

SOUTH DAKOTA BUILDING AUTHORITY



2014 ANNUAL REPORT



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Chairman

James Breckenridge

Douglas Hajek,
Vice Chairman

Dennis Neugebauer

D. J. Mertens,
Secretary

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Executive Secretary

Don A. Templeton

Authority Counsel

Todd Meierhenry
Meierhenry Sargent, L.L.P.
Sioux Falls, South Dakota

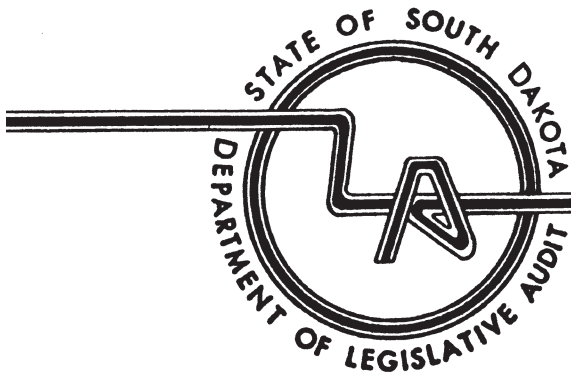
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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

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, a component unit of the State of South Dakota, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the South Dakota Building Authority'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 South Dakota Building Authority as of June 30, 2014, 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.

Adoption of New Accounting Standard

As described in Note 2 to the financial statements, the South Dakota Building Authority adopted the provisions of GASB Statement No. 65, *Items Previously reported as Assets and Liabilities*. The South Dakota Building Authority has restated beginning net position to account for bond issuance costs in accordance with this Statement. Our opinion is not modified with respect to this matter.

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

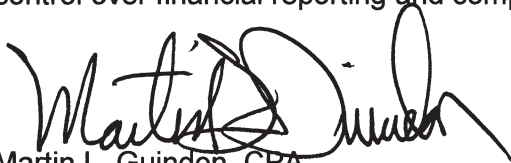
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the South Dakota Building Authority's basic financial statements. The Schedule of Cash and Investments, Schedule of Building Authority Fund Expenses, Schedule of Projects Financed, and Listing of Board Members 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 November 4, 2014 on our consideration of the South Dakota Building Authority'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 the South Dakota Building Authority's internal control over financial reporting and compliance.



Martin L. Guindon, CPA
Auditor General

November 4, 2014

MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2014

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, 2014 (FY 2014). 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.

In addition, the Authority may finance loans to participants in a program of the United States to assist owners and operators of highly-erodible cropland by issuing bonds, pursuant to the powers vested in the Authority.

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 Authority has two separate activities, the Building Authority and the Conservation Reserve Enhancement Program (CREP), which are combined in these financial statements. 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, 2014
(continued)

Financial Highlights:

- Total assets of the Authority increased \$33.5 million or 13.4% (see below tables).
- Total liabilities of the Authority increased \$31.5 million or 12.5% (see below tables).
- Net position of the Authority increased \$1.9 million or 162.4% (see below tables).
- Cash and cash equivalents of the Authority increased \$81.6 million or 3,092.5% (see below tables).
- Amounts due from State decreased \$48.6 million or 22.2% (see below tables).
- Bonds payable increased \$26.7 million or 11.2% (see below tables).
- Construction in progress increased \$2.8 million or 18.5% (see below tables).
- Amounts held for others decreased \$0.2 million or 14.9% (see below tables).
- Deferred outflows decreased \$0.1 million or 7.7% (see below tables).

