

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance
Consent

AGENDA ITEM: 6 – S
DATE: December 7-8, 2022

SUBJECT

SDSU Football Stadium FY22 Financials

CONTROLLING STATUTE, RULE, OR POLICY

None

BACKGROUND / DISCUSSION

At the December 2013 Board of Regents meeting, the Board approved the SDSU football stadium project, and the authorizing legislation was approved in 2014. A provision within the approval was that SDSU had to provide the Board with annual updates of actual stadium performance compared to the pro forma submitted. In June 2019, the Board approved updates to the football stadium financial reporting requirements, which included the continuation of the SDSU stadium financial report being submitted annually to the full Board as an informational item.

The stadium’s fiscal year 2022 actual financial performance, as well as projections for future years are included in Attachment I.

As of June 30, 2022, the stadium fund had a cash balance of \$166k - the stadium M&R fund had a cash balance of \$817k - and the Stadium Debt Service Reserve had a cash balance of \$2.4M.

In terms of changes in income, revenue returned to its pre-pandemic levels. Totals were slightly lower than projected. The variance is still within acceptable limits given all the health concerns and economic uncertainty in today’s world.

In FY22, total operating expenses exceed projections, with facility maintenance costs and gameday expenses exceeding projections by more than 100%. SDSU transferred \$150k to the Stadium R&R fund in FY22, which was less than projected.

(Continued)

INFORMATIONAL ITEM

IMPACT AND RECOMMENDATIONS

In FY22, the debt service coverage ratio was 1.09, meaning the stadium produced enough revenue to cover its bills and debt payments. However, the cushion of .09 must be improved upon moving forward to accommodate the stadium's future M&R needs.

ATTACHMENTS

Attachment I – SDSU Football Stadium Financial Information

SDSU Football Stadium Historical and Projected Financial Update(in \$000's)

