



# **BLACK HILLS STATE UNIVERSITY**

Financial Report

For the year ended June 30, 2013

BLACK HILLS STATE UNIVERSITY  
Financial Report  
For the Year Ended June 30, 2013

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**Black Hills State University**  
**Statement of Net Assets**  
**for Fiscal Year Ending June 30, 2013**

	Fiscal Year 2013	Fiscal Year 2012	Black Hills State University Foundation Year Ended Dec. 31, 2012	Black Hills State University Foundation Year Ended Dec. 31, 2011	Fiscal Year 2013 Total
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash On Deposit-State Treasurer	17,414,589.94	15,680,183.88			17,414,589.94
Other Cash & Temporary Investments	11,639.52	867,767.60	56,650.00	2,188,123.00	68,289.52
Accounts Receivable - Students (net of Allowance for Bad Debt of \$95,177.07)	765,438.99	785,718.72			765,438.99
Accounts Receivable - Department Sales	23,581.54	13,240.55	10,991.00	819.00	34,572.54
Notes Receivable	279,320.00	285,120.00			279,320.00
Interest Receivable	165,003.82	139,533.21			165,003.82
Contributions/Pledges Receivable			1,567,363.00	1,042,297.00	1,567,363.00
Prepaid Expenses & Deferred Charges	124,805.50	86,719.50	5,517.00	4,809.00	130,322.50
Inventory	844,596.09	819,466.36			844,596.09
Unamortized Cost of Issuance	138,321.13	142,709.70			138,321.13
Due From Federal Sources	1,005,554.42	1,215,594.23			1,005,554.42
Due From Primary Government	0.00	(9,648.73)			0.00
Due From Other Component Unit (This Will Be Eliminated at Combining)	51,056.61	165,587.99			51,056.61
<b>Total Current Assets</b>	<b>20,823,907.56</b>	<b>20,191,993.01</b>	<b>1,640,521.00</b>	<b>3,236,048.00</b>	<b>22,464,428.56</b>
<b>Non-Current Assets</b>					
Restricted Cash On Deposit-State Treasurer	1,095,707.85	836,481.51			1,095,707.85
Notes Receivable	1,769,411.67	2,510,979.07	2,762,559.00	1,542,358.00	4,531,970.67
Long-Term Investments			10,325,698.00	8,701,124.00	10,325,698.00
Interest Receivable					0.00
Construction In Progress	2,396,403.39	6,968,035.07	146,175.00	17,323.00	2,542,578.39
Building & Building Improvements (Net of Accumulated Depreciation \$ 22,486,663.48)	65,497,128.18	62,267,629.92	699,452.72	646,535.17	66,196,580.90
Land	189,350.00	189,350.00	309,436.00	270,047.00	498,786.00
Land Improvements (Net of Accumulated Depreciation \$ 1,321,816.27)	2,696,892.02	2,783,180.02			2,696,892.02
Infrastructure (Net of Accumulated Depreciation \$ 3,310,274.24)	3,105,628.97	1,747,808.91			3,105,628.97
Equipment & Other Property (Net of Accumulated Depreciation \$ 6,788,305.31)	2,808,694.27	2,664,038.66	114,073.28	116,366.83	2,922,767.55
<b>Total Non-Current Assets</b>	<b>79,559,216.35</b>	<b>79,967,503.16</b>	<b>14,357,394.00</b>	<b>11,293,754.00</b>	<b>93,916,610.35</b>
<b>TOTAL ASSETS</b>	<b>100,383,123.91</b>	<b>100,159,496.17</b>	<b>15,997,915.00</b>	<b>14,529,802.00</b>	<b>116,381,038.91</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable - Current	411,126.71	3,761,291.31	23,944.00	7,824.00	435,070.71
Accrued Wages & Benefits	551,722.26	562,074.55			551,722.26

