encumbrances Posted	(\$167,625)	(\$134,967)	(\$137,614)
Payables	(\$538,528)	(\$207,459)	(\$356,508)
One-Time Commitments			
Commitments to Capital Projects	\$0	\$0	\$0
Net Operating Expenditure for July and August	(\$1,670,297)	(\$2,612,446)	(\$2,182,757)
 Adjusted Operating Cash Balance	 <u>\$7,063,210</u>	 <u>\$6,475,726</u>	 <u>\$4,465,225</u>
 Total Operating Expenditures for Fiscal Year	 \$33,058,512	 \$33,522,458	 \$33,847,139
 Operating Cash Balance as a % of Operating Expenditures	 21.37%	 19.32%	 13.19%

Dakota State University
Operating Cash Balances as of 6/30/19

	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Unassigned - Tuition	\$4,422,189	\$3,254,128	\$68,528
Committed - Student Fees	\$1,965,317	\$1,723,169	\$2,058,327
Assigned - Sales and Service	<u>\$1,051,364</u>	<u>\$1,504,040</u>	<u>\$1,181,684</u>
Operating Cash Balance as of June 30th	\$7,438,870	\$6,481,337	\$3,308,539
Cash Held for Others			
EUC	\$0	\$0	\$0
Student Cards & Student Deposits	(\$60,434)	(\$71,103)	(\$84,958)
Student Assns and Student Gov't Assn Funds	(\$159,215)	(\$136,102)	(\$124,805)
Commitments Against Cash			
Encumbrances Posted	(\$339,686)	(\$269,407)	(\$53,953)
Payables	(\$120,432)	(\$254,973)	(\$254,384)
One-Time Commitments			
None	\$0	\$0	\$0
Net Operating Expenditure for July and August	(\$1,827,379)	(\$2,466,980)	(\$2,106,350)
Adjusted Operating Cash Balance	<u><u>\$4,931,723</u></u>	<u><u>\$3,282,772</u></u>	<u><u>\$684,089</u></u>
Total Operating Expenditures for Fiscal Year	\$29,317,841	\$32,729,738	\$35,452,695
Operating Cash Balance as a % of Operating Expenditures	16.82%	10.03%	1.93%

Northern State University
Operating Cash Balances as of 6/30/19

	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Unassigned - Tuition	\$4,587,462	\$4,821,655	\$4,039,144
Committed - Student Fees	\$3,069,314	\$3,728,638	\$3,618,398
Assigned - Sales and Service	<u>\$1,297,342</u>	<u>\$1,959,344</u>	<u>\$1,982,674</u>
 Operating Cash Balance as of June 30th	 \$8,954,118	 \$10,509,637	 \$9,640,216
 Cash Held By Others			
Clearing Funds	\$71,203	\$29,958	\$29,506
 Cash Held for Others			
EUC	(\$5,312)	(\$5,660)	(\$5,908)
Clearing Funds	(\$99,310)	(\$91)	(\$20)
Unclaimed Property	(\$12,671)	(\$11,534)	(\$13,868)
Student Cards & Student Deposits	(\$69,785)	(\$83,285)	(\$53,976)
Student Assns and Student Gov't Assn. Funds	(\$126,162)	(\$151,346)	(\$154,162)
 Commitments Against Cash			
Encumbrances Posted	(\$129,860)	(\$178,689)	(\$132,064)
Payables	(\$90,420)	(\$40,845)	(\$56,596)
 One-Time Commitments			
Parking Lots	(\$422,607)	(\$387,607)	(\$342,607)
Barnett Center Receivable	(\$1,029,819)	(\$861,504)	(\$699,835)
Sports Complex Construction	\$0	\$0	(\$15,362)
Barnett Center Scoreboard	\$0	\$0	(\$1,400)
 Net Operating Expenditure for July and August	 (\$1,354,392)	 (\$1,294,511)	 (\$1,276,068)
 Adjusted Operating Cash Balance	 <u>\$5,684,983</u>	 <u>\$7,524,523</u>	 <u>\$6,917,856</u>
 Total Operating Expenditures for Fiscal Year	 \$29,464,077	 \$29,280,898	 \$30,776,481
 Operating Cash Balance as a % of Operating Expenditures	 19.29%	 25.70%	 22.48%

South Dakota School of Mines & Technology
Operating Cash Balances as of 6/30/19

	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Unassigned - Tuition	\$2,056,246	\$2,255,229	\$1,652,086
Committed - Student Fees	\$3,351,859	\$3,482,809	\$3,708,455
Assigned - Sales and Service	<u>\$4,850,421</u>	<u>\$7,146,588</u>	<u>\$8,082,169</u>
Operating Cash Balance as of June 30th	\$10,258,526	\$12,884,626	\$13,442,710
Cash Held for Others			
Student Assns. and Student Gov't. Assn. Funds	(\$76,208)	(\$241,467)	(\$969,449)
Commitments Against Cash			
Encumbrances Posted	(\$228,391)	(\$429,191)	(\$420,834)
Payables	(\$157,537)	(\$223,225)	(\$201,500)
Due to Board of Regents	(\$500,000)	\$0	\$0
One-Time Commitments			
None	\$0	\$0	\$0
Net Operating Expenditure for July and August	(\$1,714,881)	(\$2,072,247)	(\$2,677,327)
Adjusted Operating Cash Balance	<u><u>\$7,581,509</u></u>	<u><u>\$9,918,496</u></u>	<u><u>\$9,173,600</u></u>
Total Operating Expenditures for Fiscal Year	\$46,329,667	\$44,815,304	\$46,270,204
Operating Cash Balance as a % of Operating Expenditures	16.36%	22.13%	19.83%

South Dakota State University, AES & Extension
Operating Cash Balances as of 6/30/19

	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Unassigned - Tuition	\$8,210,321	\$5,836,614	\$3,129,093
Committed - Student Fees	\$10,190,357	\$10,133,459	\$6,887,863
Assigned - Sales and Service	\$24,019,413	\$24,378,927	\$23,160,416
SDSU Livestock Revolving Fund	<u>\$919,152</u>	<u>\$908,732</u>	<u>\$1,693,321</u>
Operating Cash Balance as of June 30th	\$43,339,243	\$41,257,732	\$34,870,693
Cash Held for Others			
EUC	\$0	(\$851)	(\$1,586)
Clearing Funds	(\$9,150)	(\$800)	(\$905)
Unclaimed Property	(\$93,550)	(\$149,425)	(\$136,557)
Student Cards & Student Deposits	(\$735,361)	(\$740,914)	(\$759,978)
Student Assns. and Student Gov't. Assn. Funds	(\$950,153)	(\$2,082,835)	(\$2,554,278)
Commitments Against Cash			
Encumbrances Posted	(\$1,902,183)	(\$2,934,323)	(\$2,196,617)
Payables	(\$3,043,936)	(\$2,960,061)	(\$3,060,255)
Scholarships from Vending Projects	\$0	\$0	\$0
One-Time Commitments			
Avera Lab Renovations	(\$473,827)	(\$326,233)	(\$176,233)
Performing Arts Interest Payment	(\$375,000)	\$0	\$0
Frost Seating	(\$187,116)	(\$187,116)	(\$187,116)
Daktronics Hall	(\$1,450,759)	(\$1,450,759)	(\$884,399)
Daktronics Hall Phase II	(\$198,788)	(\$198,788)	(\$198,788)
Harding Hall Project	(\$2,500,000)	(\$962,273)	\$0
Performing Arts Center	(\$2,000,000)	(\$2,254,938)	(\$1,439,863)
House Bill 1008 Property Purchase	\$0	\$0	\$0
Animal Disease and Diagnostic Lab	(\$1,000,000)	(\$500,000)	\$0
Stadium Reserve and Other	\$2,304,156	\$3,614,200	\$2,387,021
Net Operating Expenditure for July and August	(\$9,943,590)	(\$9,535,460)	(\$4,482,080)
Adjusted Operating Cash Balance	<u>\$20,779,986</u>	<u>\$20,587,156</u>	<u>\$21,179,059</u>
Total Operating Expenditures for Fiscal Year	\$200,784,765	\$201,142,754	\$199,492,207
Operating Cash Balance as a % of Operating Expenditures	10.35%	10.24%	10.62%

University of South Dakota and Sanford School of Medicine
Operating Cash Balances as of 6/30/19

	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Unassigned - Tuition	\$17,647,507	\$18,039,868	\$18,394,556
Committed - Student Fees	\$6,523,326	\$6,126,027	\$6,359,917
Assigned - Sales and Service	<u>\$10,845,416</u>	<u>\$11,924,479</u>	<u>\$13,166,441</u>
 Operating Cash Balance as of June 30th	 \$35,016,249	 \$36,090,374	 \$37,920,914
 Cash Held By Others			
Clearing Funds	(\$10,059)	(\$43,777)	(\$45,183)
 Cash Held for Others			
EUC	\$0	\$0	\$0
University Centers	(\$69,320)	(\$30,556)	(\$85,164)
Student Assns. and Student Gov't. Assn. Funds	(\$99,578)	(\$144,681)	(\$168,819)
Wegner Library	(\$58,153)	(\$85,472)	(\$294)
 Current Commitments Against Cash			
Encumbrances Posted	(\$960,528)	(\$2,150,871)	(\$1,225,855)
Payables	(\$63,330)	(\$791,036)	(\$541,154)
Scholarships from Vending Profits	(\$68,568)	(\$69,714)	(\$74,410)
 One-Time Commitments			
Medical School (Capital Project)	\$0	(\$525,000)	\$0
HSC classroom/labs	(\$1,700,000)	\$0	\$0
Basic Biomedical Science (Research Equipment)	\$0	(\$500,000)	\$0
Law School Renovations	\$0	(\$600,000)	\$0
FF&E for HSC Project	\$0	\$0	(\$375,000)
Simulation Center Hardware/Software Upgrades	\$0	\$0	(\$1,150,000)
BBS Research Equipment Replacement	\$0	\$0	(\$275,000)
Telecommunication Infrastructure Upgrades	\$0	\$0	(\$250,000)
Intramural Light Project	\$0	\$0	(\$775,000)
 Net Operating Expenditure for July and August	 (\$10,712,422)	 (\$11,866,969)	 (\$11,385,590)
 Adjusted Operating Cash Balance	 <u>\$21,274,291</u>	 <u>\$19,282,298</u>	 <u>\$21,569,445</u>
 Total Operating Expenditures for Fiscal Year	 \$148,068,940	 \$146,744,479	 \$147,578,904
 Operating Cash Balance as a % of Operating Expenditures	 14.37%	 13.14%	 14.62%

Annual Financial Assessment Higher Learning Commission Financial Ratios

Financial ratios can be useful tools for measuring and analyzing financial performance, understanding and communicating financial information, planning activities for improving financial performance, and as indicators of overall financial health of an organization. The Higher Learning Commission (HLC) uses a standard set of ratios as part of accreditation reviews as well as for on-going oversight. The finance vice presidents of the universities have identified a subset of the ratios that the Board can use to assess the standing of the institutions as well as the system.

The calculations are based on data from the institutions' financial statements which include the university foundations in order to give a more complete and accurate overall picture of the financial state of each institution.

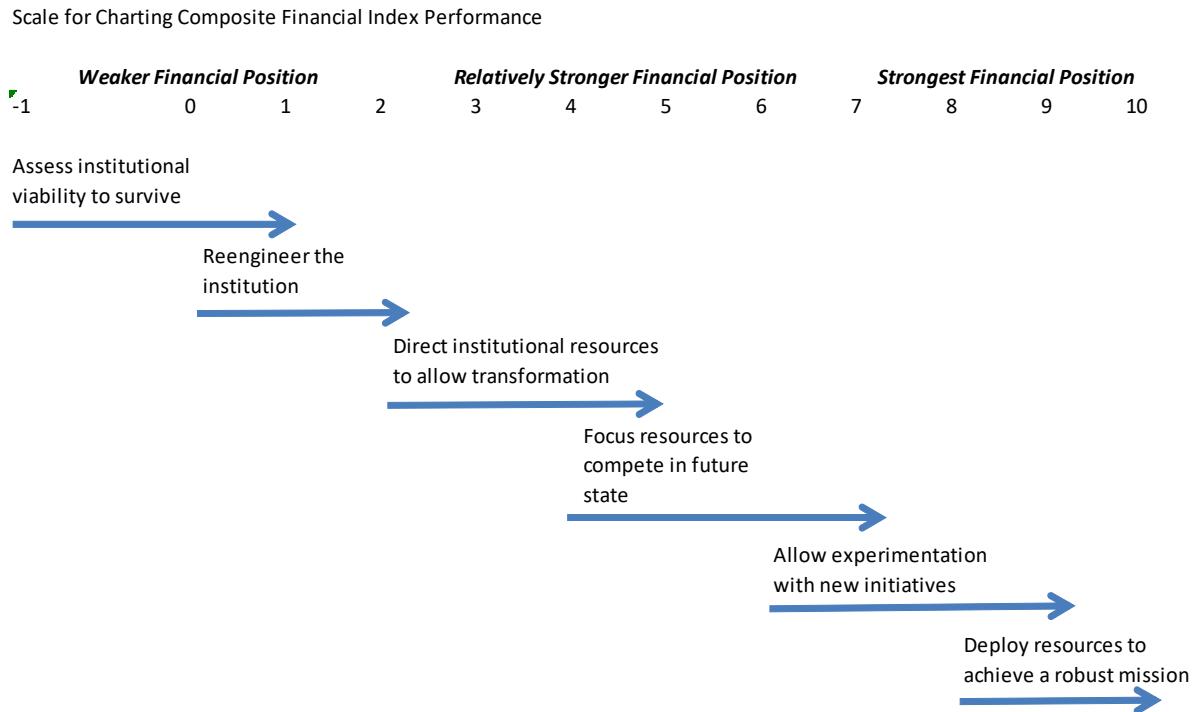
The four key ratios; 1) Primary Reserve Ratio; 2) Net Operating Revenues Ratio; 3) Return on Net Assets Ratio; and the 4) Viability Ratio are used to calculate the Composite Financial Index used by HLC. These ratios are used to answer four financial questions:

1. Are resources sufficient and flexible enough to support the mission?
 2. Do operating results indicate the institution is living within available resources?
 3. Does asset performance and management support the strategic direction?
 4. Are resources, including debt, managed strategically to advance the mission?
- The Primary Reserve Ratio is intended to address the question of sufficiency and flexibility for support of the mission. The ratio measures the financial strength of the university by comparing expendable net assets, which includes those assets the university can access and spend quickly to meet debt obligations, to total expenses at the end of every fiscal year. This ratio identifies the university's financial strength and flexibility by identifying how long the university can function by using reserves without the generation of any new net assets. A primary reserve ratio of .40 is advisable, implying that the university has the ability to cover over 4½ months of expenses. Key items that can impact this ratio include principal payments on debt, using net assets to fund capital construction projects, endowment returns, and total operating expenses.
 - The Net Operating Revenues Ratio is intended to indicate if an institution is living within its available resources. Institutions need to generate some level of surplus over long periods of time because operations are one source for reinvestment in future initiatives. Short-term deficits may occur as a result of strategic decisions. It is when deficits are unplanned or unmanaged and occurring as a result of core operations that evaluation of operations is necessitated. A positive ratio indicates the university is in good financial condition. An organization should establish a target percentage and a benchmark that would be in line with operating growth. A ratio of 2 to 4 percent indicates the university operated within its means and should be maintained over time; however, fluctuations

from year to year are normal. A large ratio identifies an operating surplus and a stronger financial position. While a negative ratio indicates an operating loss for the year, universities need to be careful about a positive ratio that is too large, indicating under spending on mission critical initiatives.

- The Return on Net Assets Ratio is intended to assess if the asset performance and management support the strategic direction. The ratio measures whether the organization is financially better off than in the previous year by measuring total economic return or the level of change in total net assets. This ratio is the most comprehensive measure of growth or decline in wealth over time. There is not a specific threshold; however, 3 to 4 percent is a generally acceptable real rate of return. An improving trend in this ratio indicates the university is increasing its net assets and is likely to be in a position to set aside financial resources to strengthen its future financial flexibility. Key items that may impact this ratio include changes in the net operating revenue ratio, endowment returns, capital gifts and grants, capital transfers, and endowment gifts. A 5-year trend should be the minimum used in evaluation.
- The Viability Ratio is intended to address the question of whether financial resources are being strategically managed to advance the mission of the institution. It measures availability of expendable net assets for coverage of debt should the university be required to settle its obligations as of the date on the balance sheet. A 1:1 ratio is desired, indicating adequate net assets to meet obligations. This ratio is one of the most basic determinants of clear financial health and is regarded as governing a university's ability to assume new debt. A ratio of 1.25 or greater indicates a strong creditworthy university with sufficient resources to satisfy debt obligations; however, each university should identify the ratio that is right for its mission specific needs. A viability ratio that falls below 1.1 hinders the university's ability to respond to adverse condition, to secure external capital, and to have flexibility to fund new objectives. Key items that may impact this ratio include principal payments on debt, using net assets for capital construction projects, issuance of new debt, and endowment returns.
- The Composite Financial Index (CFI) is built with the values of its four component ratios; 1) Primary Reserve, 2) Net Operating Revenue, 3) Return on Net Assets, and 4) Viability Ratio. Once each of the four ratios is calculated, further weighting is conducted to measure the relative strength of the score and its importance in the composite score. The CFI combines the four core ratios identified above into a single score. The combination, using a prescribed weighting plan, allows a weakness or strength in one ratio to be offset by another ratio result. The CFI reflects a picture of the financial health of the institution at a point in time. A negative CFI is indicative of a university that may be struggling financially. A score of 1.0 indicated very little financial health; 3.0 is the low benchmark and represents a relatively stronger financial position; a 10.0 is the highest benchmark. A ratio of 3.0 or above is preferred.

KPMG LLP and Prager, McCarthy & Sealy, LLC developed a scale for assessing the values of the CFI (shown below):



Using the above as a guide, a red, yellow or green indicator was assigned to each campus based on their Composite Financial Index. The indicators agreed to by the Business Affairs Council:

- **Red Light** – Weaker Financial Position- CFI below 1.0 for two years in a row, or a negative number: The institution is at a level that requires concern and additional review. The institution should provide data to support actions being taken at their campus to improve the indicator as quickly as possible.
- **Yellow Light** – Relatively Stronger Financial Position - CFI between 0.0 and 2.5: The institution has not met the assigned parameter and is in a range that may require additional review. The institution should be cautious of activity that would result in this indicator dropping further in future periods and begin to take steps to improve the indicator.
- **Green Light** – Strongest Financial Position - CFI of 2.5 and above: Any campus receiving a Yellow or Red Light will provide an explanation for the cause of the indicator and action being taken to improve the indicator.

For FY18, the campus' Composite Financial Index indicators are:

- BHSU **Yellow Light**
- DSU **Yellow Light**
- NSU **Green Light**
- SDSMT **Green Light**
- SDSU **Green Light**
- USD **Green Light**

The following pages provide the results for the four key ratios for each university for 2014 through 2018, as well as the Composite Financial Index. Each campus provided a narrative to explain any anomalies or fluctuations in the numbers.

Black Hills State University

	2014	2015	2016	2017	2018
Primary Reserve Ratio	0.430	0.407	0.326	0.340	0.446
Net Operating Revenue Ratio	0.092	0.034	0.087	0.024	0.004
Return on Net Asset Ratio	0.103	0.048	0.075	0.022	0.025
Viability Ratio	0.495	0.482	0.465	0.509	0.716
Composite Financial Indicator	3.3	2.2	2.7	1.7	2.05

Primary Reserve Ratio

The primary reserve ratio measures the financial strength of the university by comparing expendable net assets, which includes those assets the university can access and spend quickly to meet debt obligations, to total expenses at the end of every fiscal year. BHSU's ratio shows our ability to cover over 5 months of expenses.

Net Operating Revenue Ratio

The net operating revenue ratio identifies whether or not the university is living within its available resources. A positive ratio indicates the university is in good financial condition. BHSU's net operating revenue remains positive.

Return on Net Assets Ratio

The return on net assets ratio measures whether the university is financially better off than in the previous year by measuring total economic return or the level of change in total net assets. BHSU's return on net assets ratio is slightly below the 3-4% preferred rate of return due to a decrease in the University's net assets during the current year.

Viability Ratio

The viability ratio measures the availability of expendable net assets to cover debt should the university be required to settle its obligations as of the date on the balance sheet. BHSU's ratio has been steady over the past five years with an increase in 2018.

Composite Financial Indicator (CFI)

The CFI combines the four core ratios identified above into a single score. The combination, using a prescribed weighting plan, allows a weakness or strength in one ratio to be offset by another ratio result. BHSU is slightly below the recommended 2.5 CFI in FY18, however, the CFI ratio increased during the current year due to an increase in the Primary Reserve Ratio and Viability Ratio.

Dakota State University

	2014	2015	2016	2017	2018
Primary Reserve Ratio	0.130	0.203	0.238	0.214	0.085
Net Operating Revenue Ratio	0.061	0.011	0.131	(0.041)	(0.016)
Return on Net Assets Ratio	0.146	0.177	0.257	0.164	0.079
Viability Ratio	0.336	0.565	0.367	0.391	0.209
Composite Financial Indicator	2.6	2.9	3.9	2.2	1.1

Primary Reserve Ratio

The primary reserve ratio decreased from FY17 to FY18 due to a decrease in the institution's unrestricted net assets and an increase in operating expenses. The University received gift dollars for the Cyber Security Program for the construction of a building, additional staff and faculty, marketing, and student scholarships. With the gift, the University is required to use institutional funds for the program which includes personnel and operating expenses. With the increased marketing efforts of the program, an increase in students was expected for the FY19 school year. Therefore, some planned expenses were made in FY18 for the expected increase in students.

Net Operating Revenue Ratio

The slight increase in the operating revenue ratio is due in part to the DSU Foundation increase in unrestricted revenues and unrestricted net assets.

Return on Net Assets Ratio

The overall net assets of the University decreased as funds with cash reserves were used for one-time expenses and expenses needed for the Cyber Security Program.

Viability Ratio

The University's viability ratio decreased with the decrease in the expendable net assets.

Composite Financial Indicator (CFI)

The CFI score has declined in the last few years. While management is aware of the increase in expenses which contributes to the decreased CFI score, they know the upfront costs are needed to ensure continued progress in the future. Budgets are monitored to stay within the financial plan but some unexpected expenses occurred which affected the plan for FY18.

Northern State University

	2014	2015	2016	2017	2018
Primary Reserve Ratio	0.600	0.766	0.601	1.543	1.430
Net Operating Revenue Ratio	0.157	0.172	0.017	0.500	0.280
Return on Net Assets Ratio	0.178	0.203	0.082	0.560	0.141
Viability Ratio	0.877	1.234	1.043	2.860	2.231
Composite Financial Indicator	5.1	6.1	3.4	8.4	7.8

Primary Reserve Ratio

The Primary Reserve ratio is a snapshot in time showing how long the organization could operate using their expendable net reserves. There have been increases in previous years with the NSU Foundation receiving private donations for various projects. In FY2017, temporary restricted assets at the NSU Foundation had increased due to the recognition of large pledges for two new residence halls and the new Regional Science Education Center, resulting in an increased Primary Reserve Ratio. In FY2018, while the capital campaign was increased from \$45M to \$55M, the ratio decreased slightly due to construction expenses incurred, thereby decreasing the Foundation's temporarily restricted assets.

Net Operating Revenue Ratio

The Net Operating ratio represents the operating outcome for the year. A positive number indicates an operating surplus for the year, while a negative number indicates there was an operating loss for the year. While the University's operating revenues and expenses remained fairly consistent in FY2018, the NSU Foundation's operating revenues and expenses saw a decrease related to the recognition of the pledges to the residence halls and the Regional Science Education Center of the previous year and the increase in payments to NSU for capital expenditures related to these buildings in FY2018, thereby decreasing the overall Net Operating Revenue Ratio slightly.

Return on Net Assets Ratio

The Return on Net Assets ratio measures whether or not the organization is better off financially than it was the year before. The results can vary significantly from one year to the next so this information should be viewed over a period of time. Historically, NSU and the NSU Foundation have had a positive ratio indicating a small amount of growth each year. Due to the decrease in the NSU Foundation's temporarily restricted net assets as noted above and the increase in payments from the Foundation to NSU for capital expenditures, the Return on Net Assets Ratio also decreased in FY2018.

Viability Ratio

The Viability ratio measures the ability of the organization to settle debt with expendable net assets. The ratio remained fairly consistent. The FY2018 ratio of 2.231 indicates that NSU and the NSU Foundation, when combined, would have been able to settle debt obligations as of the balance sheet date using expendable net assets.

Composite Financial Indicator (CFI)

The Composite Financial Index (CFI) is the measurement of the overall health of the institution based on the four core ratios. The CFI can range from -2 for institutions that may be struggling to survive to more than 9 for institutions with the strongest financial health. The FY2018 CFI decrease from the previous year was in part due to the decrease in NSU Foundation assets; however, the University continues to monitor revenues and expenses to grow cash reserves in order to continue to improve financial stability.

South Dakota School of Mines and Technology

	2014	2015	2016	2017	2018
Primary Reserve Ratio	0.185	0.182	0.306	0.284	0.444
Net Operating Revenues	0.078	0.119	0.241	0.139	0.036
Return on Net Assets	0.212	0.106	0.227	0.087	0.088
Viability Ratio	0.300	0.304	0.543	0.742	0.788
Composite Financial Indicator	3.3	2.7	4.3	2.8	3.0

Primary Reserve Ratio

The primary reserve ratio measures the financial strength of the university by comparing expendable net assets, which includes those assets the university can access and spend quickly to meet obligations, to total expenses at the end of every fiscal year. A ratio of 100% denotes that an institution would have the ability to cover its expenses for one year without a revenue stream. The University's primary reserve ratio for 2018 is 44.4 which indicates that in an emergency, the University along with the SD Mines Foundation could continue its current operations for approximately five and a third months (recommended amount is five months). The ratio for FY18 is up from FY17 due to positive movement in net asset balances and flat expenditures in unrestricted and restricted funds for both SD Mines and the Foundation.

Net Operating Revenue Ratio

The net operating revenues ratio indicates whether total operating activities resulted in a surplus or deficit and if the institution is living within available resources. The net operating revenue ratio is lower than the prior year due to a decline in revenues. The net of operating revenues was close to flat compared to FY17 due to decreased expenditures, which helped to offset the decreased revenues, keeping the ratio positive. Per NACUBO, the recommended target is between the 2%-4% range.

Return on Net Assets Ratio

The return on net assets ratio determines whether the institution is financially better off than in previous years by measuring total economic return or the level of change in total assets. The return on net assets ratio is flat compared to FY17.

Viability Ratio

The viability ratio measures the availability of expendable net assets to cover debt should the institution need to settle its obligations as of the balance sheet date. The ratio indicates that SDSM&T and the Foundation combined, as of the fiscal year end, have sufficient expendable net assets to satisfy debt obligations, and have consistently improved over the last 4 fiscal years.

Composite Financial Indicator (CFI)

The CFI measures the overall health of the institution based on the four core ratios. This measurement typically ranges from -1 for universities with financial struggles to scores of 9-10 for

universities with the strongest financial health. In FY18, an increase in expendable net assets brought SD Mines's CFI up to 3.0. The University is continuing the steps to increase revenues and control spending.

South Dakota State University

	2014	2015	2016	2017	2018
Primary Reserve Ratio	0.289	0.322	0.331	0.318	0.367
Net Operating Revenues	0.031	0.019	0.030	(0.005)	0.036
Return on Net Assets	0.199	0.065	0.107	0.076	0.083
Viability Ratio*	0.478	0.499	0.547	0.532	0.577
Composite Financial Indicator	3.4	2.1	2.6	2.0	2.6

Primary Reserve Ratio

The primary reserve ratio provides a measure of the percent of annual expenses that could be paid by current expendable assets. The ratio for FY18 increased due to decreased University operating expenses and decreased Foundation expenditures related to capital projects. The ratio also increased due to increases in expendable assets at both the University (\$7.0M) and the Foundation (\$5.9M). This ratio represents a weight of 35% of the Composite Financial Indicator.

Net Operating Revenue Ratio

The Net Operating Revenue ratio measures net revenue in relation to total revenue. A positive number indicates a surplus for the year while a negative number indicates a deficit. The ratio for FY18 reflected a positive operating margin of 3.62%. University revenues increased \$4.1M, contributing to increased University net revenue of \$7.3M. Foundation revenues decreased by \$1.2M, and unrestricted net assets increased \$7.6M. This ratio represents a weight of 10% of the Composite Financial Indicator.

Return on Net Assets Ratio

The Return on Net Assets ratio reflects whether the institution is financially better off than the previous year by measuring the level of change in total assets. The FY18 ratio is positive and indicates an 8.3% return on net assets for the year. This ratio represents a weight of 20% of the Composite Financial Indicator.

Viability Ratio

The Viability ratio reflects the availability of expendable net assets to settle debt at the balance sheet date. The increase in the FY18 viability ratio is a result of the overall increase in expendable net assets offset slightly by increased debt to fund the Southeast Neighborhood project. Expendable net assets increased \$12.9M and debt increased by \$6.3M. This ratio represents a weight of 35% of the Composite Financial Indicator.

Composite Financial Indicator (CFI)

The Composite Financial Indicator (CFI) combines the four core ratios above into a single financial metric. The weighting of each of the ratios allows a weakness or strength in a specific ratio to be offset by another ratio result. SDSU experienced improvement in all four ratios when compared to FY17.

University of South Dakota/SSOM

	2014	2015	2016	2017	2018
Primary Reserve Ratio	0.782	0.723	0.639	0.573	0.704
Net Operating Revenues	0.034	(0.010)	0.034	(0.034)	(0.017)
Return on Net Assets	0.126	0.067	0.077	0.048	0.076
Viability Ratio	1.055	1.040	0.965	1.041	1.269
Composite Financial Indicator	4.5	3.4	3.5	2.6	3.6

Primary Reserve Ratio

A primary reserve ratio of 40% or better is advisable to give institutions the flexibility to transform the enterprise. The University's primary reserve ratio for fiscal year 2018 is 70.4%, which indicates that the University along with the USD Foundation could continue its current operations for approximately 37 weeks. The increase in the ratio from FY17 is primarily due to the reduction in expenses contributed to the completion of capital projects expenses and reduced interest expense on capital assets.

Net Operating Revenues Ratio

The net operating income ratio, calculated by dividing total operating revenue by net operating income, indicates whether total activities resulted in income or deficit. A positive ratio indicates that the University experienced income for one year. The net operating income ratio target is between 2 to 4 percent over an extended time period. The target may appear to be low however the determination of net operating revenues includes depreciation expense as a component, indicating that a positive return in this area would suggest the institution lives within its means.

