

SOUTH DAKOTA BUILDING AUTHORITY

2017 ANNUAL REPORT

SOUTH DAKOTA BUILDING AUTHORITY

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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Dennis Daugaard
Governor of South Dakota

and

Board of Directors
South Dakota Building Authority

We have audited, in accordance with the 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, the 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, 2017, and the related notes to the financial statements, which collectively comprise the SDBA's basic financial statements, and have issued our report thereon dated October 2, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the SDBA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SDBA's internal control. Accordingly, we do not express an opinion on the effectiveness of the SDBA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the SDBA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.



Martin L. Guindon, CPA
Auditor General

October 2, 2017



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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, 2017, 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, 2017, 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 9–12 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 are the responsibility of management and were derived from and relate 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 2, 2017 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 solely 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 the effectiveness of the SDBA's 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 the SDBA's internal control over financial reporting and compliance.



Martin L. Guindon, CPA
Auditor General

October 2, 2017

MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2017

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, 2017 (FY 2017). 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, 2017

(continued)

Financial Highlights: (See Changes in Assets, Liabilities and Net Position table below)

- Total assets of the Authority increased \$40.2 million or 13.3%.
- Total liabilities of the Authority increased \$42.9 million or 13.7%.
- Net position of the Authority decreased \$3.1 million or 42.8%.
- Cash and cash equivalents of the Authority increased \$48.7 million or 90.0%.
- Amounts due from State increased \$3.7 million or 1.6%.
- Current and Noncurrent Bonds and certificates payable increased \$48.3 million or 15.8%.
- Construction in progress decreased \$8.8 million or 75.8%.
- Amounts held for others decreased \$0.6 million or 68.6%.
- Deferred outflows decreased \$0.4 million or 7.4%.

Financial Statement Elements:

Changes in Assets, Liabilities and Net Position

(in thousands of dollars)

	<u>2017</u>	<u>2016</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Assets:				
Cash and cash equivalents	\$ 102,899.5	\$ 54,170.8	\$ 48,728.8	90.0%
Construction in progress	2,819.1	11,650.2	(8,831.1)	(75.8%)
Amounts due from State	234,740.0	231,087.4	3,652.5	1.6%
Interest receivable	1,552.0	4,155.2	(2,603.2)	(62.6%)
Other receivables	0.0	739.1	(739.1)	(100.0%)
Prepaid expenses	0.4	0.4	0.0	0.0%
Total assets	<u>342,011.0</u>	<u>301,803.1</u>	<u>40,207.9</u>	<u>13.3%</u>
Deferred outflows:				
Deferred amounts of refunding of debt	4,700.3	5,077.3	(377.0)	(7.4%)
Liabilities:				
Current bonds & certificates payable,				
net of unamortized premiums	16,198.1	15,427.9	770.2	5.0%
Due to State Agencies	320.5	1,222.9	(902.4)	(73.8%)
Amounts held for others	280.0	891.6	(611.6)	(68.6%)
Accrued interest payable	1,598.0	4,120.2	(2,522.2)	(61.2%)
Unearned Authority fees	140.1	240.7	(100.6)	(41.8%)
Accounts payable	1.0	1,190.4	(1,189.4)	(99.9%)
Noncurrent bonds & certificates payable,				
net of unamortized premiums	<u>338,571.8</u>	<u>291,066.2</u>	<u>47,505.6</u>	<u>16.3%</u>
Total liabilities	<u>357,109.5</u>	<u>314,159.9</u>	<u>42,949.6</u>	<u>13.7%</u>
Restricted net position	9,980.0	5,265.8	4,714.2	89.5%
Unrestricted net position	<u>(20,378.2)</u>	<u>(12,545.3)</u>	<u>(7,832.9)</u>	<u>(62.4%)</u>
Net position	<u>(\$ 10,398.2)</u>	<u>(\$ 7,279.5)</u>	<u>(\$ 3,118.7)</u>	<u>(42.8%)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017
(continued)