**Black Hills State University**  
**Statement of Net Assets**  
for Fiscal Year Ending June 30, 2013

	Fiscal Year 2013	Fiscal Year 2012	Black Hills State University Foundation Year Ended Dec. 31, 2012	Black Hills State University Foundation Year Ended Dec. 31, 2011	Fiscal Year 2013 Total
Accrued Interest Payable	145,022.44	145,022.44		678.00	145,022.44
Other Accrued Liabilities			9,614.00	10,339.00	9,614.00
Compensated Absences Payable - Current	801,370.59	732,902.69			801,370.59
Notes Payable - Current Portion					0.00
Bonds Payable - Current	790,339.45	760,339.45			790,339.45
Obligations Under Capital Leases - Current					0.00
Deferred Revenue	50,343.23	45,721.46			50,343.23
Due To Federal Sources					0.00
Due To Primary Government	72,697.93	82,136.00			72,697.93
Due to Other Component Units	1,612,177.27	1,546,031.77			1,612,177.27
Student Deposits	63,547.44	53,063.99	1,000.00		64,547.44
Agency Funds-Funds held for Others	19,299.21	21,101.30	1,407,349.00	1,251,041.00	1,426,648.21
<b>Total Current Liabilities</b>	<b>4,517,646.53</b>	<b>7,709,704.96</b>	<b>1,441,907.00</b>	<b>1,269,882.00</b>	<b>5,959,553.53</b>
<b>Non-Current Liabilities</b>					
Compensated Absences Payable - Non-Current	1,571,928.33	1,523,881.72			1,571,928.33
Notes Payable - Non-Current			38,451.00	69,743.00	38,451.00
Bonds Payable - Non-Current	12,781,434.81	13,571,774.29			12,781,434.81
Obligations Under Capital Leases - Non-Current					0.00
Federal Capital Contribution Advance	2,790,579.00	2,790,579.00			2,790,579.00
Total Non-Current Liabilities	17,143,942.14	17,866,235.01	38,451.00	69,743.00	17,182,393.14
<b>TOTAL LIABILITIES</b>	<b>21,661,588.67</b>	<b>25,595,939.97</b>	<b>1,480,358.00</b>	<b>1,339,625.00</b>	<b>23,141,946.67</b>
<b>NET ASSETS</b>					
Invested in Capital, net of related debt	64,891,734.24	62,295,042.58			64,891,734.24
Restricted					
Nonexpendable					
Scholarships and fellowships			9,173,568.00	8,166,797.00	9,173,568.00
Research					0.00
Loans					0.00
Expendable					
Scholarships and fellowships			4,771,995.00	4,643,100.00	4,771,995.00
Research					0.00
Instructional department uses					0.00
Debt service		0.00			0.00
Other	1,095,707.85	1,001,682.38			1,095,707.85
Unrestricted	12,734,093.15	11,266,831.24	571,994.00	380,280.00	13,306,087.15
<b>TOTAL NET ASSETS</b>	<b>78,721,535.24</b>	<b>74,563,556.20</b>	<b>14,517,557.00</b>	<b>13,190,177.00</b>	<b>93,239,092.24</b>

**Black Hills State University**  
**Statement of Revenues, Expenses and Change in Net Assets**  
**for Fiscal Year Ending June 30, 2013**