Financial Statement Elements:

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

	<u>2014</u>	<u>2013</u> *	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Assets:				
Cash and cash equivalents	\$ 84,238.2	\$ 2,638.6	\$ 81,599.6	3,092.5%
Construction in progress	18,122.1	15,289.0	2,833.1	18.5%
Amounts due from State	170,267.0	218,826.1	(48,559.1)	(22.2%)
Interest receivable	9,634.6	12,049.4	(2,414.8)	(20.0%)
Other assets	0.0	1.8	(1.8)	(100.0%)
Prepaid expenses	15.9	14.8	1.1	7.4%
Total assets	282,277.8	248,819.7	33,458.1	13.4%
Deferred outflows:	1,144.9	1,241.0	(96.1)	(7.7%)
Liabilities:				
Bonds Payable, net of unamortized premiums	264,087.7	237,415.6	26,672.1	11.2%
Due to State Agencies	2,206.5	186.8	2,019.7	1,081.2%
Amounts held for others	1,273.2	1,495.9	(222.7)	(14.9%)
Accrued interest payable	9,471.8	12,021.7	(2,549.9)	(21.2%)
Customer deposits payable	0.0	1.3	(1.3)	(100.0%)
Arbitrage rebate payable	36.1	37.7	(1.6)	(4.2%)
Unearned Authority fees	93.7	0.0	93.7	N/A
Accounts payable	5,537.4	49.7	5,487.7	11,041.6%
Total liabilities	282,706.4	251,208.7	31,497.7	12.5%
Net position	\$ 716.3	(\$ 1,148.0)	\$ 1,864.3	162.4%

* Restated in accordance with GASB #65

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014
(continued)

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

	<u>2014</u>	<u>2013</u> *	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Operating revenues:				
Finance income on leases receivable	\$ 12,484.1	\$ 11,655.0	\$ 829.1	7.1%
Contract interest income	0.8	1.1	(0.3)	(27.3%)
Premium on refunding bonds	472.0	515.5	(43.5)	(8.4%)
Fees, charges and other income	747.0	712.4	34.6	4.9%
Total operating revenues	13,703.9	12,884.0	819.9	6.4%
Operating expenses:				
Administrative costs	501.0	700.3	(199.3)	(28.5%)
Interest expense	13,313.0	12,591.5	721.5	5.7%
Cost of issuance expense	669.7	147.3	522.4	354.7%
Total operating expenses	14,483.7	13,439.1	1,044.6	7.8%
Operating loss	(779.8)	(555.1)	(224.7)	(40.5%)
Total non-operating revenues/(expenses)	970.2	397.2	573.0	144.3%
Special items	1,673.9	0.0	1,673.9	N/A
Change in net position	<u>\$ 1,864.3</u>	<u>(\$ 157.9)</u>	<u>\$ 2,022.2</u>	<u>1,280.7%</u>

* Restated in accordance with GASB #65

Analysis:

For FY 2014, the Authority entered into new leases for new construction projects, as a result, the actual cash held in the State Investment Council significantly increased as a result of adding construction funds in FY 2014. Also a change in GASB required a prior period adjustment to Cost of Issuance balances as the change requires bond issuance costs to be expensed out rather than amortized over the life of the bonds. House Bill 1206 of the 2014 Legislative Session significantly reduced the Amounts due from State and bonds payable by escrowing \$42,840,000 of bonds and certificates. Additionally, House Bill 1206 also reduced Amounts due from State by \$4,965,000 as funds were placed into a debt service fund with the South Dakota Building Authority to make future payments on the Series 2010B bonds.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014
(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 November 14, 2013 issued the Series 2013 B, C & D Revenue bonds in the amount of \$81,840,000 to finance Board of Regents and the Department of Game, Fish & Parks projects.

The Authority paid at maturity bonds totaling \$16.4 million in fiscal year 2014 and escrowed \$42.9 million.

During the 2014 Legislative Session, House Bill 1206 was passed that escrowed the State supported Series 1993A SLB Certificates, Series 2005B bonds and Series 2008 bonds, which resulted in Amounts due from State and bonds payable to be reduced by \$42,840,000. House Bill 1206 also set aside a bond sinking fund to pay the State supported portion of Series 2010B which resulted in Amounts due from State being reduced by \$4,965,000.