Changes in Revenues, Expenses and Net Position
(in thousands of dollars)

	<u>2017</u>	<u>2016</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Operating revenues:				
Finance income on leases receivable	\$ 11,315.7	\$ 11,874.1	\$ (558.4)	(4.7%)
Fees, charges and other income	705.1	646.1	59.0	9.1%
Total operating revenues	12,020.8	12,520.2	(499.4)	(4.0%)
Operating expenses:				
Administrative costs	573.8	509.0	64.8	12.7%
Interest expense	12,911.4	13,306.2	(394.8)	(3.0%)
Cost of issuance expense	401.7	188.3	213.4	113.3%
Total operating expenses	13,886.9	14,003.5	(116.6)	(0.8%)
Operating loss	(1,866.1)	(1,483.3)	(382.8)	(25.8%)
Total non-operating (expenses)	(1,252.6)	(5,942.2)	4,689.6	78.9%
Special items: Receipt from State for future debt service	0.0	3,011.1	(3,011.1)	(100.0%)
Change in net position	(3,118.7)	(4,414.4)	1,295.7	29.4%
Ending net position	(\$ 10,398.2)	(\$ 7,279.5)	(\$ 3,118.7)	(42.8%)

Analysis:

For FY 2017, the Authority entered into new leases for new construction projects causing the actual cash held in the State Investment Council to significantly increase as a result of the new construction funds in FY 2017. The decrease in net position of \$3.1 million was primarily due to the following: \$8.8 million decrease in Construction in Progress put into service of which \$1.7 million was expensed over the Amounts Due From State and \$63.1 million was received in fiscal year 2017 from the issuance of new bonds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(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 June 6, 2017, issued the Series 2017A Revenue bonds in the amount of \$57,210,000 to finance the Animal Industry Board's Animal Disease Research and Diagnostics Lab Project, the Board of Regents SDSU Performing Arts Center project and refund a portion of the Series 2008 bonds.

The Authority paid at maturity bonds and certificates totaling \$14.3 million in fiscal year 2017.

The Authority's bonds are rated AA+ by Standard and Poor's, Aa1 by Moody's Investor Service and AA+ by Fitch Rating.

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 decrease in average daily cash on hand held by the Authority compared to the prior year resulted in a decrease 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, 2017

Assets:

Current assets:

Cash and cash equivalents:

Restricted Held by South Dakota Investment Council	\$ 101,315,110
Unrestricted Held by South Dakota Investment Council	1,485,864
Held by paying agent	<u>98,482</u>
Total cash and cash equivalents	102,899,456

Amounts due from State – short-term	11,471,667
Lease interest receivable	1,487,242
Interest receivable on investments	64,741
Prepays	<u>435</u>

Total current assets	115,923,541
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Noncurrent assets:

Construction in progress	2,819,087
Amounts due from State – long-term	<u>223,268,333</u>

Total noncurrent assets	<u>226,087,420</u>
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Total assets	<u>342,010,961</u>
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Deferred outflows of resources:

Deferred amounts from refunding of debt	<u>4,700,343</u>
Total deferred outflows of resources	<u>4,700,343</u>

Liabilities:

Current liabilities:

Bonds payable, net of unamortized premiums	16,198,057
Due to State Agencies	320,536
Amounts held for others	280,000
Accrued interest payable	1,598,026
Accounts payable	1,041
Unearned Authority fees	<u>140,043</u>

Total current liabilities	18,537,703
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Noncurrent liabilities:

Bonds payable, net of unamortized premiums	<u>338,571,797</u>
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Total noncurrent liabilities	<u>338,571,797</u>
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Total liabilities	<u>357,109,500</u>
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Net position:

Restricted net position	9,979,986
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Unrestricted net position	<u>(20,378,182)</u>
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Total net position	<u>(\$ 10,398,196)</u>
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SOUTH DAKOTA BUILDING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2017