	Fiscal Year 2013	Fiscal Year 2012	Black Hills State University Foundation Year Ended Dec. 31, 2012	Black Hills State University Foundation Year Ended Dec. 31, 2011	Fiscal Year 2013 Total
<b>OPERATING REVENUES</b>					
Tuition					
State support	6,306,581.70	6,050,357.18			6,306,581.70
Self support	9,616,420.23	9,171,559.67			9,616,420.23
HEFF					0.00
Total Tuition	<u>15,923,001.93</u>	<u>15,221,916.85</u>			<u>15,923,001.93</u>
Fees					
University support fee	2,162,596.43	2,516,664.17			2,162,596.43
Salary Competitiveness Fee	1,779,689.92	1,919,798.51			1,779,689.92
General Activity Fee	1,628,582.42	1,616,602.83			1,628,582.42
Special Discipline Fees (pharmacy, nursing, law, med, etc.)	275,843.91	236,419.58			275,843.91
Lab Fees	209,991.51	219,092.42			209,991.51
Vehicle Registration	126,073.00	123,663.00			126,073.00
Technology Fee	721,218.19	667,955.85			721,218.19
Other Fees (application, transcript, exam for credit & international student fees)		7,232.46			0.00
Charges (incidental, course, and field trip)		97,410.67			0.00
Total Fees	<u>6,903,995.38</u>	<u>7,404,839.49</u>			<u>6,903,995.38</u>
Total Tuition and Fees	<u>22,826,997.31</u>	<u>22,626,756.34</u>			<u>22,826,997.31</u>
Student Financial Assistance		(3,660,018.74)			0.00
Tuition and Fees net of student financial assistance (net of scholarship allowance of \$33,557,730.95 )	19,368,918.25	18,966,737.60			19,368,918.25
Auxiliaries (net of scholarship allowances of \$)	5,137,673.71	5,261,920.28			5,137,673.71
General Sales & Services	3,669,102.63	3,372,496.62			3,669,102.63
Contracts & Grants					0.00
Federal	11,603,204.26	11,250,501.24			11,603,204.26
State	479,534.39	616,285.74			479,534.39
Private	1,567,245.40	1,288,422.55			1,567,245.40
Student Loan Interest	25,593.93	30,515.76			25,593.93
Student Loan Cancellation Reimbursement					0.00
Other Revenue & Additions	13,602.48	0.00	2,485,716.00	2,298,237.00	2,499,318.48
<b>TOTAL OPERATING REVENUES</b>	<u><b>41,864,875.05</b></u>	<u><b>40,706,879.79</b></u>	<u><b>2,485,716.00</b></u>	<u><b>2,298,237.00</b></u>	<u><b>44,350,591.05</b></u>
<b>OPERATING EXPENSES</b>					
Personal Services (salaries & benefits)	(28,238,476.16)	(27,002,138.82)	(152,595.00)	(47,365.00)	(28,391,071.16)
Travel	(868,701.90)	(802,501.75)	(177,924.00)	(125,062.00)	(1,046,625.90)
Contractual	(6,873,110.35)	(6,351,857.29)	(120,519.00)	(150,623.00)	(6,993,629.35)
Supplies & Materials	(5,791,358.61)	(5,072,582.07)	(167,858.00)	(81,053.00)	(5,959,216.61)
Capital Outlay					0.00
Other					0.00
Grants	(4,826,419.92)	(6,591,097.91)	(492,260.00)	(673,880.00)	(5,318,679.92)
Interest		(10,150.96)	(2,139.00)	(5,362.00)	(2,139.00)

**Black Hills State University**  
**Statement of Revenues, Expenses and Change in Net Assets**  
**for Fiscal Year Ending June 30, 2013**