The Authority's bonds are rated AA with a positive outlook 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 8, 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, 2014

Assets:

Current assets:

Cash and cash equivalents:

Held by South Dakota Investment Council \$ 84,145,777

Held by trustee 92,388

Total cash and cash equivalents 84,238,165

Amounts due from State – short-term 10,800,601

Lease interest receivable 9,474,242

Interest receivable on investments 160,314

Prepays 15,953

Total current assets 104,689,275

Noncurrent assets:

Construction in progress 18,122,151

Amounts due from State – long-term 159,466,350

Total noncurrent assets 177,588,501

Total assets 282,277,776

Deferred outflows:

Deferred amounts from refunding of debt 1,144,880

Total deferred outflows 1,144,880

Liabilities:

Current liabilities:

Bonds & Revenue Trust Certificates payable,
net of unamortized premiums 13,828,620

Due to State Agencies 2,206,554

Amounts held for others 1,273,259

Accrued interest payable 9,471,767

Accounts payable 5,537,363

Unearned Authority fees 93,677

Arbitrage rebate payable 36,106

Total current liabilities 32,447,346

Noncurrent liabilities:

Bonds & Revenue Trust Certificates payable,
net of unamortized premiums 250,259,041

Total noncurrent liabilities 250,259,041

Total liabilities 282,706,387

Net position:

Restricted net position 6,655,642

Unrestricted net position (5,939,373)

Total net position \$ 716,269

See Notes to Financial Statements

SOUTH DAKOTA BUILDING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2014

Operating revenues:	
Finance income on lease receivables	\$ 12,484,097
Contract interest income	804
Premium amortization	471,971
Fees, charges, and other	<u>746,962</u>
Total operating revenues	<u>13,703,834</u>
Operating expenses:	
Administrative costs	501,010
Interest expense	13,312,995
Cost of Issuance expense	<u>669,658</u>
Total operating expenses	<u>14,483,663</u>
Operating loss	(779,829)
Non-operating revenues/(expenses):	
Investment income	16,683
Contributions to State	(134,532)
Other income	1,226,582
Other expense	<u>(138,501)</u>
Total non-operating revenues and expenses	<u>970,232</u>
Change before special items	190,403
Special items:	
Receipt from State for future debt service	<u>1,673,888</u>
Change in net position	1,864,291
Net position at beginning of year, restated	<u>(1,148,022)</u>
Net position at end of year	<u><u>\$ 716,269</u></u>

See Notes to Financial Statements

SOUTH DAKOTA BUILDING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2014

Cash flows from operating activities:	
Receipts for leases	\$ 16,403,706
Receipts for interest income on leases	15,031,729
Receipts for fees	745,712
Payment for general expenses	<u>(535,776)</u>
Net cash provided by operating activities	<u>31,645,371</u>
Cash flows from capital and related financing activities:	
Payments for construction of buildings	<u>(13,291,173)</u>
Net cash used for capital and related financing activities	<u>(13,291,173)</u>
Cash flows from noncapital financing activities:	
Proceeds from bonds	81,840,000
Received from State for HB 1206	57,793,613
Payment to escrow fund	(49,524,685)
Received from IRS for interest payments	716,687
Principal paid on bonds	(16,394,550)
Interest payments on bonds	(15,766,598)
Payments to state agencies	(277,924)
Premiums on bonds	4,944,922
Payments for bond issuance costs	<u>(669,658)</u>
Net cash provided by noncapital financing activities	<u>62,661,807</u>
Cash flows from investing activities:	
Receipts for investment income	<u>583,575</u>
Net cash provided by investing activities	<u>583,575</u>
Net increase in cash and cash equivalents during the fiscal year	81,599,580
Cash and cash equivalents at beginning of year	<u>2,638,585</u>
Cash and cash equivalents at end of year	<u>\$ 84,238,165</u>
Reconciliation of operating loss to net cash used for operating activities	
Operating loss	\$ (779,829)
Adjustments to reconcile operating loss	
Amortization	669,658
Premium amortization	(471,971)
Interest expense	13,216,611
Amortized deferred amount of refunding	98,037
Decrease/(increase) in assets:	
Amounts due from State	16,719,605
Interest receivable	2,546,828
Prepaid expenses	(1,133)
Other Assets	1,802
Increase/(decrease) in liabilities:	
Accounts payable	(41,662)
Amounts held for others	(310,922)
Arbitrage rebate payable	<u>(1,653)</u>
Total adjustments	<u>32,425,200</u>
Net cash provided by operating activities	<u>\$ 31,645,371</u>
Summary of Noncash Transactions	
Increase of amounts due from State (Asset) for projects completed	\$ 14,469,236
Reduction of construction in progress (Asset) for projects completed	(15,965,158)
Reduction of amounts held for others (Liability) for projects completed	1,495,922