Operating revenues:	
Finance income on lease receivables	\$ 11,315,662
Fees, charges, and other	<u>705,162</u>
Total operating revenues	<u>12,020,824</u>
Operating expenses:	
Administrative costs	573,777
Interest expense	12,911,381
Cost of Issuance expense	<u>401,682</u>
Total operating expenses	<u>13,886,840</u>
Operating loss	(1,866,016)
Non-operating revenues/(expenses):	
Investment income	4,798
Contributions to State	(276,819)
Other income	676,940
Amounts paid for projects previously removed from Construction in Progress	<u>(1,657,557)</u>
Total non-operating revenues and expenses	<u>(1,252,638)</u>
Change in net position	(3,118,654)
Net position at beginning of year	<u>(7,279,542)</u>
Net position at end of year	<u>(\$ 10,398,196)</u>

See Notes to Financial Statements

SOUTH DAKOTA BUILDING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2017

Cash flows from operating activities:	
Receipts for fees	\$ 604,489
Payment for general expenses	(573,240)
Net cash provided by operating activities	<u>31,249</u>
Cash flows from capital and related financing activities:	
Proceeds from bonds	57,210,000
Premiums on bonds	7,977,014
Payments to escrow	(1,488,168)
Payments for bond issuance costs	(401,682)
Receipts for leases	12,713,320
Receipts for interest income on leases	13,845,643
Principal paid on bonds and certificates	(14,278,320)
Interest payments on bonds and certificates	(16,201,352)
Payments for construction of buildings	(10,254,732)
Net cash provided by capital and related financing activities	<u>49,121,723</u>
Cash flows from noncapital financing activities:	
Payments to state agencies	(1,051,140)
Received from IRS for interest payments	676,940
Net cash used for noncapital financing activities	<u>(374,200)</u>
Cash flows from investing activities:	
Receipts for investment income	(50,061)
Net cash used for investing activities	<u>(50,061)</u>
Net increase in cash and cash equivalents during the fiscal year	48,728,711
Cash and cash equivalents at beginning of year	<u>54,170,745</u>
Cash and cash equivalents at end of year	<u><u>\$ 102,899,456</u></u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	(\$ 1,866,016)
Adjustments to reconcile operating loss	
Receipts for leases	(12,713,320)
Receipts for interest income on leases	(13,845,643)
Admin Fees – 2010B & 2008	(100,673)
Cost of issuance expense	401,682
Premium amortization	(1,173,321)
Interest expense	13,679,141
Amortized deferred amount of refunding	405,561
Decrease/(increase) in assets:	
Amounts due from State	13,324,920
Interest receivable	2,529,981
Increase/(decrease) in liabilities:	
Accounts payable	537
Amounts held for others	(611,600)
Total adjustments	<u>1,897,265</u>
Net cash provided by operating activities	<u><u>\$ 31,249</u></u>
Summary of Noncash Transactions	
Increase of amounts due from State (Asset) for projects completed	\$ 15,833,123
Reduction of construction in progress (Asset) for projects completed	(16,977,443)
Reduction of amounts held for others (Liability) for projects completed	1,144,320

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. 72. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Cash and Cash Equivalents: For purposes of reporting cash flows, the Authority defines cash and cash equivalents as investments with original maturities of ninety days or less and any participating funds in the State's internal investment pool held by the State Treasurer. The amount held in the State's internal investment pool is reported at fair value. The Authority essentially has on demand access to the entire amount of cash in the internal investment pool.

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, 2017, is as follows:

Restricted Net Position	<u>\$9,979,986</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 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. On the Statement of Cash Flows, activity associated with the construction of leased assets, including the associated debt and lease payments, is reported as cash flows from capital and related financing activities.

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. The Series 2006 B and C bonds were paid in full on June 1, 2013.

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 Series 1996A bonds were paid in full on December 1, 2016. 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").

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 Paying Agent (the "Paying Agent"). 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. The Series 1991A Certificates were paid in full on December 1, 2016.