Ref		Actuals						Projected					
		FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY22 Budget	FY23	FY24	FY25	FY26	
	OPERATING REVENUES												
1	Ticket Sales - SDSU Football	\$447	\$489	\$322	\$474	\$191	\$476	\$541	\$581	\$581	\$581	\$621	
2	Ticket Sales - SDSU Football (Sixth Game)	\$141	\$107	\$140	\$115	\$0	\$115	\$116	\$124	\$124	\$124	\$133	
3	Ticket Sales SDSU Football- Demand Games	\$712	\$832	\$571	\$761	\$0	\$764	\$917	\$850	\$963	\$893	\$1,011	
4	Facility Fee (\$2/ticket sold)	\$83	\$105	\$65	\$75	\$26	\$89	\$105	\$105	\$105	\$105	\$105	
5	Premium Seating Leases	\$2,169	\$1,883	\$2,043	\$1,986	\$1,219	\$1,981	\$2,003	\$2,043	\$2,084	\$2,125	\$2,168	
6	Premium Seating Stadium Gifts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
7	Advertising & Sponsorship	\$0	\$268	\$515	\$283	\$292	\$300	\$300	\$310	\$319	\$328	\$338	
	Addtl Advertising funds (Athletics)					\$1,200							
7a	Interest Revenue	\$201	\$31	\$20	\$54	\$67	\$41	\$0	\$0	\$0	\$0	\$0	
8	Ticket Sales - Other Events	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9	Gross Concessions	\$217	\$98	\$65	\$108	\$4	\$152	\$119	\$125	\$131	\$138	\$145	
10	Net Catering	\$44	\$45	\$45	\$38	\$0	\$0	\$55	\$57	\$60	\$63	\$66	
11	Net Novelties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
12	Gross Game Day Parking	\$29	\$30	\$29	\$31	\$0	\$27	\$34	\$35	\$36	\$37	\$38	
13	Other Revenue	\$47	\$40	\$56	\$53	\$0	\$50	\$64	\$67	\$70	\$74	\$77	
14	Total Revenue	\$4,090	\$3,928	\$3,871	\$3,978	\$2,999	\$3,995	\$4,253	\$4,297	\$4,474	\$4,468	\$4,703	
15													
16													
17	Existing Football Ticket Sales	(\$649)	(\$662)	(\$675)	(\$689)	\$0	(\$600)	(\$717)	(\$731)	(\$745)	(\$760)	(\$776)	
18	Existing Football Concessions	(\$40)	(\$41)	(\$42)	(\$42)	\$0	(\$40)	(\$44)	(\$45)	(\$46)	(\$47)	(\$48)	
19	Existing Football Event Parking	(\$38)	(\$39)	(\$40)	(\$40)	\$0	(\$40)	(\$42)	(\$43)	(\$44)	(\$45)	(\$45)	
19a	Additional Transfer to Athletic Operations	(\$280)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
20	TOTAL REVENUES	\$3,083	\$3,186	\$3,114	\$3,207	\$2,999	\$3,315	\$3,451	\$3,478	\$3,638	\$3,617	\$3,834	
21													
22	OPERATING EXPENDITURES												
23	Salary - Permanent Staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
24	Benefits - Permanent Staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
25	General & Administrative	\$29	\$110	\$106	\$63	\$87	\$145	\$114	\$116	\$117	\$118	\$119	
26	Utilities	\$48	\$58	\$72	\$64	\$122	\$103	\$65	\$67	\$69	\$71	\$73	
27	Annual Facility Operating Costs	\$19	\$20	\$36	\$25	\$125	\$124	\$23	\$23	\$24	\$25	\$25	
28	Event Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
29	Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
30	Miscellaneous	\$23	\$28	\$32	\$11	\$9	\$0	\$29	\$29	\$30	\$30	\$30	
31	Gameday Expenses	\$57	\$64	\$78	\$118	\$0	\$156	\$72	\$74	\$76	\$79	\$81	
32	Insurance/Service Fee (3% Bldg Authority)	\$78	\$78	\$78	\$78	\$78	\$78	\$77	\$77	\$77	\$77	\$77	
33	Total Operating Expenses	\$254	\$358	\$402	\$359	\$421	\$606	\$380	\$387	\$393	\$400	\$406	
34													
35													
36													
37	Facility Related Expenses and Transfers												
38	Annual Debt Service	\$2,514	\$2,510	\$2,510	\$2,510	\$2,510	\$2,511	\$2,514	\$2,511	\$2,512	\$2,514	\$2,514	
39	Stadium Capital Expenditures	\$142	\$244	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
41	M&R Contribution	\$0	\$0	\$287	\$448	\$0	\$150	\$777	\$793	\$809	\$825	\$858	
42	M&R Additional Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$210	\$0	\$0	\$0	\$0	
43	Additional Debt Service Reserve	\$0	\$0	\$0	\$54	\$67	\$0	\$0	\$0	\$0	\$0	\$0	
44	Total Facility Related Expenses	\$2,656	\$2,754	\$2,797	\$3,012	\$2,577	\$2,661	\$3,501	\$3,304	\$3,321	\$3,339	\$3,372	
40	Transfer from Debt Service Reserve	\$0	\$0	(\$267)	\$0	\$0	(\$39)	(\$440)	(\$230)	(\$80)	(\$130)	\$0	
45	TOTAL EXPENDITURES	\$2,910	\$3,112	\$2,932	\$3,371	\$2,998	\$3,228	\$3,441	\$3,461	\$3,634	\$3,609	\$3,778	
46	Total Revenue / Expenditures net	\$173	\$74	\$182	(\$164)	\$1	\$87	\$9	\$17	\$4	\$8	\$56	
47	Ending Cash Balance	\$173	\$247	\$382	\$73	\$85	\$166	\$396	\$413	\$418	\$426	\$482	
48	<i>Debt Service Coverage Ratio</i>	1.13	1.13	1.08	1.13	1.03	1.08	1.22	1.23	1.29	1.28	1.36	