The Foundation reported a decrease in unrestricted net assets for FY17 which contributed to the decrease in the net operating revenue ratio. FY18 had slight growths in revenues therefore increasing the ratio.

Return on Net Assets Ratio

The return on net position ratio has a target range is approximately 3 or 4 percent. Higher return on net position means that the company is using its assets and working capital efficiently and effectively. USD return on net assets are above the target range.

Viability Ratio

The viability ratio is a measure of clear financial health; the availability of expendable net position to cover debt should the University need to settle its obligations as of the fiscal year end. A ratio of 1.0 or greater indicates an institution has sufficient expendable net position to satisfy debt requirements. USD viability ratio is within target.

Composite Financial Index

The Composite Financial Indicator (CFI) combines the four core ratios above into a single financial metric. The weighting of each of the ratios allows a weakness or strength in a specific ratio to be offset by another ratio result.

The CFI in fiscal year 2018 increased by 1.0 point from the prior year to 3.6. The Primary Reserve ratio and Viability ratio increased as did the Net Operating Reserve and Return on Net Position. The result was an increase in the overall CFI.

Annual Financial Assessment Campuses' Total Revenue

Looking at trend data pertaining to campus revenue is another way to gauge what direction the financial health of a campus might be headed. It also helps sort which revenue sources are growing and which are shrinking. The revenue totals are provided every year with the campuses' budget request booklet. The board office has also provided graphs to illustrate the trends for five revenue sources: total revenue, on-campus tuition, off-campus tuition, federal grants and contracts, and indirect cost recovery. These five revenue sources are highlighted because of their importance to the financial stability of each campus.

In FY17, the University Support Fee was moved from the student fee category to On-Campus Tuition because the fee was combined with the tuition rate. A shift of revenues between the categories will result.

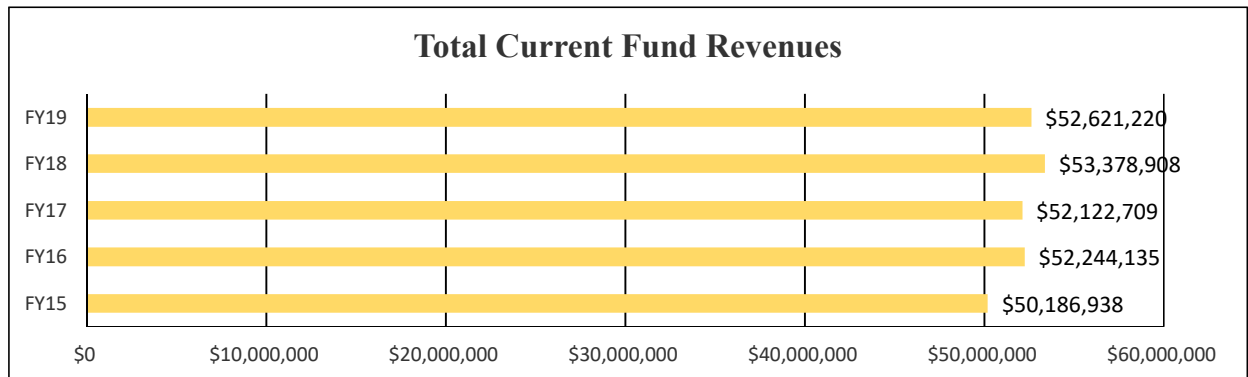
In FY18, Black Hills State University rolled all special discipline fees into On-Campus Tuition. A shift of revenues between categories will result.

Black Hills State University

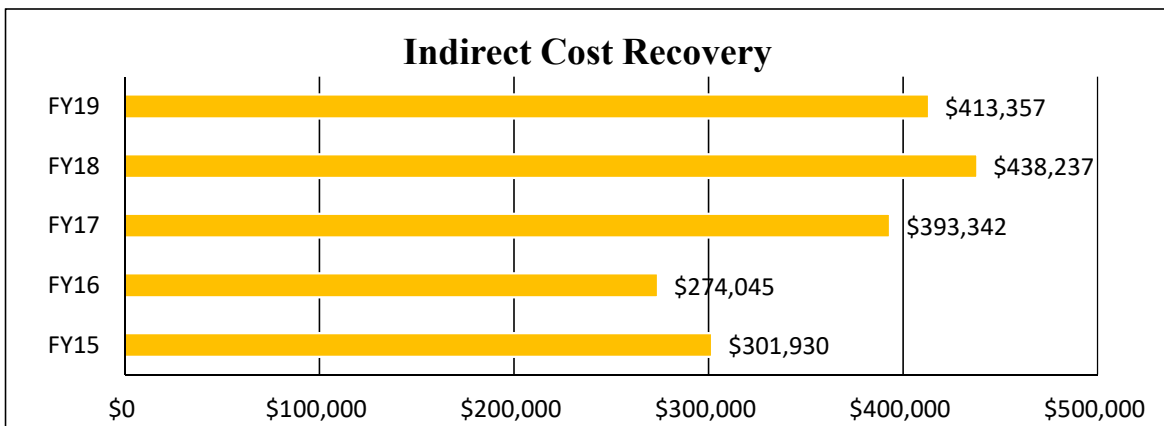
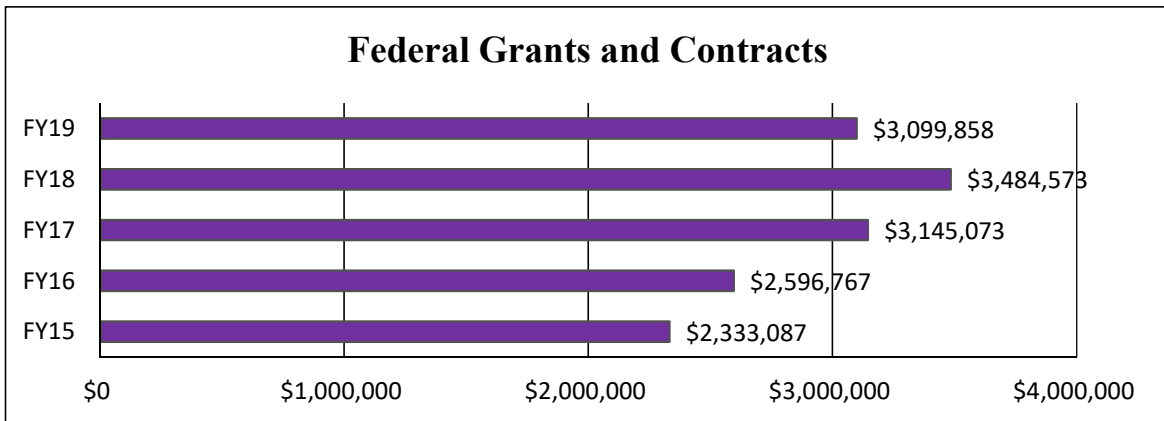
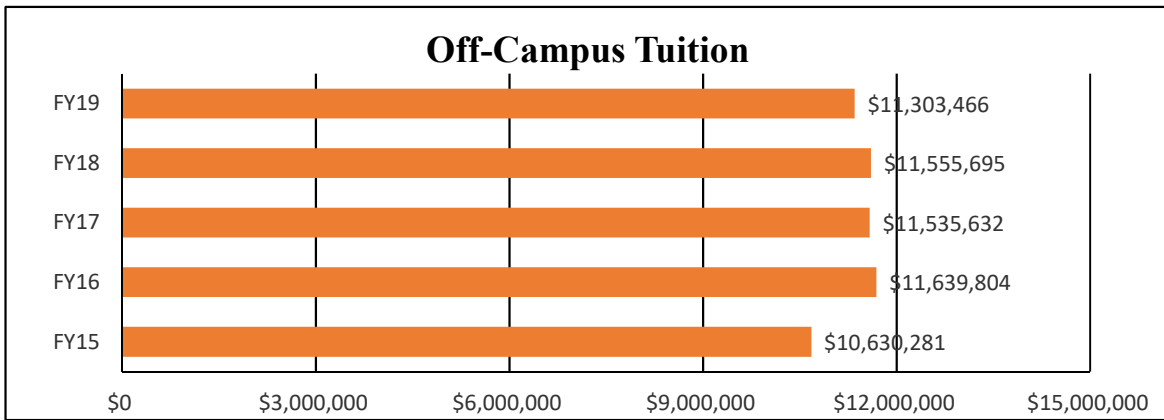
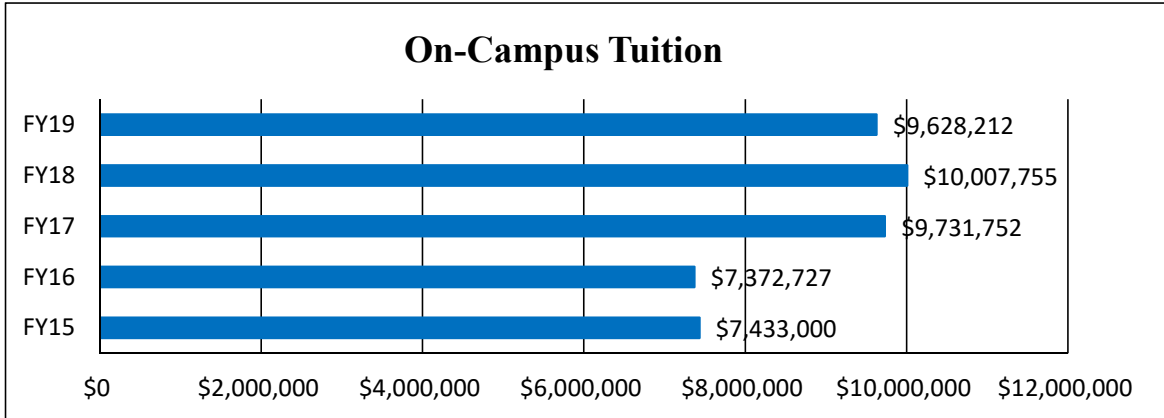
Total Revenue

Current Funds	FY15	FY16	FY17	FY18	FY19
State					
State Appropriations	\$8,970,163	\$9,195,701	\$9,540,883	\$9,863,955	\$9,656,332
One-Time State Appropriations	\$9,730	\$0	\$0	\$0	\$0
State Grants & Contracts	\$509,297	\$297,487	\$519,467	\$516,095	\$447,274
State Financial Aid	\$359,276	\$269,714	\$284,063	\$398,959	\$401,080
Subtotal State Funds	\$9,848,466	\$9,762,902	\$10,344,413	\$10,779,009	\$10,504,686
Federal					
Federal Grants & Contracts	\$2,333,087	\$2,596,767	\$3,145,073	\$3,484,573	\$3,099,858
Federal Financial Aid	\$5,669,214	\$5,241,035	\$4,880,949	\$5,041,066	\$4,722,997
Federal Appropriations	\$0	\$0	\$0	\$0	\$0
Subtotal Federal Funds	\$8,002,301	\$7,837,802	\$8,026,022	\$8,525,639	\$7,822,855
Other					
On-Campus Tuition	\$7,433,000	\$7,372,727	\$9,731,752	\$10,007,755	\$9,628,212
Off-Campus Tuition	\$10,630,281	\$11,639,804	\$11,535,632	\$11,555,695	\$11,303,466
Student Fees	\$4,705,609	\$5,050,958	\$2,253,464	\$2,166,286	\$2,328,746
Room & Board	\$4,306,381	\$4,423,509	\$4,963,266	\$4,956,741	\$4,745,365
HEFF (Physical Plant Maintenance)	\$31,161	\$31,161	\$31,161	\$31,161	\$31,161
Subtotal Student Revenue	\$27,106,432	\$28,518,159	\$28,515,275	\$28,717,638	\$28,036,950
School and Public Lands	\$173,360	\$173,360	\$173,360	\$173,360	\$173,360
Other Grants & Contracts	\$109,520	\$310,315	\$611,059	\$359,236	\$197,657
Indirect Cost Recovery	\$301,930	\$274,045	\$393,342	\$438,237	\$413,357
Other Financial Aid	\$2,004,578	\$2,304,555	\$2,659,716	\$2,924,681	\$3,042,977
Sales & Service of Auxiliary Enterprises	\$2,344,953	\$2,311,595	\$2,079,539	\$2,304,684	\$1,940,935
Other Sales & Services	\$1,295,398	\$1,401,402	\$1,819,983	\$2,197,722	\$2,811,120
Subtotal Other Funds	\$6,229,739	\$6,775,272	\$7,736,999	\$8,397,920	\$8,579,406
Total Other Funds	\$33,336,171	\$35,293,431	\$36,252,274	\$37,115,558	\$36,616,356
Mandatory & Non-Mandatory Transfers to Plant & Loan Funds	\$1,000,000	\$650,000	\$2,500,000	\$3,041,298	\$2,322,677
Total Current Funds Revenue	\$50,186,938	\$52,244,135	\$52,122,709	\$53,378,908	\$52,621,220
Plant Funds	\$111,423	\$152,875	\$64,197	\$36,478	\$79,172
Loan Funds	\$29,827	\$30,068	\$26,780	\$54,697	\$22,416
Total Current, Plant and Loan Funds Revenue	\$50,328,188	\$52,427,078	\$52,213,686	\$53,470,083	\$52,722,808

Source: All information was provided by the campuses



Black Hills State University Revenue History

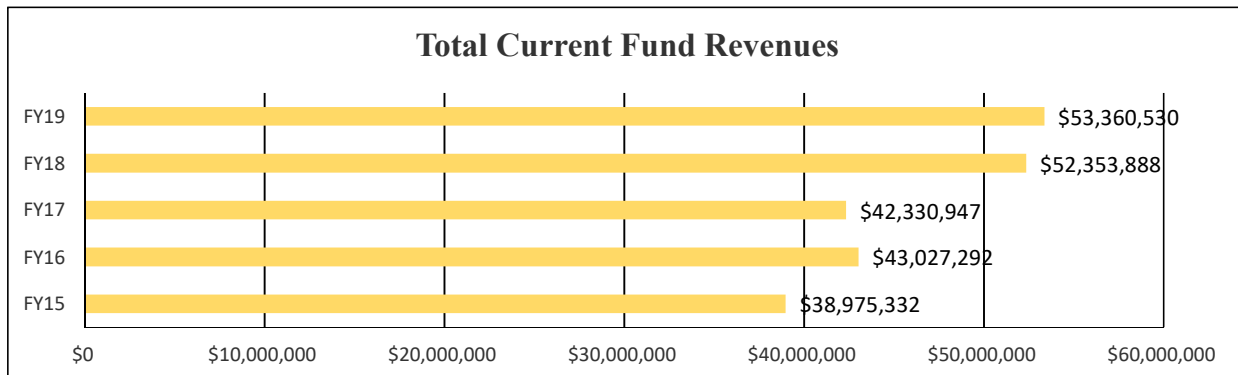


Dakota State University

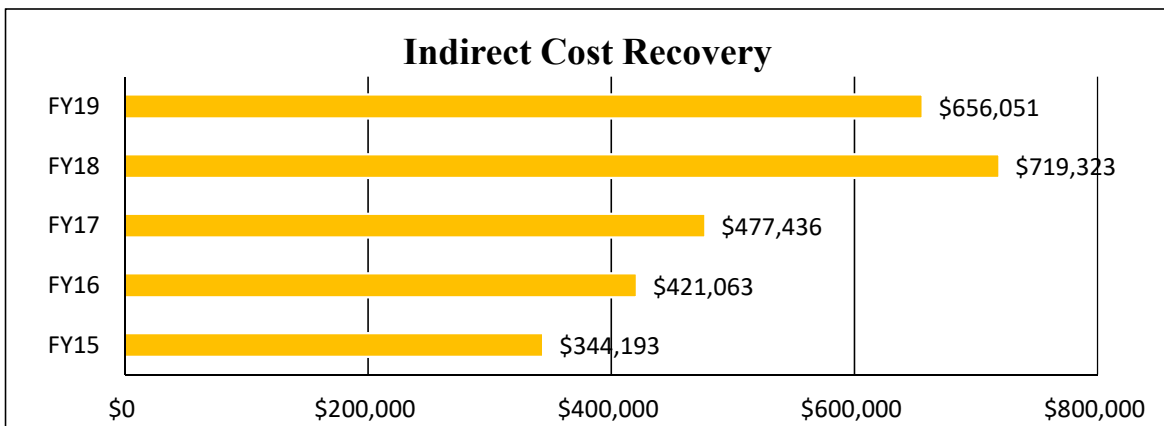
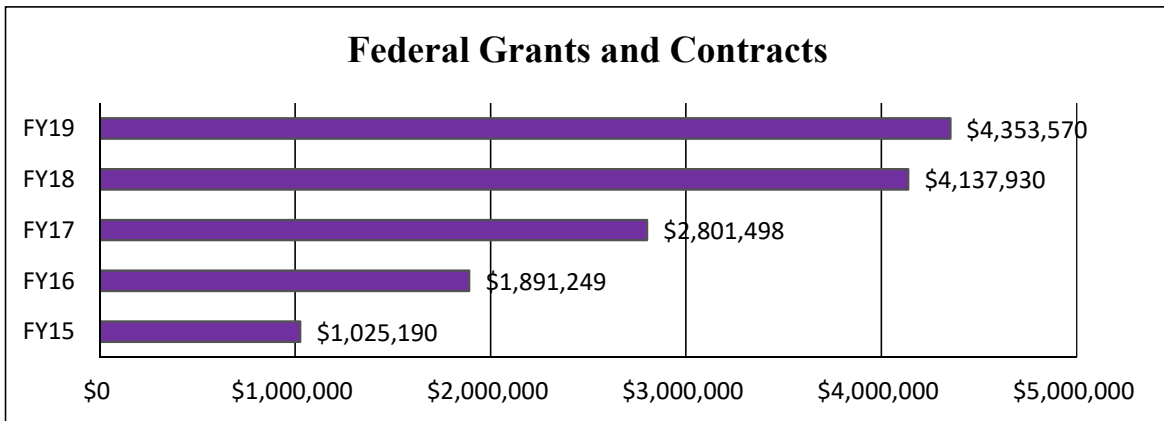
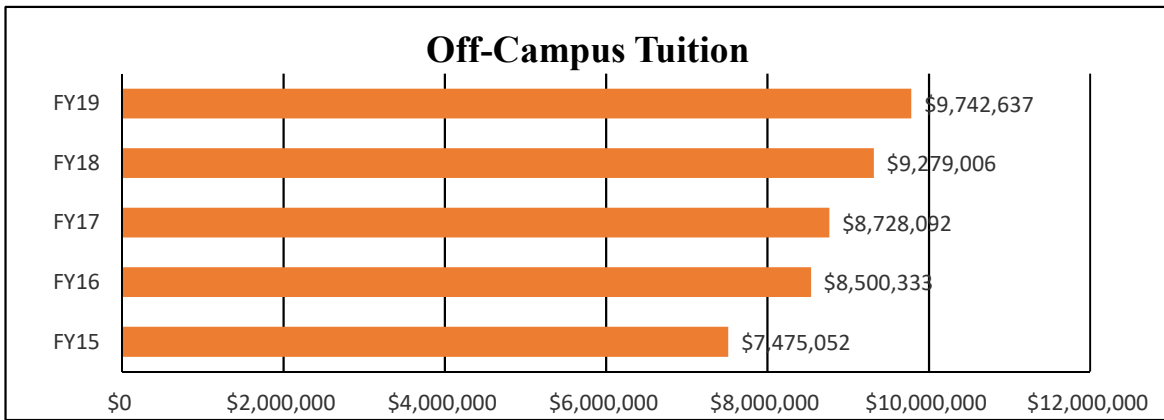
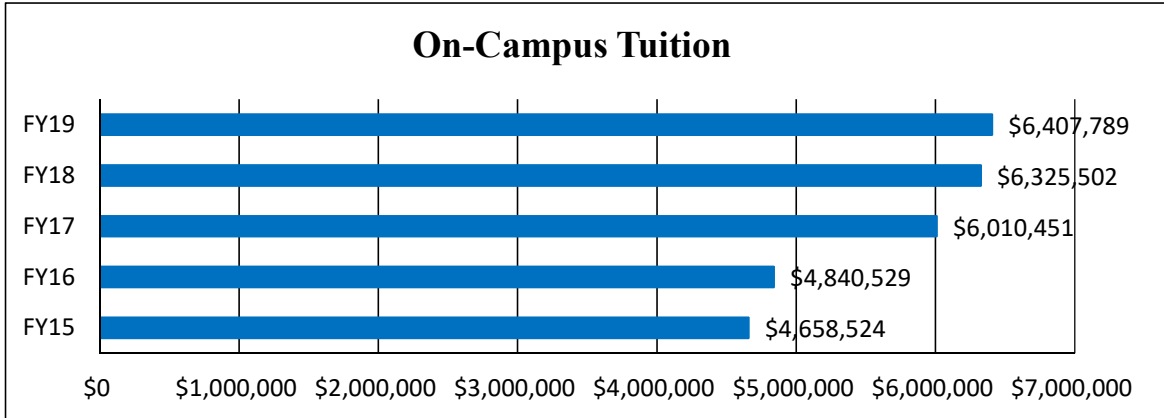
Total Revenue

Current Funds	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual
State					
State Appropriations	\$9,194,553	\$9,350,007	\$9,714,482	\$9,933,482	\$9,905,685
One-Time State Appropriations	\$226,329	\$376,866	\$91,780	\$0	\$0
State Grants & Contracts	\$1,023,201	\$1,230,704	\$1,381,065	\$6,603,327	\$5,460,844
State Financial Aid	\$237,184	\$243,468	\$275,060	\$389,784	\$592,989
Subtotal State Funds	\$10,681,267	\$11,201,045	\$11,462,387	\$16,926,593	\$15,959,518
Federal					
Federal Grants & Contracts	\$1,025,190	\$1,891,249	\$2,801,498	\$4,137,930	\$4,353,570
Federal Financial Aid	\$4,203,680	\$3,577,773	\$3,544,358	\$3,750,608	\$3,737,358
Federal Appropriations	\$0	\$0	\$0	\$0	\$0
Subtotal Federal Funds	\$5,228,870	\$5,469,022	\$6,345,856	\$7,888,538	\$8,090,928
Other					
On-Campus Tuition	\$4,658,524	\$4,840,529	\$6,010,451	\$6,325,502	\$6,407,789
Off-Campus Tuition	\$7,475,052	\$8,500,333	\$8,728,092	\$9,279,006	\$9,742,637
Student Fees	\$4,687,292	\$6,588,968	\$3,094,033	\$3,416,502	\$3,608,780
Room & Board	\$3,293,156	\$3,639,212	\$3,978,955	\$4,528,330	\$5,101,234
HEFF (Physical Plant Maintenance)	\$22,362	\$22,362	\$22,362	\$22,362	\$22,362
Subtotal Student Revenue	\$20,136,386	\$23,591,404	\$21,833,893	\$23,571,702	\$24,882,802
School and Public Lands	\$182,135	\$202,607	\$202,368	\$245,047	\$250,641
Other Grants & Contracts	\$253,645	\$176,567	\$179,416	\$70,200	\$155,752
Indirect Cost Recovery	\$344,193	\$421,063	\$477,436	\$719,323	\$656,051
Other Financial Aid	\$1,047,053	\$1,321,289	\$1,411,136	\$1,776,840	\$1,787,598
Sales & Service of Auxiliary Enterprises	\$849,497	\$857,069	\$955,419	\$868,878	\$801,479
Other Sales & Services	\$1,193,235	\$1,033,254	\$1,028,678	\$2,254,397	\$2,516,788
Subtotal Other Funds	\$3,869,758	\$4,011,849	\$4,254,453	\$5,934,685	\$6,168,309
Total Other Funds	\$24,006,144	\$27,603,253	\$26,088,346	\$29,506,387	\$31,051,111
Mandatory & Non-Mandatory Transfers to Plant & Loan Funds	\$940,949	\$1,246,029	\$1,565,642	\$1,967,630	\$1,741,027
Total Current Funds Revenue	\$38,975,332	\$43,027,292	\$42,330,947	\$52,353,888	\$53,360,530
Plant Funds	\$955,879	\$319,486	\$368,344	\$2,706,000	\$2,233,024
Loan Funds	\$394,707	\$309,373	\$288,857	\$279,495	\$321,990
Total Current, Plant and Loan Funds Revenue	\$40,325,918	\$43,656,151	\$42,988,148	\$55,339,383	\$55,915,544

Source: All information was provided by the campuses



Dakota State University Revenue History

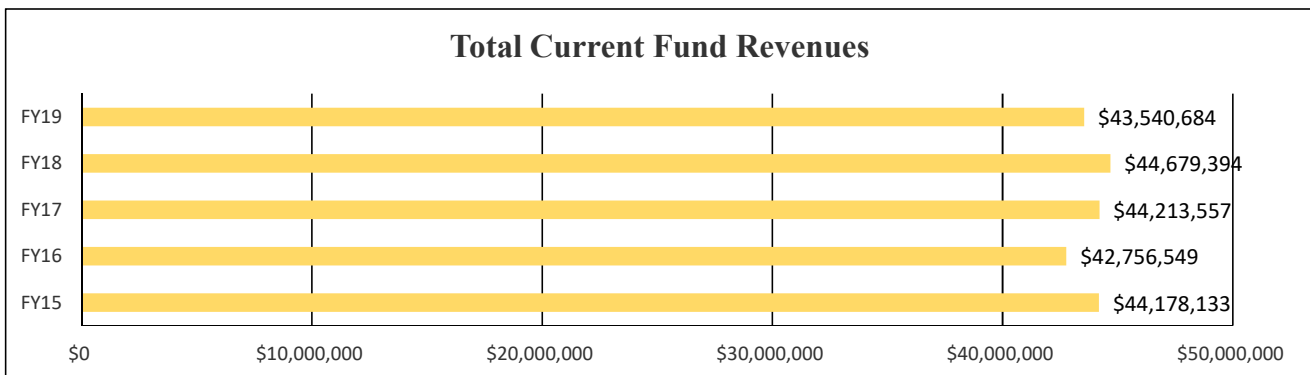


Northern State University

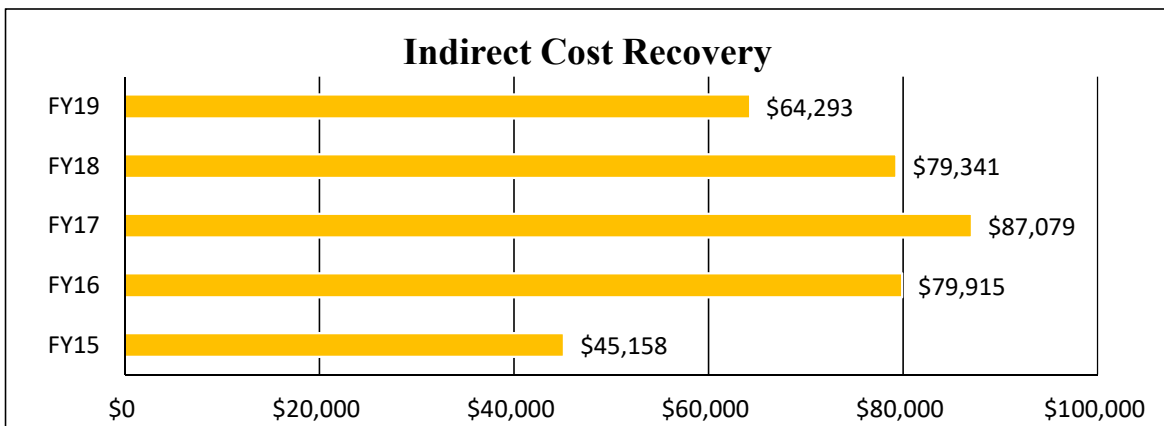
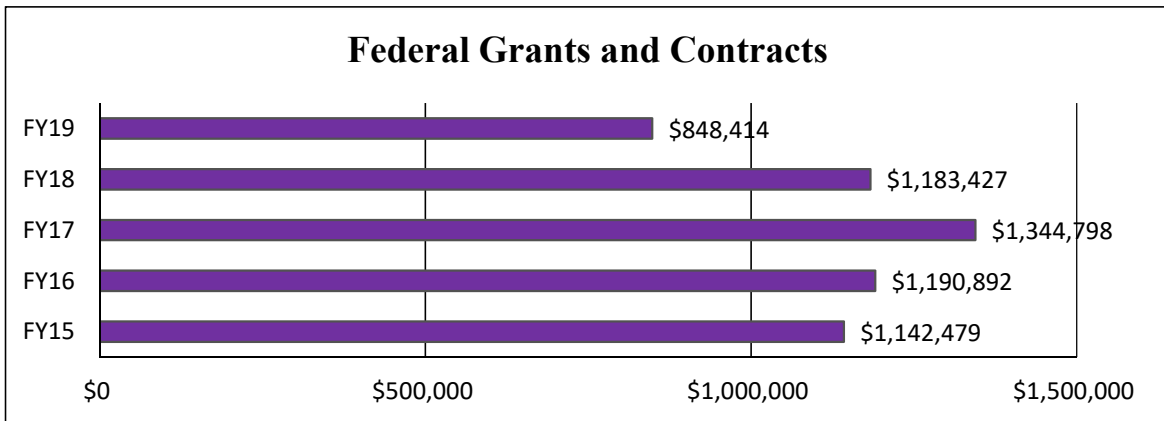
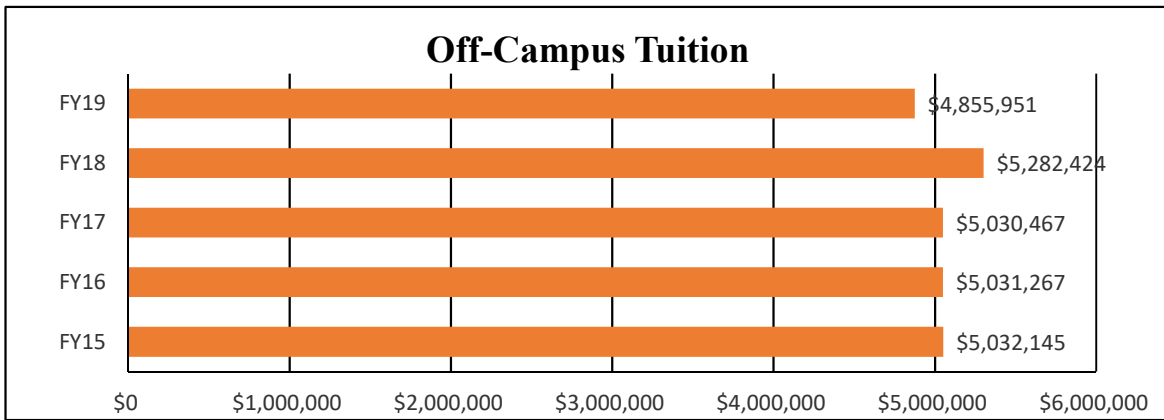
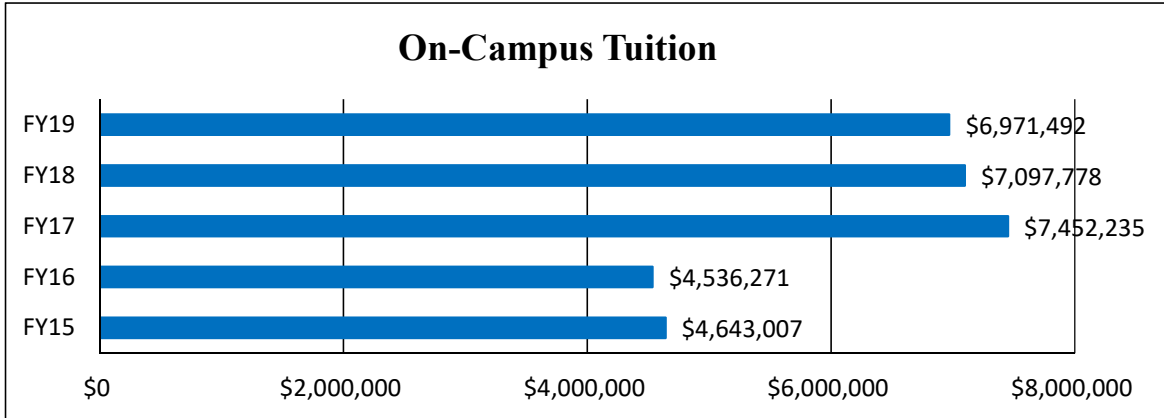
Total Revenue

