

SOUTH DAKOTA BUILDING AUTHORITY

2015 ANNUAL REPORT

SOUTH DAKOTA BUILDING AUTHORITY

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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

The Honorable Dennis Daugaard
Governor of South Dakota

and

Board of Directors
South Dakota Building Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the South Dakota Building Authority (SDBA), a component unit of the State of South Dakota, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the SDBA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SDBA as of June 30, 2015, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 7-10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the SDBA's basic financial statements. The Schedule of Cash and Investments, Schedule of Building Authority Fund Expenses, and Schedule of Projects Financed are presented for purposes of additional analysis and are not a required part of the basic financial statements.

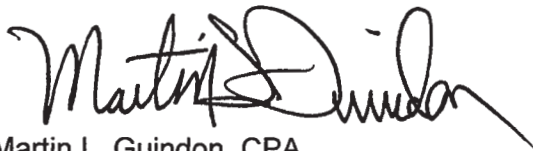
The Schedule of Cash and Investments, Schedule of Building Authority Fund Expenses, and Schedule of Projects Financed is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, the Schedule of Cash and Investments, Schedule of Building Authority Fund Expenses, and Schedule of Projects Financed are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The listing of the Board of the South Dakota Building Authority has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2015 on our consideration of the SDBA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SDBA's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Martin L. Guindon". The signature is fluid and cursive, with a large initial "M" and "G".

Martin L. Guindon, CPA
Auditor General

October 26, 2015

MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2015

This section of the South Dakota Building Authority's ("the Authority") annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2015 (FY 2015). This analysis should be read in conjunction with the Independent Auditor's Report, financial statements, notes to the financial statements and supplementary information.

The Authority

The Authority is a component unit of the State of South Dakota. As such, the accompanying financial statements are included in the Comprehensive Annual Financial Report of the State of South Dakota. The purpose of the Authority is to build or otherwise provide facilities for use by the State. To finance such projects, the Authority is empowered to issue and sell bonds as the Legislature by law declares to be in the public interest. Amounts issued by the Authority shall not be deemed to constitute a debt of the State of South Dakota or any political subdivision thereof.

Concurrently with the issuance of bonds, the Authority executes leases or lease supplements with the board, department, office, commission, or agency of the State which will use and operate the facility.

The South Dakota Building Authority contracts with the South Dakota Health and Educational Facilities Authority for management services on an annual basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

(continued)

Financial Highlights:

- Total assets of the Authority increased \$37.4 million or 13.2% (see below tables).
- Total liabilities of the Authority increased \$45.3 million or 16.0% (see below tables).
- Net position of the Authority decreased \$3.6 million or 500.0% (see below tables).
- Cash and cash equivalents of the Authority decreased \$9.9 million or 11.8% (see below tables).
- Amounts due from State increased \$19.5 million or 11.4% (see below tables).
- Bonds and certificates payable increased \$45.1 million or 17.1% (see below tables).
- Construction in progress increased \$30.5 million or 168.1% (see below tables).
- Amounts held for others increased \$1.6 million or 125.3% (see below tables).
- Deferred outflows increased \$4.3 million or 378.9% (see below tables).

Financial Statement Elements:

Changes in Assets, Liabilities and Net Position
(in thousands of dollars)

	<u>2015</u>	<u>2014</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Assets:				
Cash and cash equivalents	\$ 74,332.4	\$ 84,238.2	(\$ 9,905.8)	(11.8%)
Construction in progress	48,586.6	18,122.1	30,464.5	168.1%
Amounts due from State	189,718.7	170,267.0	19,451.7	11.4%
Interest receivable	6,984.8	9,634.6	(2,649.8)	(27.5%)
Prepaid expenses	17.1	15.9	1.2	7.5%
Total assets	319,639.6	282,277.8	37,361.8	13.2%
Deferred outflows:				
Deferred amounts of refunding of debt	5,482.7	1,144.9	4,337.8	378.9%
Liabilities:				
Current bonds & certificates payable, net of unamortized premiums	14,665.5	13,828.6	836.9	6.1%
Due to State Agencies	1,286.0	2,206.5	(920.5)	(41.7%)
Amounts held for others	2,868.5	1,273.2	1,595.3	125.3%
Accrued interest payable	6,823.1	9,471.8	(2,648.7)	(28.0%)
Arbitrage rebate payable	0.0	36.1	(36.1)	(100.0%)
Unearned Authority fees	80.0	93.7	(13.7)	(14.6%)
Accounts payable	7,779.5	5,537.4	2,242.1	40.5%
Noncurrent bonds & certificates payable, net of unamortized premiums	294,484.9	250,259.1	44,225.8	17.7%
Total liabilities	327,987.5	282,706.4	45,281.1	16.0%
Restricted net position	7,558.7	6,655.6	903.1	13.6%
Unrestricted net position	(10,423.9)	(5,939.3)	(4,484.6)	(75.5%)
Net position	(\$ 2,865.2)	\$ 716.3	(\$ 3,581.5)	(500.0%)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(continued)

Changes in Revenues, Expenses and Net Position

(in thousands of dollars)

	<u>2015</u>	<u>2014</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Operating revenues:				
Finance income on leases receivable	\$ 11,344.9	\$ 12,484.1	(\$ 1,139.2)	(9.1%)
Contract interest income	0.0	0.8	(0.8)	(100.0%)
Fees, charges and other income	651.2	747.0	(95.8)	(12.8%)
Total operating revenues	11,996.1	13,231.9	(1,235.8)	(9.3%)
Operating expenses:				
Administrative costs	459.9	501.0	(41.1)	(8.2%)
Interest expense	12,537.4	12,841.0	(303.6)	(2.4%)
Cost of issuance expense	1,182.1	669.7	512.4	76.5%
Total operating expenses	14,179.4	14,011.7	167.7	1.2%
Operating loss	(2,183.3)	(779.8)	(1,403.5)	(180.0%)
Total non-operating revenues/(expenses)	(1,398.1)	970.2	(2,368.3)	(244.1%)
Special items	0.0	1,673.9	(1,673.9)	(100.0%)
Change in net position	(\$ 3,581.4)	\$ 1,864.3	(\$ 5,445.7)	(292.1%)

Analysis:

For FY 2015, the Authority entered into new leases for new construction projects, but, the actual cash held in the State Investment Council significantly decreased as a result of construction funds being spent down in FY 2015. The decrease in net position of \$5.4 million was primarily due to the following: \$1.9 million in savings from the issuance of the Series 2014B, 2014C, 2014D, 2014E and 2014F refunding bonds, which was transferred to the State; \$1.6 million in excess funds from House Bill 1206 defeasance of bonds and certificates in fiscal year 2014, which was transferred to the State in fiscal year 2015; and a \$1.1 million decrease in finance income due to the House Bill 1206 defeasance of bonds and certificates in fiscal year 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(continued)

Debt Administration:

The Authority is authorized to issue revenue bonds, notes or other obligations on behalf of state institutions for the purpose of the constructing, equipping and improving of facilities or the refinancing of outstanding debt.