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.

In addition, the Authority may finance loans to participants in a program of the United States to assist owners and operators of highly-erodible cropland in conserving and improving the soil and water resources of their farms or ranches within the state and may, for the purpose of financing such loans, issue revenue bonds or interim notes, pursuant to the powers vested in the Authority.

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 has two separate 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.

Conservation Reserve Enhancement Program (CREP) - The CREP funds account for the activity of the Conservation Reserve Enhancement Program, (See Note 5).

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.

Each fund 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 Agreement provides 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, 2014, is as follows:

Restricted Net Position	<u>\$6,655,642</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.

Recent Accounting Pronouncements: In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which resulted in a reclassification of some financial statement line items on the balance sheet of governments. The objective of this statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as expenses or revenues, such as debt issuance costs, fees and costs associated with mortgage banking activities, lending activities and loan purchases. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2012. Accounting changes adopted to conform to the provisions of this Statement were applied retroactively by restating financial statements for all periods presented. For the year ended June 30, 2014, the Authority implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement resulted in the establishment of categories outside of assets and liabilities titled deferred outflows and deferred inflows. This statement also resulted in a restatement to the beginning net position on the statement of activities of \$2,359,561 to remove bond cost of issuances no longer required to be amortized.

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.

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.

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.

Leases under which Rental Payments are to be assigned to the Trustee are between the Authority and the Department of Human Services of the State and the Board of Regents.

Note 5. Conservation Reserve Enhancement Program (CREP)

South Dakota's Conservation Reserve Enhancement Program was designed to provide for the Authority, using its bonding authority, to advance to Conservation Reserve Program (CRP) participants a one-time lump sum of money representing a certain present value percentage of their remaining CRP payments. In order to obtain this advance, CRP participants have to enter into Successor-in-Interest Agreements with the Authority so that 100% of their remaining CRP payments are made by Commodity Credit Corporation of the United States Department of Agriculture to the Authority.

The Conservation Reserve Enhancement Program was closed out in fiscal year 2014. The assets and liabilities were written off and the remaining cash balance in the Administrative fund was transferred to the South Dakota Building Authority to close out this program.

Note 6. 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, 2014 consist of the following:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and Investments managed by the South Dakota Investment Council	\$ 83,974,411	\$ 84,145,777
Cash and Investments held by the Trustee	<u>92,388</u>	<u>92,388</u>
	<u>\$ 84,066,799</u>	<u>\$ 84,238,165</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, 2014, none of the Authority's deposits were exposed to custodial credit risk.

Note 7. 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, 2014 is as follows:

Agency	Related Bond Issues	Lease Bonds	Sale Leaseback and State Lease Revenue Trust
Health Department	2006A Revenue Bond	\$ 376,199	\$ -
Board of Regents	2003 Revenue Bond	685,017	-
	2005C Revenue Bond	16,639,709	-
	2006A Revenue Bond	2,275,109	-
	2007 Revenue Bond	59,346,425	-
	2008 Revenue Bond	53,584,275	-
	2009 Revenue Bond	20,684,911	-
	2010 A, B & D Revenue Bond	30,719,056	-
	2011 Revenue Bond	14,107,900	-
	2011A Revenue Bond	8,614,775	-
	2012A Revenue Bond	11,742,539	-
	2013 B & C Revenue Bond*	127,950,327	-
	Bureau of Finance and Management	1996A Revenue Bond	-
Department of Game, Fish and Parks	2003 Revenue Bond	59,567	-
	2006A Revenue Bond	10,275,549	-
	2007 Revenue Bond	5,713,200	-
	2008 Revenue Bond	2,362,925	-
	2010 C & D Revenue Bond	5,936,380	-
	2013D Revenue Bond*	7,925,373	-
Bureau of Administration	1991A State Lease Revenue Trust	-	967,075
Total Minimum Lease Payments		378,999,236	14,497,075
Less: Amount representing interest		<u>(133,414,236)</u>	<u>(9,160,124)</u>
Present Value of Lease Payments representing principal		245,585,000	5,336,951
Net of amount in Construction in Progress, Amounts Held for Others and Construction Funds representing principal		<u>(80,655,000)*</u>	-
Present Value of Lease Payments representing principal		<u>\$ 164,930,000</u>	<u>\$ 5,336,951</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.

During the 2014 Legislative Session, House Bill 1206 was passed that set aside funds to pay the State supported portion of Series 2010B which resulted in Amounts due from State being reduced by \$4,965,000. The amount set aside also included \$1,673,888 which represents future interest. This amount was included as a special item in the Statement of Revenues, Expenses and Changes in Net Position.

The following is a schedule of future lease payments remaining at June 30, 2014:

Year Ending June 30	Lease Bonds		Sale Leaseback and State Lease Revenue Trust		Total
	Principal	Interest	Principal	Interest	
2015	\$ 11,040,000	\$ 11,385,177	\$ 2,070,601	\$ 3,318,337	\$ 27,814,115
2016	10,680,000	11,019,625	1,763,030	3,055,657	26,518,312
2017	10,645,000	10,654,180	1,503,320	2,786,130	25,588,630
2018	11,015,000	10,265,080	-	-	21,280,080
2019	11,285,000	9,838,866	-	-	21,123,866
2020-2024	61,265,000	41,045,709	-	-	102,310,709
2025-2029	65,035,000	25,893,273	-	-	90,928,273
2030-2034	49,355,000	11,264,990	-	-	60,619,990
2035-2039	15,265,000	2,047,336	-	-	17,312,336
	<u>\$245,585,000</u>	<u>\$133,414,236</u>	<u>\$ 5,336,951</u>	<u>\$ 9,160,124</u>	<u>\$393,496,311</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 8. 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, 2014.

Series	Final Maturity Date	Percent Interest Rate	Balance 6/30/13	Issued	Retired	Balance 6/30/14	Due Within 1 Year
<u>Lease Bonds:</u>							
2003	2015	4.0-4.125	1,505,000	-	790,000	715,000	350,000
2005B	-	-	6,025,000	-	6,025,000	-	-
2005C	2029	4.0-5.0	13,855,000	-	985,000	12,870,000	1,035,000
2006A	2026	4.25-5.0	10,840,000	-	1,125,000	9,715,000	1,200,000
2007	2032	4.5-5.0	46,525,000	-	1,850,000	44,675,000	1,925,000
2008	2033	4.25-5.0	66,000,000	-	29,575,000	36,425,000	1,255,000
2009	2034	4.7-6.76	12,050,000	-	385,000	11,665,000	400,000
2010A	2027	2.75-5.65	9,705,000	-	630,000	9,075,000	640,000
2010B	2035	2.75-6.20	14,115,000	-	180,000	13,935,000	185,000
2010C	2031	3.45-5.85	3,610,000	-	135,000	3,475,000	140,000
2010D	2019	2.5-3.25	835,000	-	120,000	715,000	120,000
2011	2026	3.0-5.0	11,630,000	-	725,000	10,905,000	745,000
2011A	2026	3.0-5.0	6,925,000	-	210,000	6,715,000	215,000
2012A	2028	1.5-5.0	9,740,000	-	730,000	9,010,000	705,000
2013B	2038	4.0-5.0	-	67,340,000	-	67,340,000	-
2013C	2018	0.76-2.197	-	10,000,000	1,125,000	8,875,000	2,190,000
2013D	2038	0.76-5.769	-	4,500,000	60,000	4,440,000	120,000
<u>Sale Leaseback bonds:</u>							
1996A	2016	5.85-5.95	6,326,501	-	1,869,550	4,456,951	1,760,601
<u>State Lease Revenue Trust Certificates:</u>							
1991A	2016	6.75	1,205,000	-	325,000	880,000	310,000
1991B	-	-	630,000	-	630,000	-	-
1993A	-	-	11,760,000	-	11,760,000	-	-
	Total		<u>\$ 233,281,501</u>	<u>\$81,840,000</u>	<u>\$59,234,550</u>	<u>\$255,886,951</u>	<u>\$ 13,295,601</u>