Current Funds	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual
State					
State Appropriations	\$13,146,582	\$12,937,395	\$14,591,269	\$14,867,287	\$14,796,208
One-Time State Appropriations	\$0	\$0	\$0	\$0	\$0
State Grants & Contracts	\$1,469,854	\$71,492	\$152,949	\$123,215	\$141,512
State Financial Aid	\$368,268	\$405,556	\$365,481	\$297,993	\$339,020
Subtotal State Funds	\$14,984,704	\$13,414,443	\$15,109,699	\$15,288,495	\$15,276,740
Federal					
Federal Grants & Contracts	\$1,142,479	\$1,190,892	\$1,344,798	\$1,183,427	\$848,414
Federal Financial Aid	\$3,417,398	\$3,122,121	\$3,057,160	\$3,122,821	\$3,112,871
Federal Appropriations	\$0	\$0	\$0	\$0	\$0
Subtotal Federal Funds	\$4,559,877	\$4,313,013	\$4,401,958	\$4,306,248	\$3,961,285
Other					
On-Campus Tuition	\$4,643,007	\$4,536,271	\$7,452,235	\$7,097,778	\$6,971,492
Off-Campus Tuition	\$5,032,145	\$5,031,267	\$5,030,467	\$5,282,424	\$4,855,951
Student Fees	\$5,120,898	\$5,153,505	\$1,768,356	\$1,957,381	\$2,027,273
Room & Board	\$4,077,316	\$3,798,937	\$3,847,360	\$4,574,930	\$4,876,345
HEFF (Physical Plant Maintenance)	\$36,293	\$36,293	\$36,293	\$36,293	\$36,293
Subtotal Student Revenue	\$18,909,659	\$18,556,273	\$18,134,711	\$18,948,806	\$18,767,354
School and Public Lands	\$183,393	\$183,393	\$183,393	\$207,516	\$241,578
Other Grants & Contracts	\$549,532	\$732,741	\$1,040,840	\$524,730	\$398,353
Indirect Cost Recovery	\$45,158	\$79,915	\$87,079	\$79,341	\$64,293
Other Financial Aid	\$2,493,055	\$2,614,663	\$2,825,193	\$3,021,326	\$3,293,361
Sales & Service of Auxiliary Enterprises	\$1,851,028	\$1,566,991	\$1,465,999	\$1,360,794	\$1,330,951
Other Sales & Services	\$2,125,656	\$2,298,621	\$2,412,762	\$2,673,079	\$2,513,750
Subtotal Other Funds	\$7,247,822	\$7,476,324	\$8,015,266	\$7,866,786	\$7,842,286
Total Other Funds	\$26,157,481	\$26,032,597	\$26,149,977	\$26,815,592	\$26,609,640
Mandatory & Non-Mandatory Transfers to Plant & Loan Funds	\$1,523,929	\$1,003,504	\$1,448,077	\$1,730,941	\$2,306,981
Total Current Funds Revenue	\$44,178,133	\$42,756,549	\$44,213,557	\$44,679,394	\$43,540,684
Plant Funds	\$3,120,868	\$11,087,138	\$11,534,962	\$26,455,872	\$30,934,850
Loan Funds	\$734,260	\$669,663	\$643,823	\$659,097	\$608,812
Total Current, Plant and Loan Funds Revenue	\$48,033,261	\$54,513,350	\$56,392,342	\$71,794,363	\$75,084,346

Source: All information was provided by the campuses



Northern State University Revenue History

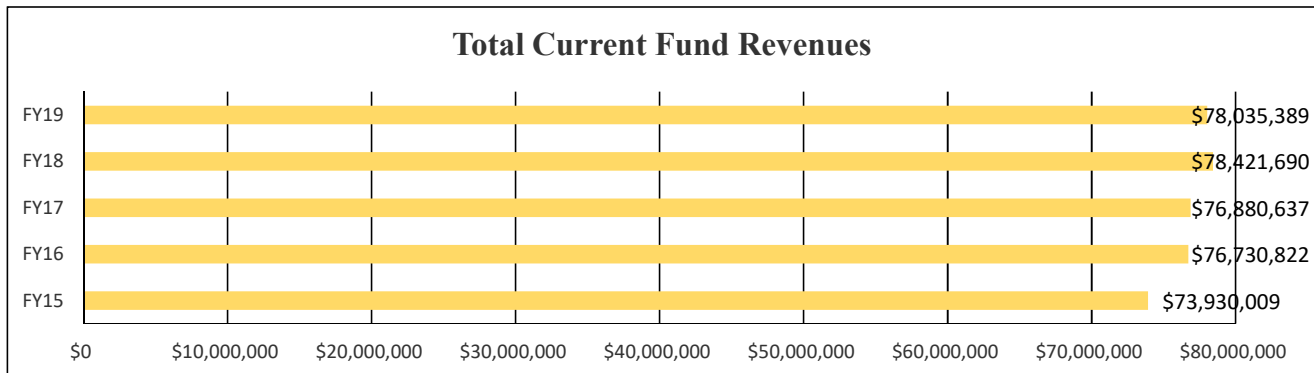


South Dakota School of Mines & Technology

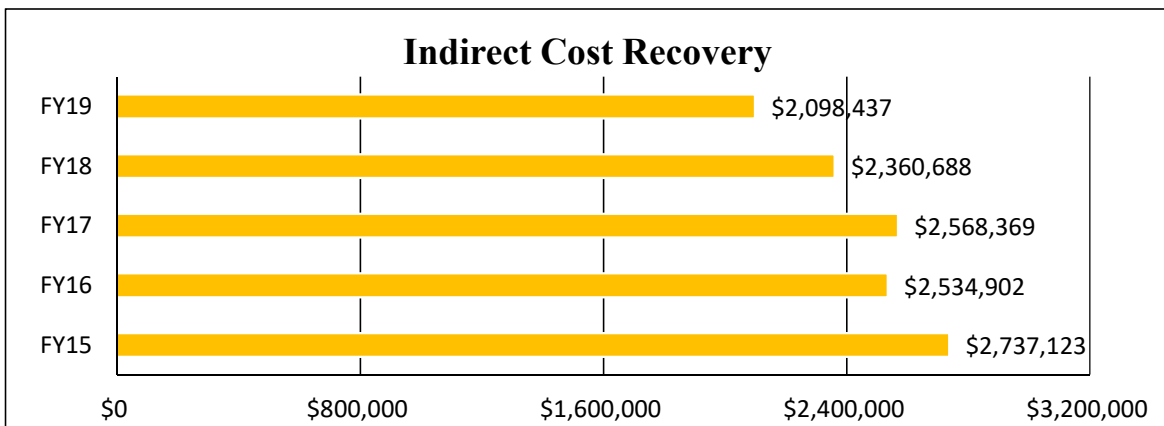
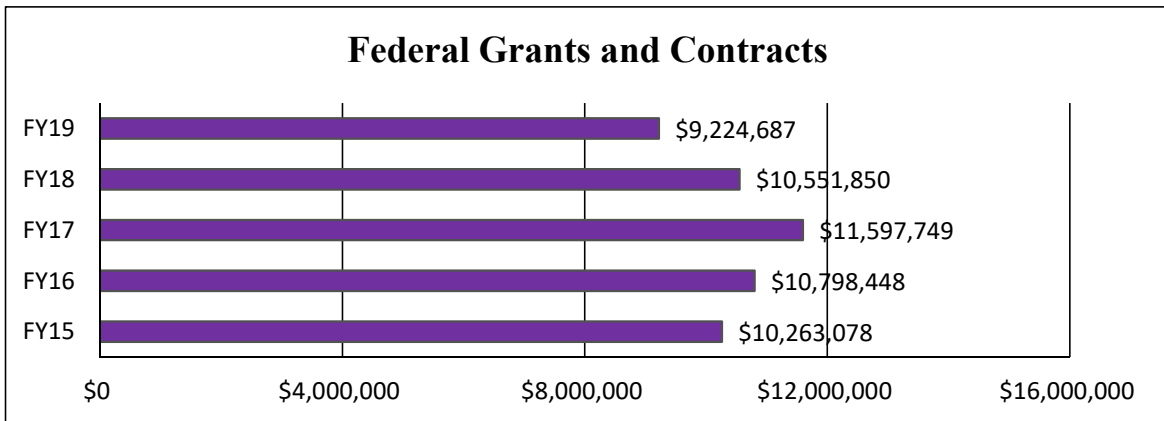
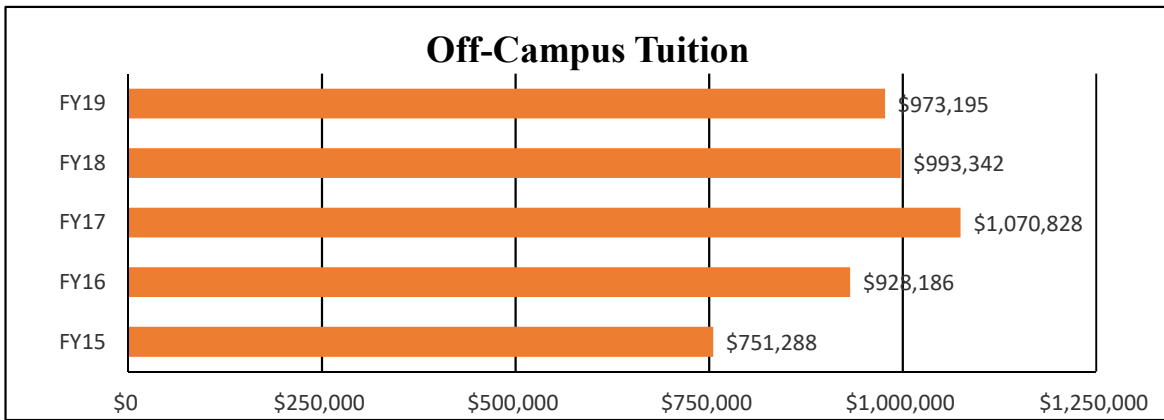
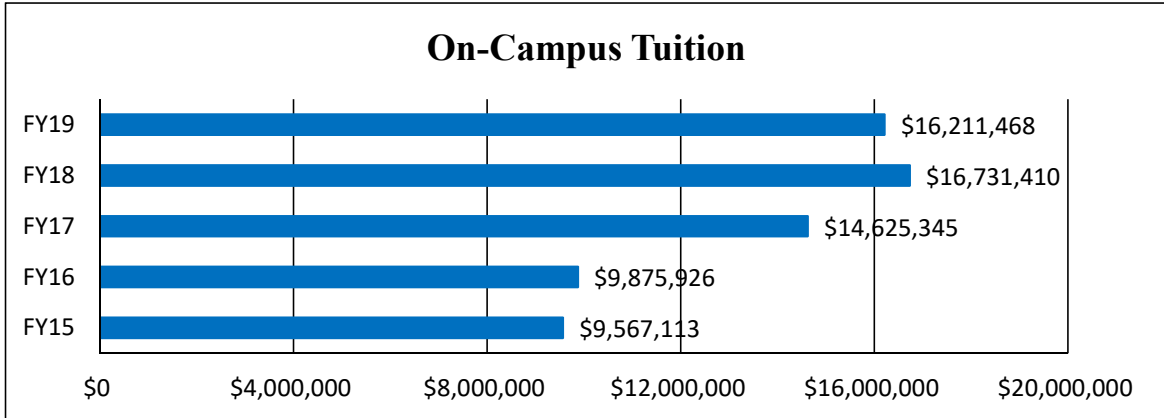
Total Revenue

Current Funds	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual
State					
State Appropriations	\$16,585,907	\$16,414,052	\$16,686,095	\$16,973,821	\$16,947,460
One-Time State Appropriations	\$462,396	\$0	\$0	\$0	\$0
State Grants & Contracts	\$2,107,387	\$2,481,693	\$2,174,187	\$1,882,626	\$1,174,562
State Financial Aid	\$492,141	\$615,577	\$799,787	\$860,825	\$846,921
Subtotal State Funds	\$19,647,831	\$19,511,322	\$19,660,069	\$19,717,272	\$18,968,943
Federal					
Federal Grants & Contracts	\$10,263,078	\$10,798,448	\$11,597,749	\$10,551,850	\$9,224,687
Federal Financial Aid	\$2,875,581	\$2,664,212	\$2,488,825	\$2,042,896	\$2,789,039
Federal Appropriations	\$0	\$0	\$0	\$0	\$0
Subtotal Federal Funds	\$13,138,659	\$13,462,660	\$14,086,574	\$12,594,746	\$12,013,726
Other					
On-Campus Tuition	\$9,567,113	\$9,875,926	\$14,625,345	\$16,731,410	\$16,211,468
Off-Campus Tuition	\$751,288	\$928,186	\$1,070,828	\$993,342	\$973,195
Student Fees	\$15,349,583	\$16,905,329	\$10,258,867	\$9,989,348	\$9,783,207
Room & Board	\$5,706,772	\$7,010,761	\$6,850,927	\$9,147,331	\$9,208,339
HEFF (Physical Plant Maintenance)	\$34,093	\$34,093	\$34,093	\$34,093	\$34,093
Subtotal Student Revenue	\$31,408,849	\$34,754,295	\$32,840,060	\$36,895,524	\$36,210,302
School and Public Lands	\$136,604	\$133,022	\$133,022	\$133,022	\$134,725
Other Grants & Contracts	\$1,817,744	\$823,532	\$1,134,386	\$1,233,614	\$1,507,594
Indirect Cost Recovery	\$2,737,123	\$2,534,902	\$2,568,369	\$2,360,688	\$2,098,437
Other Financial Aid	\$3,242,535	\$3,013,163	\$4,535,293	\$3,984,030	\$4,757,662
Sales & Service of Auxiliary Enterprises	\$2,863,442	\$1,488,542	\$1,825,389	\$6,831	\$37,457
Other Sales & Services	\$1,706,640	\$4,201,139	\$2,613,055	\$2,638,623	\$2,912,354
Subtotal Other Funds	\$12,504,088	\$12,194,300	\$12,809,514	\$10,356,808	\$11,448,229
Total Other Funds	\$43,912,937	\$46,948,595	\$45,649,574	\$47,252,332	\$47,658,531
Mandatory & Non-Mandatory Transfers to Plant & Loan Funds	\$2,769,418	\$3,191,755	\$2,515,580	\$1,142,660	\$605,811
Total Current Funds Revenue	\$73,930,009	\$76,730,822	\$76,880,637	\$78,421,690	\$78,035,389
Plant Funds	\$592,746	\$576,700	\$770,372	\$1,926,522	\$551,086
Loan Funds	\$41,182	\$47,906	\$47,147	\$53,690	\$44,104
Total Current, Plant and Loan Funds Revenue	\$74,563,937	\$77,355,428	\$77,698,156	\$80,401,902	\$78,630,579

Source: All information was provided by the campuses



South Dakota School of Mines and Technology Revenue History

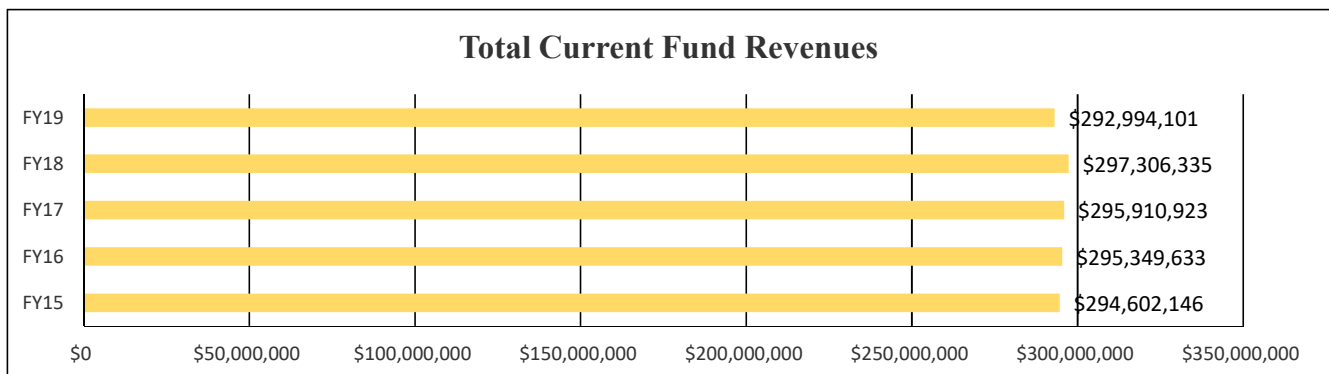


South Dakota State University / AES/ Extension

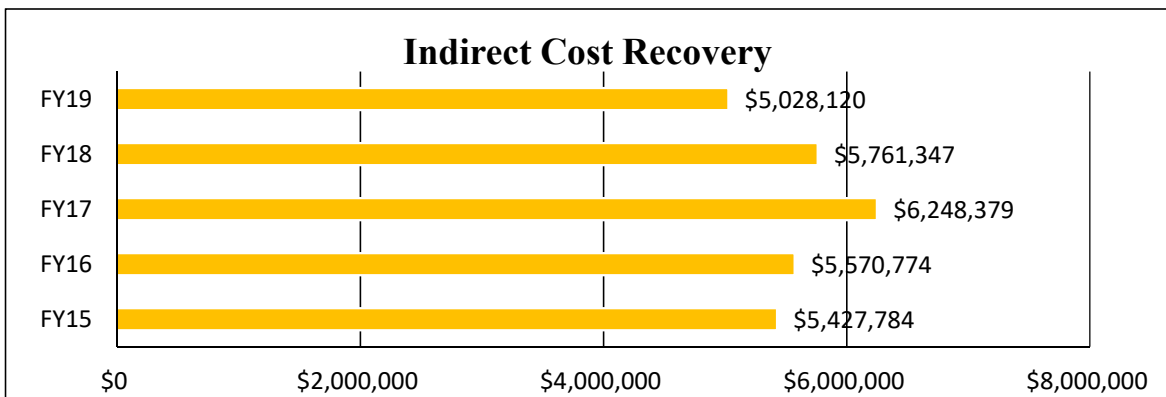
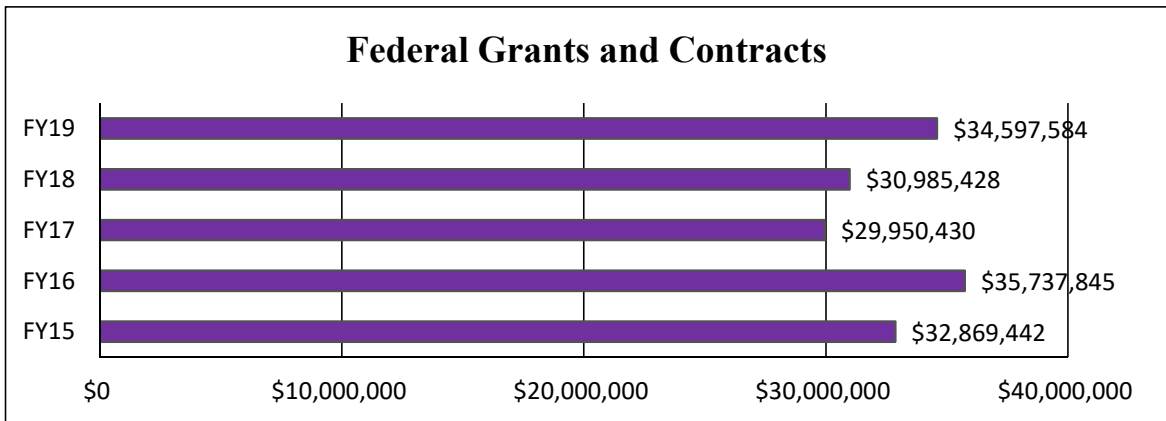
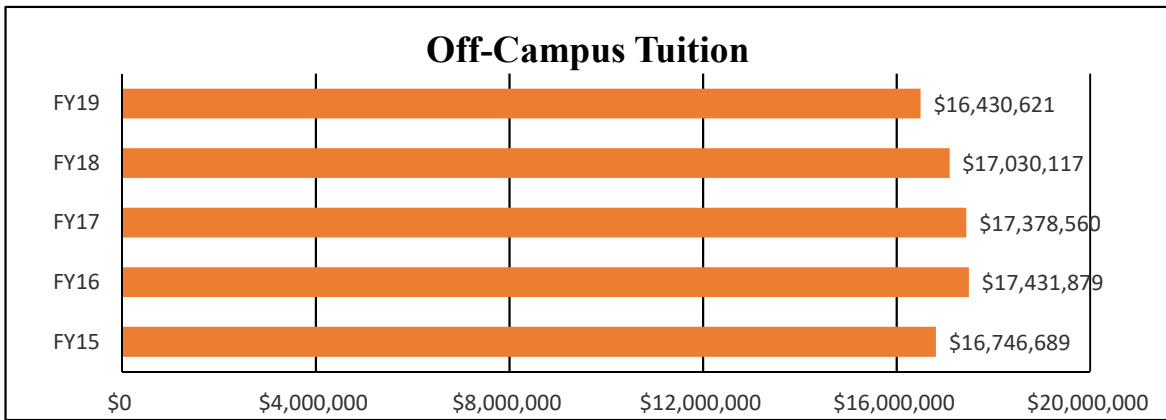
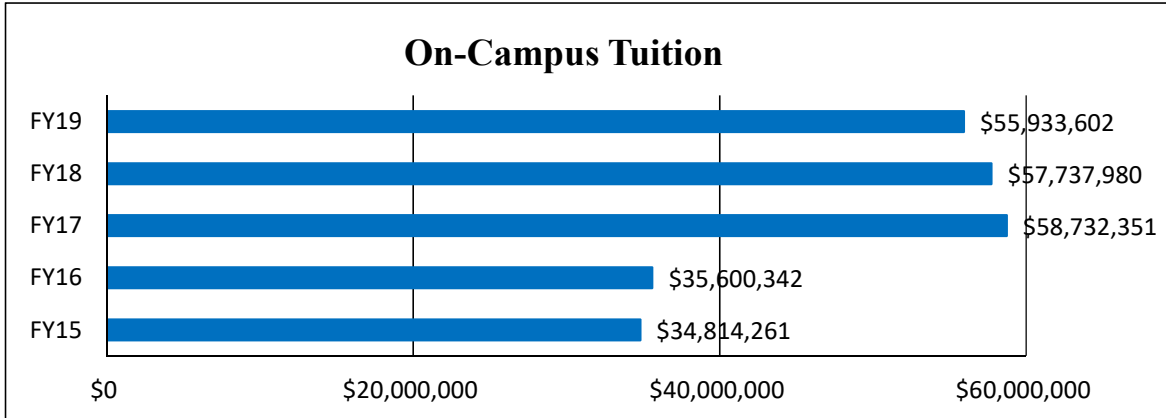
Total Revenue

Current Funds	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual
State					
State Appropriations	\$64,508,403	\$66,298,703	\$67,059,013	\$68,375,391	\$68,418,992
One-Time State Appropriations	\$0	\$0	\$0	\$0	\$0
State Grants & Contracts	\$3,272,542	\$5,197,318	\$4,891,490	\$4,361,117	\$4,724,255
State Financial Aid	\$2,253,694	\$2,455,380	\$2,474,360	\$2,556,849	\$2,594,465
Subtotal State Funds	\$70,034,639	\$73,951,401	\$74,424,863	\$75,293,357	\$75,737,712
Federal					
Federal Grants & Contracts	\$32,869,442	\$35,737,845	\$29,950,430	\$30,985,428	\$34,597,584
Federal Financial Aid	\$12,485,322	\$10,752,807	\$10,392,738	\$11,936,638	\$11,861,162
Federal Appropriations	\$10,033,781	\$5,069,471	\$3,727,799	\$7,573,252	\$7,221,452
Subtotal Federal Funds	\$55,388,545	\$51,560,123	\$44,070,967	\$50,495,318	\$53,680,198
Other					
On-Campus Tuition	\$34,814,261	\$35,600,342	\$58,732,351	\$57,737,980	\$55,933,602
Off-Campus Tuition	\$16,746,689	\$17,431,879	\$17,378,560	\$17,030,117	\$16,430,621
Student Fees	\$44,695,978	\$47,702,750	\$26,181,664	\$28,127,636	\$29,125,704
Room & Board	\$27,804,671	\$27,982,997	\$30,167,275	\$29,654,355	\$29,579,600
HEFF (Physical Plant Maintenance)	\$131,975	\$131,975	\$131,975	\$131,975	\$131,975
Subtotal Student Revenue	\$124,193,574	\$128,849,943	\$132,591,825	\$132,682,063	\$131,201,502
School and Public Lands	\$612,291	\$706,442	\$788,724	\$834,374	\$907,099
Other Grants & Contracts	\$10,979,643	\$10,817,960	\$10,291,326	\$12,217,822	\$10,781,635
Indirect Cost Recovery	\$5,427,784	\$5,570,774	\$6,248,379	\$5,761,347	\$5,028,120
Other Financial Aid	\$3,933,027	\$3,850,939	\$4,523,179	\$4,799,025	\$4,979,636
Sales & Service of Auxiliary Enterprises	\$9,504,172	\$9,897,461	\$9,620,619	\$9,905,402	\$9,357,651
Other Sales & Services	\$27,611,834	\$29,449,272	\$33,631,385	\$30,857,609	\$29,005,749
Pesticide Application Fee	\$434,639	\$1,057,323	\$373,754	\$497,342	\$349,600
Endo/Ecto Parasiticide Tax	\$250,000	\$250,000	\$250,000	\$250,000	\$0
BAB Subsidy	\$551,057	\$538,647	\$524,107	\$272,767	\$20,209
Subtotal Other Funds	\$59,304,447	\$62,138,818	\$66,251,473	\$65,395,688	\$60,429,699
Total Other Funds	\$183,498,021	\$190,988,761	\$198,843,298	\$198,077,751	\$191,631,201
Mandatory & Non-Mandatory Transfers to Plant & Loan Funds	\$14,319,059	\$21,150,652	\$21,428,205	\$26,560,091	\$28,055,010
Total Current Funds Revenue	\$294,602,146	\$295,349,633	\$295,910,923	\$297,306,335	\$292,994,101
Plant Funds	\$28,832,456	\$62,371,610	\$46,442,635	\$49,527,288	\$49,004,603
Loan Funds	\$2,374,152	\$2,442,668	\$2,180,074	\$2,095,005	\$2,428,190
Total Current, Plant and Loan Funds Revenue	\$325,808,754	\$360,163,911	\$344,533,632	\$348,928,628	\$344,426,894