	Fiscal Year 2013	Fiscal Year 2012	Black Hills State University Foundation Year Ended Dec. 31, 2012	Black Hills State University Foundation Year Ended Dec. 31, 2011	Fiscal Year 2013 Total
Loan Cancellation	(140,498.72)				(140,498.72)
Bad Debt	(39,235.65)	(25,414.38)	(1,133.00)	(48,001.00)	(40,368.65)
Depreciation	(2,994,659.74)	(2,528,531.26)	(43,908.00)	(41,728.00)	(3,038,567.74)
<b>TOTAL OPERATING EXPENSES</b>	<b>(49,772,461.05)</b>	<b>(48,384,274.44)</b>	<b>(1,158,336.00)</b>	<b>(1,173,074.00)</b>	<b>(50,930,797.05)</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(7,907,586.00)</b>	<b>(7,597,394.65)</b>	<b>1,327,380.00</b>	<b>1,125,163.00</b>	<b>(6,580,206.00)</b>
<b>NON-OPERATING REVENUES</b>					
General Fund Appropriations	8,329,157.22	7,356,191.00			8,329,157.22
School & Public Lands	173,360.00	173,360.00			173,360.00
Federal Fund Appropriations					0.00
HEFF	220,550.62	142,140.30			220,550.62
ARRA Stabilization Appropriations					0.00
Investment Income	119,895.99	62,544.99			119,895.99
Other Revenue & Additions					0.00
<b>NON-OPERATING EXPENSES</b>					
Personal Services (salaries & benefits)					
Other	(573,964.84)	(596,752.27)			(573,964.84)
Depreciation (Excludes directly allocated depreciation reported above)					
Unrealized Gain/Loss on investment					0.00
Gain/Loss on Sale of investment					0.00
Gain/Loss on Disposal of Asset	(24,447.50)				(24,447.50)
<b>TOTAL NON-OPERATING REVENUES/(EXPENSES)</b>	<b>8,244,551.49</b>	<b>7,137,484.02</b>	<b>0.00</b>	<b>0.00</b>	<b>8,244,551.49</b>
<b>INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES</b>	<b>336,965.49</b>	<b>(459,910.63)</b>	<b>1,327,380.00</b>	<b>1,125,163.00</b>	<b>1,664,345.49</b>
<b>CAPITAL</b>					
Capital Appropriations (state)	781,573.47				781,573.47
HEFF	1,149,029.16	781,895.16			1,149,029.16
Bond Proceeds					0.00
Capital Grants & Contracts					0.00
Total Capital Contributions	1,930,602.63	781,895.16	0.00	0.00	1,930,602.63
<b>ADDITIONS TO ENDOWMENTS</b>					
SPECIAL ITEMS - Transfer of Asset from Building Authority		5,748,635.23			0.00
EXTRA-ORDINARY ITEMS	0.00	5,748,635.23			0.00
<b>CHANGE IN NET ASSETS</b>	<b>2,267,568.12</b>	<b>6,070,819.76</b>	<b>1,327,380.00</b>	<b>1,125,163.00</b>	<b>3,594,948.12</b>
Net Assets-Prior Year End	74,563,556.20	68,492,736.44	13,190,177.00	12,065,014.00	87,753,733.20
Prior Year Adjustment	1,890,410.92	0.00			1,890,410.92
<b>Net Assets - End of the year</b>	<b>78,721,535.24</b>	<b>74,563,556.20</b>	<b>14,517,557.00</b>	<b>13,190,177.00</b>	<b>93,239,092.24</b>



# Black Hills State University

NOTES TO THE FINANCIAL STATEMENTS  
FISCAL YEAR ENDING JUNE 30, 2013



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PRESENTATION

The accompanying statements have been prepared to incorporate all fund groups utilized internally by Black Hills State University. They have been prepared in accordance with the generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The University follows the "business-type" activities requirements of GASB Statement No. 34. This statement requires presentation of the following components:

- Management's Discussion and Analysis
  
- Basic financial statements including a Statement of Net Assets, Statement of Revenues, Expenditures and Changes in Net Assets and Statement of Cash Flows
  
- Notes to the financial statements.

NOTES TO THE  
FINANCIAL STATEMENTS  
FISCAL YEAR ENDING  
JUNE 30, 2013

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#### REPORTING ENTITY

Black Hills State University is a public institution of higher education under the governance of South Dakota Board of Regents. The financial statements of all of the six universities governed by the Board of Regents are combined at the Regents level to be presented as a component unit in the State of South Dakota Combined Annual Financial Report.

#### BASIS FOR ACCOUNTING

Monthly transactions of the fund accounts are maintained on a cash basis, that is revenues are recorded as received and expenditures as payment is made. However, the fiscal year-end financial reports are presented on the accrual basis to give consideration to revenues earned but not received during the period and obligations incurred for the period, but not paid.

#### FUND ACCOUNTING

In order to insure observance of the limitations and restrictions placed on the use of resources available to the Institution, the accounts of the Institution are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources are maintained in accordance with activities or objectives specified by donors, governmental appropriations, granting agencies and other outside sources or regulations.

#### ACCOUNTS RECEIVABLE

Accounts receivable consists primarily of student receivables and summer conferencing activities receivables. In accordance with State of South Dakota policy, past due accounts of 90 days are referred to the State of South Dakota for collection. The State collections office determines when the receivable becomes uncollectible. Uncollectible receivables are written off directly against accounts receivable.

#### NOTES RECEIVABLE

Notes receivable consist of those receivables in conjunction with the Carl D. Perkins Student Loan program. Only those student loans assigned to the Office of Education for further collection activity are deemed uncollectible.

