

SOUTH DAKOTA BOARD OF REGENTS

Full Board

AGENDA ITEM: 26

DATE: April 1-2, 2015

SUBJECT: Audit of the Housing and Auxiliary Facilities System

An independent audit of the Housing and Auxiliary Facilities System is required by bond counsel. The BOR has obtained the Department of Legislative Audit (DLA) to provide an Agreed Upon Procedures audit of the system. The BOR compliance officer and internal auditor receive from the universities the financial statements and combine and audit the statements and prepare the footnotes. They provide the financial statements and working papers to DLA to perform certain tests that are outlined in the Agreed Upon Procedures document. These procedures were developed based on the requirements noted in the bond documents.

For the FY14 Audit of the Housing and Auxiliary Facilities System, DLA found no exceptions to the Agreed Upon Procedures audit.

The Housing and Auxiliary Facilities System had a debt service coverage ratio of 141%. The required coverage per the bond covenants is 120%. Each individual institution's ratio is as follows: BHSU 179%, DSU 154%, NSU 144%, SDSMT 152%, SDSU 123% and USD 158%.

RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR

Informational.