Source: All information was provided by the campuses



South Dakota State University/AES/Extension Revenue History

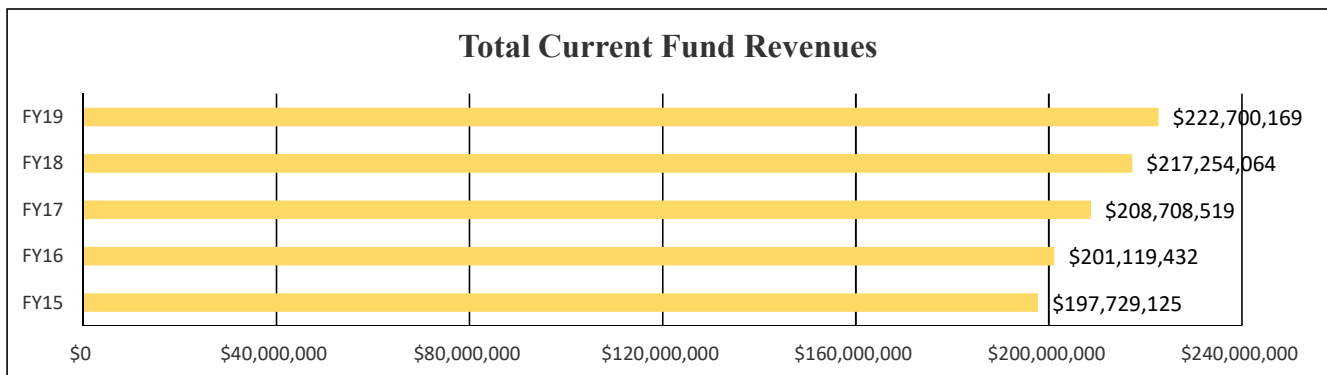


University of South Dakota & Sanford School of Medicine

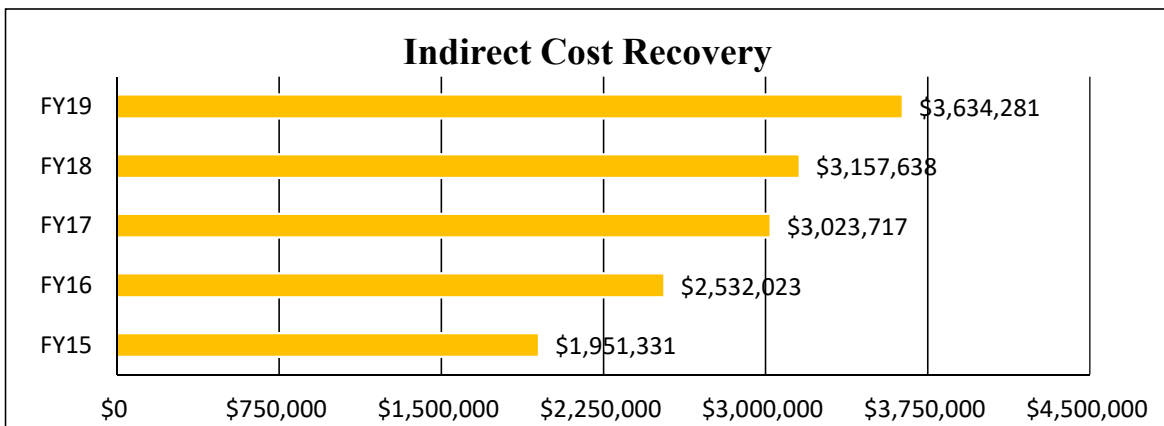
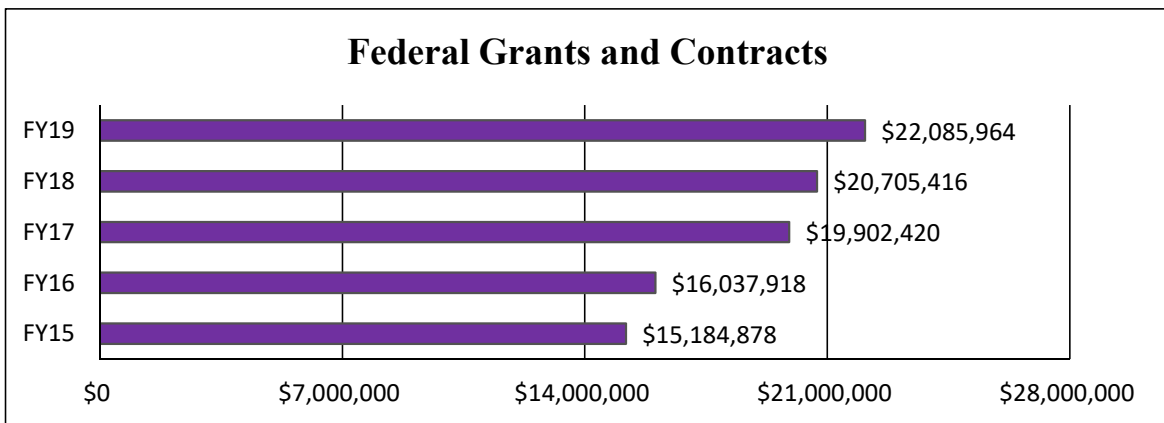
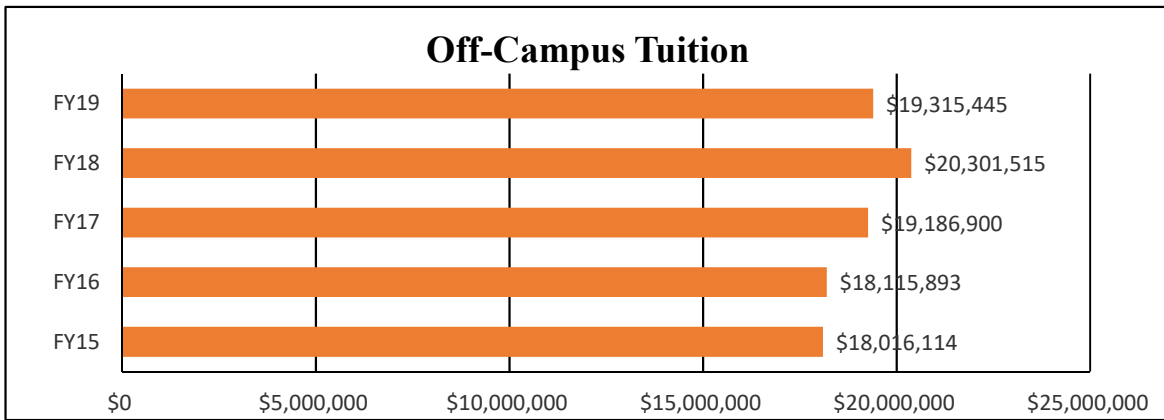
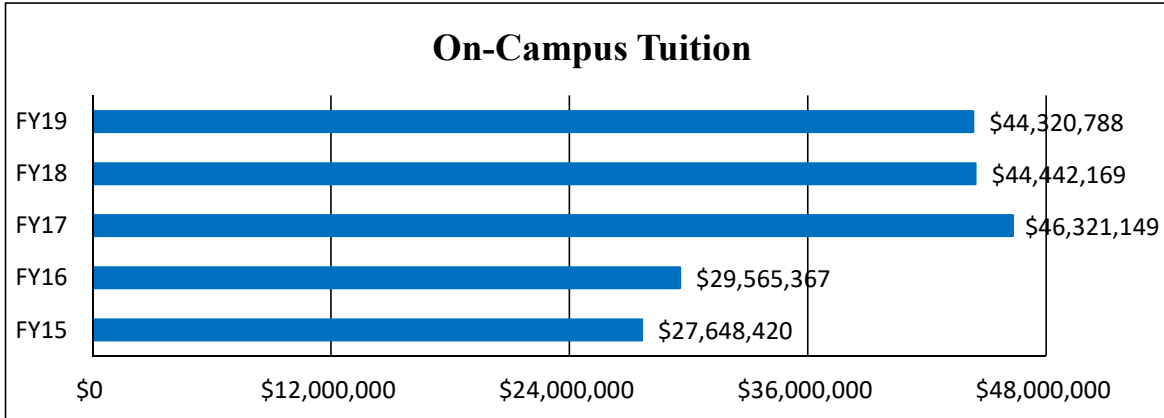
Total Revenue

Current Funds	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual
State					
State Appropriations	\$57,170,089	\$56,888,712	\$59,035,318	\$60,116,686	\$60,406,129
One-Time State Appropriations	\$1,000,000	\$0	\$0	\$700,550	\$0
State Grants & Contracts	\$1,386,604	\$2,518,808	\$2,153,524	\$2,979,272	\$3,164,458
State Financial Aid	\$1,257,643	\$1,301,221	\$1,357,197	\$1,436,221	\$1,560,924
Subtotal State Funds	\$60,814,336	\$60,708,741	\$62,546,039	\$65,232,729	\$65,131,511
Federal					
Federal Grants & Contracts	\$15,184,878	\$16,037,918	\$19,902,420	\$20,705,416	\$22,085,964
Federal Financial Aid	\$9,009,795	\$8,639,423	\$7,956,028	\$8,439,783	\$9,108,383
Federal Appropriations	\$0	\$0	\$0	\$0	\$0
Subtotal Federal Funds	\$24,194,673	\$24,677,341	\$27,858,448	\$29,145,199	\$31,194,347
Other					
On-Campus Tuition	\$27,648,420	\$29,565,367	\$46,321,149	\$44,442,169	\$44,320,788
Off-Campus Tuition	\$18,016,114	\$18,115,893	\$19,186,900	\$20,301,515	\$19,315,445
Student Fees	\$25,130,196	\$26,738,495	\$11,199,684	\$13,313,503	\$13,283,809
Room & Board	\$16,484,633	\$16,874,970	\$17,009,649	\$17,566,236	\$18,521,005
HEFF (Physical Plant Maintenance)	\$87,983	\$87,983	\$87,983	\$87,983	\$87,983
Subtotal Student Revenue	\$87,367,346	\$91,382,708	\$93,805,365	\$95,711,406	\$95,529,030
School and Public Lands	\$236,041	\$236,041	\$236,041	\$236,041	\$236,041
Other Grants & Contracts	\$1,852,821	\$2,521,799	\$3,228,833	\$2,938,455	\$2,273,453
Indirect Cost Recovery	\$1,951,331	\$2,532,023	\$3,023,717	\$3,157,638	\$3,634,281
Other Financial Aid	\$9,720,968	\$9,817,945	\$9,805,495	\$10,525,112	\$11,229,861
Sales & Service of Auxiliary Enterprises	\$528,421	\$586,767	\$804,635	\$828,157	\$875,343
Other Sales & Services	\$14,184,185	\$14,287,272	\$14,794,236	\$16,212,807	\$16,236,836
Subtotal Other Funds	\$28,473,767	\$29,981,847	\$31,892,957	\$33,898,210	\$34,485,815
Total Other Funds	\$115,841,113	\$121,364,555	\$125,698,322	\$129,609,616	\$130,014,845
Mandatory & Non-Mandatory Transfers to Plant & Loan Funds	\$3,120,997	\$5,631,205	\$7,394,290	\$6,733,480	\$3,640,534
Total Current Funds Revenue	\$197,729,125	\$201,119,432	\$208,708,519	\$217,254,064	\$222,700,169
Plant Funds	\$6,948,770	\$14,524,112	\$11,833,688	\$5,775,961	\$8,142,981
Loan Funds	\$2,572,475	\$2,588,428	\$3,087,218	\$1,866,289	\$2,183,128
Total Current, Plant and Loan Funds Revenue	\$207,250,370	\$218,231,972	\$223,629,425	\$224,896,314	\$233,026,278

Source: All information was provided by the campuses



University of South Dakota & Sanford School of Medicine Revenue History



Annual Financial Assessment Unrestricted Fund Expenditures

The graphs on the following pages demonstrate the expenditure trends by unrestricted fund sources. These fund sources are defined as:

- **On-Campus Tuition:** These are expenditures out of funds that are labeled as On-Campus Tuition funds.
- **Off-Campus Tuition:** These are expenditures out of funds that are labeled as Off-Campus Tuition Funds.
- **Facilities & Administrative Funds:** These are funds also known as Grants Overhead.
- **Sales & Enterprises:** These are the kinds of funds that we would consider General Sales & Service. These are funds used for camps, student trips, club and organization fees, fines, services that are billed to outside entities, etc.
- **Student Fees:** These are all fees charged to students.
- **Total Unrestricted:** This includes all funds determined to be discretionary in nature except for general funds.

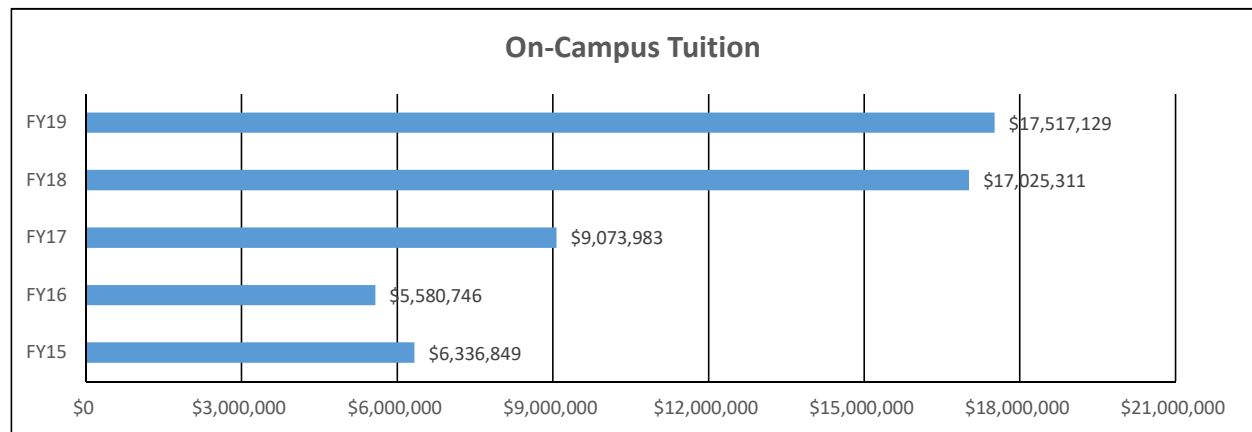
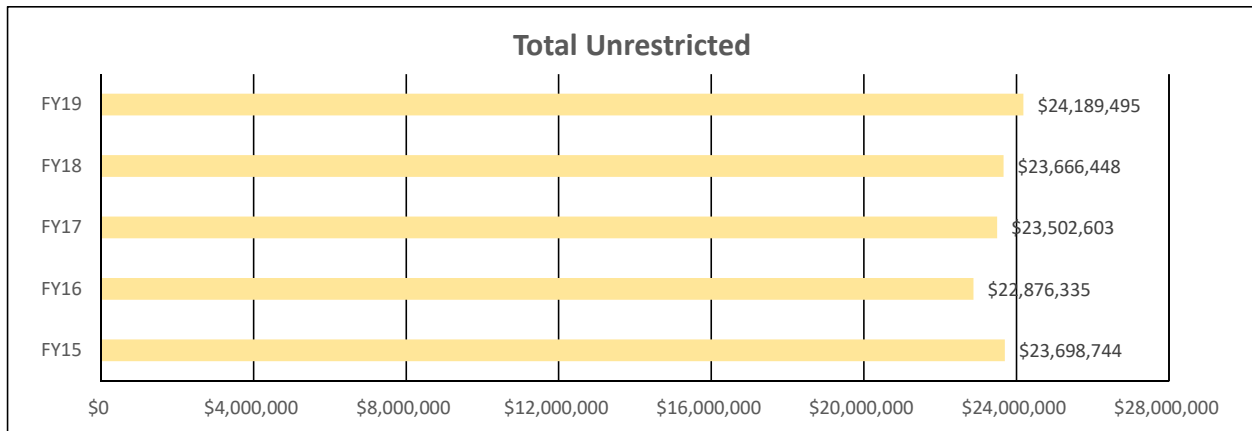
The “unrestricted” or discretionary funds of the universities represent the funds that are used to meet strategic goals. Declines in unrestricted fund expenditures usually indicates declines in revenue, increasing expenditure levels, or cash management strategies in play. Total unrestricted expenditures are provided for the last five years.

Black Hills State University Expenditures by Unrestricted Fund Source

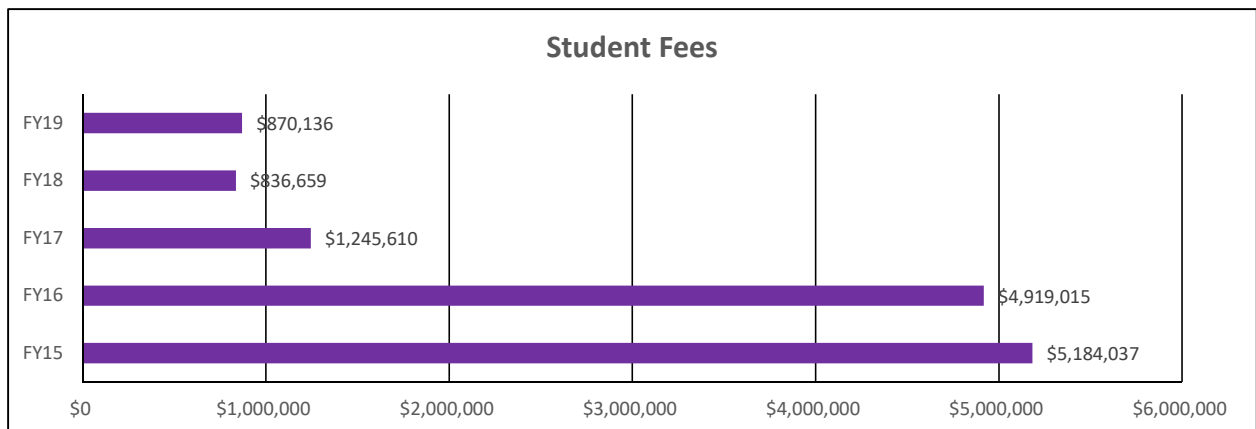
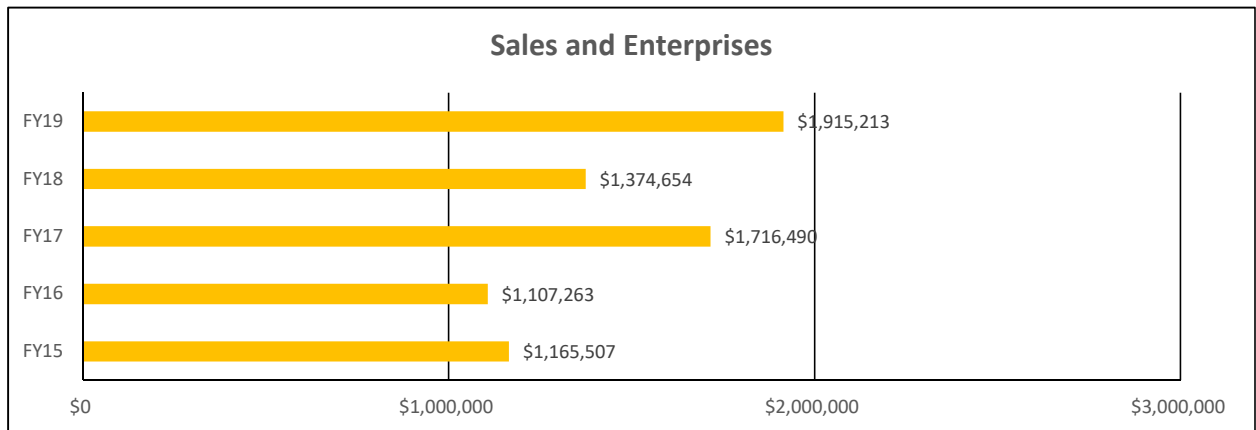
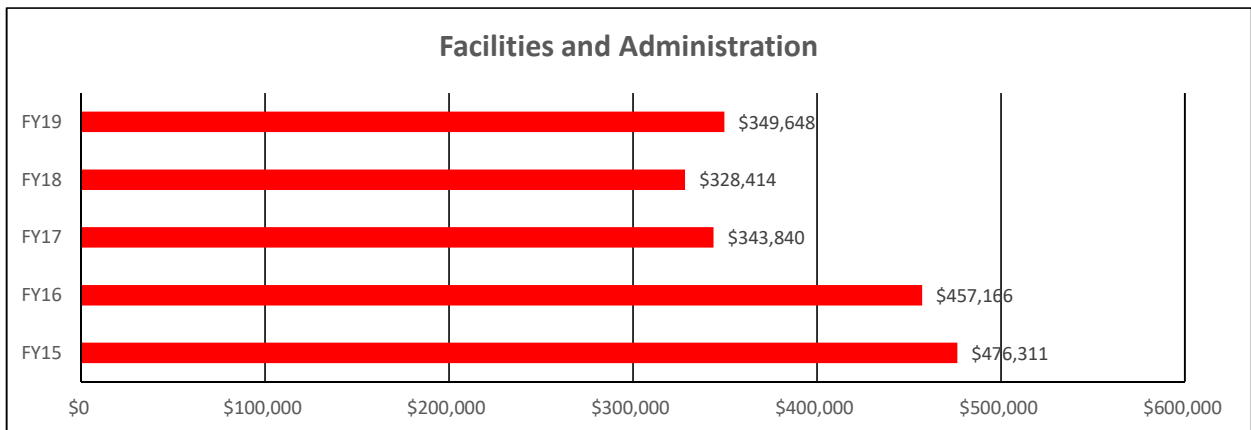
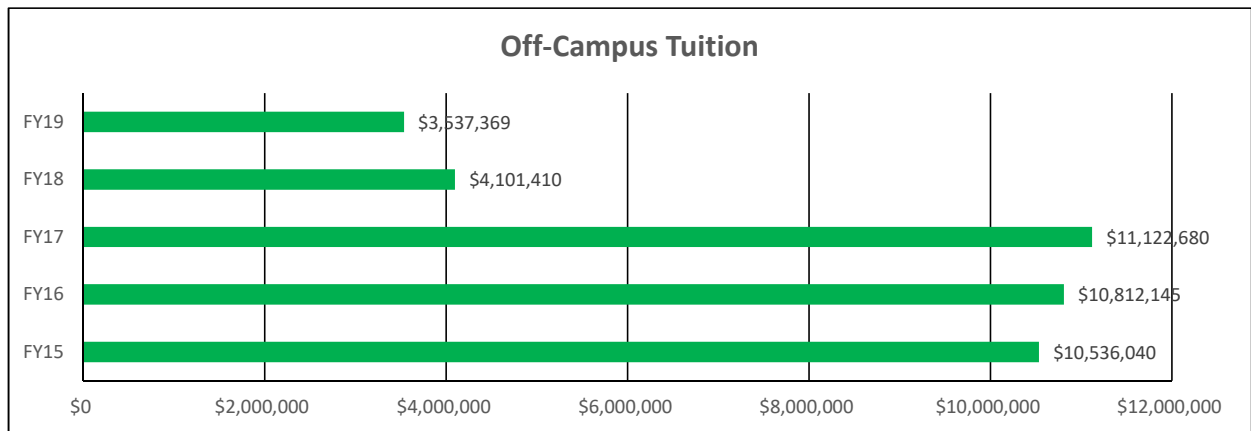
	FY15	FY16	FY17	FY18	FY19
On-Campus Tuition	\$6,336,849	\$5,580,746	\$9,073,983	\$17,025,311	\$17,517,129
Off-Campus Tuition	\$10,536,040	\$10,812,145	\$11,122,680	\$4,101,410	\$3,537,369
Facilities and Administration	\$476,311	\$457,166	\$343,840	\$328,414	\$349,648
Sales and Enterprises	\$1,165,507	\$1,107,263	\$1,716,490	\$1,374,654	\$1,915,213
Student Fees*	\$5,184,037	\$4,919,015	\$1,245,610	\$836,659	\$870,136
Total Unrestricted	\$23,698,744	\$22,876,335	\$23,502,603	\$23,666,448	\$24,189,495

* Does not include expenditures for the Auxiliary System.

Note: in FY18 BHSU paid all tuition administrative expenditures from On-Campus and transferred the appropriate funds from Off-Campus to cover that fund source's share of the expenditures.



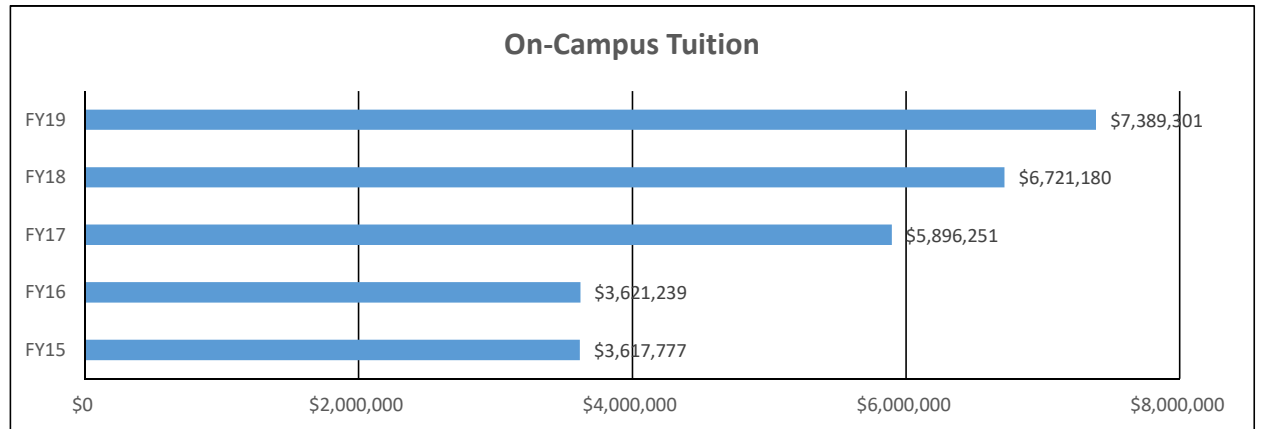
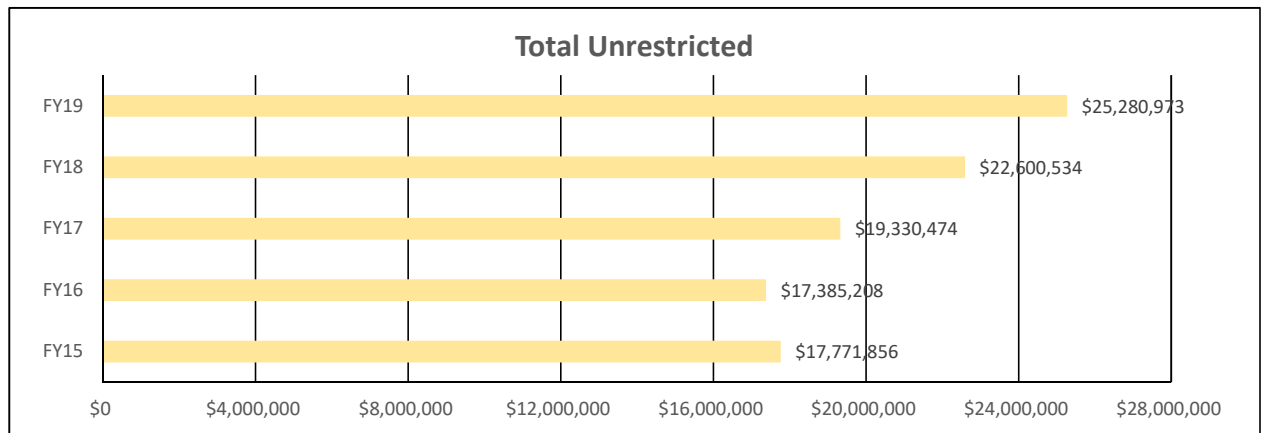
Black Hills State University Expenditures by Unrestricted Fund Source



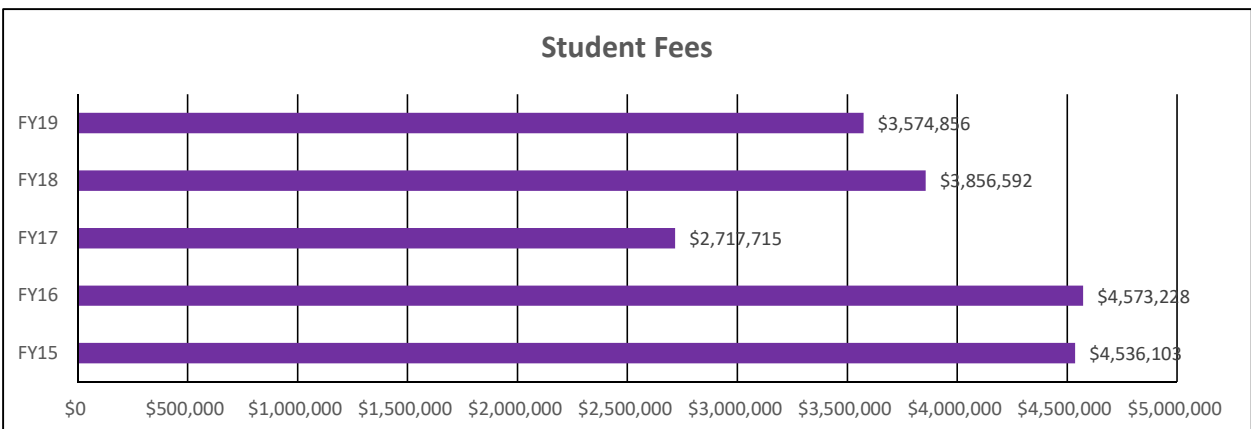
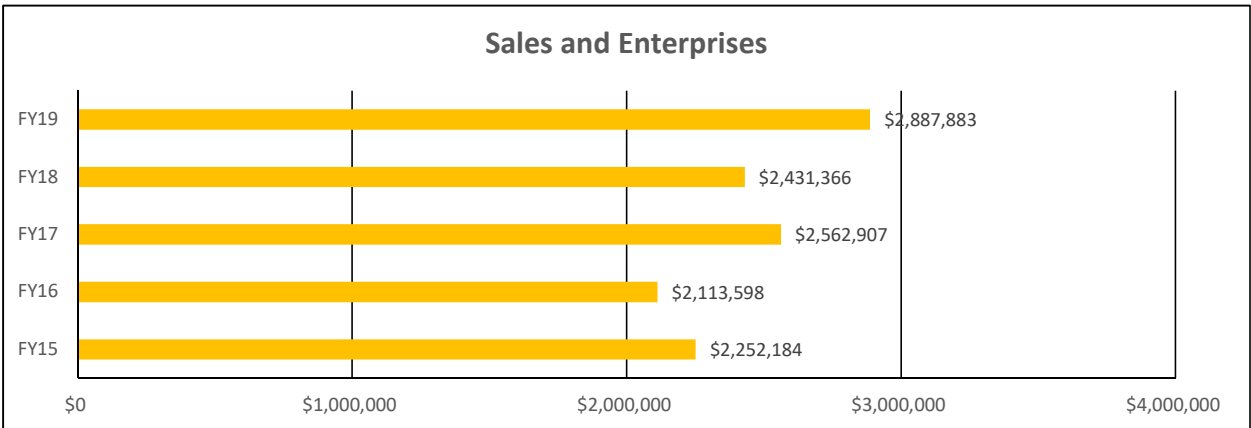
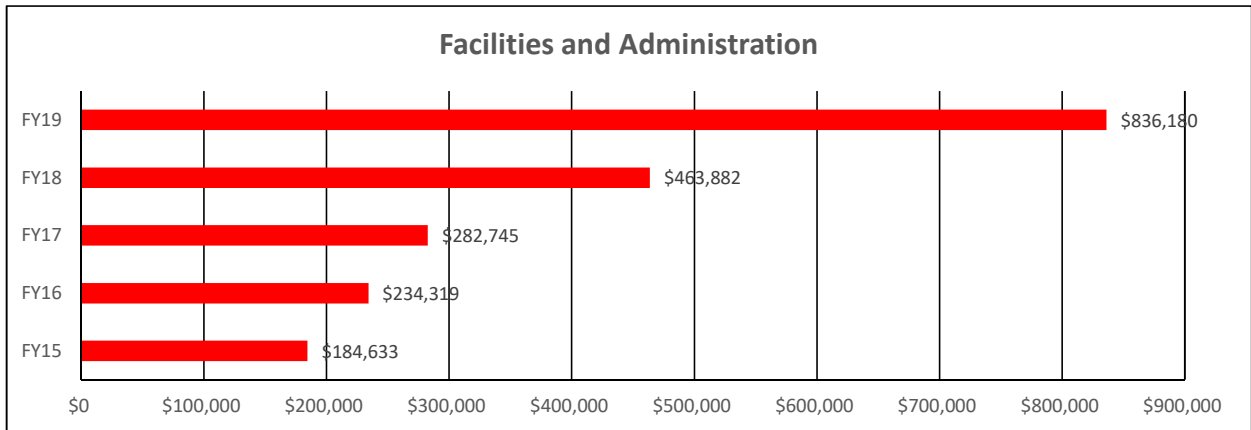
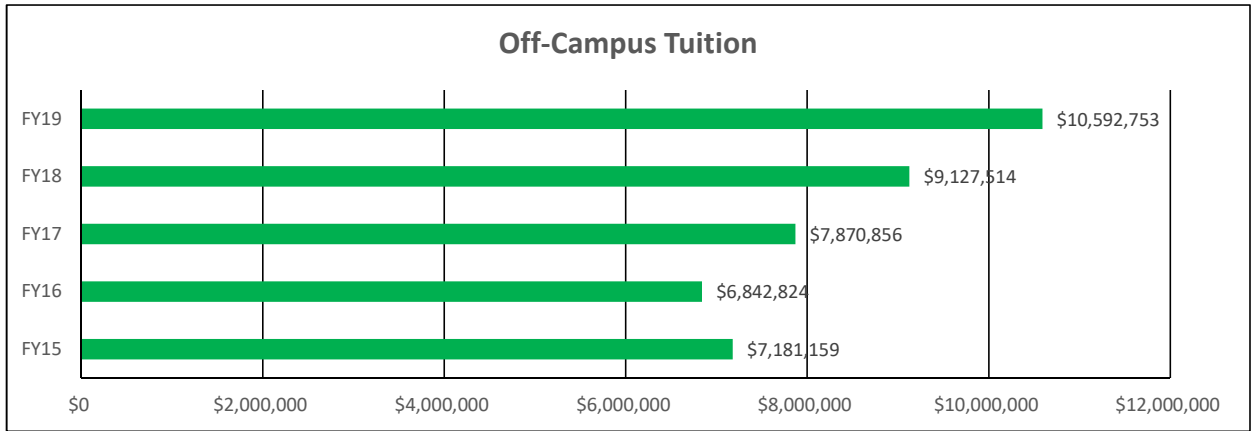
Dakota State University Expenditures by Unrestricted Fund Source

	FY15	FY16	FY17	FY18	FY19
On-Campus Tuition	\$3,617,777	\$3,621,239	\$5,896,251	\$6,721,180	\$7,389,301
Off-Campus Tuition	\$7,181,159	\$6,842,824	\$7,870,856	\$9,127,514	\$10,592,753
Facilities and Administration	\$184,633	\$234,319	\$282,745	\$463,882	\$836,180
Sales and Enterprises	\$2,252,184	\$2,113,598	\$2,562,907	\$2,431,366	\$2,887,883
Student Fees*	\$4,536,103	\$4,573,228	\$2,717,715	\$3,856,592	\$3,574,856
Total Unrestricted	\$17,771,856	\$17,385,208	\$19,330,474	\$22,600,534	\$25,280,973

* Does not include expenditures for the Auxiliary System.