#### INVESTMENTS

Universities under the governance of the South Dakota Board of Regents may not hold investments independent of the State of South Dakota. The State Investment Council, for investment purposes, pools state funds, distributing investment earnings to participating funds annually.

#### INVENTORIES

Inventories of supplies and materials are priced at cost. Cost is determined for inventory purposes on the basis of actual unit cost at the time of purchase (FIFO). All reported inventories are resalable.

#### DUE TO/DUE FROM

- Due to Primary Government Entities consists of centralized government services that are charged back to the University. Due from Primary Government is chiefly comprised of expenditure driven grants from the state to the University, awarded for specific activities.
- Due to/Due from Component Units is primarily for sub-grant activities between Universities. Two exceptions to this is the South Dakota School of Mines & Technology Western Area Power Authority charges, which are metered and invoiced through Black Hills State University, and amounts held for the South Dakota Library Network which is due the Board of Regent's central office.
- Due to/Due from Federal Sources result from Federal Student Aid programs and a variety of Federally funded grants for instructional, research, student support, and public service activities.



## CAPITAL ASSETS

- Twenty percent of the tuition and selected fees deposited with the State Treasurer from all state-supported colleges and universities in South Dakota is allocated to the Higher Education Facilities Fund. This money is then used to make capital improvements and lease payments as will be later described.

- Building improvements valued at \$100,000, and infrastructure and land improvements valued at \$50,000 that extends useful life of the property are capitalized.

- Primary criteria for capitalization of equipment include a useful life of one year or more and a unit cost in excess of \$5,000.
- Capital assets are depreciated using the straight-line method and the estimated useful life tables established by the State of South Dakota Bureau of Finance and Management.

## NET ASSETS

- Invested in capital assets net of related debt, includes total assets net of accumulated depreciation, less outstanding debt applicable to those assets.
- Restricted net assets expendable include assets that must be used in accordance with externally imposed stipulations. When an expense is incurred that may be met with either restricted or unrestricted funds, the University will first use the restricted funds.
- Restricted net assets non-expendable, include assets which must be maintained in accordance with external stipulations.
- Unrestricted net assets are the resources used by the University for ongoing educational and general operations. These include but are not limited to tuition and fees, state appropriations, sales and service, and auxiliary enterprise generated assets.

## SCHOLARSHIP ALLOWANCES

Tuition and Fee revenue as well as applicable auxiliary enterprise revenues are reported net of scholarship allowances on the Statement of Revenues, Expenses and Changes in Net Assets. The scholarship allowance represents the portion of grant and scholarship revenue that is awarded to the students, who then use those funds to purchase University services.

## REVENUE RECOGNITION

Revenues earned but not received during the reporting period are recognized for reporting purposes using the accrual method.

## OPERATING AND NON-OPERATING REVENUES

- Operating revenues are those revenues generated by University operations directly related to our mission and purpose.
- Non-operating revenues are those revenues that accrued to the University from activities not directly related to our mission or that are the result of a non-exchange transaction. Examples: State Appropriation, Investment Income, Capital and Non-capital financing activities, and School and Public Lands funding.

## CASH AND CASH EQUIVALENTS

- Cash includes deposits in local bank accounts as well as petty cash and change funds held on campus for daily operations.

Cash equivalents include short-term investments with maturities of three months or less. Also, university operating funds, restricted and unrestricted, held by the South Dakota State Treasurers office are classified as cash equivalents.

## EMPLOYEE RETIREMENT SYSTEM

All University employees (except adjunct faculty, student employees, temporary status employees and

emergency appointments) participate in the South Dakota Retirement System (SDRS).

It is a cost sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivor benefits. The right to receive retirement benefits vests after three years of credited service.

Participating employees are required by state statute to contribute 6%, effective July 1, 2002, of their salary to the plan. State statute also requires the employer to contribute an amount equal to the employee's contribution. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained from the South Dakota Retirement System, PO Box 1098 Pierre South Dakota 57501-1098 Phone: 605-773-3731.

## **STATE APPROPRIATIONS**

The State General Fund appropriation for fiscal year 2013 was \$8,329,157.22.