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 Paying Agent 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 Paying Agent (the "Paying agent"). 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 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.

The Authority has sold and assigned the right to receive the Rental Payments to the Paying Agent. 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.

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 Paying Agent

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, 2017, consist of the following:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and Investments managed by the South Dakota Investment Council	\$ 102,852,962	\$ 102,800,974
Cash and Investments held by the Paying Agent	98,482	98,482
	<u>\$ 102,951,444</u>	<u>\$ 102,899,456</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, 2017, 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, 2017, is as follows:

Agency	Related Bond Issues	Lease Bonds	
Board of Regents	2005C Revenue Bond	\$ 11,816,278	
	2006A Revenue Bond	1,573,641	
	2007 Revenue Bond	48,865,850	
	2009 Revenue Bond	17,301,347	
	2010 A, B & D Revenue Bond	25,872,837	
	2011 Revenue Bond	10,584,200	
	2011A Revenue Bond	7,115,950	
	2012A Revenue Bond	8,788,751	
	2013 B & C Revenue Bond*	110,889,573	
	2014A Revenue Bond	55,270,100	
	2015B Revenue Bonds	17,750,400	
	2017A Revenue Bonds*	19,966,729	
	Department of Game, Fish and Parks	2006A Revenue Bond	7,831,084
		2007 Revenue Bond	4,342,750
2008 Revenue Bond		1,851,600	
2010 C & D Revenue Bond		4,681,184	
2013D Revenue Bond*		6,933,834	
2014A Revenue Bond		2,173,250	
Animal Industry Board	2015A Revenue Bond	12,856,191	
	2017A Revenue Bonds*	<u>73,074,722</u>	
Total Minimum Lease Payments		449,540,271	
Less: Amount representing interest		<u>(156,275,271)</u>	
Present Value of Lease Payments representing principal		293,265,000	
Net of amount in Construction in Progress, Amounts Held for Others and Construction Funds representing principal		<u>(58,525,000)*</u>	
Present Value of Lease Payments representing principal		<u>\$ 234,740,000</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, 2017:

Year Ending June 30	Lease Bonds		Total
	Principal	Interest	
2018	\$ 13,120,000	\$ 13,884,172	\$ 27,004,172
2019	13,335,000	13,455,612	26,790,612
2020	13,890,000	12,882,853	26,772,853
2021	13,820,000	12,286,256	26,106,256
2022	14,440,000	11,657,573	26,097,573
2023-2027	79,235,000	47,683,119	126,918,119
2028-2032	71,325,000	29,249,873	100,574,873
2033-2037	52,330,000	13,188,929	65,518,929
2038-2042	21,770,000	1,986,884	23,756,884
	<u>\$ 293,265,000</u>	<u>\$ 156,275,271</u>	<u>\$ 449,540,271</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, 2017.