The Authority on August 28, 2014 issued the Series 2014 A Revenue bonds in the amount of \$35,820,000 to finance Board of Regents and the Department of Game, Fish & Parks projects. The Authority also issued Series 2014 B and C Revenue bonds in the amount of \$12,430,000 to refund Series 2005C bonds.

The Authority on December 3, 2014 issued Series 2014D Revenue bonds in the amount of \$7,505,000 to refund Series 2006A Revenue bonds. The Authority also issued Series 2014 E and F Revenue bonds in the amount of \$44,240,000 to refund the Series 2007 Revenue bonds.

The Authority on May 27, 2015 issued Series 2015A Revenue bonds in the amount of \$11,500,000 to finance various projects in Custer State Park.

The Authority paid at maturity bonds and certificates totaling \$13.4 million in fiscal year 2015 and escrowed \$63.9 million.

The Authority's bonds are rated AA+/Stable by Standard and Poor's and Aa2 by Moody's Investor Service.

More detailed information about the Authority's debt can be found in Note 7, Bonds Payable.

Overview:

Lease rental payments and interest income are the major sources of revenues for the Authority. The increase in average daily cash on hand held by the Authority compared to the prior year resulted in an increase in interest income on investments.

This report is presented to provide additional information regarding operations of the Authority and to meet the requirements of GASB Statement No. 34.

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SOUTH DAKOTA BUILDING AUTHORITY
STATEMENT OF NET POSITION
At June 30, 2015

Assets:

Current assets:

Cash and cash equivalents:

Restricted Held by South Dakota Investment Council	\$ 70,625,032
Unrestricted Held by South Dakota Investment Council	3,691,116
Held by trustee	<u>16,217</u>
Total cash and cash equivalents	74,332,365

Amounts due from State – short-term	11,265,682
Lease interest receivable	6,725,077
Interest receivable on investments	259,764
Prepays	<u>17,120</u>

Total current assets 92,600,008

Noncurrent assets:

Construction in progress	48,586,599
Amounts due from State – long-term	<u>178,453,070</u>

Total noncurrent assets 227,039,669

Total assets 319,639,677

Deferred outflows:

Deferred amounts from refunding of debt	<u>5,482,654</u>
Total deferred outflows	<u>5,482,654</u>

Liabilities:

Current liabilities:

Bonds & Revenue Trust Certificates payable, net of unamortized premiums	14,665,480
Due to State Agencies	1,286,012
Amounts held for others	2,868,459
Accrued interest payable	6,823,132
Accounts payable	7,779,552
Unearned Authority fees	<u>79,962</u>

Total current liabilities 33,502,597

Noncurrent liabilities:

Bonds & Revenue Trust Certificates payable, net of unamortized premiums	<u>294,484,890</u>
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Total noncurrent liabilities 294,484,890

Total liabilities 327,987,487

Net position:

Restricted net position 7,558,744

Unrestricted net position (10,423,900)

Total net position (\$ 2,865,156)

See Notes to Financial Statements

SOUTH DAKOTA BUILDING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2015

Operating revenues:	
Finance income on lease receivables	\$ 11,344,886
Fees, charges, and other	<u>651,194</u>
Total operating revenues	<u>11,996,080</u>
Operating expenses:	
Administrative costs	459,899
Interest expense	12,537,414
Cost of Issuance expense	<u>1,182,051</u>
Total operating expenses	<u>14,179,364</u>
Operating loss	(2,183,284)
Non-operating revenues/(expenses):	
Investment income	9,457
Contributions to State	(2,344,121)
Other income	946,612
Other expense	<u>(10,089)</u>
Total non-operating revenues and expenses	<u>(1,398,141)</u>
Change in net position	(3,581,425)
Net position at beginning of year	<u>716,269</u>
Net position at end of year	<u>(\$ 2,865,156)</u>

See Notes to Financial Statements

SOUTH DAKOTA BUILDING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2015

Cash flows from operating activities:	
Receipts for leases	\$ 13,220,601
Receipts for interest income on leases	14,091,671
Receipts for fees	651,194
Payment for general expenses	<u>(455,964)</u>
Net cash provided by operating activities	<u>27,507,502</u>
Cash flows from capital and related financing activities:	
Payments for construction of buildings	<u>(47,801,001)</u>
Net cash used for capital and related financing activities	<u>(47,801,001)</u>
Cash flows from noncapital financing activities:	
Proceeds from bonds	111,495,000
Payment to escrow fund	(69,339,557)
Received from IRS for interest payments	704,022
Principal paid on bonds and certificates	(13,860,601)
Interest payments on bonds and certificates	(15,838,236)
Payments to state agencies	(15,536,012)
Payments for unearned authority fees	(13,715)
Premiums on bonds	13,087,665
Payments for bond issuance costs	<u>(1,182,051)</u>
Net cash provided by noncapital financing activities	<u>9,516,515</u>
Cash flows from investing activities:	
Receipts for investment income	<u>871,184</u>
Net cash provided by investing activities	<u>871,184</u>
Net decrease in cash and cash equivalents during the fiscal year	(9,905,800)
Cash and cash equivalents at beginning of year	<u>84,238,165</u>
Cash and cash equivalents at end of year	<u><u>\$ 74,332,365</u></u>
Reconciliation of operating loss to net cash used for operating activities	
Operating loss	(\$ 2,183,284)
Adjustments to reconcile operating loss	
Cost of issuance expense	1,182,051
Premium amortization	(944,036)
Interest expense	13,231,092
Amortized deferred amount of refunding	286,464
Decrease/(increase) in assets:	
Amounts due from State	11,625,401
Interest receivable	2,746,785
Prepaid expenses	(1,168)
Increase/(decrease) in liabilities:	
Accounts payable	5,103
Amounts held for others	1,595,200
Arbitrage rebate payable	<u>(36,106)</u>
Total adjustments	<u>29,690,786</u>
Net cash provided by operating activities	<u><u>\$ 27,507,502</u></u>
Summary of Noncash Transactions	
Increase of amounts due from State (Asset) for projects completed	\$ 18,752,402
Reduction of construction in progress (Asset) for projects completed	(19,500,000)
Reduction of amounts held for others (Liability) for projects completed	747,598