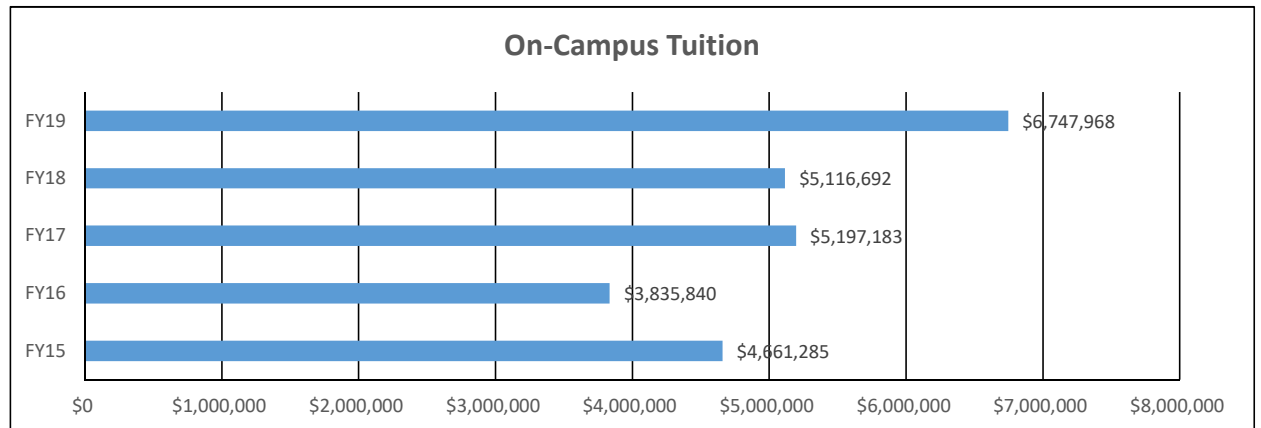
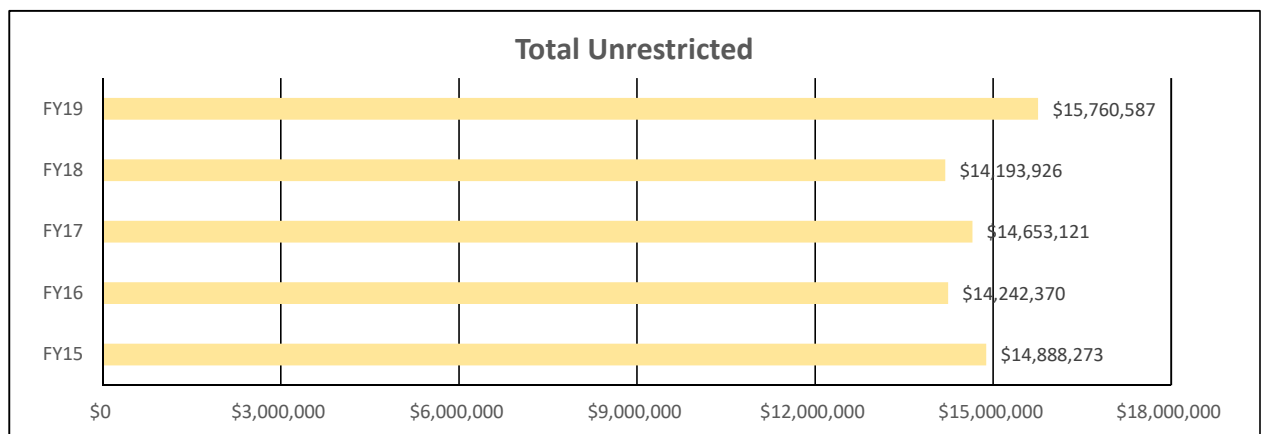
Dakota State University Expenditures by Unrestricted Fund Source



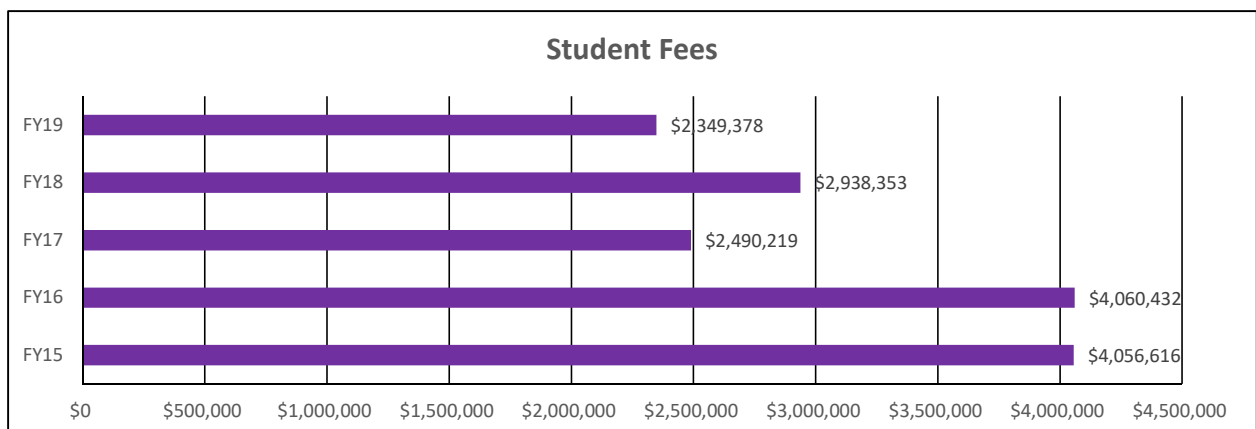
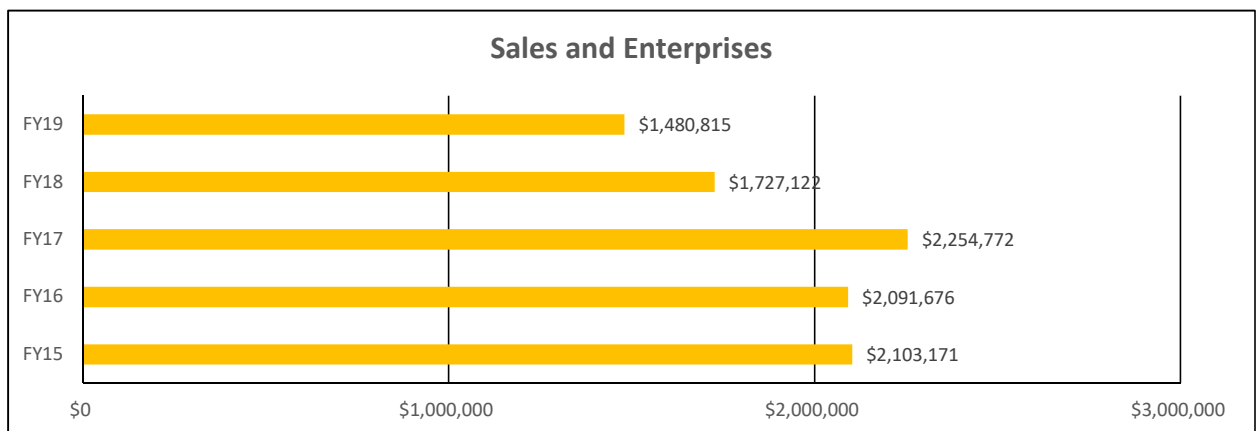
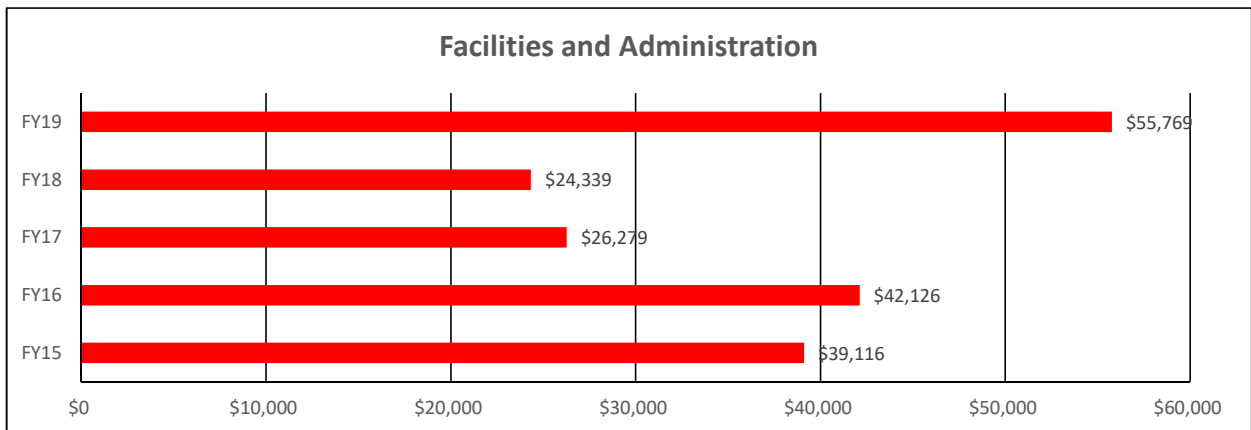
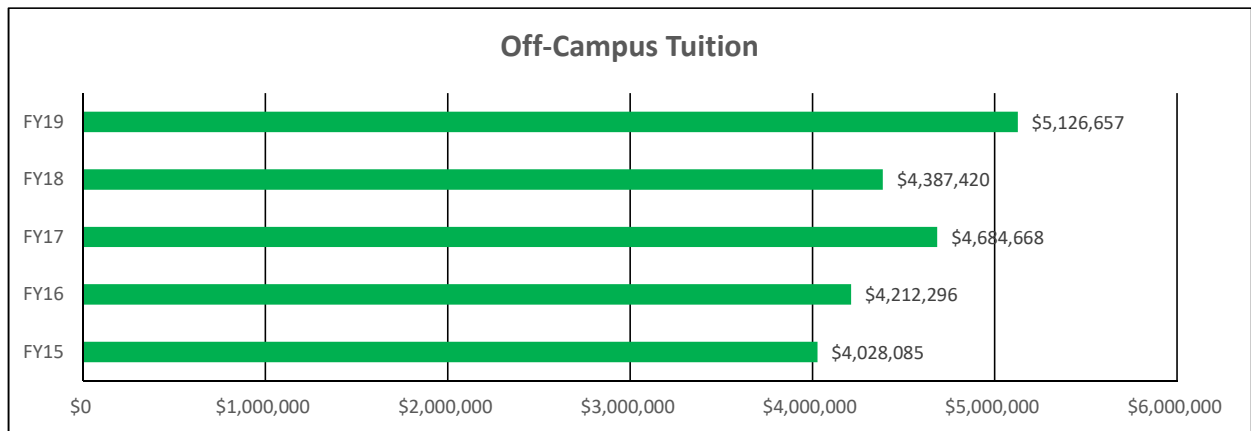
Northern State University Expenditures by Unrestricted Fund Source

	FY15	FY16	FY17	FY18	FY19
On-Campus Tuition	\$4,661,285	\$3,835,840	\$5,197,183	\$5,116,692	\$6,747,968
Off-Campus Tuition	\$4,028,085	\$4,212,296	\$4,684,668	\$4,387,420	\$5,126,657
Facilities and Administration	\$39,116	\$42,126	\$26,279	\$24,339	\$55,769
Sales and Enterprises	\$2,103,171	\$2,091,676	\$2,254,772	\$1,727,122	\$1,480,815
Student Fees*	\$4,056,616	\$4,060,432	\$2,490,219	\$2,938,353	\$2,349,378
Total Unrestricted	\$14,888,273	\$14,242,370	\$14,653,121	\$14,193,926	\$15,760,587

* Does not include expenditures for the Auxiliary System.



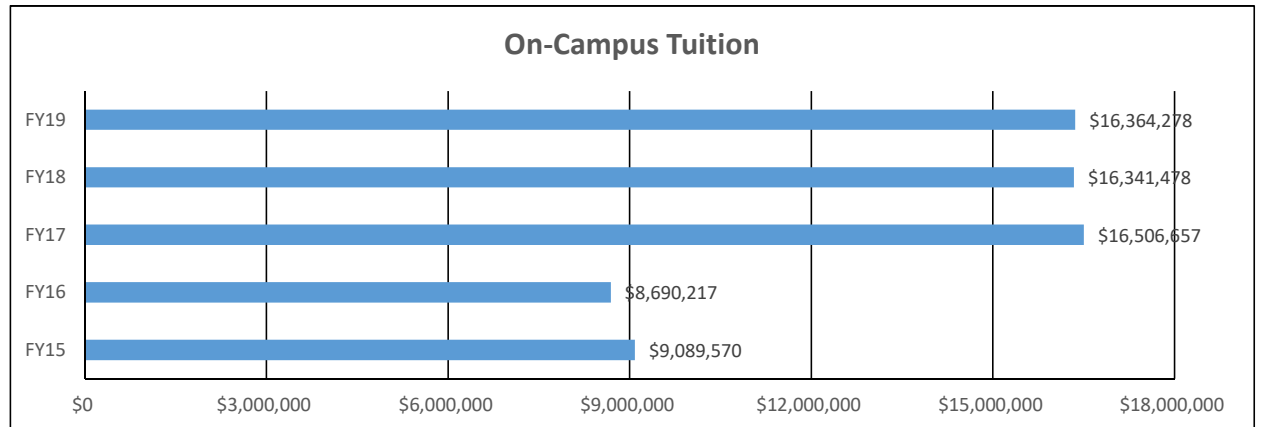
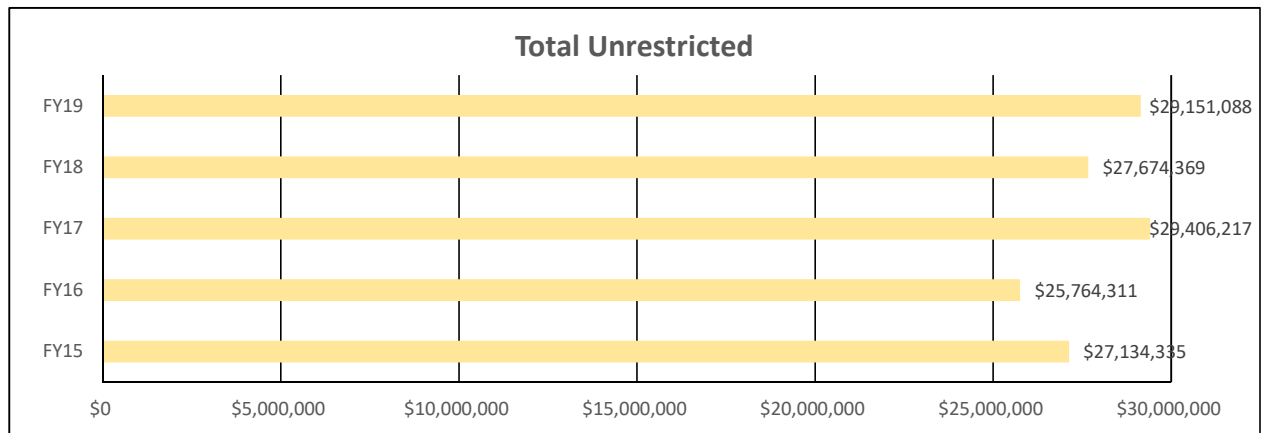
Northern State University Expenditures by Unrestricted Fund Source



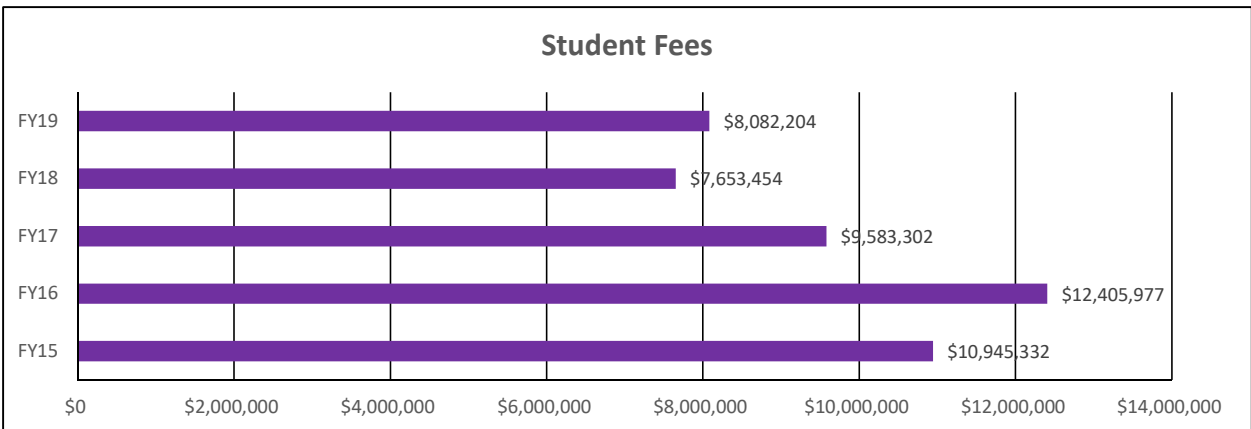
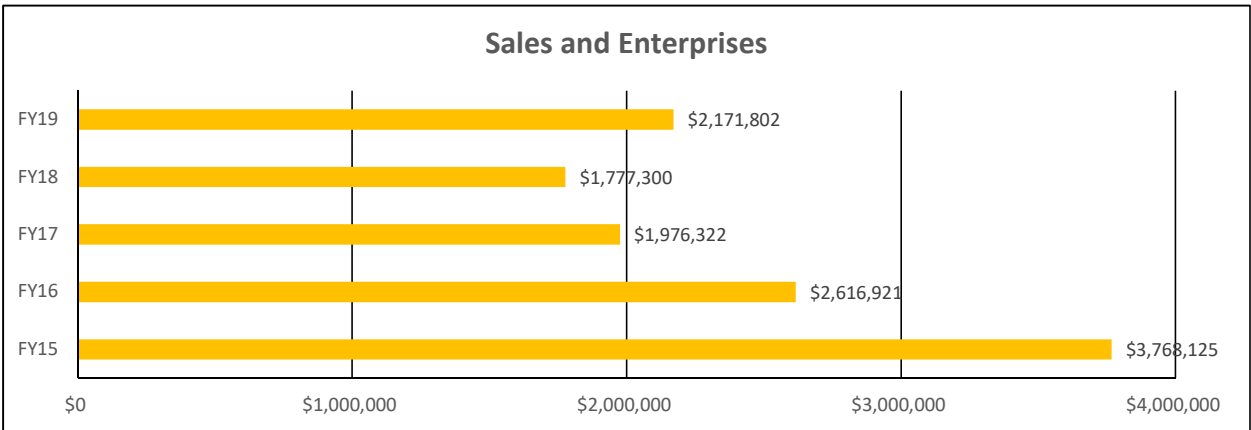
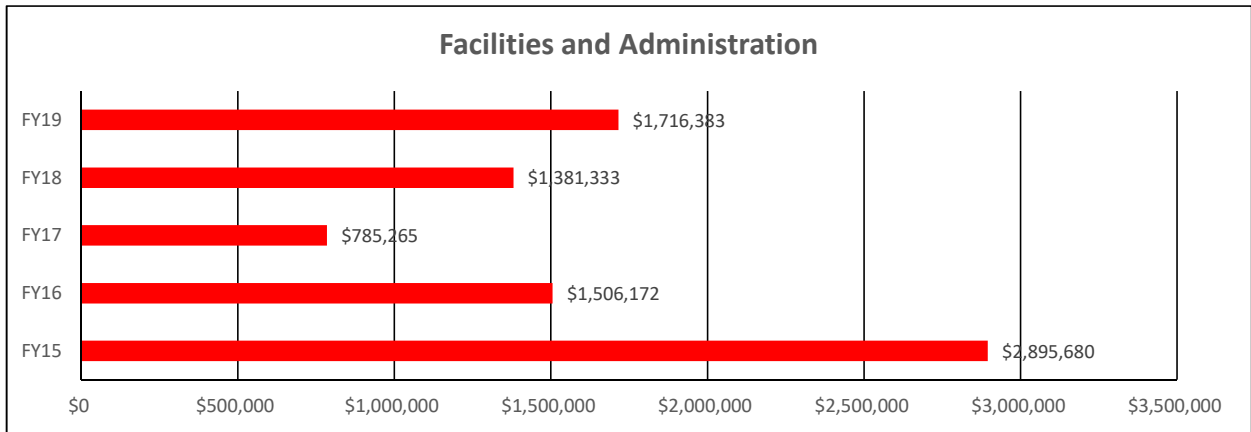
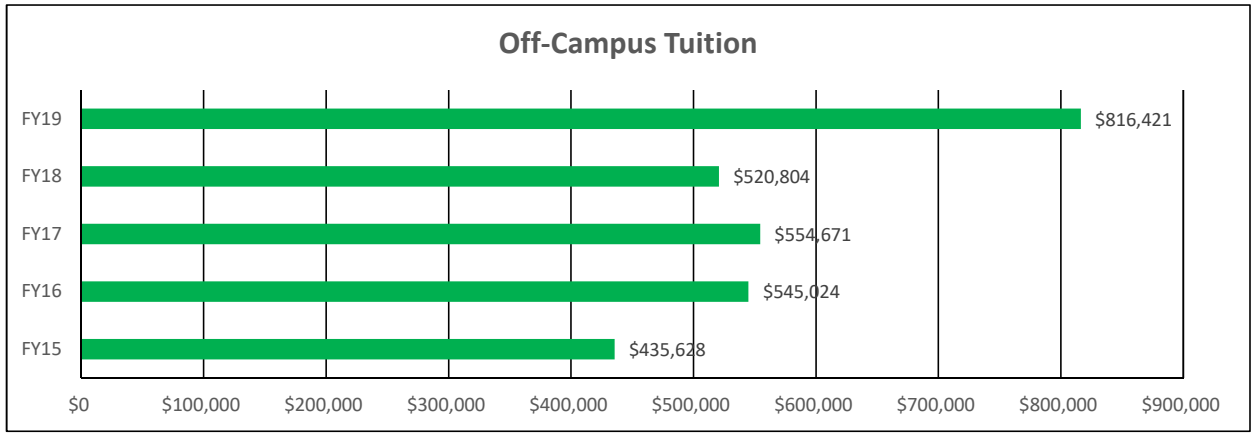
**South Dakota School of Mines and Technology
Expenditures by Unrestricted Fund Source**

	FY15	FY16	FY17	FY18	FY19
On-Campus Tuition	\$9,089,570	\$8,690,217	\$16,506,657	\$16,341,478	\$16,364,278
Off-Campus Tuition	\$435,628	\$545,024	\$554,671	\$520,804	\$816,421
Facilities and Administration	\$2,895,680	\$1,506,172	\$785,265	\$1,381,333	\$1,716,383
Sales and Enterprises	\$3,768,125	\$2,616,921	\$1,976,322	\$1,777,300	\$2,171,802
Student Fees*	\$10,945,332	\$12,405,977	\$9,583,302	\$7,653,454	\$8,082,204
Total Unrestricted	\$27,134,335	\$25,764,311	\$29,406,217	\$27,674,369	\$29,151,088

* Does not include expenditures for the Auxiliary System.



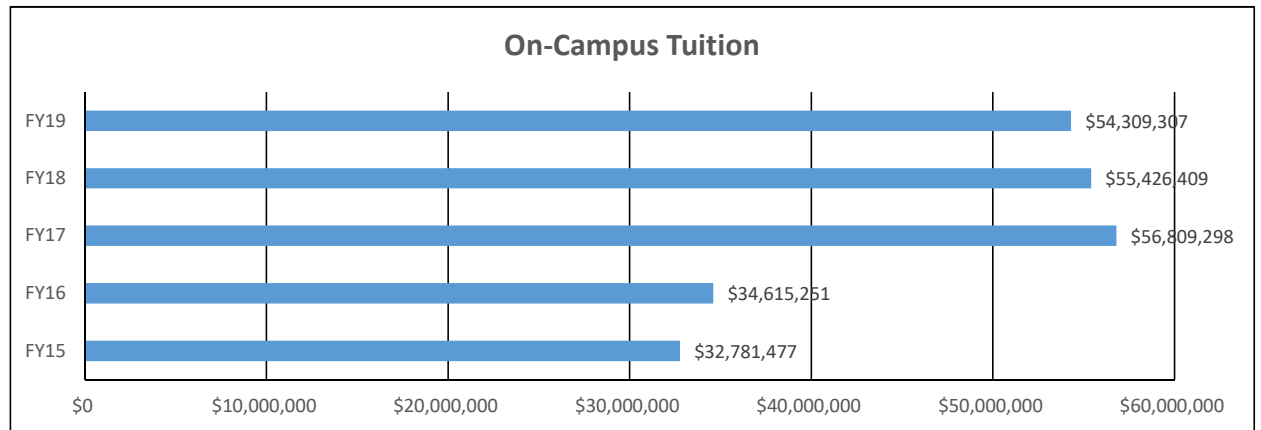
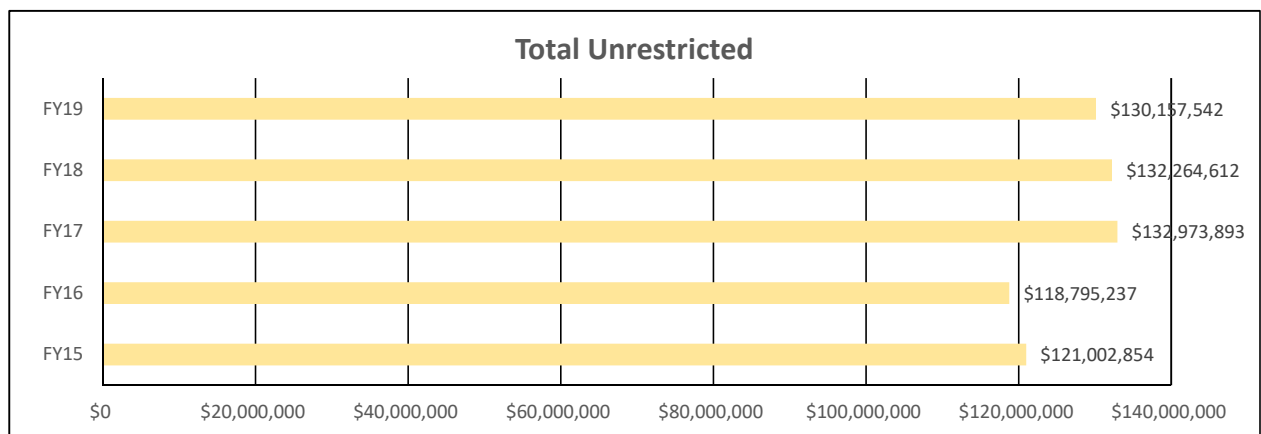
South Dakota School of Mines and Technology Expenditures by Unrestricted Fund Source