The bonds and trust certificates at June 30, 2014 are payable as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Lease Bonds			
2015	\$ 11,225,000	\$ 11,643,636	\$ 22,868,636
2016	10,865,000	11,272,997	22,137,997
2017	10,835,000	10,901,724	21,736,724
2018	11,210,000	10,505,879	21,715,879
2019	11,480,000	10,071,963	21,551,963
2020-2024	62,320,000	42,075,335	104,395,335
2025-2029	65,270,000	26,636,983	91,906,983
2030-2034	50,600,000	11,623,630	62,223,630
2035-2039	16,745,000	2,066,236	18,811,236
Subtotal	<u>250,550,000</u>	<u>136,798,383</u>	<u>387,348,383</u>
Sale Leaseback and State Lease Revenue Trust			
2015	2,070,601	3,318,337	5,388,938
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>5,336,951</u>	<u>9,160,124</u>	<u>14,497,075</u>
Total	<u>\$255,886,951</u>	<u>\$145,958,507</u>	<u>\$401,845,458</u>

Add unamortized:

Premiums 8,200,710

Total Bonds and Trust Certificates

- Net of Amortization \$264,087,661

Note 9. Defeased Bonds

During the 2014 Legislative Session, House Bill 1206 was passed that escrowed \$9,675,000 of the State supported Series 1993A SLB Certificates, \$5,665,000 of the Series 2005B bonds and \$27,500,000 of the Series 2008 bonds. The proceeds authorized by HB 1206 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 defeased. Defeased 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 defeasing transactions.

Fully defeased bonds not yet paid to bondholders as of June 30, 2014 are as follows:

<u>Bond Issues</u>	<u>Year of Defeasance</u>	<u>Original Amount Defeased</u>
Series 1993A State Lease Revenue Trust Certificates	2014	\$ 9,675,000
Series 2005B	2014	5,665,000
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 2008 bonds that were escrowed will be called on June 1, 2018.

Note 10. Commitments

The State Investment Council was investing \$84,145,777 of South Dakota Building Authority funds on June 30, 2014 of which \$73,939,221 represented unspent construction proceeds for bonded State agency construction projects.

Note 11. 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 2007 Bonds, a payment in the amount of \$384,156 was made on July 26, 2012. After an IRS audit of the Series 2007 bonds, it was determined that the South Dakota Building Authority should apply for a refund of the payment, which the South Dakota Building Authority applied for in the amount of \$41,490 on October 1, 2013. Based on arbitrage rebate calculations made for the Series 2009 Bonds, an obligation exists in the amount of \$36,106 as of June 30, 2014. No rebate payment is required to be made to the federal government until 60 days after July 14, 2014 and a rebate payment will only be required if it is determined that an excess still exists. As this payment is probable, it has been reported within this financial statement.