See Notes to Financial Statements

SOUTH DAKOTA BUILDING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. The Authority

The South Dakota Building Authority (“the Authority”) was created and organized by Chapter 5-12 of the South Dakota Codified Laws (the Act). The purposes of the Authority are to build and otherwise provide hospital, housing, penitentiary, administrative, classroom, dining hall, field house, parking, union building, library, recreational, laboratory, office and similar facilities for the use by the State. Amounts issued by the Authority shall not be deemed to constitute a debt of the State of South Dakota or any political subdivision thereof. The Authority is a component unit of the State of South Dakota. As such, the accompanying financial statements are included in the Comprehensive Annual Financial Report of the State of South Dakota.

The Authority is empowered under the Act to acquire, construct, complete, remodel, maintain and equip buildings and other facilities as the Legislature by law declares to be in the public interest. To finance such projects, the Authority is empowered to issue and sell bonds or other forms of indebtedness in such amount or amounts as the Authority may determine, to refund and refinance its indebtedness as often as is advantageous in the public interest to do so, to pledge any and all income of the Authority and any revenues derived from such facilities or any combination thereof, to secure the payment of such bonds and other forms of indebtedness and to redeem such bonds or indebtedness. The Authority may also issue interim notes to finance any of the projects or perform any of the duties authorized under the Act, including planning, architectural and engineering fees, acquisition of land and purchase of equipment.

Concurrently with the issuance of bonds, interim notes or other forms of indebtedness, the Authority executes leases or lease supplements of the related facilities and sites with the board, department, office, commission or agency of the State which will use and operate the facility.

The Authority performs the activities shown below.

Building Authority – Accounts for the lease rental receipts, debt service payments, service fees and disbursements necessary to conduct the day-to-day business of the Building Authority.

The South Dakota Building Authority contracts with the South Dakota Health and Educational Facilities Authority for management services on an annual basis.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation: The Authority, as a component unit of the State of South Dakota, follows standards established by the Governmental Accounting Standards Board (GASB). Generally accepted accounting principles applicable to the Authority are generally those applicable to similar businesses in the private sector.

The Authority utilizes the accrual basis of accounting wherein revenues are recognized when earned and expenses are recognized when incurred. Other significant policies are:

Leases: Properties leased under long-term contracts are accounted for as financing transactions. The present value of aggregate future rentals is recorded as a receivable at the time the assets are turned over to State agencies. Principal received during construction is recorded as Amounts Held For Others until the project has been completed. Interest incurred during the construction of a project is funded currently by scheduled lease payments. Accordingly, such interest is recorded

as an expense and the related finance income is recorded as revenue.

Fees, Charges and Other Income: Service and other fees are recorded as income when earned.

Reporting Entity: The accompanying financial statements include all the integral parts of the Authority's operations. The Authority believes that it has no oversight responsibility for any other agency which would require it to be included in the reporting entity.

Investments: The Authority participates in the investment pool managed by the South Dakota Investment Council. Under South Dakota Codified Law, the South Dakota Investment Council pools all participating monies for investment purposes and allocates all earnings of the investments back to the individual participating funds in the same ratio as the average daily cash balance of each participating fund bears to the average cash balance of the participating funds.

Investments are reported at fair value, which approximates market value, in accordance with GASB Statement No. 31. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Cash and Cash Equivalents: For purposes of reporting cash flows, the Authority considers all highly liquid investments and all investments with insignificant risk of changes in value because of changes in interest rates to be cash and cash equivalents. Cash equivalents are reported at fair value.

Restricted Net Position: The Tax Regulatory Agreements provide that certain funds be established to pay debt service payments, cost of issuance expenses and to pay project construction expenses. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. Restricted net position is composed of cash, assets and liabilities relating to bonds, such as amounts due from State, lease interest receivable, construction in progress, bonds payable, interest payable, amounts held for others, due to state agencies and arbitrage rebate payable. The total restricted net position, as of June 30, 2015, is as follows:

Restricted Net Position	<u>\$7,558,744</u>
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Revenue and Expense Recognition: Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering items in connection with an enterprise fund's principal ongoing operations. The Authority records all revenues derived from lease payments and administrative fees as operating revenues since these revenues relate to the principal activity of the Authority. Operating expenses include interest expense on bonds and administrative expenses necessary to perform the principal activity of the Authority.

Note 3. Sale Leaseback Programs

On September 12, 2006, the Series 2006 B and C Bonds were issued in the amount of \$25,855,000. The bonds were issued to refund \$25,815,000 of the Series 1996A bonds on December 1, 2006.

On September 7, 1996, the Series 1996A Bonds were issued in the amount of \$112,471,501. The bonds were issued to refund \$112,475,000 of the 1986A Certificates of Participation on December 1, 1996.

The Certificates of Participation, 1986 Series A (the "1986A Certificates"), were originally sold in December, 1986 in connection with a sale and leaseback transaction between the State and the Authority of certain land and facilities, including the South Dakota State Penitentiary in Sioux Falls, the Custer State Hospital in Custer, the Redfield State Hospital and School (excluding food services facilities) in Redfield, and the Human Services Center in Yankton. The proceeds of the sale were used by the Authority to buy an annuity contract from Transamerica Occidental Insurance Company ("Transamerica").

Under current terms of this annuity contract, Transamerica is required to pay to the State on or before each June 1 and December 1, ending December 1, 2016, certain fixed amounts, which are equal to the scheduled principal and interest payments on the 1986A Certificates. The annuity payments are deposited in the State General Fund, where they are available for any General Fund expenditure, including debt service on the Series 1996A Bonds and Series 2006 B and C Bonds.

Note 4. State Lease Revenue Trust Certificates

On December 4, 1991, the State Lease Revenue Trust Certificates, Series A and B, in the amount of \$27,345,000, were issued. The Certificates are authorized and issued under an Indenture of Trust and Assignment of an Interest in Rental Payments under Certain Leases, dated as of October 15, 1991 (the "Indenture") between the Authority and The First National Bank in Sioux Falls as Trustee (the "Trustee"). The Certificates represent proportionate interests in the Rental Payments in respect of principal, payable (i) as to the Series A Certificates, on December 15, and in respect of interest payable on each June 15 and December 15 through the respective maturities on the Series A Certificates, with the first interest payment being June 15, 1992, and (ii) as to the Series B Certificates, on September 1 of the years and in the amounts shown on the cover page of the Offering Circular, and in respect of interest, payable on each March 1 and September 1 through the respective maturities of the Series B Certificates, with the first interest payment date being March 1, 1992.