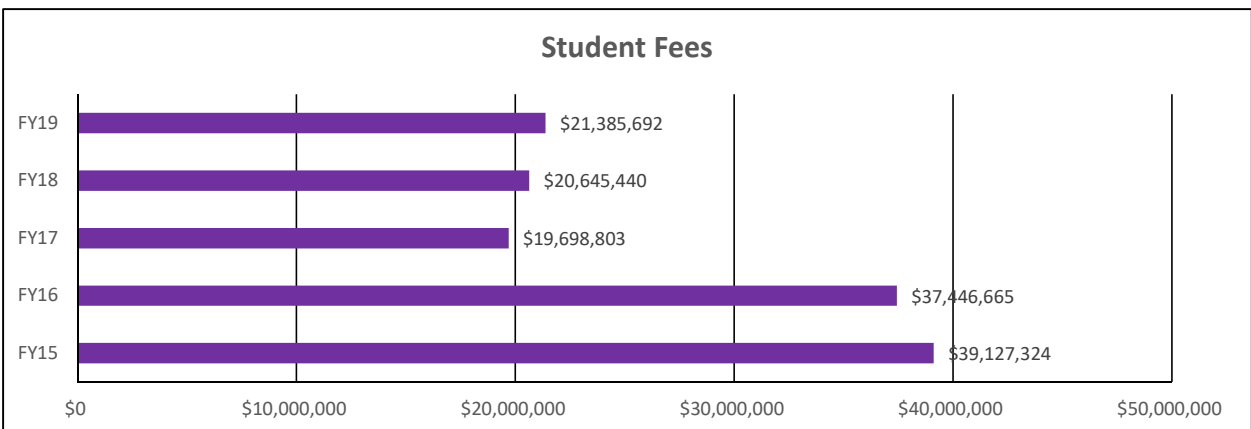
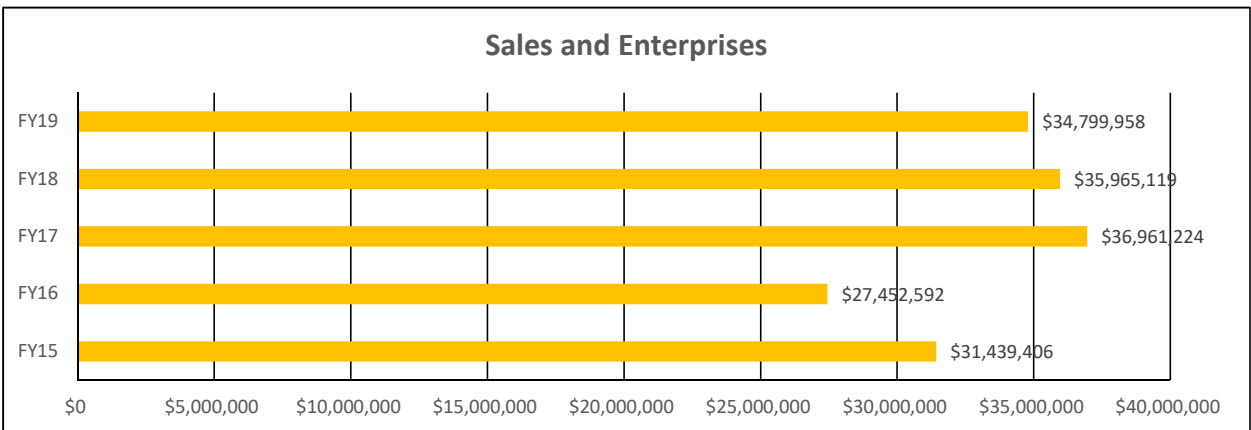
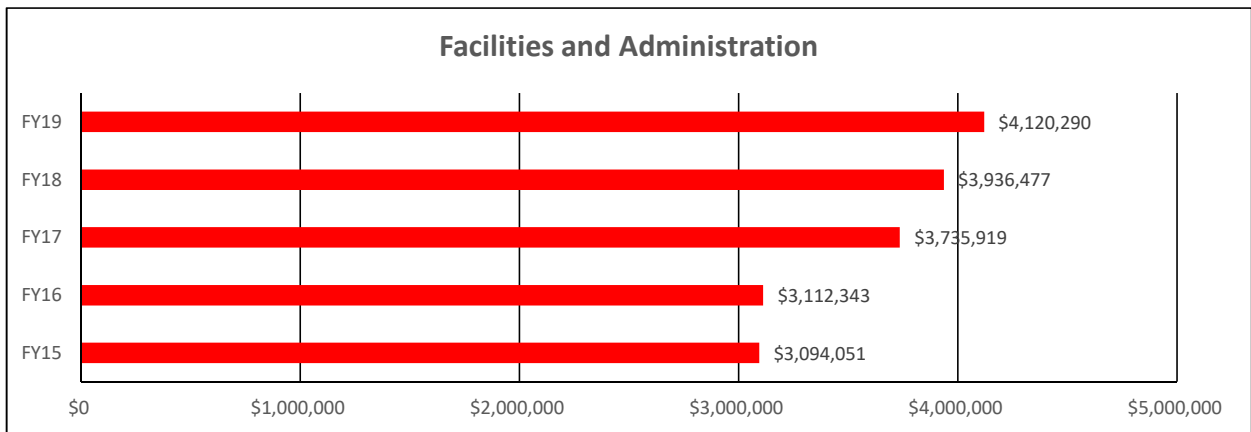
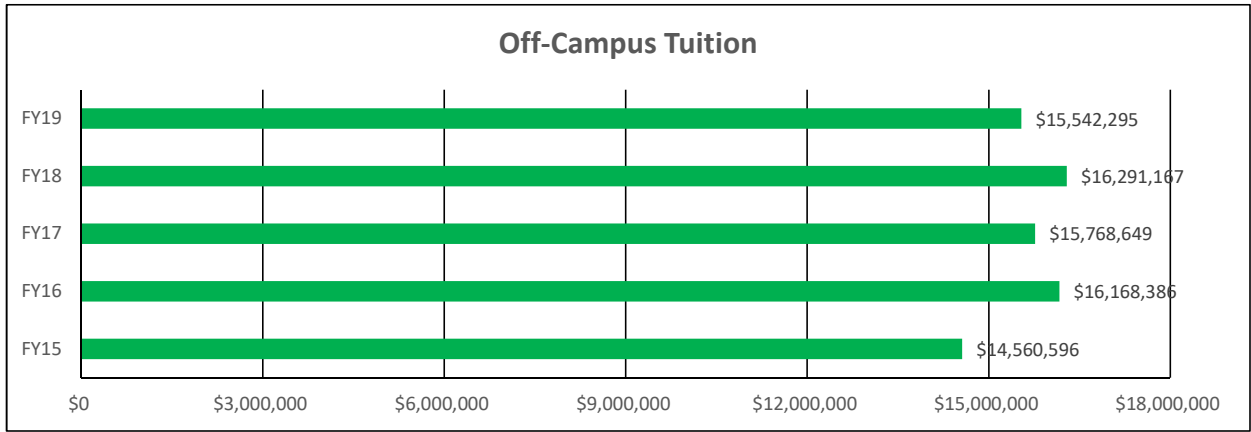
**South Dakota State University / AES / Extension
Expenditures by Unrestricted Fund Source**

	FY15	FY16	FY17	FY18	FY19
On-Campus Tuition	\$32,781,477	\$34,615,251	\$56,809,298	\$55,426,409	\$54,309,307
Off-Campus Tuition	\$14,560,596	\$16,168,386	\$15,768,649	\$16,291,167	\$15,542,295
Facilities and Administration	\$3,094,051	\$3,112,343	\$3,735,919	\$3,936,477	\$4,120,290
Sales and Enterprises	\$31,439,406	\$27,452,592	\$36,961,224	\$35,965,119	\$34,799,958
Student Fees*	\$39,127,324	\$37,446,665	\$19,698,803	\$20,645,440	\$21,385,692
Total Unrestricted	\$121,002,854	\$118,795,237	\$132,973,893	\$132,264,612	\$130,157,542

* Does not include expenditures for the Auxiliary System.



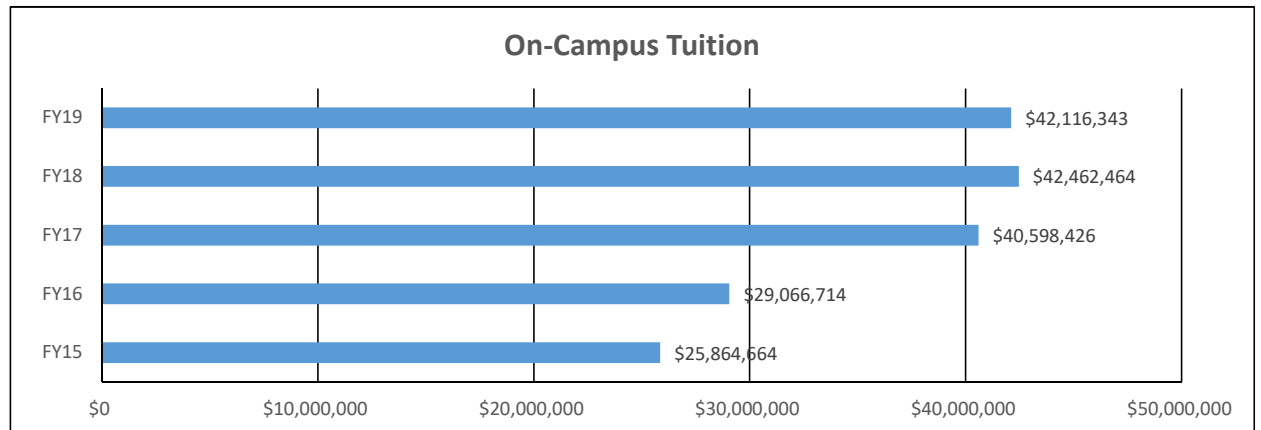
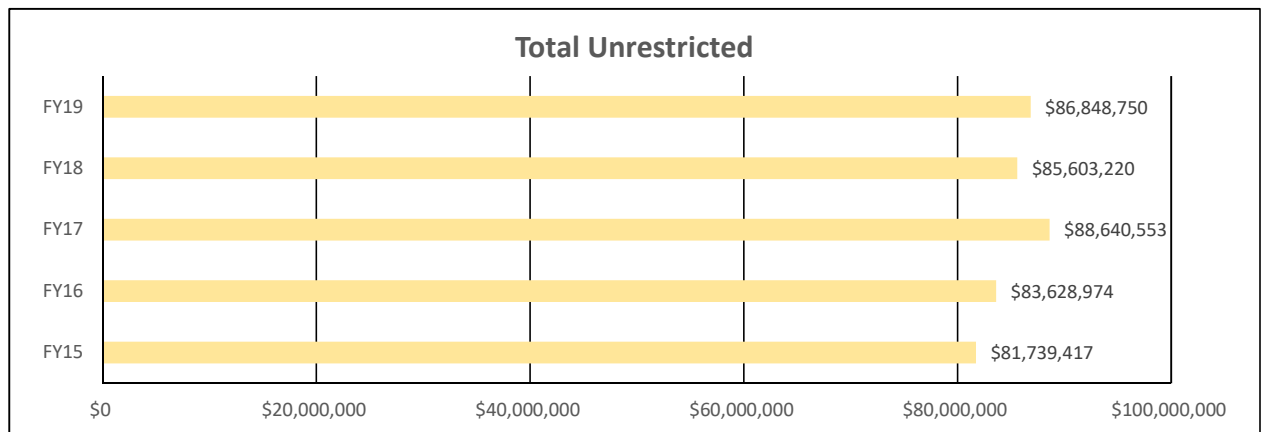
**South Dakota State University / AES / Extension
Expenditures by Unrestricted Fund Source**



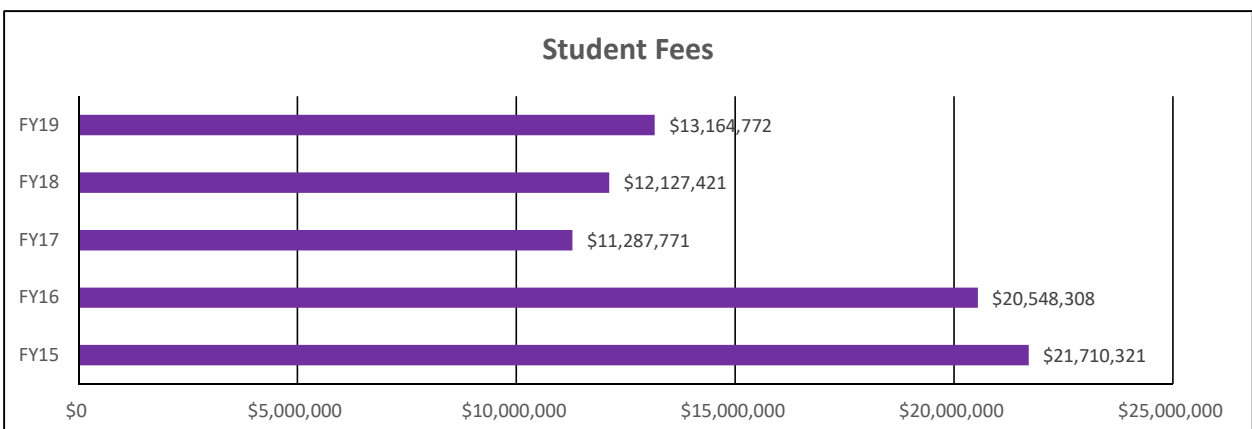
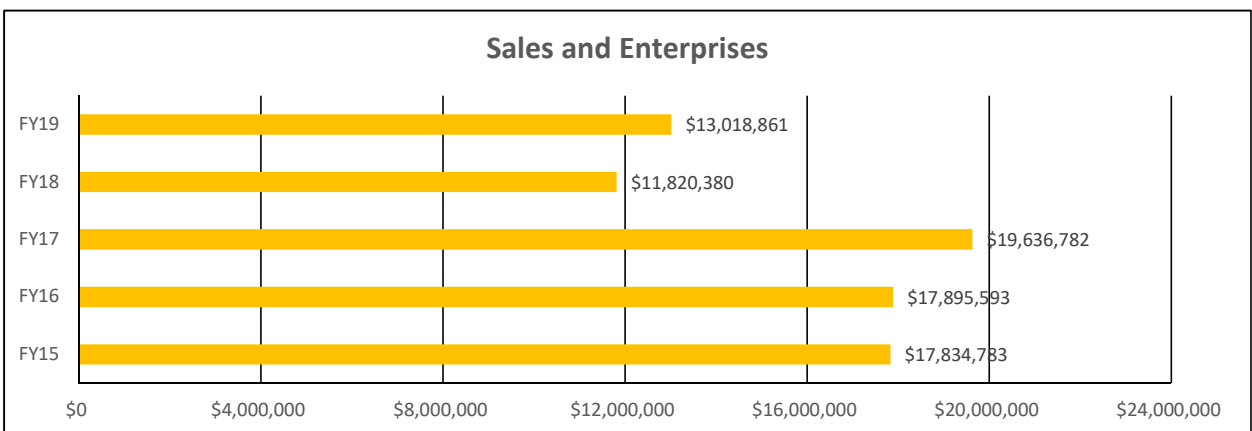
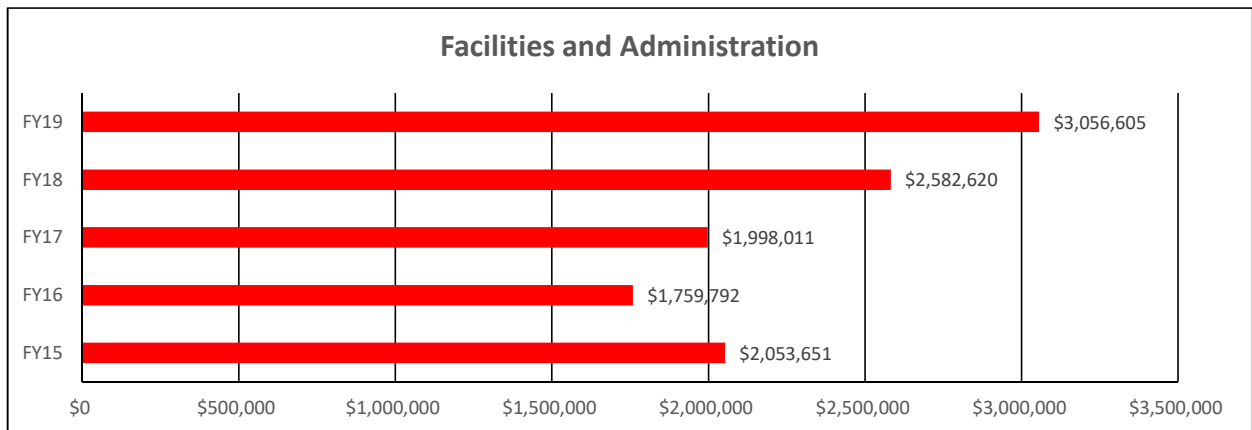
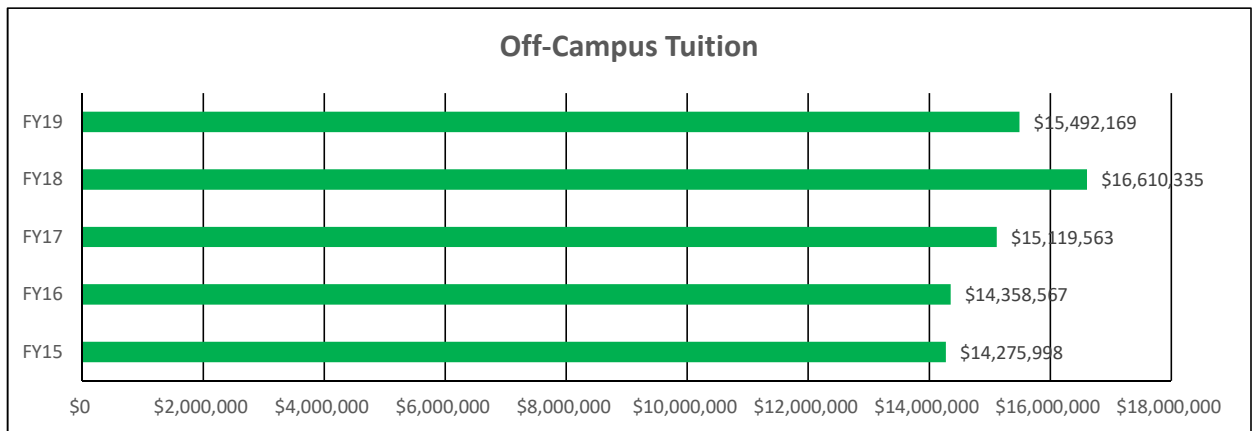
**University of South Dakota and Sanford School of Medicine
Expenditures by Unrestricted Fund Source**

	FY15	FY16	FY17	FY18	FY19
On-Campus Tuition	\$25,864,664	\$29,066,714	\$40,598,426	\$42,462,464	\$42,116,343
Off-Campus Tuition	\$14,275,998	\$14,358,567	\$15,119,563	\$16,610,335	\$15,492,169
Facilities and Administration	\$2,053,651	\$1,759,792	\$1,998,011	\$2,582,620	\$3,056,605
Sales and Enterprises	\$17,834,783	\$17,895,593	\$19,636,782	\$11,820,380	\$13,018,861
Student Fees*	\$21,710,321	\$20,548,308	\$11,287,771	\$12,127,421	\$13,164,772
Total Unrestricted	\$81,739,417	\$83,628,974	\$88,640,553	\$85,603,220	\$86,848,750

* Does not include expenditures for the Auxiliary System.



University of South Dakota and Sanford School of Medicine Expenditures by Unrestricted Fund Source



**Annual Financial Assessment
Auxiliary System Operating Revenues and Expenditures**

Each year the universities' auxiliary systems are reviewed by the Department of Legislative Audit (DLA). This Agreed Upon Procedures (AUP) review confirms that campuses are accounting for auxiliary revenue and expenditures in the proper way. The following pages show the revenues and expenditures for the previous five years. At the bottom of each column is the coverage ratio for that particular year. Bond covenants dictate that a campus must maintain a coverage ratio greater than 1.20.

BHSU Auxiliary System Operating Revenues and Expenditures

<u>Revenues</u>	FY15	FY16	FY17	FY18	FY19
Residence Life	\$2,584,918	\$2,457,947	\$2,856,452	\$2,920,368	\$2,640,729
Food Service	\$1,676,150	\$1,806,015	\$2,020,878	\$2,149,086	\$2,013,718
Student Center Operations	\$5,436	\$5,292	\$5,636	\$5,230	\$5,048
General Activity Fee Support	\$591,227	\$487,761	\$558,682	\$517,155	\$513,387
Bookstore	\$2,044,323	\$1,978,594	\$1,708,903	\$1,601,399	\$1,573,792
Parking	\$161,911	\$166,407	\$171,412	\$152,155	\$152,176
Wellness Center Operations	\$0	\$0	\$0	\$0	\$0
SubTotal Operating Revenue	\$7,063,966	\$6,902,017	\$7,321,963	\$7,345,393	\$6,898,850
<u>Other Revenues</u>					
GAF Bond Support	\$417,037	\$460,766	\$393,437	\$489,271	\$483,207
Facility Support Fee	\$0	\$0	\$0	\$0	\$0
BAB Subsidy	\$0	\$0	\$0	\$0	\$0
Other	\$494,784	\$95,484	\$0	\$0	\$0
Capitalized Interest	\$0	\$0	\$0	\$0	\$0
SubTotal Other Revenue	\$911,821	\$556,250	\$393,437	\$489,271	\$483,207
<u>Investment Income</u>					
Debt Service	\$11,045	\$44,592	\$4,323	\$0	\$0
Renewals	\$17,932	\$18,653	\$32,118	\$24,912	\$18,105
SubTotal Investment Income	\$28,977	\$63,245	\$36,441	\$24,912	\$18,105
Total Revenues	\$8,004,764	\$7,521,512	\$7,751,841	\$7,859,576	\$7,400,162
<u>Expenditures</u>					
Residence Life	\$1,324,652	\$1,171,505	\$1,292,787	\$1,329,492	\$1,162,282
Food Service	\$1,328,792	\$1,538,984	\$1,666,236	\$1,776,329	\$1,619,493
Student Center	(\$3,684)	(\$2,444)	\$3,568	\$1,351	\$7,459
General Activity Fee	\$591,227	\$487,761	\$558,682	\$517,155	\$513,387
Bookstore	\$1,915,707	\$2,006,293	\$1,614,335	\$1,510,406	\$1,442,082
Parking	\$42,263	\$21,257	\$34,942	\$49,116	\$47,298
Wellness Center	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$5,198,956	\$5,223,357	\$5,170,550	\$5,183,849	\$4,792,001
Excess of Revenues over Expenditures	\$2,805,807	\$2,298,154	\$2,581,291	\$2,675,727	\$2,608,161
Annual Debt Service	\$1,738,573	\$1,739,066	\$1,742,841	\$1,748,834	\$1,738,049
Coverage Ratio	1.61	1.32	1.48	1.53	1.50

DSU Auxiliary System Operating Revenues and Expenditures

<u>Revenues</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Residence Life	\$1,633,899	\$1,746,215	\$1,911,792	\$2,243,997	\$2,442,155
Food Service	\$1,667,312	\$1,825,858	\$2,081,606	\$2,368,201	\$2,665,795
Student Center Operations	\$12,342	\$1,062	\$100	\$18	\$135
General Activity Fee Support	\$205,769	\$203,396	\$202,042	\$214,628	\$222,414
Bookstore	\$0	\$0	\$0	\$0	\$0
Parking	\$0	\$0	\$0	\$0	\$0
Wellness Center Operations	\$0	\$0	\$0	\$0	\$0
SubTotal Operating Revenue	\$3,519,322	\$3,776,532	\$4,195,540	\$4,826,844	\$5,330,499
<u>Other Revenues</u>					
GAF Bond Support	\$77,139	\$248,569	\$412,006	\$423,123	\$425,980
Facility Support Fee	\$0	\$0	\$0	\$0	\$0
BAB Subsidy	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$130,000	\$0	\$0	\$0
Capitalized Interest	\$0	\$87,574	\$318,450	\$0	\$0
SubTotal Other Revenue	\$77,139	\$466,142	\$730,456	\$423,123	\$425,980
<u>Investment Income</u>					
Debt Service	\$20,641	\$19,255	\$38,534	\$39,836	\$25,635
Renewals	\$0	\$0	\$0	\$0	\$0
SubTotal Investment Income	\$20,641	\$19,255	\$38,534	\$39,836	\$25,635
Total Revenues	\$3,617,101	\$4,261,929	\$4,964,530	\$5,289,803	\$5,782,114
<u>Expenditures</u>					
Residence Life	\$817,444	\$794,109	\$797,609	\$942,353	\$1,148,962
Food Service	\$1,609,441	\$1,915,161	\$1,846,498	\$2,214,869	\$2,477,931
Student Center	\$2,347	\$2,212	\$2,337	\$0	\$0
General Activity Fee	\$205,769	\$203,371	\$202,042	\$214,628	\$222,414
Bookstore	\$0	\$0	\$0	\$0	\$0
Parking	\$0	\$0	\$0	\$0	\$0
Wellness Center	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$2,635,001	\$2,914,854	\$2,848,486	\$3,371,850	\$3,849,307
Excess of Revenues over Expenditures	\$982,100	\$1,347,075	\$2,116,044	\$1,917,953	\$1,932,807
Annual Debt Service	\$570,949	\$713,502	\$1,206,831	\$1,369,266	\$1,368,566
Coverage Ratio	1.72	1.89	1.75	1.40	1.41

NSU Auxiliary System Operating Revenues and Expenditures

<u>Revenues</u>	FY15	FY16	FY17	FY18	FY19
Residence Life	\$2,266,114	\$2,111,229	\$2,196,578	\$2,715,696	\$2,985,584
Food Service	\$2,028,390	\$1,890,005	\$2,059,239	\$2,110,079	\$2,298,918
Student Center Operations	\$2,178	\$1,691	\$1,030	\$7,792	\$1,634
General Activity Fee Support	\$217,316	\$250,000	\$228,878	\$220,000	\$225,103
Bookstore	\$1,305,756	\$1,168,581	\$1,064,901	\$958,546	\$922,797
Parking	\$0	\$0	\$0	\$0	\$0
Wellness Center Operations	\$0	\$0	\$0	\$0	\$0
SubTotal Operating Revenue	\$5,819,755	\$5,421,506	\$5,550,626	\$6,012,113	\$6,434,036
<u>Other Revenues</u>					
GAF Bond Support	\$465,000	\$465,000	\$445,000	\$430,000	\$420,000
Facility Support Fee	\$0	\$0	\$0	\$0	\$0
Aramark Investment	\$150,000	\$150,000	\$0	\$150,000	\$0
BAB Subsidy	\$23,040	\$22,504	\$21,893	\$11,389	\$860
Capitalized Interest	\$0	\$0	\$79,917	\$0	\$0
SubTotal Other Revenue	\$638,040	\$637,504	\$546,810	\$591,389	\$420,860
<u>Investment Income</u>					
Debt Service	\$0	\$0	\$0	\$0	\$0
Renewals	\$43,581	\$52,322	\$48,379	\$48,530	\$65,025
SubTotal Investment Income	\$43,581	\$52,322	\$48,379	\$48,530	\$65,025
Total Revenues	\$6,501,376	\$6,111,332	\$6,145,815	\$6,652,032	\$6,919,921
<u>Expenditures</u>					
Residence Life	\$1,316,049	\$1,257,658	\$1,238,791	\$1,391,477	\$1,520,396
Food Service	\$1,900,863	\$1,805,043	\$1,816,374	\$2,020,929	\$2,056,113
Student Center	\$112,781	\$44,944	\$71,188	\$71,834	\$63,684
General Activity Fee	\$217,316	\$250,000	\$228,878	\$220,000	\$225,103
Bookstore	\$1,307,869	\$1,125,388	\$1,017,662	\$996,176	\$937,359
Parking	\$0	\$0	\$0	\$0	\$0
Wellness Center	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$4,854,879	\$4,483,033	\$4,372,893	\$4,700,416	\$4,802,655
Excess of Revenues over Expenditures	\$1,646,497	\$1,628,299	\$1,772,922	\$1,951,616	\$2,117,266
Annual Debt Service	\$954,524	\$951,466	\$1,026,883	\$1,387,968	\$1,401,164
Coverage Ratio	1.72	1.71	1.73	1.41	1.51

SDSMT Auxiliary System Operating Revenues and Expenditures

<u>Revenues</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Residence Life	\$2,405,421	\$2,359,448	\$2,111,752	\$2,679,091	\$3,113,015
Food Service	\$2,646,817	\$2,538,616	\$2,690,524	\$2,952,466	\$3,024,198
Student Center Operations	\$97,306	\$96,784	\$44,905	\$37,793	\$37,108
GAF Support Student Center	\$180,771	\$287,041	\$280,103	\$302,961	\$286,544
Bookstore	\$2,045,380	\$1,928,050	\$1,788,555	\$1,590,714	\$1,505,132
Parking	\$0	\$0	\$0	\$0	\$0
GAF Support Wellness Center	\$64,597	\$199,794	\$133,675	\$198,630	\$129,624
Wellness Center Operations	\$9,650	\$0	\$0	\$0	\$0
SubTotal Operating Revenue	\$7,449,943	\$7,409,732	\$7,049,514	\$7,761,655	\$8,095,621
<u>Other Revenues</u>					
GAF Bond Support	\$1,590,414	\$1,613,157	\$1,662,901	\$1,545,454	\$1,556,382
Facility Support Fee	\$0	\$189,687	\$200,870	\$125,357	\$125,000
BAB Subsidy	\$175,332	\$171,416	\$166,796	\$86,847	\$6,450
Capitalized Interest	\$155,338	\$0	\$0	\$0	\$0
SubTotal Other Revenue	\$1,921,083	\$1,974,260	\$2,030,567	\$1,757,658	\$1,687,832
<u>Investment Income</u>					
Debt Service	\$19,679	\$29,866	\$33,091	\$16,708	\$17,412
Interest Revenue	\$11,773	\$18,471	\$16,727	\$26,098	\$24,641
Renewals	\$18,842	\$70,685	\$65,362	\$58,501	\$52,494
SubTotal Investment Income	\$50,294	\$119,021	\$115,180	\$101,307	\$94,547
Total Revenues	\$9,421,320	\$9,503,013	\$9,195,261	\$9,620,620	\$9,878,000
<u>Expenditures</u>					
Residence Life	\$975,042	\$1,075,297	\$1,060,850	\$1,287,878	\$1,311,399
Food Service	\$2,473,661	\$2,502,800	\$2,677,829	\$2,899,985	\$2,956,698
Student Center	\$83,471	\$48,566	\$28,381	\$22,473	\$21,638
General Activity Fee (Student Ctr)	\$180,771	\$287,041	\$280,103	\$302,961	\$286,544
Bookstore	\$1,851,509	\$1,708,633	\$1,540,981	\$1,558,625	\$1,441,725
Parking	\$0	\$0	\$0	\$0	\$0
Other	\$365,000	\$365,000	\$465,000	\$374,057	\$270,324
GAF Wellnes Center	\$38,965	\$166,514	\$214,754	\$182,179	\$198,953
Total Expenditures	\$5,968,419	\$6,153,851	\$6,267,898	\$6,628,158	\$6,487,281
Excess of Revenues over Expenditures	\$3,452,901	\$3,349,162	\$2,927,363	\$2,992,462	\$3,390,719
Annual Debt Service	\$2,183,626	\$2,181,749	\$2,174,881	\$2,161,768	\$2,718,013
Coverage Ratio	1.58	1.54	1.35	1.38	1.25