## **TUITION AND FEES**

The University collected and remitted \$10,815,408.21 of tuition and selected fees to the Board of Regents Office, of which Self Support Higher Education Facilities Funds of \$911,075 and 20% of State Support Tuition and Fees of \$1,567,529 was deposited in the Higher Education Facilities Fund. Effective with fiscal year 2011, the University no longer receives an allocation of tuition and fees from the Tuition and Fee Pool. Funds continue to be remitted to the pool just as they were in the past. However, the University will now withdraw funds throughout the year up the amount that is has remitted. All tuition generated by any of the regental institutions will now be available to fund only the campus that generated the revenue.

## **ENDOWMENT & SIMILAR FUNDS**

The assets of the Endowment and similar funds administered by the Department of School and Public Lands have not been included in the financial statements of the Institution. For the fiscal year ended June 30, 2007, the assets within this fund, based upon information provided by the Department of School and Public Lands consist of (1) securities with a cost of \$2,028,905 and (2) 17,933 acres of undeveloped land. Interest in the undeveloped land is shared equally between Black Hills State University and Dakota State University.

**\*\* Library books and films are added to the inventory listing at cost during the year of their purchase. When books and films are deleted from the inventory listing, they are valued and deleted at an average cost per book or film together with the accumulated depreciation for the item deleted.**

## Capital Asset Activity

	BHSU Beginning Balance June 30, 2012	Foundation Beginning Balance	Foundation Changes	Foundation Ending Balance December 31, 2012	BHSU Additions	BHSU Reductions	BHSU Ending Balance June 30, 2013
Land	189,350	270,047	39,389	309,436			189,350
Building	8,261,456	1,036,393	94,533	1,130,929	5,367,335		87,983,792
Land Improvements	4,018,708						4,018,708
Infrastructure	4,706,489				1,709,414		6,415,903
Equipment:							
Equipment	5,785,388	92,958		92,958	536,484	726,368	5,595,504
Library Books **	3,956,743				59,083	14,330	4,001,495
Construction in Progress	-	173,232	128,852	146,175	2,339,055	6,910,687	2,396,403
<b>Total Assets</b>	<b>108,241,171</b>	<b>1,444,293</b>	<b>262,744</b>	<b>1,679,495</b>	<b>8,238,691</b>	<b>7,651,385</b>	<b>110,601,156</b>
Less accumulated depreciation:							
Building	20,348,827	389,857	41,615	431,473	2,137,836		22,486,663
Land Improvements	1,235,528				86,288		1,321,816
Infrastructure	2,958,680				351,594		3,310,274
Equipment:							
Equipment	3,364,680	21,486	2,294	23,780	408,005	694,399	3,357,607
Library Books **	3,434,093				5,908	14,330	3,425,671
<b>Total Depreciation</b>	<b>31,621,128</b>	<b>411,344</b>	<b>43,909</b>	<b>455,253</b>	<b>2,989,632</b>	<b>708,729</b>	<b>33,902,031</b>
<b>Capital Assets Net</b>	<b>76,620,043</b>	<b>1,005,377</b>	<b>218,865</b>	<b>1,224,242</b>	<b>7,021,738</b>	<b>6,942,656</b>	<b>76,699,125</b>

### SPECIAL COLLECTIONS AND HISTORICAL TREASURES

The State of South Dakota Bureau of Finance and Management policy concerning Special Collections and Historical Treasures states, "Works of art, historical treasures, and similar assets must be capitalized and reported at their historical cost or fair value at date of donation if they are held as individual items, but not if they are in a collection. Collections (and all additions to that collection) are not to be capitalized and reported, whether donated or purchased, that meets all of the following conditions. The collection is:

- a. Held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- b. Protected, kept unencumbered, cared for, and preserved.
- c. Subject to an organizational policy that requires the proceeds from sale of collection items to be used to acquire other items for collections. This does not have to be a formal policy; however, there should be some evidence to support the existence of the policy.

For non-capitalized collections, a disclosure in the notes to the financial statements must be made for the description of the collection and the reasons these assets are not capitalized."