The Series 1991A certificates were used to refund the Series 1986B certificates and the Series 1987A bonds. The Series 1986B certificates were paid in full in fiscal year 2001. The 1987A Bonds were paid in full in fiscal year 2002. The Series 1991B certificates were used to refund the Series 1988A bonds and the Series 1989 certificates. The Series 1991B Certificates were paid in full on September 1, 2013.

Principal and interest represented by the respective series of Certificates are payable solely from amounts payable by the State under the pertinent Leases. The Certificates are not an indebtedness of the Authority within the meaning of any constitution or statutory debt limit, nor may the Certificates be a claim against the property of the Authority. Leases under which Rental Payments are to be assigned to the Trustee are between the Authority and the Board of Regents and between the Authority and the Bureau of Administration of the State.

On June 1, 1993, the State Lease Revenue Trust Certificates, Series A and B, in the amount of \$44,385,000, were issued. The Certificates are authorized and issued under an Indenture of Trust and Assignment of an Interest in Rental Payments under Certain Leases, dated as of June 1, 1993 (the "Indenture") between the Authority and The First National Bank in Sioux Falls as trustee (the "Trustee"). The Certificates represent proportionate interests in the Rental Payments in respect of principal, payable on September 1 of the years and in the amounts shown on the inside cover page of the Offering Circular, and in respect of interest payable on each March 1 and September 1 through the respective maturities of the Certificates, with the first interest payment date being September 1, 1993.

The Authority has sold and assigned the right to receive the Rental Payments to the Trustee. The Rental Payments under the Series A Lease are assigned to the owners of the Series A Certificates. The Rental Payments under the Series B Leases for the payment of the 1987B Bonds are assigned to the owners of the Series B Certificates. Amounts received upon the sale of the Certificates were paid to the Authority as

consideration for the sale and assignment of Rental Payments under the Series A Lease and the Series B Leases (collectively, the "Leases"). The Authority utilized a portion of the proceeds from the sale of the Series A Certificates to establish an escrow account sufficient to defease a portion of its \$34,805,000 outstanding Revenue Bonds, Series 1992 (the "1992 Bonds") and utilized a portion of the proceeds from the sale of the Series B Certificates to establish an escrow sufficient to defease its \$11,310,000 outstanding Revenue Bonds Series 1987B (the "1987B Bonds"). The portion of the 1992 Bonds that were defeased (the "1992 Defeased Bonds") consists of \$33,075,000 of the 1992 Bonds issued for the benefit of the Department of Human Services of the State. The 1992 Defeased Bonds and the 1987B Bonds (collectively, the "Defeased Bonds") were issued by the Authority to finance or refinance the costs of the acquisition of certain sites and construction of the leased facilities (the "Leased Facilities"). The Defeased Bonds are payable solely from the Rental Payments and other payments to be made by the State to the Authority. After a deposit of a sufficient portion of the proceeds from the sale of the Series A Certificates the 1992 Defeased Bonds were legally defeased and have no further claim to any of the Rental Payments.

After a deposit of a sufficient portion of the proceeds of the Series B Certificates, the 1987B Bonds were economically defeased, but not legally defeased, and the 1987B Bonds will continue to have a claim on the Rental Payments pledged under the Series B Leases prior to such pledge to the Series B Certificates. The Series 1993A certificates were defeased by House Bill 1206 in fiscal year 2014 and the Series 1993B certificates were paid in full on September 1, 2005.

Principal and interest represented by the respective Series of Certificates are payable from amounts payable by the State under the pertinent Leases. The Certificates are not an indebtedness of the Authority within the meaning of any constitutional or statutory debt limit, nor may the Certificates be a claim against the property of the Authority.

Note 5. Cash and Investments Held by South Dakota Investment Council and Trustee

Management of the State’s internal investment pool is the statutory responsibility of the South Dakota Investment Council. The investment policy and required risk disclosures for the State’s internal investment pool are presented in the South Dakota Investment Council Audit Report. Cost and fair value, which approximates market value, of cash and investments on June 30, 2015 consist of the following:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and Investments managed by the South Dakota Investment Council	\$ 74,401,609	\$ 74,316,148
Cash and Investments held by the Trustee	16,217	16,217
	<u>\$ 74,417,826</u>	<u>\$ 74,332,365</u>

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of June 30, 2015, none of the Authority’s deposits were exposed to custodial credit risk.

Note 6. Amounts due from State

In accordance with the bond resolutions, the Authority has entered into leases with various boards and departments of the State of South Dakota on the facilities completed and those now in construction. These leases call for rentals which, in the aggregate, are sufficient to pay the principal and interest on the related bonds and any administrative costs of the Authority.

At such time as the lessees have paid rentals sufficient to cover the principal and administrative costs, the Authority will transfer all its rights, title and interest in the related facilities to the lessee.

The leases, which are for periods coinciding with the revenue bonds issued related to the various facilities, are subject to termination and cancellation in any year for which the Legislature of South Dakota fails to make an appropriation to pay the required rentals.

A summary of amounts due from State at June 30, 2015 is as follows:

Agency	Related Bond Issues	Lease Bonds	Sale Leaseback and State Lease Revenue Trust	
Board of Regents	2003 Revenue Bond	\$ 342,726	\$ -	
	2005C Revenue Bond	15,029,691	-	
	2006A Revenue Bond	1,888,134	-	
	2007 Revenue Bond	55,847,375	-	
	2008 Revenue Bond	50,762,475	-	
	2009 Revenue Bond	19,549,015	-	
	2010 A, B & D Revenue Bond	29,096,808	-	
	2011 Revenue Bond	12,932,450	-	
	2011A Revenue Bond	8,121,650	-	
	2012A Revenue Bond	10,758,626	-	
	2013 B & C Revenue Bond*	122,264,143	-	
	2014A Revenue Bond*	58,069,679	-	
	Bureau of Finance and Management Department of Game, Fish and Parks	1996A Revenue Bond	-	8,500,000
		2003 Revenue Bond	29,802	-
2006A Revenue Bond		9,395,509	-	
2007 Revenue Bond		5,250,825	-	
2008 Revenue Bond		2,192,900	-	
2010 C & D Revenue Bond		5,518,120	-	
2013D Revenue Bond*		7,593,809	-	
2014A Revenue Bond*		2,538,550	-	
2015A Revenue Bond		14,835,858	-	
Bureau of Administration		1991A State Lease Revenue Trust	-	608,138
Total Minimum Lease Payments		432,018,145	9,108,138	
Less: Amount representing interest		(150,263,145)	(5,841,788)	
Present Value of Lease Payments representing principal		281,755,000	3,266,350	
Net of amount in Construction in Progress, Amounts Held for Others and Construction Funds representing principal		(95,302,598)*	-	
Present Value of Lease Payments representing principal		<u>\$ 186,452,402</u>	<u>\$ 3,266,350</u>	

* These bonds are recorded in Construction in Progress and Cash held for Construction Projects until the construction project is put into use and transferred to amounts due from State.