SDSU Auxiliary System Operating Revenues and Expenditures

<u>Revenues</u>	FY15	FY16	FY17	FY18	FY19
Residence Life	\$16,687,396	\$16,775,919	\$18,095,117	\$18,192,915	\$18,732,059
Food Service	\$11,079,553	\$11,153,636	\$11,936,303	\$12,602,352	\$12,591,858
Student Center Operations	\$106,222	\$102,797	\$89,685	\$365,642	\$393,740
General Activity Fee Support	\$219,545	\$317,400	\$292,985	\$297,255	\$741,908
Bookstore	\$0	\$0	\$0	\$0	\$0
Parking	\$1,392,631	\$1,508,419	\$1,615,399	\$1,712,773	\$1,609,147
GAF Support Wellness Center	\$0	\$0	\$0	\$0	\$730,478
Wellness Center Operations	\$555,572	\$575,930	\$620,320	\$545,309	\$577,335
SubTotal Operating Revenue	\$30,040,919	\$30,434,101	\$32,649,809	\$33,716,246	\$35,376,525
<u>Other Revenues</u>					
GAF Bond Support	\$1,970,153	\$1,779,826	\$1,958,773	\$4,850,177	\$3,959,850
Facility Support Fee	\$1,416,203	\$1,444,151	\$1,564,661	\$1,104,127	\$810,902
BAB Subsidy	\$551,057	\$538,647	\$524,107	\$272,767	\$20,209
Other	\$0	\$130,000	\$0	\$0	\$0
Capitalized Interest	\$0	\$0	\$0	\$0	\$0
SubTotal Other Revenue	\$3,937,413	\$3,892,624	\$4,047,541	\$6,227,071	\$4,790,961
<u>Investment Income</u>					
Debt Service	\$13,223	\$16,410	\$18,237	\$24,296	\$15,628
Interest Revenue	\$68,160	\$96,008	\$127,670	\$148,391	\$170,343
Renewals	\$56,616	\$99,299	\$99,332	\$39,294	\$52,715
Completed Construction Funds	\$0	\$0	\$0	\$0	\$0
SubTotal Investment Income	\$137,999	\$211,717	\$245,239	\$211,981	\$238,686
Total Revenues	\$34,116,331	\$34,538,442	\$36,942,589	\$40,155,298	\$40,406,172
<u>Expenditures</u>					
Residence Life	\$8,029,616	\$7,250,489	\$7,994,795	\$8,415,537	\$7,665,136
Food Service	\$10,688,057	\$11,155,111	\$11,740,065	\$12,723,294	\$12,615,846
Student Center	\$201,550	(\$18,376)	\$39,741	\$299,191	\$406,419
General Activity Fee	\$0	\$0	\$0	\$0	\$255,474
Bookstore	\$0	\$0	\$0	\$0	\$0
Commuter Parking	\$342,129	\$747,149	\$458,088	\$589,525	\$705,853
GAF Wellnes Center	\$0	\$0	\$0	\$0	\$540,818
Wellness Center	\$1,152,238	\$1,179,749	\$1,162,422	\$880,927	\$422,670
Total Expenditures	\$20,413,589	\$20,314,122	\$21,395,111	\$22,908,474	\$22,612,216
Excess of Revenues over Expenditures	\$13,702,742	\$14,224,320	\$15,547,478	\$17,246,824	\$17,793,956
Annual Debt Service	\$10,133,043	\$10,243,182	\$10,489,364	\$10,968,204	\$11,915,849
Coverage Ratio	1.35	1.39	1.48	1.57	1.49

USD Auxiliary System Operating Revenues and Expenditures

<u>Revenues</u>	FY15	FY116	FY17	FY18	FY19
Residence Life	\$9,628,933	\$9,731,613	\$9,590,323	\$10,059,275	\$10,418,295
Food Service	\$5,762,572	\$6,099,550	\$6,297,465	\$6,534,074	\$7,088,064
Student Center Operations	\$1,117,862	\$1,270,290	\$1,256,363	\$1,313,690	\$1,338,397
General Activity Fee Support	\$1,795,228	\$1,905,088	\$1,862,622	\$2,002,994	\$1,911,827
Bookstore	\$0	\$0	\$0	\$0	\$0
Parking	\$0	\$0	\$0	\$0	\$0
Wellness Center Operations	\$455,282	\$377,185	\$366,684	\$362,575	\$374,134
SubTotal Operating Revenue	\$18,759,877	\$19,383,725	\$19,373,457	\$20,272,608	\$21,130,717
<u>Other Revenues</u>					
GAF Bond Support	\$1,614,032	\$1,632,390	\$1,617,432	\$1,526,864	\$1,620,061
Facility Support Fee	\$339,797	\$358,756	\$369,267	\$383,687	\$433,764
BAB Subsidy	\$774,326	\$761,096	\$745,422	\$384,486	\$22,273
Capitalized Interest	\$0	\$0	\$0	\$0	\$0
SubTotal Other Revenue	\$2,728,155	\$2,752,242	\$2,732,121	\$2,295,037	\$2,076,098
<u>Investment Income</u>					
Debt Service	\$0	\$0	\$0	\$0	\$0
Renewals	\$59,526	\$41,461	\$64,935	\$89,157	\$142,310
SubTotal Investment Income	\$59,526	\$41,461	\$64,935	\$89,157	\$142,310
Total Revenues	\$21,547,558	\$22,177,428	\$22,170,513	\$22,656,802	\$23,349,125
<u>Expenditures</u>					
Residence Life	\$3,992,175	\$4,489,012	\$4,716,496	\$4,974,904	\$5,129,029
Food Service	\$5,767,564	\$6,094,341	\$6,242,370	\$6,591,195	\$7,091,144
Student Center	\$1,003,067	\$1,349,282	\$1,317,658	\$1,383,521	\$1,420,954
General Activity Fee	\$1,669,923	\$1,775,492	\$1,685,842	\$1,725,571	\$1,660,171
Bookstore	\$0	\$0	\$0	\$0	\$0
Parking	\$0	\$0	\$0	\$0	\$0
Wellness Center	\$14,616	\$11,516	\$78,683	\$135,759	\$145,784
Total Expenditures	\$12,447,345	\$13,719,643	\$14,041,049	\$14,810,950	\$15,447,082
Excess of Revenues over Expenditures	\$9,100,213	\$8,457,785	\$8,129,464	\$7,845,852	\$7,902,043
Annual Debt Service	\$5,522,319	\$5,281,712	\$5,490,094	\$4,840,604	\$4,879,488
Coverage Ratio	1.65	1.60	1.48	1.62	1.62

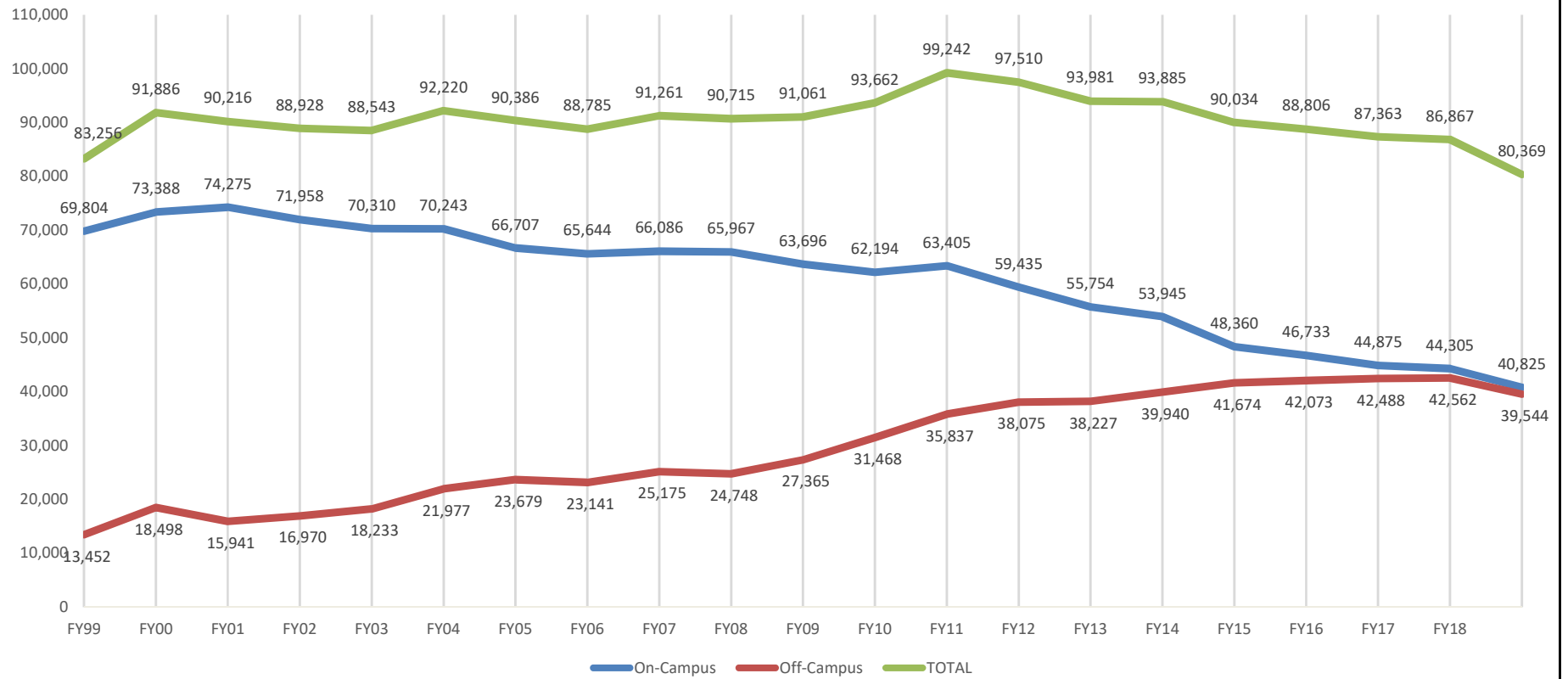
BOR Auxiliary System Operating Revenues and Expenditures

<u>Revenues</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Residence Life	\$35,206,681	\$35,182,372	\$36,762,014	\$38,811,342	\$40,331,837
Food Service	\$24,860,794	\$25,313,680	\$27,086,015	\$28,716,258	\$29,682,551
Student Center Operations	\$1,341,346	\$1,477,916	\$1,397,719	\$1,730,165	\$1,776,062
General Activity Fee Support	\$3,209,856	\$3,450,687	\$3,425,312	\$3,554,993	\$3,901,183
Bookstore	\$5,395,460	\$5,075,225	\$4,562,359	\$4,150,659	\$4,001,721
Parking	\$1,554,542	\$1,674,826	\$1,786,811	\$1,864,928	\$1,761,323
GAF Support Wellness Center	\$0	\$199,794	\$133,675	\$198,630	\$860,102
Wellness Center Operations	\$1,020,504	\$953,115	\$987,004	\$907,884	\$951,469
SubTotal Operating Revenue	\$72,589,184	\$73,327,613	\$76,140,909	\$79,934,859	\$83,266,248
<u>Other Revenues</u>					
GAF Bond Support	\$6,133,775	\$6,199,708	\$6,489,549	\$9,264,889	\$8,465,480
Facility Support Fee	\$1,756,000	\$1,992,594	\$2,134,798	\$1,613,171	\$1,369,666
Aramark Investment	\$150,000	\$150,000	\$0	\$150,000	\$0
BAB Subsidy	\$1,523,755	\$1,493,663	\$1,458,218	\$755,489	\$49,792
Other		\$95,484	\$0	\$0	\$0
Capitalized Interest	\$155,338	\$87,574	\$398,367	\$0	\$0
SubTotal Other Revenue	\$9,718,867	\$10,019,021	\$10,480,932	\$11,783,549	\$9,884,938
<u>Investment Income</u>					
Debt Service	\$64,588	\$110,123	\$94,185	\$80,840	\$58,675
Interest Revenue	\$79,933	\$114,479	\$144,397	\$174,489	\$194,984
Renewals	\$196,497	\$282,419	\$310,126	\$260,394	\$330,649
Completed Construction Funds	\$0	\$0	\$0	\$0	\$0
SubTotal Investment Income	\$341,018	\$507,021	\$548,708	\$515,723	\$584,308
Total Revenues	\$82,649,070	\$83,853,656	\$87,170,549	\$92,234,131	\$93,735,494
<u>Expenditures</u>					
Residence Life	\$16,454,977	\$16,038,071	\$17,101,328	\$18,341,641	\$17,937,204
Food Service	\$23,768,378	\$25,011,441	\$25,989,372	\$28,226,601	\$28,817,225
Student Center	\$1,399,531	\$1,424,184	\$1,462,873	\$1,778,370	\$1,920,154
General Activity Fee	\$2,865,006	\$3,003,665	\$2,955,547	\$2,980,315	\$3,163,093
Bookstore	\$5,075,085	\$4,840,314	\$4,172,978	\$4,065,207	\$3,821,166
Parking	\$384,392	\$768,406	\$493,030	\$638,641	\$753,151
Other	\$365,000	\$365,000	\$465,000	\$374,057	\$270,324
Wellness Center - GAF	\$0	\$0	\$0	\$0	\$739,771
Wellness Center	\$1,205,819	\$1,357,779	\$1,455,859	\$1,198,865	\$568,454
Total Expenditures	\$51,518,189	\$52,808,861	\$54,095,987	\$57,603,697	\$57,990,542
Excess of Revenues over Expenditures	\$31,130,881	\$31,044,795	\$33,074,562	\$34,630,434	\$35,744,952
Annual Debt Service	\$21,103,034	\$21,110,677	\$22,130,894	\$22,476,644	\$24,021,129
Coverage Ratio	1.48	1.47	1.49	1.54	1.49

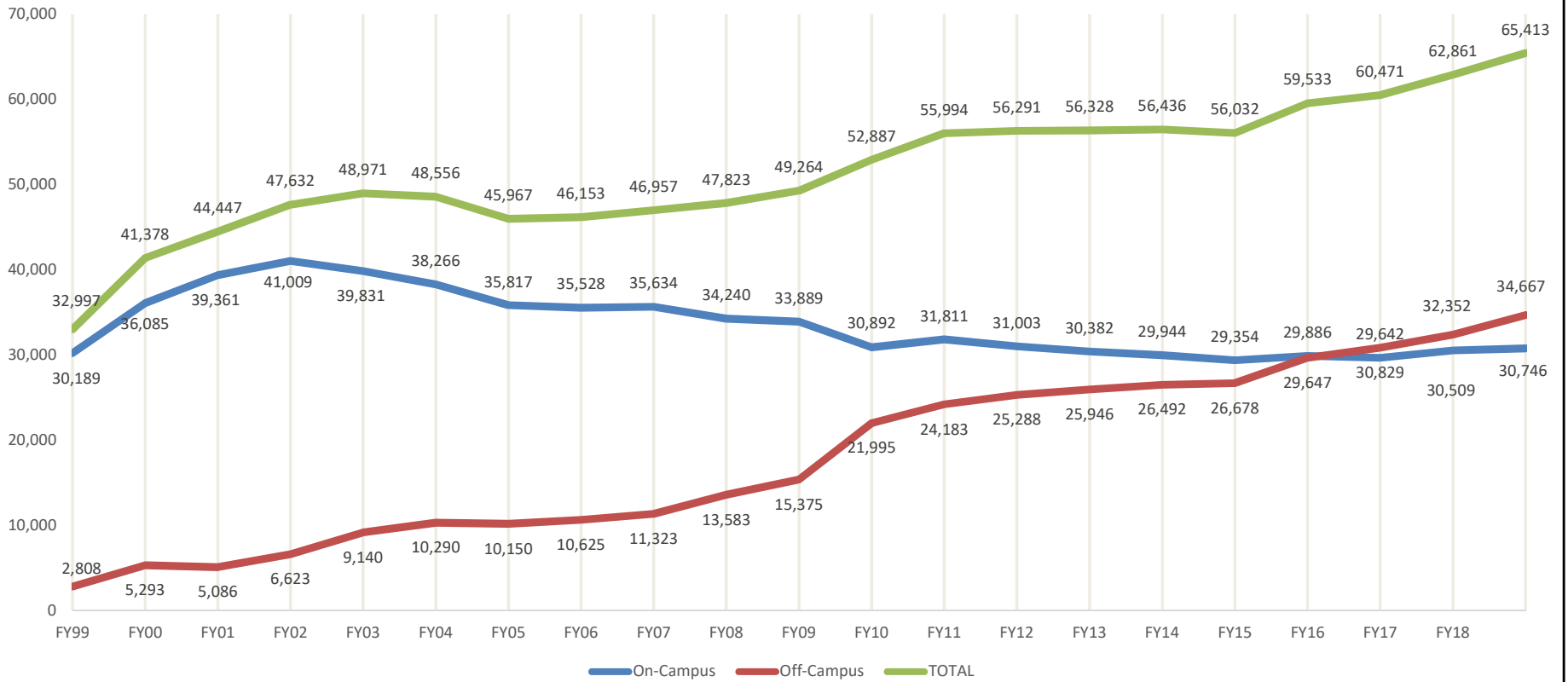
**Annual Financial Assessment
Credit Hours by Funding Source**

Credit hours are a good measure of how the universities are doing in attracting and retaining students. Obviously there is a strong tie between credit hours and overall financial health. We track both on-campus and off-campus hours because of the significant growth in distance education.

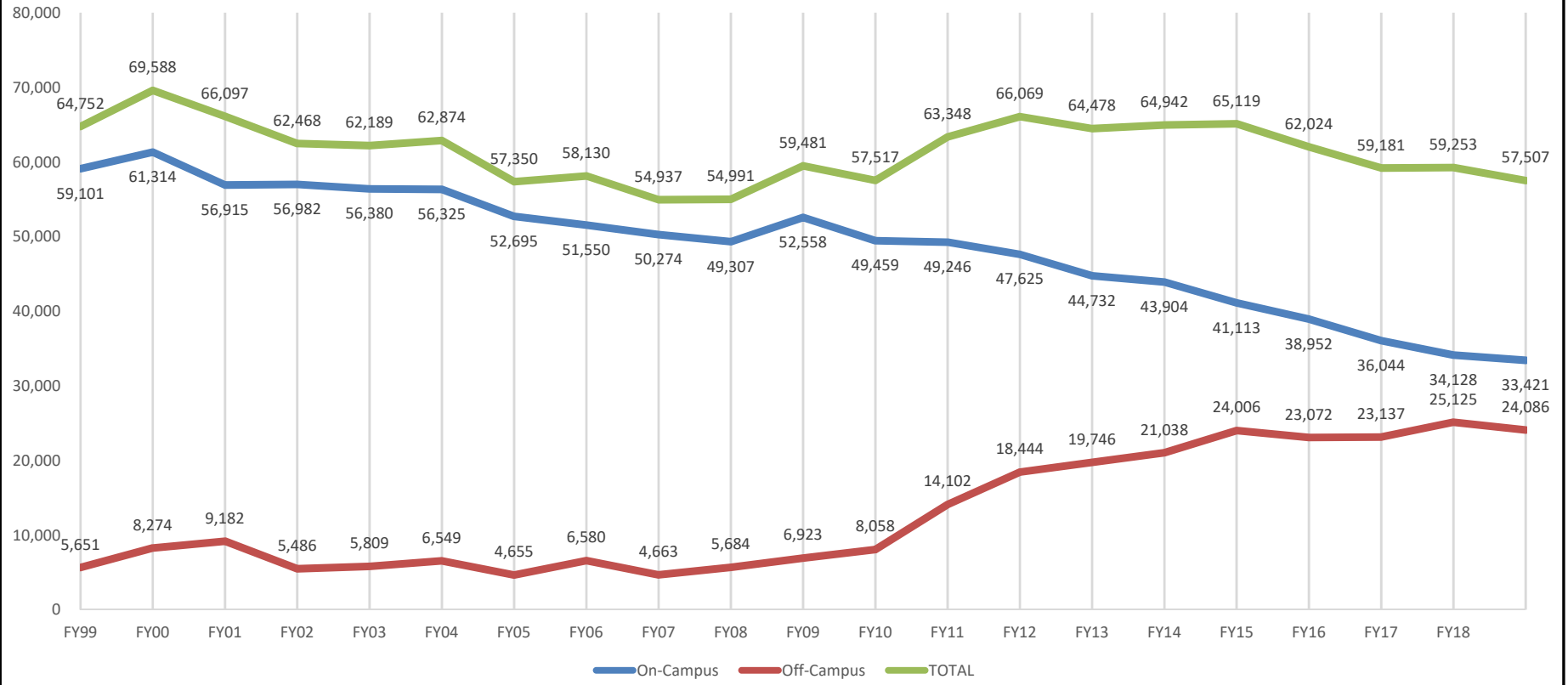
Black Hills State University Credit Hours by Funding Source



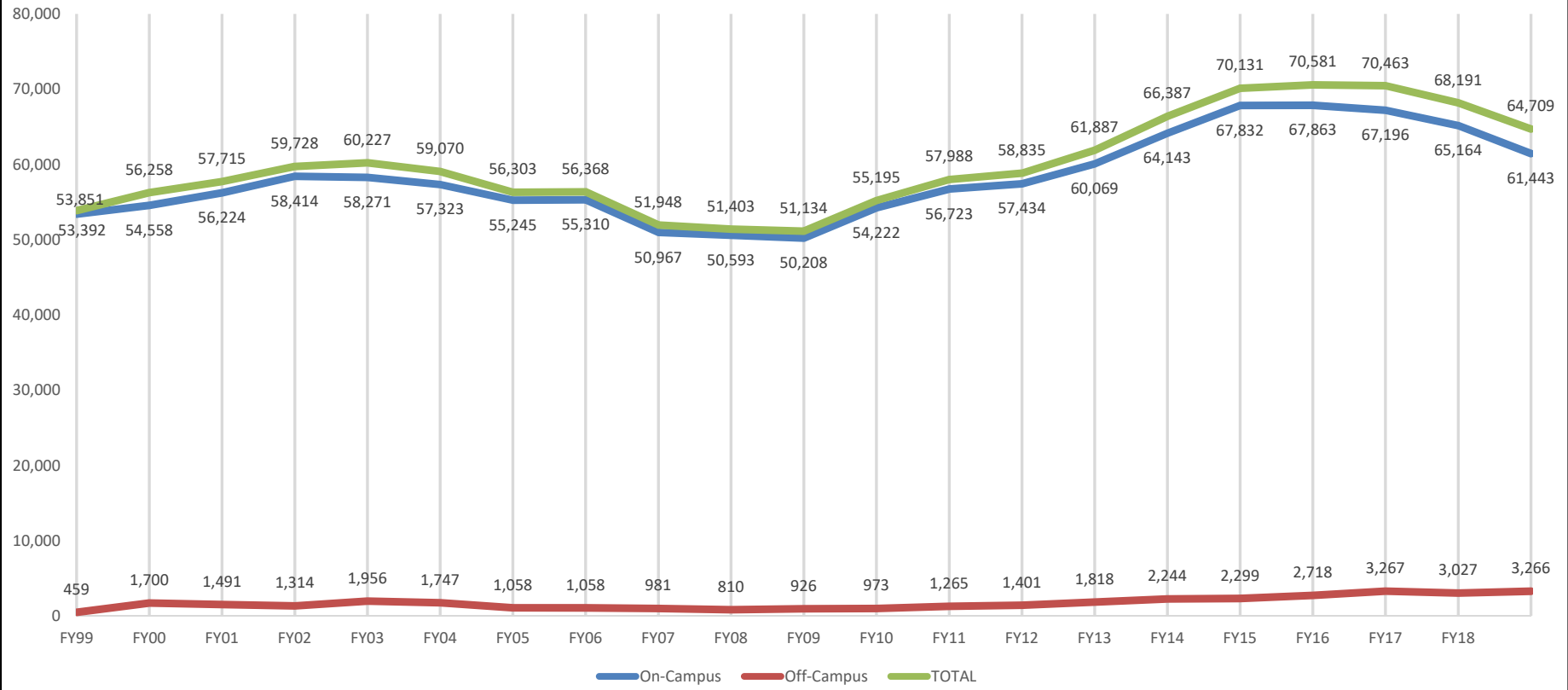
Dakota State University Credit Hours by Funding Source



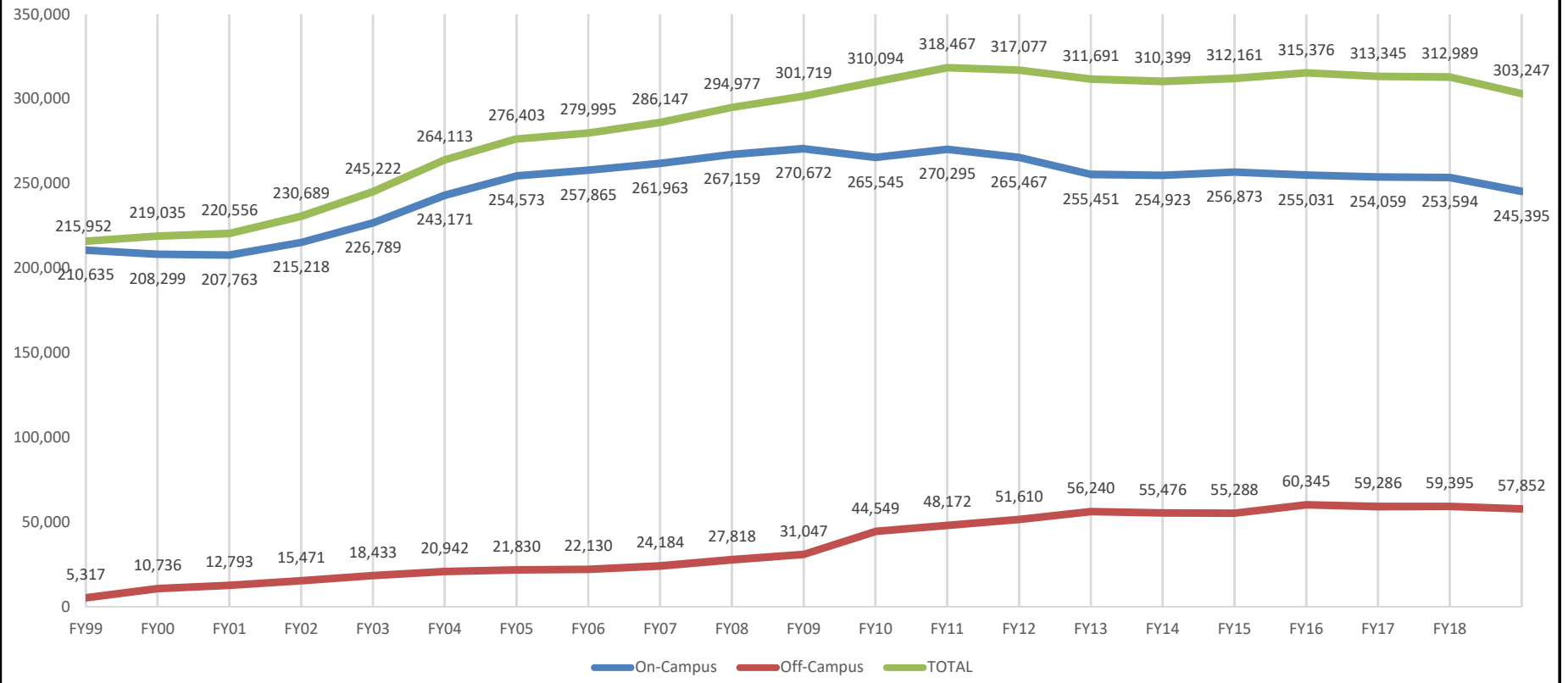
Northern State University Credit Hours by Funding Source



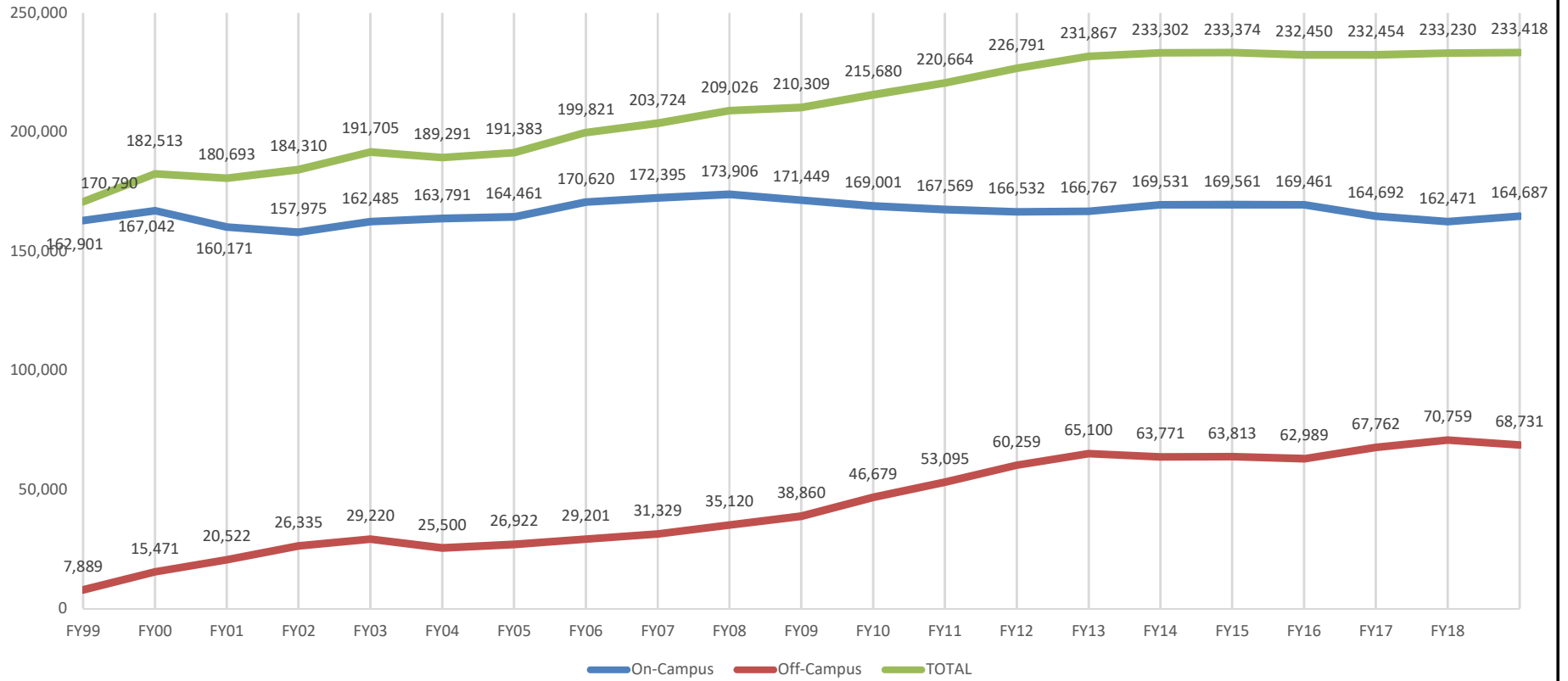
South Dakota School of Mines & Technology Credit Hours by Funding Source



South Dakota State University Credit Hours by Funding Source



University of South Dakota Credit Hours by Funding Source



**Annual Financial Assessment
Outstanding Long Term Debt**

The information on the following pages provides a look at the long-term debt that is outstanding as of 6/30/19. The debt is split between bonded debt that is supported by the Auxiliary System, long term capital leases due to the South Dakota Building Authority (SDBA) that is supported by HEFF, and long term capital leases due to SDBA supported by other campus revenues. The information is further broken down by campus and the project that was funded.