Series	Final Maturity Date	Percent Interest Rate	Balance 6/30/16	Issued	Retired	Balance 6/30/17	Due Within 1 Year
Lease Bonds:							
2006A	2016		\$ 565,000	\$ -	\$ 565,000	\$ -	\$ -
2008	2033	4.25-5.0	33,855,000	-	2,815,000	31,040,000	1,345,000
2009	2034	5.72-6.76	10,855,000	-	425,000	10,430,000	440,000
2010A	2027	3.95-5.65	7,785,000	-	665,000	7,120,000	680,000
2010B	2035	3.95-6.20	13,565,000	-	190,000	13,375,000	195,000
2010C	2031	4.28-5.85	3,190,000	-	150,000	3,040,000	160,000
2010D	2019	3.0-3.25	470,000	-	125,000	345,000	130,000
2011	2026	3.0-5.0	9,395,000	-	790,000	8,605,000	815,000
2011A	2026	3.0-5.0	6,265,000	-	235,000	6,030,000	240,000
2012A	2028	1.5-5.0	7,590,000	-	740,000	6,850,000	745,000
2013B	2038	4.0-5.0	67,340,000	-	-	67,340,000	25,000
2013C	2018	2.197	4,475,000	-	2,230,000	2,245,000	2,245,000
2013D	2038	2.197-5.769	4,200,000	-	120,000	4,080,000	125,000
2014A	2039	4.0-5.0	35,615,000	-	935,000	34,680,000	965,000
2014B	2029	5.0	5,250,000	-	-	5,250,000	-
2014C	2020	1.25-2.4	5,575,000	-	1,260,000	4,315,000	1,275,000
2014D	2026	4.5-5.0	7,415,000	-	-	7,415,000	590,000
2014E	2032	4.0-5.0	32,360,000	-	1,625,000	30,735,000	1,700,000
2014F	2032	2.05-4.7	7,970,000	-	430,000	7,540,000	435,000
2015A	2030	1.428-4.013	10,845,000	-	660,000	10,185,000	665,000
2015B	2040	4.0-5.0	10,665,000	-	250,000	10,415,000	255,000
2017A	2042	3.0-5.0	-	57,210,000	-	57,210,000	1,675,000
Sale Leaseback bonds:							
1996A	2016		1,223,320	-	1,223,320	-	-
State Lease Revenue Trust Certificates:							
1991A	2016		280,000	-	280,000	-	-
	Total		<u>\$ 286,748,320</u>	<u>\$57,210,000</u>	<u>\$15,713,320</u>	<u>\$328,245,000</u>	<u>\$ 14,705,000</u>

The bonds at June 30, 2017, are payable as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Lease Bonds			
2018	\$ 14,705,000	\$ 15,541,598	\$ 30,246,598
2019	14,950,000	15,083,776	30,033,776
2020	15,530,000	14,472,815	30,002,815
2021	15,510,000	13,831,164	29,341,164
2022	16,195,000	13,130,264	29,325,264
2023-2027	89,395,000	53,599,246	142,994,246
2028-2032	84,265,000	32,252,375	116,517,375
2033-2037	55,925,000	13,433,660	69,358,660
2038-2042	<u>21,770,000</u>	<u>1,986,884</u>	<u>23,756,884</u>
Total	328,245,000	<u>173,331,782</u>	<u>501,576,782</u>
Add: unamortized premiums	<u>26,524,854</u>		
Total Bonds			
- Net of Amortization	<u>\$ 354,769,854</u>		

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 June 6, 2017, the Authority issued \$1,405,000 in Revenue Bonds Series 2017A to refund a portion of the Series 2008 bonds. The refunding portion with an average interest rate of 4.65 percent was used to refund \$1,435,000 of outstanding Series 2008 bonds with an average interest rate of 4.52 percent. The net proceeds of the refunding portion of \$1,488,168 were deposited in an irrevocable trust with an escrow agent to provide for all the future debt service payments on the refunded Series 2008 bonds (after payment of \$17,723 in underwriting fees and other issuance costs and transfer of \$104,700 in savings to the State General Fund). As a result, the refunded Series 2008 bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$28,594. This difference is being charged to operations through fiscal year 2028 using the effective-interest method. The Authority completed the advanced refunding for a net economic gain of \$25,053. The difference between the cash flows of the refunded bonds and the refunding bonds is a \$31,533 reduction in debt service payments, the actual cash amount realized was \$104,700.

Fully defeased bonds not yet paid to bondholders as of June 30, 2017, are as follows:

Bond Issues	Year of Defeasance	Original Amount Defeased
Series 1993A State Lease Revenue Trust Certificates	2014	\$ 9,675,000
Series 2008	2014	27,500,000
Series 2008	2017	1,435,000

The Series 1993A State Lease Revenue Trust Certificates will mature on September 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 \$102,800,974 of South Dakota Building Authority funds on June 30, 2017, of which \$63,256,735 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 as of June 30, 2017, no arbitrage rebate obligations exist.