Prior to FY 2015, the lease balance reflected the payments under the refunding bonds. Beginning in FY 2015, the leases were not adjusted to reflect the change in bond payments as a result of the refunding. Prior periods were not adjusted for this change of accounting practice.

The following is a schedule of future lease payments remaining at June 30, 2015:

Year Ending June 30	<u>Lease Bonds</u>		<u>Sale Leaseback and State Lease Revenue Trust</u>		Total
	Principal	Interest	Principal	Interest	
2016	\$ 11,430,000	\$ 11,729,228	\$ 1,763,030	\$ 3,055,658	\$ 27,977,916
2017	12,240,000	12,744,122	1,503,320	2,786,130	29,273,572
2018	12,645,000	12,311,022	-	-	24,956,022
2019	12,965,000	11,836,712	-	-	24,801,712
2020	13,530,000	11,249,402	-	-	24,779,402
2021-2025	73,060,000	46,708,302	-	-	119,768,302
2026-2030	73,790,000	29,028,213	-	-	102,818,213
2031-2035	51,460,000	12,309,552	-	-	63,769,552
2036-2040	20,635,000	2,346,592	-	-	22,981,592
	<u>\$281,755,000</u>	<u>\$150,263,145</u>	<u>\$ 3,266,350</u>	<u>\$ 5,841,788</u>	<u>\$441,126,283</u>

The payments reported in the preceding amounts due from State schedules do not include administrative fees incorporated into the lease schedules and collected over the life of the lease.

Note 7. Lease Bonds, Sale Leaseback and State Lease Revenue Trust Certificates Payable

The following is a schedule of the activity and ending balances for the Lease Bonds, Sale Leaseback Bonds and State Lease Revenue Trust Certificates payable as of June 30, 2015.

Series	Final Maturity Date	Percent Interest Rate	Balance 6/30/14	Issued	Retired	Balance 6/30/15	Due Within 1 Year
<u>Lease Bonds:</u>							
2003	2015	4.125	715,000	-	350,000	365,000	365,000
2005C	-	-	12,870,000	-	12,870,000	-	-
2006A	2016	4.25-5.0	9,715,000	-	8,610,000	1,105,000	540,000
2007	-	-	44,675,000	-	44,675,000	-	-
2008	2033	4.25-5.0	36,425,000	-	1,255,000	35,170,000	1,315,000
2009	2034	5.25-6.76	11,665,000	-	400,000	11,265,000	410,000
2010A	2027	3.15-5.65	9,075,000	-	640,000	8,435,000	650,000
2010B	2035	3.15-6.20	13,935,000	-	185,000	13,750,000	185,000
2010C	2031	3.7-5.85	3,475,000	-	140,000	3,335,000	145,000
2010D	2019	2.5-3.25	715,000	-	120,000	595,000	125,000
2011	2026	3.0-5.0	10,905,000	-	745,000	10,160,000	765,000
2011A	2026	3.0-5.0	6,715,000	-	215,000	6,500,000	235,000
2012A	2028	1.5-5.0	9,010,000	-	705,000	8,305,000	715,000
2013B	2038	4.0-5.0	67,340,000	-	-	67,340,000	-
2013C	2018	1.109-2.197	8,875,000	-	2,190,000	6,685,000	2,210,000
2013D	2038	1.109-5.769	4,440,000	-	120,000	4,320,000	120,000
2014A	2039	4.0-5.0	-	35,820,000	110,000	35,710,000	95,000
2014B	2029	5.0	-	5,250,000	-	5,250,000	-
2014C	2020	1.0-2.4	-	7,180,000	360,000	6,820,000	1,245,000
2014D	2026	4.5-5.0	-	7,505,000	90,000	7,415,000	-
2014E	2032	4.0-5.0	-	35,455,000	1,545,000	33,910,000	1,550,000
2014F	2032	1.05-4.7	-	8,785,000	385,000	8,400,000	430,000
2015A	2030	0.70-4.013	-	11,500,000	-	11,500,000	655,000
<u>Sale Leaseback bonds:</u>							
1996A	2016	5.9-5.95	4,456,951	-	1,760,601	2,696,350	1,473,030
<u>State Lease Revenue Trust Certificates:</u>							
1991A	2016	6.75	880,000	-	310,000	570,000	290,000
	Total		<u>\$ 255,886,951</u>	<u>\$111,495,000</u>	<u>\$77,780,601</u>	<u>\$289,601,350</u>	<u>\$ 13,518,030</u>

The bonds and trust certificates at June 30, 2015 are payable as follows:

Year Ending June 30	Principal	Interest	Total
Lease Bonds			
2016	\$ 11,755,000	\$ 13,224,442	\$ 24,979,442
2017	12,525,000	12,892,172	25,417,172
2018	12,880,000	12,501,506	25,381,506
2019	13,165,000	12,062,401	25,227,401
2020	13,685,000	11,505,540	25,190,540
2021-2025	73,815,000	47,985,452	121,800,452
2026-2030	74,940,000	29,783,126	104,723,126
2031-2035	52,935,000	12,576,848	65,511,848
2036-2040	<u>20,635,000</u>	<u>2,346,592</u>	<u>22,981,592</u>
Subtotal	286,335,000	154,878,079	441,213,049
Sale Leaseback and State Lease Revenue Trust			
2016	1,763,030	3,055,657	4,818,687
2017	<u>1,503,320</u>	<u>2,786,130</u>	<u>4,289,450</u>
Subtotal	<u>3,266,350</u>	<u>5,841,787</u>	<u>9,108,137</u>
Total	<u>\$289,601,350</u>	<u>\$160,719,866</u>	<u>\$450,321,216</u>

Add unamortized:
 Premiums 19,549,020

Total Bonds and Trust Certificates
 - Net of Amortization \$309,150,370

Note 8. Refunded Bonds

The Authority has entered into refunding transactions whereby refunding bonds have been issued to facilitate defeasance of the Authority's obligation with respect to certain bond issues. The proceeds of the refunding issues have been placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payments of interest and principal on the issues being refunded. Refunded bonds and the related assets held in the trust are not included in the accompanying financial statements since the Authority has satisfied its obligations with respect thereto through consummation of the refunding transactions.