The followings collections qualify under the Bureau of Finance policy as non-capitalized collections and are not included in our capital assets above. They are held for public exhibition and education and any proceeds from the sale of the items within these collections are to be returned to the collection. A Collection of Historical treasures and works of art located in the E.Y. Berry Library Learning Center includes the Termisphere "Portrait of a College" by Dick Termes, the Collection of Lyndle Dunn Paintings, the A.D. Humbert Collection of Clay Tablets and the Rachetts Doll Collection.

## LONG TERM LIABILITIES

### BONDS PAYABLE AND OBLIGATIONS UNDER CAPITAL AND NON-CAPITAL LEASE

Revenue bonds payable, as authorized by the Board of Regents, are payable both as to principal and interest, solely out of the net income and revenue arising from the operation of dormitories and student union.

The annual requirements to amortize all revenue bonds and special assessments outstanding as of June 30, 2012 are as follows:

### SELF LIQUIDATING PROJECTS

### BONDS PAYABLE AND REPAIR AND REPLACEMENT RESERVES

Revenue Bonds are payable from and secured by a pledge and lien on the net revenue of self-liquidating projects.

Transfers of funds to Bond and Interest Sinking Fund in the amount of the Principal and Interest due within the next succeeding twelve months and transfers of funds to Repair and Replacement Reserve in the amount of 10% of

Statement of Changes in Long Term Debt  
For the Year Ended June 30, 2013

	Series	Date of Issue	Interest Rate	Amount of Issue	Bonds Matured to 6-30-12	Bonds Retired 7-1-12 to 6-30-13	Total Bonds Retired	Bonds Outstanding 6-30-13
<b>Bond Issue:</b>								
<i>Apartment Complex-Heidepriem-Thomas:</i>								
	2004	2004	4.18%					
Apartment Complex				3,986,000	1,322,973	199,680	1,522,653	2,663,027
Heidepriem Hall				602,000	215,747	30,160	245,907	386,253
Thomas Hall				602,000	216,280	30,160	246,440	385,720
<i>Student Union</i>								
	2004A	2004	3.0 - 5.0%					
Student Union				3,446,000	876,444	134,421	1,010,865	2,569,556
Thomas Hall				14,000	3,556	579	4,135	10,444
<i>Parking Lot Improvement</i>								
	2006	2006	3.92%	1,270,000	250,000	55,000	305,000	1,020,000
Student Union Expansion	2007	2007	3.88%	8,150,000	860,000	310,000	1,170,000	7,290,000
<b>Bond Issue Total</b>				18,070,000	3,745,000	760,000	4,505,000	13,565,000

the Bond and Interest Sinking Fund transfer for the given year up to 5% of the cost of construction plus furniture and movable equipment are deducted from the pledged Project Revenue annually.

**THE CONSOLIDATED FINANCIAL STATEMENT REFLECTS THE GROSS  
OPERATING REVENUE, FEE REVENUE AND RESERVES FOR SELF  
LIQUIDATING PROJECTS**

**Amount Amortize Long Term Debt**

	Revenue Bonds	Interest on Revenue Bonds	Total Revenue Bond & Interest
2014	\$790,000	\$541,388	\$1,331,388
2015	\$815,000	\$511,326	\$1,326,326
2016	\$845,000	\$478,554	\$1,323,554
2017	\$885,000	\$444,039	\$1,329,039
2018	\$925,000	\$407,717	\$1,332,717
2019 - 2023	\$5,200,000	\$1,427,039	\$6,627,039
2024 - 2028	\$3,530,000	\$458,295	\$3,988,295
2029 - 2031	\$575,000	\$11,155	\$586,155
	<b>\$13,565,000</b>	<b>\$4,279,511</b>	<b>\$17,844,511</b>

## COMPENSATED ABSENCES

Employee compensated absences are accrued when they are earned. The liability and corresponding expense are reflected in these financial statements as current and non-current liability on the Statement of Net Assets and as Salary and Benefit Expense on the Statement of Revenues, Expenses and Changes in Net Assets.