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Note 11. Construction in Progress

Land and buildings under construction for other governmental agencies as of June 30, 2017:

Construction in Progress as of June 30, 2016: \$11,650,157

Construction payments in FY-17:

Series 2013B	638,321
Series 2013D	51,150
Series 2014A GFP	982,702
Series 2015B	<u>8,582,558</u>

Total construction payments in FY-17 10,254,731

Construction completed and transferred to Amounts due
from State and Amounts held for Others in FY-17:

Series 2013B	(5,275,000)
Series 2014A GFP	(1,320,000)
Series 2015B	<u>(12,040,000)</u>

Total construction completed and transferred to Amounts due
from State and Amounts held for Others in FY-17 (18,635,000)

Accounts Receivable – June 30, 2016 739,064

Accounts Receivable – June 30, 2017 -

Accounts Payable – June 30, 2016 (1,189,865)

Accounts Payable – June 30, 2017 -Construction in Progress as of June 30, 2017: \$ 2,819,087

SUPPLEMENTARY INFORMATION

**SOUTH DAKOTA BUILDING AUTHORITY
SCHEDULE OF CASH AND INVESTMENTS
June 30, 2017**

Project	Cash and Investments (at Cost)
Lease Program	
Debt Service Fund	\$ 319,290
Series 2000 Debt Service Fund	1,576
Series 2010B HSC Debt Service Fund	5,457,652
Series 2013D Department of Game, Fish & Parks	156,734
Series 2017A Animal Industry Board	50,100,000
Series 2017A Board of Regents	13,000,000
Series 2008 BOR Debt Service Fund	<u>32,600,723</u>
Total Lease Program	<u>101,635,975</u>
Operating Fund	897,216
HB 1206 Cost of Issuance	3,518
Series 2017A Cost of Issuance	94,964
State Investment Council interest	<u>319,771</u>
Total	<u>\$102,951,444</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, 2017

S.D.B.A. administrative expenses

Insurance – Property & performance bond	\$ 284,308
South Dakota Health and Educational Facilities Authority – administrative fees	156,019
Paying agent fees	22,500
Audit fees	22,284
Travel	19,634
Directors and Officers insurance	19,231
Moody’s rating agency fee	18,000
Legal Fees	11,999
Rent	9,084
Rebate computation expense	3,025
Office expense	2,339
Other	1,474
Capital purchases	1,463
Utilities	1,200
Telephone	830
Board member per diem and taxes	<u>387</u>
Total administrative expenses	<u>\$ 573,777</u>

