

TECHNICAL EDUCATION

ANNUAL CERTIFICATE OF NO DEFAULT AND DEBT SERVICE COVERAGE

AS OF FEBRUARY 1, 2019

(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 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, 2019 through July 31, 2020 is \$9,543,972 (includes a full call of Series 2014A per HB 1203 of the 2016 legislative session) and other estimated program expenses for such period are estimated to be \$150,000 for a total of \$9,693,972 (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, 2020 through July 31, 2021 is \$8,572,154 and other estimated program expenses for such period are estimated to be \$150,000, for a total of \$8,722,154 (herein, this number is referred to as "B").
- (3) For the period from the date hereof through January 31, 2021, 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 2020)	\$2,317,668
Estimated Appropriations (FY 2021)	\$2,314,482
Indenture Funds (Excluding DSRF) as of 2/1/2019:	
Tuition Subaccount as of 2/1/2019	\$4,325,515
Session 2016 HB1203 Cash Center Funds for Series 2014A	\$ 960,018

Total Facility Fees from present to January 31, 2021 is estimated to be as follows:

5,881 students @ 30 credits per FTE \$35(5 months)	\$3,073,798
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5,881 students @ 30 credits per FTE \$35(19 months)	\$9,777,163
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Other Program Revenues through January 31, 2021:

Estimated Interest Earnings (\$65,000 per year @ two years)	\$130,000
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IRS Rebates for 8/1/2019, 2/1/2020, and 8/1/2020	\$986,656
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Total Projected Available Program Revenues as of January 31, 2021 (herein referred to as "C")	\$23,885,300
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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) \$23,885,300 Minus (A) \$9,693,973 Divided by (B) \$8,722,154 = 163%. ***PROJECTED = 163%***

Dated this 15th day of May, 2019

By: _____

President, South Dakota Board of Technical Education