	<u>Project Revenue</u>	<u>Project Fee Revenue</u>	<u>B &amp; I Sinking Funds</u>	<u>M &amp; E Reserve Funds</u>	<u>Totals</u>
Heidepriem Series - 2004	357,134				357,134
Thomas Series - 2004 & 2004A	360,215				360,215
Refinance Apartment Complex - Series 2004	584,562				584,562
Refinance Student Un- ion - Series 2004A	348,413	300,000			648,413
Parking Lot Improve- ments - Series 2006	132,904				132,904
Student Union Expan- sion—2007 Bonds	367,500	359,800			637,300
System CH67-S			676,942	1,102,222	1,779,164

Upon termination, employees are eligible to receive compensation for their accrued annual leave balance. Employees who have been continuously employed by the state of South Dakota for as least seven years prior to the date of retirement, voluntary resignation or death will receive payment for 25% of their accumulated sick leave balance, with payment not to exceed the sum of twelve weeks of the employee's annual compensation.

### Compensated Absences (includes benefits) Activity for Fiscal Year 2013

	<b>Dollar Value of Leave Balances June 30, 2012</b>	<b>Dollar Value of Leave Taken</b>	<b>Dollar Value of Leave Accrued</b>	<b>Dollar Value of Leave Balances June 30, 2013</b>
Sick Leave	1,462,230	191,875	266,037	1,536,392
Annual Leave	<u>794,554</u>	<u>568,180</u>	<u>610,532</u>	<u>836,906</u>
Total Compensated Absences Payable	<u>2,246,784</u>	<u>760,055</u>	<u>876,569</u>	<u>2,373,299</u>

**Black Hills State University  
Functional Classifications of Expenditures**

**FY13**

	Personal Services	Travel	Contractual Services	Supplies & Materials	Grants & Subsidies	Other and Bad Debt Expense	Depreciation	Total
Instruction (1)	\$ 12,842,879.23	\$ 163,770.35	\$ 602,734.32	\$ 452,995.21	\$ 26,928.00	\$ -	\$ 1,070,851.11	\$ 15,160,158.22
Research (2)	\$ 1,226,252.49	\$ 69,502.46	\$ 131,327.28	\$ 237,744.03	\$ 365,923.39	\$ -	\$ 45,858.95	\$ 2,076,608.60
Public Service (3)	\$ 740,793.59	\$ 40,543.62	\$ 170,811.06	\$ 154,083.54	\$ 37,020.00	\$ -	\$ 2,568.37	\$ 1,145,820.18
Academic Support (4)	\$ 2,813,249.01	\$ 90,392.52	\$ 542,457.16	\$ 498,344.21	\$ 1,070.00	\$ -	\$ 172,532.16	\$ 4,118,045.06
Student Services (5)	\$ 3,303,183.96	\$ 381,464.68	\$ 724,559.71	\$ 570,977.59	\$ 91,413.25	\$ -	\$ 450,601.46	\$ 5,522,200.65
Institutional Support (6)	\$ 3,616,754.11	\$ 60,465.24	\$ 1,146,756.46	\$ 444,289.87	\$ 15,000.00	\$ 39,235.65	\$ 384,992.23	\$ 5,707,493.56
O&M of Plant (7)	\$ 1,524,414.32	\$ 44,793.73	\$ 1,643,571.85	\$ 1,165,835.14	\$ -	\$ -	\$ 572,076.45	\$ 4,950,691.49
Scholarships and Fellowships (8)	\$ -	\$ -	\$ -	\$ -	\$ 4,289,065.28	\$ 140,498.72	\$ -	\$ 4,429,564.00
Auxilliary Enterprises (9)	\$ 2,170,949.45	\$ 17,769.30	\$ 1,910,892.51	\$ 2,267,089.02	\$ -	\$ -	\$ 295,179.01	\$ 6,661,879.29
Other Expenses (10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unallocated Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 28,238,476.16</b>	<b>\$ 868,701.90</b>	<b>\$ 6,873,110.35</b>	<b>\$ 5,791,358.61</b>	<b>\$ 4,826,419.92</b>	<b>\$ 179,734.37</b>	<b>\$ 2,994,659.74</b>	<b>\$ 49,772,461.05</b>