SUPPLEMENTARY INFORMATION

SOUTH DAKOTA BUILDING AUTHORITY

SCHEDULE OF PROJECTS FINANCED

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 1969A	Northern State University - 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	Black Hills State University - Library - 1,581,500 Yankton State Hospital - 875,000	2,456,500
Series 1975 Jan	South Dakota School of Mines & Technology - Physical Education Center	2,600,000
Series 1975A	South Dakota State University - Animal Science Center - 1,600,000 University of South Dakota - Science Center - 3,600,000	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 University - 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	University of South Dakota - Law School - 4,250,000 South Dakota State University - Pharmacy Addition - 500,000	4,750,000
Series 1980 Mar	South Dakota State University - Horticulture Center	520,000
Series 1980 May	South Dakota State University - Home Management Laboratory	100,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Note 1981 Jan	Department of Game, Fish & Parks - Blue Dog fish hatchery - 3,269,000 Watertown cold storage unit - 130,000	3,399,000
Note 1981 Mar	University of South Dakota - Armory	600,000
Series 1982 Nov	Department of Game, Fish & Parks - Blue Dog fish hatchery - 2,290,000 Watertown cold storage unit - 130,000 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 University - 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	Department of Game, Fish & Parks - Custer State Park	1,200,000
Series 1991B	South Dakota State University - Northern Plains Biostress Lab - 4,895,000 Department of Game, Fish & Parks - Custer State Park - 1,299,500	6,195,000
Series 1991A Lease Revenue Trust	Refunded Series 1986B and 1987A bonds	11,315,000
Series 1991B Lease Revenue Trust	Refunded Series 1988A and 1989 certificates	16,030,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 1992 Jul	Conservation Reserve Enhancement Program	2,591,000
Series 1992	Department of Human Services - Human Services Center - 33,075,000	
	Department of Game, Fish & Parks - Custer State Park - 1,500,000	
	South Dakota State University - Northern Plains Biostress Lab - 230,000	34,805,000
Series 1992 Dec	Conservation Reserve Enhancement Program	223,500
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	South Dakota State University - Animal Diagnostics Laboratory - 5,400,000	
	Department of Game, Fish & Parks - Custer State Park - Sylvan Lake store, preliminary engineering study, conference center and additional lodging units at State Game Lodge - 200,000	5,600,000
Series 1993A	Lease Revenue Trust Refund Series 1992 bonds	33,075,000
Series 1993B	Lease Revenue Trust Refund Series 1987B bonds	11,310,000
Series 1994A	Department of Health - State Health Lab - 7,100,000	
	Department of Game, Fish & Parks - Custer State Park - Legion Lake store - 425,000	7,525,000
Note 1995	Northern State University - Barnett Center Beulah Williams Library	4,500,000
Series 1995A	Refund 1995 Note - \$4,500,000 Board of Regents maintenance and repair projects - 7,450,000	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	Department of Game, Fish & Parks - Sioux Falls Outdoor Learning Skills Center	2,500,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 1997	University of South Dakota - Old Main Building renovation	2,463,000
Series 1998A	Conservation Reserve Enhancement Program	8,000,000
Series 1999	Dakota State University - 3,030,000 South Dakota State University - 2,540,000 South Dakota School of Mines & Technology - 2,540,000 Refunded 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
Series 2003	Refund Series 1993A, 1993B, 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 - Deveraux Library renovation, air conditioning unit - Physical Plant, and campus primary electrical system upgrade - 2,040,000 Refund Series 1997 bonds - 2,320,000	16,860,000
Series 2005A	Office of Attorney General and Department of Public Safety - DCI Crime Lab Building	4,500,000
Series 2005B	Office of Attorney General and Department of Public Safety - DCI Crime Lab Building	8,135,000
Series 2005C	Northern State University - Mewalt/Jensen Technology Center - 7,000,000 Refund portion of Series 1999 and 2000 bonds - 10,125,000	17,125,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 2006A	University Center Sioux Falls - Center for Graduate Education and Applied Research (GEAR) - 2,000,000	
	Department of Game, Fish & Parks - fish hatcheries improvements - 10,000,000	
	Refund portion of Series 1996C bonds - 4,265,000	16,265,000
Series 2006B	Refund portion of Series 1996A bonds	24,650,000
Series 2006C Taxable	Refund portion of Series 1996A bonds	1,205,000
Series 2007	South Dakota State University - Shepard Hall/Science Building - 24,000,000	
	University Center Sioux Falls - New Classroom Building - 7,000,000	
	University of South Dakota - School of Business - 5,400,000 Slagle Hall renovation - 4,600,000	
	Maintenance and repair projects - 8,590,000	
	Department of Game, Fish & Parks - Custer State Park improvements - 5,110,000 Custer State Park Camping Cabins - 840,000	56,240,000
Series 2008	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 Building renovation - 2,687,171	
	South Dakota School of Mines & Technology - Chemical and Biological Engineering/Chemistry Building - 17,859,804 Paleontology Building - 7,024,922	
	South Dakota State University - Agricultural Hall renovation - 7,962,629 Dairy Microbiology Building renovation - 8,214,225	
	University of South Dakota - Akely Lawrence Science Center renovation - 5,228,094	