Note 12. Construction in Progress

Land and buildings under construction for other governmental agencies as of June 30, 2014:

Construction in Progress as of June 30, 2013: \$15,288,969

Construction payments in FY-14:

Series 2008	67,548
Series 2010A	152,258
Series 2010B HSC	22,533
Series 2011	463,496
Series 2013B	10,722,737
Series 2013D	1,862,601

Total construction payments in FY-14 13,291,173

Construction completed and transferred:

Series 2008	67,549
Series 2010A	152,258
Series 2010B	5,541,741
Series 2011	<u>10,224,523</u>

Total construction completed and transferred in FY-14 (15,986,071)

Accounts Payable – June 30, 2013 (8,734)

Accounts Payable – June 30, 2014 5,536,814

Construction in Progress as of June 30, 2014: \$ 18,122,151

Note 13. Subsequent Events

On August 28, 2014 South Dakota Building Authority issued the \$35,820,000 Series 2014A Tax-Exempt Revenue bonds, the \$5,250,000 Series 2014B Tax-Exempt Refunding Revenue bonds and the \$7,180,000 Series 2014C Taxable Refunding Revenue bonds.

**SOUTH DAKOTA BUILDING AUTHORITY
SUPPLEMENTARY INFORMATION
June 30, 2014**

**SOUTH DAKOTA BUILDING AUTHORITY
SCHEDULE OF CASH AND INVESTMENTS
June 30, 2014**

Project	Cash and Investments (at Cost)
Lease Program	
Debt Service Fund	\$ 366,835
Series 2000 Debt Service Fund	2,381
Series 2010B HSC Debt Service Fund	8,221,796
Series 2010B Human Services Center	88,259
Series 2011 Board of Regents	312,477
Series 2013B Board of Regents	61,017,658
Series 2013C Board of Regents	9,919,605
Series 2013D Department of Game, Fish & Parks	<u>2,601,222</u>
Total Lease Program	<u>82,530,233</u>
Operating Fund	981,505
CREP Remaining Balance	56,138
Excess Cash Account	43,673
HB 1206 Cost of Issuance	36,250
State Investment Council interest	<u>419,000</u>
 Total	 <u>\$ 84,066,799</u>

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

SOUTH DAKOTA BUILDING AUTHORITY
SCHEDULE OF BUILDING AUTHORITY FUND EXPENSES
For the Year Ended
June 30, 2014

S.D.B.A. administrative expenses

South Dakota Health and Educational Facilities Authority – administrative fees	\$ 153,840
Insurance – Property & performance bond	147,114
Bond Counsel Fees	42,500
Directors and Officers insurance	26,844
Trustee and paying agent fees	22,250
Audit fees	19,089
Captive Insurance Study Fee	18,750
Rebate computation expense	17,500
Financial Advisor Fee	15,000
Rent	8,124
Legal Fees	6,705
Travel	3,508
Office expense	2,990
Other	1,805
Board member per diem and travel	1,421
Utilities	1,200
Telephone	<u>1,108</u>
Total S.D.B.A. administrative expenses	<u>489,748</u>

C.R.E.P. administrative expenses

Other	6,779
Rent	2,700
Office expense	696
Utilities	587
Support services	<u>500</u>
Total C.R.E.P. administrative expenses	<u>11,262</u>

Total administrative expenses	<u>\$ 501,010</u>
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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
Note 1981 Mar	Board of Regents	600,000
Series 1982 Nov	\$2,290,000 Blue Dog fish hatchery	
	\$130,000 Watertown cold storage unit	
	\$600,000 University of South Dakota Armory	3,020,000
Series 1984	Refunded Series 1978 Apr, 1980 Feb, 1980 Mar, and 1982 Nov bonds	21,870,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
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	
	\$1,299,500 Custer State Park	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
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
Series 1993 Jul	Conservation Reserve Enhancement Program	1,474,000
Series 1993A	University of South Dakota - I.D. Weeks Library addition	6,800,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
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
Series 2003	Refund Series 1993A & B, 1995A, and 1996D bonds	15,785,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
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	
	Refund Series 1997 bonds - \$2,320,000	16,860,000
Series 2005 A & B	Office of Attorney General and Department of Public Safety DCI Crime Lab Building	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 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 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 Custer State Park Improvements Projects – 2,182,271	75,685,000

<u>Issue</u>	<u>Project</u>	<u>Amount</u>
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>\$ 1,097,495,501</u>