On August 28, 2014 the Authority issued \$12,430,000 in Revenue Bonds Series 2014B and Series 2014C to refund the Series 2005C bonds. The refunding portion with an average interest rate of 4.05 percent was used to refund \$11,835,000 of outstanding Series 2005C bonds with an average interest rate of 4.50 percent. The net proceeds of the refunding portion of \$12,647,649 were deposited in an irrevocable trust with an escrow agent to provide for all the future debt service payments on the refunded Series 2005C bonds (after payment of \$124,274 in underwriting fees and other issuance costs and transfer of \$718,061 in savings to the State General Fund). As a result, the refunded Series 2005C bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$645,907. This difference is being charged to operations through fiscal year 2030 using the effective-interest method. The Authority completed the advanced refunding for a net economic gain of \$31,008. The difference between the cash flows of the refunded bonds and the refunding bonds is a \$40,924 reduction in debt service payments, the actual cash amount realized was \$718,061.

On December 3, 2014 the Authority issued \$7,505,000 in Revenue Bonds Series 2014D to refund a portion of the Series 2006A bonds. The refunding portion with an average interest rate of 4.90 percent was used to refund \$7,410,000 of outstanding Series 2006A bonds with an average interest rate of 4.95 percent. The net proceeds of the refunding portion of \$8,070,764 were deposited in an irrevocable trust with an escrow agent to provide for all the future debt service payments on the refunded Series 2006A bonds (after payment of \$71,373 in underwriting fees and other issuance costs and transfer of \$625,432 in savings to the State General Fund). As a result, the refunded Series 2006A bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$465,935. This difference is being charged to operations through fiscal year 2027 using the effective-interest method. The Authority completed the advanced refunding for a net economic gain of \$20,989. The difference between the cash flows of the refunded bonds and the refunding bonds is a \$23,612 reduction in debt service payments, the actual cash amount realized was \$625,432.

On December 3, 2014 the Authority issued \$44,240,000 in Revenue Bonds Series 2014E and Series 2014F to refund the Series 2007 bonds. The refunding portion with an average interest rate of 4.74 percent was used to refund \$44,675,000 of outstanding Series 2007 bonds with an average interest rate of 4.74 percent. The net proceeds of the refunding portion of \$48,621,144 were deposited in an irrevocable trust with an escrow agent to provide for all the future debt service payments on the refunded Series 2007 bonds (after payment of \$412,624 in underwriting fees and other issuance costs and transfer of \$565,260 in savings to the State General Fund). As a result, the refunded Series 2007 bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,849,539. This difference is being charged to operations through fiscal year 2032 using the effective-interest method. The Authority completed the advanced refunding for a net economic gain of \$33,075. The difference between the cash flows of the refunded bonds and the refunding bonds is a \$44,204 reduction in debt service payments, the actual cash amount realized was \$565,260.

Fully defeased bonds not yet paid to bondholders as of June 30, 2015 are as follows:

Bond Issues	Year of Defeasance	Original Amount Defeased
Series 1993A State Lease Revenue Trust Certificates	2014	\$ 9,675,000
Series 2005B	2014	5,665,000
Series 2005C	2015	11,835,000
Series 2006A	2015	7,410,000
Series 2007	2015	44,675,000
Series 2008	2014	27,500,000

The Series 1993A State Lease Revenue Trust Certificates will mature on September 1, 2017.

The Series 2005B bonds will be called on September 1, 2015.

The Series 2005C bonds will be called on September 1, 2015.

The Series 2006A bonds will be called on September 1, 2016.

The Series 2007 bonds will be called on June 1, 2017.

The Series 2008 bonds that were escrowed will be called on June 1, 2018.

Note 9. Commitments

The State Investment Council was investing \$74,316,158 of South Dakota Building Authority funds on June 30, 2015 of which \$64,338,220 represented unspent construction proceeds for bonded State agency construction projects.

Note 10. Arbitrage

Arbitrage as it applies to government financing refers to the ability of state governments to obtain funds at a tax-exempt rate of interest and to then invest those funds in investments which earn a higher yield, resulting in a profit to the issuer. The arbitrage rebate rules require that any earnings from the investment of the tax-exempt bond proceeds which exceed the yield on the bonds be remitted to the federal government every five years. Under the terms of the bond documents, the Authority will pay any obligations due to the federal government at the final computation date. Based on arbitrage rebate calculations made for the Series 2009 Bonds, an obligation existed in the amount of \$36,106 as of June 30, 2014. On August 21, 2014, the rebate payment in the amount of \$36,105.83 was made to the federal government. Based on arbitrage rebate calculations as of June 30, 2015, no arbitrage rebate obligations exist.

Note 11. Construction in Progress

Land and buildings under construction for other governmental agencies as of June 30, 2015:

Construction in Progress as of June 30, 2014:	\$18,122,151
Construction payments in FY-15:	
Series 2010B HSC	77,202
Series 2011	8,436
Series 2013B	31,434,672
Series 2013D	2,123,646
Series 2014A BOR	13,727,889
Series 2014A GFP	429,155
Series 2015A	<u>11,310,900</u>
Total construction payments in FY-15	59,111,900
Construction completed and transferred to Amounts due from State and Amounts held for Others in FY-15:	
Series 2010B	(77,202)
Series 2011	(8,436)
Series 2013B	(18,000,000)
Series 2013D	(1,488,000)
Series 2015A	<u>(11,310,900)</u>
Total construction completed and transferred to Amounts due from State and Amounts held for Others in FY-15	(30,884,538)
Accounts Payable – June 30, 2014	(5,536,814)
Accounts Payable – June 30, 2015	<u>7,773,900</u>
Construction in Progress as of June 30, 2015:	<u>\$ 48,586,599</u>

Note 12. Subsequent Events

On July 8, 2015 South Dakota Building Authority issued the \$10,880,000 Series 2015B Tax-Exempt Revenue bonds to finance the Information System Building at Dakota State University and to finance the renovation of the Chemical and Biological Engineering and Chemistry Building at South Dakota School of Mines and Technology.

