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 engaged 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 FY13 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 157%, DSU 143%, NSU 164%, SDSMT 125%, SDSU 132% and USD 153%.