Auxiliary System Debt

As of June 30, 2019

Institution	Series	Retirement Date	Original Bond Issue	Principal Outstanding	Interest Outstanding *	Total Amount Outstanding
BLACK HILLS STATE UNIVERSITY						
Parking Lot Improvement	Series 2006	4/1/2026	\$1,270,000	\$575,000	\$93,296	\$668,296
Student Union Expansion	Series 2007	10/1/2028	\$8,150,000	\$4,855,000	\$1,002,107	\$5,857,107
Crow Peak Hall and Refinance Series 2004	Series 2014A	4/1/2039	\$10,220,000	\$8,075,000	\$3,993,025	\$12,068,025
Refinance of Series 2004A	Series 2014B	4/1/2026	<u>\$1,825,000</u>	<u>\$1,160,000</u>	<u>\$243,250</u>	<u>\$1,403,250</u>
			\$21,465,000	\$14,665,000	\$5,331,678	\$19,996,678
DAKOTA STATE UNIVERSITY						
Existing Residence Hall Renovations	Series 2007	10/1/2028	\$390,000	\$230,000	\$46,948	\$276,948
Residence Hall Renovations	Series 2008A	4/1/2028	\$4,770,000	\$2,590,000	\$528,456	\$3,118,456
Refinance of Series 2004A	Series 2014B	4/1/2025	\$1,695,000	\$1,005,000	\$183,500	\$1,188,500
Renov. Of Trojan Center and Renov of Hospital	Series 2015	4/1/2040	<u>\$10,920,000</u>	<u>\$10,280,000</u>	<u>\$6,433,100</u>	<u>\$16,713,100</u>
			\$17,775,000	\$14,105,000	\$7,192,004	\$21,297,004
NORTHERN STATE UNIVERSITY						
Kramer Hall Renovation	Series 2008B	4/1/2028	\$1,095,000	\$635,000	\$153,108	\$788,108
Student Union Renovation and Expansion	Series 2011	4/1/2036	\$5,780,000	\$4,675,000	\$2,133,169	\$6,808,169
Refinance of Series 2004A	Series 2014B	4/1/2029	\$3,770,000	\$2,730,000	\$807,750	\$3,537,750
New Residence Hall	Series 2016	4/1/2041	\$6,785,000	\$6,440,000	\$3,637,600	\$10,077,600
Advanced Refinancing of Series 2009	Series 2017	4/1/2034	<u>\$915,000</u>	<u>\$915,000</u>	<u>\$404,800</u>	<u>\$1,319,800</u>
			\$18,345,000	\$15,395,000	\$7,136,427	\$22,531,427
SOUTH DAKOTA SCHOOL OF MINES & TECHNOLOGY						
Surbeck Center Renovation	Series 2008B	4/1/2028	\$4,135,000	\$2,390,000	\$576,030	\$2,966,030
Wellness Center	Series 2014A	4/1/2039	\$6,820,000	\$5,990,000	\$3,321,825	\$9,311,825
Refinance of Series 2003	Series 2014B	4/1/2033	\$6,470,000	\$5,155,000	\$2,135,250	\$7,290,250
Advanced Refunding of 2009 and Placer Hall	Series 2017	4/1/2042	<u>\$16,715,000</u>	<u>\$16,490,000</u>	<u>\$8,858,700</u>	<u>\$25,348,700</u>
			\$34,140,000	\$30,025,000	\$14,891,805	\$44,916,805
SOUTH DAKOTA STATE UNIVERSITY						
Residence Hall, Food Service, Wellness Center	Series 2006	4/1/2026	\$7,745,000	\$3,525,000	\$573,496	\$4,098,496
New Residence Hal, Student Union Addition, Parking	Series 2011	4/1/2036	\$57,700,000	\$47,820,000	\$21,811,769	\$69,631,769
Remodel Brown Hall and Refinance Series 2004	Series 2014A	4/1/2025	\$22,865,000	\$14,020,000	\$2,554,000	\$16,574,000
Refinance of Series 2005A	Series 2015	4/1/2030	\$1,940,000	\$1,560,000	\$469,250	\$2,029,250
Wellness Center Addition and Parking	Series 2016	4/1/2041	\$12,840,000	\$12,190,000	\$6,883,400	\$19,073,400
Advanced Refunding of 2009 and New Apartments	Series 2017	4/1/2042	<u>\$38,140,000</u>	<u>\$37,755,000</u>	<u>\$19,316,250</u>	<u>\$57,071,250</u>
			\$141,230,000	\$116,870,000	\$51,608,165	\$168,478,165
UNIVERSITY OF SOUTH DAKOTA						
Refinance of Series 2003	Series 2013A	4/1/2028	\$11,990,000	\$8,020,000	\$1,558,150	\$9,578,150
Refinance of Series 2005A	Series 2015	4/1/2030	\$9,665,000	\$7,815,000	\$2,349,850	\$10,164,850
Advanced Refunding of Series 2009	Series 2017	4/1/2039	<u>\$32,490,000</u>	<u>\$32,490,000</u>	<u>\$16,661,500</u>	<u>\$49,151,500</u>
			\$54,145,000	\$48,325,000	\$20,569,500	\$68,894,500
GRAND TOTAL			\$287,100,000	\$239,385,000	\$106,729,579	\$346,114,579

Source: Bond Payment Schedules

* The Interest Outstanding assumes the bonds will be held to maturity and not refinanced.

South Dakota Building Authority HEFF Supported Leases

As of June 30, 2019

Institution	Series	Retirement Date	Original Bond Issue	Principal Outstanding	Interest & Fees Outstanding	Total Amount Outstanding
BLACK HILLS STATE UNIVERSITY						
Academic Facility	Series 2002	9/1/26	\$2,500,000	\$1,152,500	\$294,227	\$1,446,727
Woodburn Hall	Series 2010A	6/1/27	\$5,400,000	\$2,721,315	\$718,143	\$3,439,458
M&R Bond	Series 2011	6/1/26	\$1,172,080	\$628,523	\$127,160	\$755,683
Jonas Science	Series 2013B	6/1/38	\$1,188,934	\$1,019,813	\$633,132	\$1,652,945
Infrastructure Upgrade	Series 2013B	6/1/38	\$3,804,588	\$3,263,393	\$1,945,469	\$5,208,862
			<u>\$14,065,601</u>	<u>\$8,785,544</u>	<u>\$3,718,131</u>	<u>\$12,503,675</u>
DAKOTA STATE UNIVERSITY						
Community Center	Series 1999	9/1/19	\$1,515,000	\$116,754	\$6,695	\$123,449
Technology Building	Series 2002	9/1/26	\$2,500,000	\$1,152,500	\$294,227	\$1,446,727
Infrastructure Upgrade	Series 2010A	6/1/27	\$3,000,000	\$1,511,843	\$398,969	\$1,910,812
Infrastructure Upgrade	Series 2013B	6/1/38	\$1,212,712	\$1,040,184	\$620,105	\$1,660,289
Beacom Technology Building	Series 2015	6/1/40	\$5,421,928	\$4,931,064	\$3,396,591	\$8,327,655
			<u>\$13,649,640</u>	<u>\$8,752,345</u>	<u>\$4,716,587</u>	<u>\$13,468,932</u>
NORTHERN STATE UNIVERSITY						
Technology Center	Series 2005C	9/1/29	\$6,940,000	\$4,125,000	\$1,248,331	\$5,373,331
Lincoln & Graham Hall Renovations	Series 2010A	6/1/27	\$3,000,000	\$1,511,843	\$398,969	\$1,910,812
M&R Bond	Series 2011	6/1/26	\$1,455,440	\$787,755	\$159,375	\$947,130
Johnson Fine Arts	Series 2013B	6/1/38	\$4,755,734	\$4,079,251	\$2,532,529	\$6,611,780
Infrastructure Upgrade	Series 2013B	6/1/38	\$570,688	\$489,517	\$291,825	\$781,342
			<u>\$16,721,863</u>	<u>\$10,993,366</u>	<u>\$4,631,029</u>	<u>\$15,624,395</u>
SOUTH DAKOTA SCHOOL OF MINES & TECHNOLOGY						
Engineering Building Renovation	Series 1999	9/1/19	\$2,540,000	\$195,746	\$11,225	\$206,971
Library Renovation & Infrastructure Upgrade	Series 2003A	9/1/28	\$2,040,000	\$1,069,810	\$321,058	\$1,390,868
Infrastructure Upgrade	Series 2013B	6/1/38	\$2,606,142	\$2,235,423	\$1,332,646	\$3,568,069
Chemistry Building Remodel	Series 2015	6/1/40	\$5,458,072	\$4,963,936	\$3,419,233	\$8,383,169
			<u>\$12,644,214</u>	<u>\$8,464,915</u>	<u>\$5,084,162</u>	<u>\$13,549,077</u>
SOUTH DAKOTA STATE UNIVERSITY						
Engineering Building Renovation	Series 1999	9/1/19	\$2,540,000	\$195,746	\$11,225	\$206,971
Shepard Hall	Series 2007	6/1/32	\$24,000,000	\$15,697,854	\$6,203,431	\$21,901,285
M&R Bond	Series 2011	6/1/26	\$5,628,560	\$3,039,159	\$614,868	\$3,654,027
Headhouse-Greenhouse Bldg/Architecture Bldg/Cow-Calf Bldg	Series 2013B	6/1/38	\$11,318,648	\$9,708,584	\$6,027,398	\$15,735,982
Infrastructure Upgrade	Series 2013B	6/1/38	\$6,658,028	\$5,710,938	\$3,404,570	\$9,115,508
Performing Arts Center*	Series 2017	6/1/42	\$11,500,000	\$10,910,000	\$6,907,577	\$17,817,577
			<u>\$61,645,236</u>	<u>\$45,262,281</u>	<u>\$23,169,069</u>	<u>\$68,431,350</u>
UNIVERSITY OF SOUTH DAKOTA						
Lee Medical Building	Series 2003A	9/1/28	\$12,500,000	\$6,555,190	\$1,967,263	\$8,522,453
Business School and Slagle Hall	Series 2007	6/1/32	\$10,000,000	\$6,540,763	\$2,584,759	\$9,125,522
M&R Bond	Series 2011	6/1/26	\$4,623,920	\$2,494,564	\$504,688	\$2,999,252
Science-Health Center / Patterson Hall	Series 2013B	6/1/38	\$14,452,677	\$12,396,790	\$7,696,322	\$20,093,112
Infrastructure Upgrade	Series 2013B	6/1/38	\$7,609,175	\$6,526,786	\$3,890,938	\$10,417,724
			<u>\$49,185,772</u>	<u>\$34,514,093</u>	<u>\$16,643,970</u>	<u>\$51,158,063</u>
UNIVERSITY CENTER - SIOUX FALLS						
Gear Building	Series 2006C	9/1/26	\$2,000,000	\$1,035,000	\$259,974	\$1,294,974
Classroom Building	Series 2007	6/1/32	\$7,700,000	\$5,036,383	\$1,990,263	\$7,026,646
Science and Technology Building	Series 2010B	6/1/35	\$8,970,000	\$8,970,000	\$7,132,768	\$16,102,768
			<u>\$18,670,000</u>	<u>\$15,041,383</u>	<u>\$9,383,005</u>	<u>\$24,424,388</u>
UNIVERSITY CENTER - RAPID CITY						
Classroom Building	Series 2009	6/1/34	\$13,585,000	\$9,535,000	\$6,018,870	\$15,553,870
GRAND TOTAL			\$200,167,327	\$141,348,927	\$73,364,823	\$214,713,750

Note - The bonds information listed above does not include the Series 2010A&B Build America Bond Rebates.

* SDSU is responsible for the interest and fees of this bond issue through 2021. Those items are not included in the interest number.

Campus Supported South Dakota Building Authority Leases
As of June 30, 2019

Institution	Series	Retirement Date	Original Bond Issue	Principal Outstanding	Interest & Fees Outstanding	Total Amount Outstanding
BLACK HILLS STATE UNIVERSITY						
Infrastructure Upgrades	Series 2007	6/1/27	\$648,000	\$310,046	\$71,064	\$381,110
DAKOTA STATE UNIVERSITY						
Infrastructure Upgrades	Series 2007	6/1/27	\$380,000	\$181,814	\$41,673	\$223,487
SOUTH DAKOTA SCHOOL OF MINES & TECHNOLOGY						
Infrastructure Upgrades	Series 2007	6/1/27	\$400,000	\$191,386	\$43,867	\$235,253
SOUTH DAKOTA STATE UNIVERSITY						
Infrastructure Upgrades	Series 2007	6/1/27	\$4,862,000	\$2,326,289	\$533,196	\$2,859,485
Cow/Calf	Series 2013B	6/1/38	\$1,902,302	\$1,631,111	\$1,011,555	\$2,642,666
Football Stadium	Series 2014A	6/1/39	\$33,910,000	\$31,310,000	\$20,493,608	\$51,803,608
Performing Arts Center*	Series 2017	6/1/21	\$0	\$0	\$1,074,227	\$1,074,227
Precision Ag Building	Series 2018	6/1/40	\$17,830,000	\$16,840,000	\$11,200,000	\$28,040,000
			\$58,504,302	\$52,107,400	\$34,312,586	\$86,419,986
UNIVERSITY OF SOUTH DAKOTA						
Old Main	Series 1997	6/1/21	\$2,463,000	\$343,000	\$30,717	\$373,717
Dakota Dome Roof	Series 2000	9/1/24	\$6,505,000	\$2,525,000	\$500,484	\$3,025,484
Infrastructure Upgrades	Series 2007	6/1/27	\$2,300,000	\$1,100,465	\$252,231	\$1,352,696
Arena	Series 2013B/C	6/1/33	\$21,260,371	\$16,893,211	\$7,738,587	\$24,631,798
Dakota Dome Renovation	Series 2018	6/1/39	\$12,925,000	\$12,195,000	\$7,544,391	\$19,739,391
			\$45,453,371	\$33,056,676	\$16,066,410	\$49,123,086
GRAND TOTAL			\$105,385,673	\$85,847,322	\$50,535,600	\$136,382,922

* SDSU is responsible for the interest and fees on this note through FY2021. HEFF is covering the principal through FY2021. HEFF will be the lone fund source after FY2021.

South Dakota Board of Regents
Institutional Outstanding Long-Term Debt
June 30th, 2019

Campus	Principal	Interest & Fees	Total	Student FTE*	Total/FTE
BHSU					
Auxiliary	\$14,665,000	\$5,331,678	\$19,996,678	1,470.0	\$13,603
Other	\$310,046	\$71,064	\$381,110	1,470.0	\$259
	<u>\$14,975,046</u>	<u>\$5,402,742</u>	<u>\$20,377,788</u>	<u>1,470.0</u>	<u>\$13,862</u>
DSU					
Auxiliary	\$14,105,000	\$7,192,004	\$21,297,004	1,064.0	\$20,016
Other	\$181,814	\$41,673	\$223,487	1,064.0	\$210
	<u>\$14,286,814</u>	<u>\$7,233,677</u>	<u>\$21,520,491</u>	<u>1,064.0</u>	<u>\$20,226</u>
NSU					
Auxiliary	\$15,395,000	\$7,136,427	\$22,531,427	1,206.0	\$18,683
Other	\$0	\$0	\$0	1,206.0	\$0
	<u>\$15,395,000</u>	<u>\$7,136,427</u>	<u>\$22,531,427</u>	<u>1,206.0</u>	<u>\$18,683</u>
SDSMT					
Auxiliary	\$30,025,000	\$14,891,805	\$44,916,805	2,139.0	\$20,999
Other	\$191,386	\$43,867	\$235,253	2,139.0	\$110
	<u>\$30,216,386</u>	<u>\$14,935,672</u>	<u>\$45,152,058</u>	<u>2,139.0</u>	<u>\$21,109</u>
SDSU					
Auxiliary	\$116,870,000	\$51,608,165	\$168,478,165	8,394.0	\$20,071
Other	\$52,107,400	\$34,312,586	\$86,419,986	8,394.0	\$10,295
	<u>\$168,977,400</u>	<u>\$85,920,751</u>	<u>\$254,898,151</u>	<u>8,394.0</u>	<u>\$30,367</u>
USD					
Auxiliary	\$48,325,000	\$20,569,500	\$68,894,500	5,667.0	\$12,157
Other	\$33,056,676	\$16,066,410	\$49,123,086	5,667.0	\$8,668
	<u>\$81,381,676</u>	<u>\$36,635,910</u>	<u>\$118,017,586</u>	<u>5,667.0</u>	<u>\$20,825</u>

* Fall On-Campus Student FTE figure taken from FY19 Factbook.

Note: Does not include System HEFF debt

Annual Financial Assessment Summary of Foundations' Balance Sheets

Foundations have become a very important part of a campus' other income revenue source. Because of this increased dependence on foundation revenue, key elements of their financial statements have been provided on the following pages. The Foundation statements are audited by independent auditors hired by the Foundations.

The information provided looks at total assets, total liabilities, net assets, as well as the change in net assets. A current and prior year comparison between endowments, investments, and pledges is also provided. This is a very simplified breakdown of the balance sheet activity. With these basic comparisons, we can begin to get a picture of the health of a foundation and what is contributing to its increases or decreases.

DSU, NSU, and SDSMT have fiscal years ending on June 30th. SDSU, USD, and BHSU Foundations have calendar year-ends. The USD Foundation conducted a short year audit to move their year-end to December 31st. The 12/31/15 audit represents only six months of activity.

Black Hills State University Foundation
For Years End December 31st, 2015, 2016, and 2017

	Dec 2015	Dec 2016	Dec 2017
Assets:			
Restricted Assets	\$17,672,757	\$18,025,117	\$19,832,268
Unrestricted Assets	\$271,064	\$342,920	\$1,450,907
Other Assets (Cash & Equivalencies, Receivables, and Property)	<u>\$3,458,548</u>	<u>\$3,254,380</u>	<u>\$3,531,831</u>
Total Assets	\$21,402,369	\$21,622,417	\$24,815,006
Liabilities:			
Notes Payable	\$670,913	\$653,704	\$630,732
Other Liabilities (Accounts Payable, Gift Annuities and Life Income Agreements)	<u>\$2,787,635</u>	<u>\$2,600,676</u>	<u>\$2,901,099</u>
Total Liabilities	\$3,458,548	\$3,254,380	\$3,531,831
Total Net Assets	\$17,943,821	\$18,368,037	\$21,283,175
Change in Net Assets	\$460,095	\$424,216	\$2,915,138
% Change in Net Assets	2.63%	2.36%	15.87%
<u>Endowment Funds:</u>			
Endowment Previous Year-end	\$12,876,773	\$13,494,779	\$14,188,418
Endowment Current Year-end	\$13,494,779	\$14,188,418	\$16,154,800
Change in Endowment Net Assets	\$618,006	\$693,639	\$1,966,382
Note: Endowment assets are a subset of Total Assets.			
<u>Investment Assets:</u>			
Investments Previous Year-end	\$15,251,644	\$14,438,038	\$16,295,030
Investments Current Year-end	\$14,438,038	\$16,295,030	\$18,477,574
Note: Investments is a subset of Total Assets.			
<u>Pledges Receivable:</u>			
Pledges Previous Year-end	\$518,345	\$1,422,560	\$260,576
Pledges Current Year-end	\$1,422,560	\$260,576	\$132,665

Selected Financial Data for Foundations from Independently Audited Financial Statements

Dakota State University Foundation
For Years End June 30th, 2016, 2017, and 2018

	June 2016	June 2017	June 2018
Assets:			
Restricted Assets	\$15,354,237	\$13,968,489	\$14,395,993
Unrestricted Assets	\$1,257,895	\$1,721,125	\$2,884,638
Other Assets (Cash & Equivalencies, Receivables, and Property)	<u>\$503,593</u>	<u>\$492,311</u>	<u>\$28,693,148</u>
Total Assets	\$17,115,725	\$16,181,925	\$45,973,779
Liabilities:			
Notes Payable	\$0	\$0	\$0
Other Liabilities (Accounts Payable, Gift Annuities and Life Income Agreements)	<u>\$503,593</u>	<u>\$492,311</u>	<u>\$28,693,148</u>
Total Liabilities	\$503,593	\$492,311	\$28,693,148
 Total Net Assets	 \$16,612,132	 \$15,689,614	 \$17,280,631
 Change in Net Assets	 (\$257,837)	 (\$922,518)	 \$1,591,017
 % Change in Net Assets	 -1.53%	 -5.55%	 10.14%
 <u>Endowment Funds:</u>			
Endowment Previous Year-end	\$9,106,682	\$9,632,179	\$10,674,962
Endowment Current Year-end	\$9,632,179	\$10,674,962	\$14,512,625
Change in Endowment Net Assets	\$525,497	\$1,042,783	\$3,837,663
Note: Endowment assets are a subset of Total Assets.			
 <u>Investment Assets:</u>			
Investments Previous Year-end	\$12,613,996	\$13,838,912	\$11,731,894
Investments Current Year-end	\$13,838,912	\$11,731,894	\$27,488,788
Note: Investments is a subset of Total Assets.			
 <u>Pledges Receivable:</u>			
Pledges Previous Year-end	\$0	\$0	\$0
Pledges Current Year-end	\$0	\$0	\$0

Selected Financial Data for Foundations from Independently Audited Financial Statements

Northern State University Foundation
For Years End June 30th, 2016, 2017, and 2018

	June 2016	June 2017	June 2018
Assets:			
Restricted Assets	\$44,415,186	\$88,143,685	\$81,422,188
Unrestricted Assets	(\$2,267,213) *	(\$308,973) *	\$389,829
Other Assets (Cash & Equivalencies, Receivables, and Property)	<u>\$4,286,190</u>	<u>\$1,634,876</u>	<u>\$1,417,558</u>
Total Assets	\$46,434,163	\$89,469,588	\$83,229,575
Liabilities:			
Notes Payable	\$23,680	\$0	\$0
Other Liabilities (Accounts Payable, Gift Annuities and Life Income Agreements)	<u>\$4,262,510</u>	<u>\$1,634,876</u>	<u>\$1,417,558</u>
Total Liabilities	\$4,286,190	\$1,634,876	\$1,417,558
Total Net Assets	\$42,147,973	\$87,834,712	\$81,812,017
Change in Net Assets	(\$9,091,096)	\$45,686,739	(\$6,022,695)
% Change in Net Assets	-17.74%	108.40%	-6.86%
<u>Endowment Funds:</u>			
Endowment Previous Year-end	\$27,220,884	\$27,467,468	\$29,399,239
Endowment Current Year-end	\$27,467,468	\$29,399,239	\$30,771,230
Change in Endowment Net Assets	\$246,584	\$1,931,771	\$1,371,991
Note: Endowment assets are a subset of Total Assets.			
<u>Investment Assets:</u>			
Investments Previous Year-end	\$30,752,546	\$22,554,789	\$22,477,774
Investments Current Year-end	\$22,554,789	\$22,477,774	\$22,441,967
Note: Investments is a subset of Total Assets.			
<u>Pledges Receivable:</u>			
Pledges Previous Year-end	\$3,282,281	\$2,413,278	\$44,687,381
Pledges Current Year-end	\$2,413,278	\$44,687,381	\$35,647,807

Selected Financial Data for Foundations from Independently Audited Financial Statements

* Deficits in Unrestricted Assets are generally related to the market value of assets that are less than the original value of endowed gifts. They can also reflect support to the university beyond available pledges or gifts.

South Dakota School of Mines and Technology Foundation For Years End June 30th, 2016, 2017, and 2018

	June 2016	June 2017	June 2018
Assets:			
Restricted Assets	\$67,791,886	\$74,597,049	\$81,440,224
Unrestricted Assets	\$1,129,118	\$1,317,644	\$3,176,216
Other Assets (Cash & Equivalencies, Receivables, and Property)	<u>\$14,613,688</u>	<u>\$15,146,945</u>	<u>\$5,923,178</u>
Total Assets	\$83,534,692	\$91,061,638	\$90,539,618
 Liabilities:			
Notes Payable	\$7,873,620	\$10,055,425	\$1,041,387
Other Liabilities (Accounts Payable, Gift Annuities and Life Income Agreements)	<u>\$6,740,068</u>	<u>\$5,091,520</u>	<u>\$4,881,791</u>
Total Liabilities	\$14,613,688	\$15,146,945	\$5,923,178
 Total Net Assets	 \$68,921,004	 \$75,914,693	 \$84,616,440
 Change in Net Assets	 \$483,830	 \$6,993,689	 \$8,701,747
 % Change in Net Assets	 0.71%	 10.15%	 11.46%
 <u>Endowment Funds:</u>			
Endowment Previous Year-end	\$55,291,746	\$53,685,144	\$53,685,144
Endowment Current Year-end	\$53,685,144	\$60,398,612	\$60,398,612
Change in Endowment Net Assets	-\$1,606,602	\$6,713,468	\$6,713,468
Note: Endowment assets are a subset of Total Assets.			
 <u>Investment Assets:</u>			
Investments Previous Year-end	\$62,395,972	\$58,796,762	\$69,073,090
Investments Current Year-end	\$58,796,762	\$69,073,090	\$65,544,260
Note: Investments is a subset of Total Assets.			
 <u>Pledges Receivable:</u>			
Pledges Previous Year-end	\$5,117,121	\$5,418,850	\$4,666,663
Pledges Current Year-end	\$5,418,850	\$4,666,633	\$4,508,571

Selected Financial Data for Foundations from Independently Audited Financial Statements

South Dakota State University Foundation
For Years End December 31st, 2015, 2016, and 2017

	Dec 2015	Dec 2016	Dec 2017
Assets:			
Restricted Assets	\$183,925,629	\$190,099,594	\$196,069,854
Unrestricted Assets	(\$14,632,873) *	(\$13,978,499) *	(\$6,385,901) *
Other Assets (Cash & Equivalencies, Receivables, and Property)	<u>\$18,116,113</u>	<u>\$17,846,280</u>	<u>\$20,256,740</u>
Total Assets	\$187,408,869	\$193,967,375	\$209,940,693
Liabilities:			
Notes Payable	\$6,534,285	\$3,937,362	\$4,027,236
Other Liabilities (Accounts Payable, Gift Annuities and Life Income Agreements)	<u>\$11,581,828</u>	<u>\$13,908,918</u>	<u>\$16,229,504</u>
Total Liabilities	\$18,116,113	\$17,846,280	\$20,256,740
 Total Net Assets	 \$169,292,756	 \$176,121,095	 \$189,683,953
 Change in Net Assets	 (\$55,853)	 \$6,828,339	 \$13,562,858
 % Change in Net Assets	 -0.03%	 4.03%	 7.70%
 <u>Endowment Funds:</u>			
Endowment Previous Year-end	\$117,868,606	\$115,786,068	\$123,514,897
Endowment Current Year-end	\$115,786,068	\$123,514,897	\$139,774,800
Change in Endowment Net Assets	-\$2,082,538	\$7,728,829	\$16,259,903
Note: Endowment assets are a subset of Total Assets.			
 <u>Investment Assets:</u>			
Investments Previous Year-end	\$133,046,930	\$133,783,982	\$131,564,369
Investments Current Year-end	\$133,783,792	\$131,534,369	\$146,678,041
Note: Investments is a subset of Total Assets.			
 <u>Pledges Receivable:</u>			
Pledges Previous Year-end	\$26,658,567	\$24,173,646	\$24,185,053
Pledges Current Year-end	\$24,173,646	\$24,185,053	\$22,462,676

Selected Financial Data for Foundations from Independently Audited Financial Statements

* Deficits in Unrestricted Assets are generally related to the market value of assets that are less than the original value of endowed gifts. They can also reflect support to the university beyond available pledges or gifts. SDSU specifically has footnoted that their university support is beyond pledges for the following amounts: 2017-\$9,595,000; 2016-\$13,762,000; 2015-\$5,264,000. The Foundation plans to recover this unrestricted nets assets deficit with future gifts as well as changes to the programmatic support provided to SDSU.

University of South Dakota Foundation
For Years End December 31st 2015, 2016, and 2017

	Dec 2015	Dec 2016	Dec 2017
Assets:			
Restricted Assets	\$232,256,413	\$236,057,522	\$271,348,627
Unrestricted Assets	\$6,835,668	\$1,413,272	(\$2,908,096)
Other Assets (Cash & Equivalencies, Receivables, and Property)	<u>\$18,227,127</u>	<u>\$20,564,161</u>	<u>\$19,497,347</u>
Total Assets	\$257,319,208	\$258,034,955	\$287,937,878
Liabilities:			
Notes Payable	\$0	\$0	\$0
Other Liabilities (Accounts Payable, Gift Annuities and Life Income Agreements)	<u>\$18,227,127</u>	<u>\$20,564,161</u>	<u>\$19,497,347</u>
Total Liabilities	\$18,227,127	\$20,564,161	\$19,497,347
 Total Net Assets	 \$239,092,081	 \$237,470,794	 \$268,440,531
 Change in Net Assets	 (\$4,339,716)	 (\$1,621,287)	 \$30,969,737
 % Change in Net Assets	 -1.78%	 -0.68%	 13.04%
 <u>Endowment Funds:</u>			
Endowment Previous Year-end	\$216,099,991	\$205,669,044	\$214,491,251
Endowment Current Year-end	\$205,669,044	\$214,491,251	\$243,859,683
Change in Endowment Net Assets	-\$10,430,947	\$8,822,207	\$29,368,432
Note: Endowment assets are a subset of Total Assets.			
 <u>Investment Assets:</u>			
Investments Previous Year-end	\$236,947,884	\$230,633,526	\$225,340,116
Investments Current Year-end	\$230,533,526	\$225,340,116	\$253,240,515
Note: Investments is a subset of Total Assets.			
 <u>Pledges Receivable:</u>			
Pledges Previous Year-end	\$14,072,605	\$14,663,320	\$14,556,633
Pledges Current Year-end	\$14,663,320	\$14,556,633	\$16,886,566

Selected Financial Data for Foundations from Independently Audited Financial Statements

* Deficits in Unrestricted Assets are generally related to the market value of assets that are less than the original value of endowed gifts. They can also reflect support to the university beyond available pledges or gifts. USD specifically has footnoted that their university support is beyond pledges for the following amounts: 2017-\$0; 2016-\$532,828.