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 2008 (cont.)	Churchill Haines Building Renovation - 6,714,341 Pardee Lab renovation - 3,771,432 Department of Game, Fish & Parks - Custer State Park improvements - 2,182,271	75,685,000
Series 2009 Taxable		
Build America Bonds	University Center Rapid City	13,585,000
Series 2010A Taxable	Black Hills State University - Recovery Zone Economic Development Bonds	
	Woodburn Hall renovation - 5,400,000 Dakota State University - Infrastructure improvements - 3,000,000 Northern State University - Graham Hall and Lincoln hall renovation - 3,000,000	11,400,000
Series 2010B Taxable	University Center Sioux Falls - Build America Bonds	
	Classroom Building - 8,970,000 Department of Human Services - Human Services Center Dietary Building - 5,630,000	14,600,000
Series 2010C Taxable	Department of Game, Fish & Parks - Custer State Park improvements	3,875,000
Series 2010D	Refund Series 1999 bonds	1,065,000
Series 2011	Black Hills State University - chiller upgrade - 1,164,804 Northern State University - Krikac renovation, Spafford Hall air conditioning, and electrical loop - 1,459,898 South Dakota State University - central heating plant - 5,632,287 University of South Dakota - water, sewer, electrical loop, heating boilers and Delzell electrical and mechanical infrastructure upgrade - 4,623,011	12,880,000
Series 2011A	Refund Series 2002 and a portion of Series 2003A bonds	6,925,000
Series 2012A	Refund remaining Series 2003A bonds	9,740,000

	<u>Project</u>	<u>Amount</u>
Series 2013B	Black Hills State University - infrastructure - 3,754,649 Jonas Science Center renovation - 1,173,328	
	Dakota State University - energy efficiency and ADA compliance - 1,196,794	
	Northern State University - street improvements - 563,197 Johnson Fine Arts Center - 4,693,311	
	South Dakota School of Mines & Technology - utility infrastructure - 2,571,935	
	South Dakota State University - utility tunnel/condensate infrastructure repair and modernization - 6,570,636 Headhouse and Greenhouse - 938,662 Architecture, Mathematics and Engineering Building - 9,386,622 Cow/Calf Research Facility - 2,722,121	
	University of South Dakota - mechanical overhaul and modernization - 7,509,298 Science , Health and Research Lab Building - 8,161,668 Sports Complex - 11,996,474 Patterson Hall renovation - 6,101,305	67,340,000.00
Series 2013C Taxable	University of South Dakota - Sports Complex	10,000,000.00
Series 2013D Taxable	Department of Game, Fish & Parks - Angostura Recreation Area - 1,500,000 Cedar Shores stabilization project - 3,000,000	4,500,000.00
Series 2014A	South Dakota State University - football stadium - 33,757,068	
	Department of Game, Fish & Parks - Good Earth visitor center - 1,237,759 Custer State Park visitor center - 825,173	35,820,000
Series 2014B	Refund Series 2005C bonds - new money portion	5,250,000
Series 2014C Taxable	Refund Series 2005C bonds - refunding portion	7,180,000
Series 2014D	Refund Series 2006A bonds	7,505,000
Series 2014E	Refund Series 2007 bonds	35,455,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
Series 2014F Taxable	Refund Series 2007 bonds	8,000,000
Series 2015A Taxable	Department of Game, Fish & Parks - Custer State Park improvements	11,500,000
Series 2015B	Dakota State University - Information Systems Building - 5,421,927	
	South Dakota School of Mines & Technology - Chemical and Biological Engineering/Chemistry Building - 5,458,073	10,880,000
Series 2017A	Animal Industry Board - Animal Disease Research & Diagnostics Lab - 44,305,000	
	South Dakota State University - Performing Arts Center - 11,500,000	
	Refund Series 2008 - 1,405,000	<u>57,210,000</u>
	Total amount of bonds issued	<u><u>\$1,276,295,501</u></u>
	Total number of bonds issued	<u>90</u>