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SUPPLEMENTARY INFORMATION

SOUTH DAKOTA BUILDING AUTHORITY SCHEDULE OF CASH AND INVESTMENTS June 30, 2015

<u>Project</u>	<u>Cash and Investments (at Cost)</u>
Lease Program	
Debt Service Fund	\$ 303,422
Series 2000 Debt Service Fund	1,877
Series 2010B HSC Debt Service Fund	6,286,812
Series 2010B Human Services Center	11,057
Series 2011 Board of Regents	304,041
Series 2013B Board of Regents	29,582,986
Series 2013C Board of Regents	9,919,605
Series 2013D Department of Game, Fish & Parks	477,575
Series 2014A Board of Regents	22,272,111
Series 2014A Department of Game, Fish & Parks	1,770,845
Series 2014A Capitalized Interest Fund	<u>1,392,421</u>
Total Lease Program	<u>72,322,752</u>
Operating Fund	950,848
HB 1206 Cost of Issuance	12,251
Series 2015A Cost of Issuance	3,965
State Investment Council interest	<u>1,128,010</u>
Total	<u>\$ 74,417,826</u>

The cash and investments within the lease program include the amounts restricted for the completion of the projects based on construction budgets.

SUPPLEMENTARY INFORMATION

**SOUTH DAKOTA BUILDING AUTHORITY
SCHEDULE OF BUILDING AUTHORITY FUND EXPENSES
For the Year Ended
June 30, 2015**

S.D.B.A. administrative expenses

Insurance – Property & performance bond	\$ 180,071
South Dakota Health and Educational Facilities Authority – administrative fees	147,825
Directors and Officers insurance	28,864
Travel	25,392
Audit fees	19,070
Trustee and paying agent fees	17,250
Rebate computation expense	15,500
Rent	9,324
Legal Fees	4,905
Other	3,329
Office expense	2,812
Capital purchases	2,084
Board member per diem and travel	1,227
Utilities	1,200
Telephone	<u>1,046</u>
 Total administrative expenses	 <u>\$ 459,899</u>

SUPPLEMENTARY INFORMATION

SOUTH DAKOTA BUILDING AUTHORITY

SCHEDULE OF PROJECTS FINANCED

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 1969A	Northern State College classroom and auditorium	\$ 1,000,000
Series 1969B	Plankinton kitchen and dining facility	325,000
Series 1970	South Dakota State University Physical Education Center	3,685,000
Series 1971	\$1,581,500 Black Hills State University Library	
	\$875,000 Yankton State Hospital	2,456,500
Series 1975 Jan	South Dakota School of Mines and Technology Physical Education Center	2,600,000
Series 1975A	\$1,600,000 South Dakota State University Animal Science Center	
	\$3,600,000 University of South Dakota Science Center	5,200,000
Series 1975B	South Dakota State University Library	4,200,000
Series 1975 Aug	Refunded Series 1969, 1970, 1971, 1975 Jan, 1975 A & B bonds	17,500,000
Series 1976 Apr	Redfield Food Service facility	2,000,000
Series 1976 Jun	University of South Dakota Physical Education Center	5,200,000
Series 1977	South Dakota State University Feed Processing Unit	980,000
Series 1978 Jan	Northern State College Beulah Williams Library	490,000
Series 1978 Apr	Refund Series 1975 Aug, 1976 Apr, 1976 Jun, 1977 Jul and 1978 Jan bonds	26,685,000
Series 1980 Feb	\$4,250,000 University of South Dakota Law School	
	\$500,000 South Dakota State University Pharmacy Addition	4,750,000
Series 1980 Mar	South Dakota State University Horticultural Center	520,000
Series 1980 May	South Dakota State University Home Management Laboratory	100,000
Note 1981 Jan	\$3,269,000 Blue Dog fish hatchery \$130,000 Watertown cold storage	3,399,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Note 1981 Mar	Board of Regents \$130,000 Watertown cold storage unit \$600,000 University of South Dakota Armory	600,000 3,020,000
Series 1984	Refunded Series 1978 Apr, 1980 Feb, 1980 Mar, and 1982 Nov bonds	21,870,000
Series 1985	Northern State College Barnett Center	6,915,000
Series 1986A	Sale Leaseback	175,000,000
Series 1986B	Sale Leaseback	12,820,000
Series 1987A	Cultural Heritage Center	5,500,000
Series 1987B	Refunded Series 1984 bonds	12,665,000
Series 1988A	Black Hills State University Physical Education Facility	2,947,000
Series 1989 Certificates	Sale Leaseback – Improvements to State Facilities	7,075,000
Series 1989 Mar	Conservation Reserve Enhancement Program	10,000,000
Series 1989 Sep	Conservation Reserve Enhancement Program	5,263,000
Series 1989 Nov	Conservation Reserve Enhancement Program	4,737,000
Series 1990 Mar	Conservation Reserve Enhancement Program	2,000,000
Series 1990 Jun	Conservation Reserve Enhancement Program	3,000,000
Series 1990 Dec	Conservation Reserve Enhancement Program	3,000,000
Series 1990 Certificates	Energy Conservation Projects	1,500,000
Series 1991 Jul	Conservation Reserve Enhancement Program	4,015,000
Series 1991A	Custer State Park	1,200,000
Series 1991B	\$4,895,500 Northern Plains Biostress Lab	6,195,000
Series 1991A Lease Revenue Trust	\$1,299,500 Custer State Park Refunded Series 1986B and 1987A bonds	11,315,000
Series 1991B Lease Revenue Trust	Refunded Series 1988A and 1989 certificates	16,030,000
Series 1992 Jul	Conservation Reserve Enhancement Program	2,591,000
Series 1992	\$33,075,000 Human Services Center \$1,500,000 Custer State Park \$230,000 Northern Plains Biostress Lab	34,805,000
Series 1992 Dec	Conservation Reserve Enhancement Program	223,500

