

TECHNICAL EDUCATION

ANNUAL CERTIFICATE OF NO DEFAULT AND DEBT SERVICE COVERAGE

AS OF FEBRUARY 1, 2024

(All capitalized terms shall have the meaning assigned in the Collection Agreement)

Pursuant to Section 8 of the Amended and Restated Facility Fee Tuition Collection and Deposit Agreement dated as of September 1, 2008 (the "Collection Agreement"), the undersigned has reviewed all relevant records of the Board of Technical Education with respect to the Bonds and determined that we are not aware of any default. We are projecting Debt Service Coverage as follows:

- (1) Scheduled debt service payments on Bonds through Series 2022 (and any Additional Bonds expected to be issued and requiring debt service payments out of Revenues) for the period from August 1, 2024 through July 31, 2025, is \$6,978,742 and other estimated program expenses for such period are estimated to be \$150,000 for a total of \$7,128,742 (herein, this number is referred to as "**A**").
- (2) Scheduled debt service payments on Bonds through series 2022 (and any Additional Bonds expected to be issued and requiring debt service payments out of Revenues) for the period from August 1, 2025 through July 31, 2026 is \$7,481,135 and other estimated program expenses for such period are estimated to be \$150,000, for a total of \$7,631,136 (herein, this number is referred to as "**B**").
- (3) For the period from the date hereof through January 31, 2026, the Facility Fees, together with the Appropriated Payments and any other Program Revenues are estimated to be as follows:

<u>Revenues</u>	<u>Amounts</u>
Legislative Appropriations (FY 2025)	\$1,884,260
Estimated Appropriations (FY 2026)	\$2,019,907
Indenture Funds (Excluding DSRF) as of 2/1/2024:	
Tuition Subaccount as of 2/1/2024	\$12,662,760

Total Facility Fees from present to January 31, 2026 is estimated to be as follows:

5,825 students @ 30 credits per FTE
\$36 2/1/2024 – 6/30/2024(5 months) \$3,375,731

5,825 students @ 30 credits per FTE
\$36 7/1/2024 – 6/30/2025(12 months) \$6,291,000

5,825 students @ 30 credits per FTE
\$36 7/1/2025 – 1/31/2026(7 months) \$3,669,750

Other Program Revenues through January 31, 2026:

Estimated Interest Earnings
(\$300,000 per year @ two years) \$600,000

Total Projected Available Program Revenues as of January 31, 2026 (herein referred to as "C") \$30,503,408

(4) Debt Service Requirement:

Section 8 of the Collection Agreement requires that:

(C) Minus (A) Divided by (B) \geq 103%.

REQUIRED \geq 103%

Projected Debt Service:

(C) \$30,503,408 Minus (A) \$7,128,742 Divided by (B) \$7,631,136 = 306%.

PROJECTED = 306%

Dated this 23rd day of May, 2024

By: _____

President, South Dakota Board of Technical Education