

TECHNICAL EDUCATION

ANNUAL CERTIFICATE OF NO DEFAULT AND DEBT SERVICE COVERAGE

AS OF FEBRUARY 1, 2021

(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 2015C (and any Additional Bonds expected to be issued and requiring debt service payments out of Revenues) for the period from August 1, 2021 through July 31, 2021, including the full call of Series 2010A and 2010B on June 1, 2021 as a result of Senate Bill 48 of the 2021 Legislative Session, is \$28,350,978 and other estimated program expenses for such period are estimated to be \$150,000 for a total of \$28,500,978 (herein, this number is referred to as "**A**").

(2) Scheduled debt service payments on Bonds through series 2015C (and any Additional Bonds expected to be issued and requiring debt service payments out of Revenues) for the period from August 1, 2022 through July 31, 2023 is \$6,825,731 and other estimated program expenses for such period are estimated to be \$150,000, for a total of \$6,975,731 (herein, this number is referred to as "**B**").

(3) For the period from the date hereof through January 31, 2023, 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 2022)	\$1,861,031
Estimated Appropriations (FY 2023)	\$1,842,947
Indenture Funds (Excluding DSRF) as of 2/1/2021:	
Tuition Subaccount as of 2/1/2021	\$5,114,205
Senate Bill 48 Cash Center for 2010AB Payoff on 6/1/2021	\$21,458,271
IRS Rebates Receivable(Rec'd 3/4/2021)	\$ 325,559

Total Facility Fees from present to January 31, 2023 is estimated to be as follows:

5,840 students @ 30 credits per FTE \$36(5 months)	\$3,271,219
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5,800 students @ 30 credits per FTE \$36(19 months)	\$9,986,400
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Other Program Revenues through January 31, 2023:

Estimated Interest Earnings (\$65,000 per year @ two years)	\$130,000
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IRS Rebates for 6/1/2021, 8/1/2021, 2/1/2022, and 8/1/2022	\$434,421
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Total Projected Available Program Revenues as of January 31, 2023 (herein referred to as "C")	\$44,424,053
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(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) \$44,424,052 Minus (A) \$28,500,978 Divided by (B) \$6,975,731 = 228%.

**PROJECTED = 228%**

Dated this 20th day of May, 2021

By: \_\_\_\_\_

President, South Dakota Board of Technical Education