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 1993 Jul	Conservation Reserve Enhancement Program	1,474,000
Series 1993A	University of South Dakota - I.D. Weeks Library addition	6,800,000
Series 1993B	\$5,400,000 South Dakota State University Animal Diagnostic Laboratory	
	\$200,000 Custer State Park Sylvan Lake Store, preliminary Engineering study, conference center & additional lodging units at State Game Lodge	5,600,000
Series 1993A Lease Revenue Trust	Refund Series 1992 - Human Services Center	33,075,000
Series 1993B Lease Revenue Trust	Refund Series 1987B bonds	11,310,000
Series 1994A	\$7,100,000 State Health Lab \$425,000 Custer State Park – Legion Lake Store	7,525,000
Note 1995	Northern State University Beulah Williams Library	4,500,000
Series 1995A	Refund 1995 Note - \$4,500,000 Northern State University Beulah Williams Library	
	\$7,450,000 Board of Regents Repair & Maintenance	11,950,000
Series 1996A	Refund Series 1986A certificates	112,471,501
Series 1996B	Refund Series 1986A certificates	19,665,000
Series 1996C	Refund Series 1991B and 1994A bonds	14,140,000
Series 1996D	Sioux Falls Outdoor Learning Skills Center	2,500,000
Series 1997	University of South Dakota Old Main Building Renovation	2,463,000
Series 1998A	Conservation Reserve Enhancement Program	8,000,000
Series 1999	Board of Regents Renovation/Construction Projects \$3,030,000 DSU \$2,540,000 SDSU \$2,540,000 SDSM&T	
	Refund Series 1992 - \$1,845,000	9,955,000
Series 2000	University of South Dakota Dakota Dome Roof	6,505,000
Series 2002 Special Obligation Taxable Refunding bonds	Refund Series 1988A bonds and Series 1989 certificates	6,825,000
Series 2002	Dakota State University Technology Classroom - \$2,500,000 Black Hills State University Meier Music Hall - \$2,500,000	5,000,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 2003	Refund Series 1993A & B, 1995A, and 1996D bonds	15,785,000
Series 2003A	University of South Dakota Lee Medical School - \$12,500,000 South Dakota School of Mines & Technology Renovate Devereaux Library, Air conditioning Unit - Physical Plant, and campus primary Electrical upgrade - \$2,040,000	
Series 2005 A & B	Refund Series 1997 bonds - \$2,320,000 Office of Attorney General and Department of Public Safety DCI Crime Lab Building	16,860,000 12,635,000
Series 2005 C	Northern State University Technology Classroom Building – \$7,000,000 Refund portion of the Series 1999 & 2000 Bonds – \$10,125,000	17,125,000
Series 2006A	University Center – Sioux Falls Center for Graduate Education and Applied Research (GEAR - \$2,000,000 Game, Fish & Parks fish hatcheries improvements - \$10,000,000 Refund portion of Series 1996C bonds - \$4,265,000	16,265,000
Series 2006 B & C	Refund portion of Series 1996A	25,855,000
Series 2007	South Dakota State University Shepard Hall/New Science Building – \$24,000,000 University Center – Sioux Falls New Classroom Building – \$7,700,000 University of South Dakota School of Business – \$5,400,000 Slagle Hall Renovation – \$4,600,000 Various Maintenance and Repair Projects – \$8,590,000 Custer State Park Improvements Projects – \$5,110,000	
Series 2008	Custer State Park Camping Cabins – \$840,000 Black Hills State University New Science Center – 8,034,361 Dakota State University Habeger Science Center Renovation – 6,005,750 Northern State University Mewalt/Jensen – Krikac Renovation – 2,687,171 South Dakota School of Mines & Technology Chemistry/Bio-Engineering Building – 17,859,804 Paleontology Building – 7,024,922 South Dakota State University Agriculture Hall Renovation – 7,962,629 Dairy Microbiology Building Renovation – 8,214,225 University of South Dakota Akeley Lawrence Science Center Renovation – 5,228,094 Churchill/Haines Building Renovation – 6,714,341 Pardee Lab Renovation – 3,771,432	56,240,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 2008 (continued)	Custer State Park Improvements Projects – 2,182,271	75,685,000
Series 2009 Taxable Build America Bonds	University Center – Rapid City Classroom & Campus	13,585,000
Series 2010A Taxable Build America Bonds	Black Hills State University Woodburn Hall Renovation – 5,400,000 Dakota State University Infrastructure Renovation – 3,000,000 Northern State University Graham and Lincoln Hall Renovation – 3,000,000	11,400,000
Series 2010B Taxable Recovery Zone Economic Development Bonds	University Center – Sioux Falls New Classroom Building – 8,970,000 Human Services Center New Dietary Building – 5,630,000	14,600,000
Series 2010C Taxable Bonds	Custer State Park Improvements	3,875,000
Series 2010D	Refund remaining portion of Series 1999	1,065,000
Series 2011	Various Maintenance and Repair Projects	12,880,000
Series 2011A	Refund a portion of Series 2002 and 2003A	6,925,000
Series 2012A	Refund remaining Series 2003A bonds	9,740,000
Series 2013B	Black Hills State University Infrastructure – 4,000,000 Jonas Science Center Renovation – 1,250,000 Dakota State University – Energy Efficiency and ADA Compliance – 1,275,000 Northern State University – Street Improvements – 600,000 Johnson Fine Arts Center – 5,000,000 South Dakota School of Mines & Technology – Utility Infrastructure – 2,740,000 South Dakota State University Utility Tunnel/Condensate Infrastructure Repair and modernization – 7,000,000 Headhouse & Greenhouse – 1,000,000 Architecture, Math & Engineering Building – 10,000,000 Cow/Calf Research Facility – 2,900,000 University of South Dakota – Mechanical Overhaul & Modernization – 8,000,000 Science, Health & Research Lab Building – 8,695,000 Sports Complex – 12,780,395 Patterson Hall – 6,500,000	67,340,000
Series 2013C Taxable Bonds	University of South Dakota – Sports Complex	10,000,000
Series 2013D Taxable Bonds	Department of Game, Fish & Parks – Angostura Recreation Area – 1,500,000 Cedar Shores Stabilization Project – 3,000,000	4,500,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 2014A	Board of Regents – SDSU Football Stadium – 33,910,000	
	Department of Game, Fish & Parks – Good Earth and Custer State Park Visitor Centers – 1,910,000	35,820,000
Series 2014B	Refund Series 2005C new money portion	5,250,000
Series 20014C	Refund Series 2005C refunding portion	7,180,000
Taxable Bonds		
Series 2014D	Refund Series 2006A	7,505,000
Series 2014E	Refund Series 2007	35,455,000
Series 2014F	Refund Series 2007	8,000,000
Taxable Bonds		
Series 2015A	Custer State Park	
Taxable Bonds		<u>11,500,000</u>
		<u>\$ 1,208,205,501</u>