

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**  
**Consent**

**AGENDA ITEM: 5 – V**  
**DATE: December 13-14, 2023**

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**SUBJECT**

**SDSU Football Stadium FY23 Financials**

**CONTROLLING STATUTE, RULE, OR POLICY**

None

**BACKGROUND / DISCUSSION**

At the December 2013 Board of Regents meeting, the Board approved the SDSU football stadium project, and the authorizing legislation was approved in 2014. A provision within the approval was that SDSU had to provide the Board with annual updates of actual stadium performance compared to the pro forma submitted. In June 2019, the Board approved updates to the football stadium financial reporting requirements, which included the continuation of the SDSU stadium financial report being submitted annually to the full Board as an informational item.

The stadium’s fiscal year 2023 actual financial performance, as well as projections for future years are included in Attachment I.

As of June 30, 2023, the stadium fund had a cash balance of \$262k, the stadium M&R fund had a cash balance of \$1.3M, and the Stadium Debt Service Reserve had a cash balance of \$2.4M.

Revenues for FY23 were up compared to projections, largely tied to increased Premium Seating Leases and Concessions due to higher than anticipated attendance at the stadium.

With the increase in attendance, there was a corresponding increase in costs necessary to operate the stadium. The Gameday expense is tied to attendance and its increase will continue to follow the revenue. Facility Operating Costs will need to be continually monitored by SDSU. This figure almost doubled in FY23 compared to FY22 and was almost ten times higher than projected. Facility costs tend to be more fixed in nature so any future drop in attendance will not necessarily mean a drop in this type of expense.

(Continued)

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**INFORMATIONAL ITEM**

SDSU transferred \$600k to the Stadium R&R fund in FY23, which was less than projected. The M&R fund is for major repair projects. During the stadium's infancy there has not been a need to access these funds, but as the facility ages, the need to have a revenue source available to cover major repair costs is important.

### **IMPACT AND RECOMMENDATIONS**

In FY23, the debt service coverage ratio was 1.29 and the projected was 1.23. This means that the stadium is producing enough net revenue to cover its debt service. This ratio needs to be improved to accommodate the required M&R transfers.

### **ATTACHMENTS**

Attachment I – SDSU Football Stadium Financial Information

## SDSU Football Stadium Historical and Projected Financial Update(in \$000's)

Ref		Actuals							Projected			
		FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY23	FY24	FY25	FY26
	<b>OPERATING REVENUES</b>											
1	Ticket Sales - SDSU Football	\$447	\$489	\$322	\$474	\$191	\$476	\$663	\$581	\$581	\$581	\$621
2	Ticket Sales - SDSU Football (Sixth Game)	\$141	\$107	\$140	\$115	\$0	\$115	\$135	\$124	\$124	\$124	\$133
3	Ticket Sales SDSU Football- Demand Games	\$712	\$832	\$571	\$761	\$0	\$764	\$870	\$850	\$963	\$893	\$1,011
4	Facility Fee (\$2/ticket sold)	\$83	\$105	\$65	\$75	\$26	\$89	\$131	\$105	\$105	\$105	\$105
5	Premium Seating Leases	\$2,169	\$1,883	\$2,043	\$1,986	\$1,219	\$1,981	\$2,410	\$2,043	\$2,084	\$2,125	\$2,168
6	Premium Seating Stadium Gifts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Advertising & Sponsorship	\$0	\$268	\$515	\$283	\$292	\$300	\$310	\$310	\$319	\$328	\$338
	Addtl Advertising funds (Athletics)					\$1,200						
7a	Interest Revenue	\$201	\$31	\$20	\$54	\$67	\$41	\$22	\$0	\$0	\$0	\$0
8	Ticket Sales - Other Events	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Gross Concessions	\$217	\$98	\$65	\$108	\$4	\$152	\$206	\$125	\$131	\$138	\$145
10	Net Catering	\$44	\$45	\$45	\$38	\$0	\$0	\$92	\$57	\$60	\$63	\$66
11	Net Novelties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Gross Game Day Parking	\$29	\$30	\$29	\$31	\$0	\$27	\$74	\$35	\$36	\$37	\$38
13	Other Revenue	\$47	\$40	\$56	\$53	\$0	\$50	\$30	\$67	\$70	\$74	\$77
14	Total Revenue	\$4,090	\$3,928	\$3,871	\$3,978	\$2,999	\$3,995	\$4,943	\$4,297	\$4,474	\$4,468	\$4,703
15												
16												
17	Existing Football Ticket Sales	(\$649)	(\$662)	(\$675)	(\$689)	\$0	(\$600)	(\$731)	(\$731)	(\$745)	(\$760)	(\$776)
18	Existing Football Concessions	(\$40)	(\$41)	(\$42)	(\$42)	\$0	(\$40)	(\$45)	(\$45)	(\$46)	(\$47)	(\$48)
19	Existing Football Event Parking	(\$38)	(\$39)	(\$40)	(\$40)	\$0	(\$40)	(\$43)	(\$43)	(\$44)	(\$45)	(\$45)
19a	Additional Transfer to Athletic Operations	(\$280)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	<b>TOTAL REVENUES</b>	<b>\$3,083</b>	<b>\$3,186</b>	<b>\$3,114</b>	<b>\$3,207</b>	<b>\$2,999</b>	<b>\$3,315</b>	<b>\$4,124</b>	<b>\$3,478</b>	<b>\$3,638</b>	<b>\$3,617</b>	<b>\$3,834</b>
21												
22	<b>OPERATING EXPENDITURES</b>											
23	Salary - Permanent Staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Benefits - Permanent Staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	General & Administrative	\$29	\$110	\$106	\$63	\$87	\$145	\$113	\$116	\$117	\$118	\$119
26	Utilities	\$48	\$58	\$72	\$64	\$122	\$103	\$130	\$67	\$69	\$71	\$73
27	Annual Facility Operating Costs	\$19	\$20	\$36	\$25	\$125	\$124	\$227	\$23	\$24	\$25	\$25
28	Event Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	Miscellaneous	\$23	\$28	\$32	\$11	\$9	\$0	\$8	\$29	\$30	\$30	\$30
31	Gameday Expenses	\$57	\$64	\$78	\$118	\$0	\$156	\$326	\$74	\$76	\$79	\$81
32	Insurance/Service Fee (3% Bldg Authority)	\$78	\$78	\$78	\$78	\$78	\$78	\$77	\$77	\$77	\$77	\$77
33	Total Operating Expenses	\$254	\$358	\$402	\$359	\$421	\$606	\$881	\$387	\$393	\$400	\$406
34												
35												
36												
37	<b>Facility Related Expenses and Transfers</b>											
38	Annual Debt Service	\$2,514	\$2,510	\$2,510	\$2,510	\$2,510	\$2,511	\$2,510	\$2,511	\$2,512	\$2,514	\$2,514
39	Stadium Capital Expenditures	\$142	\$244	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41	M&R Contribution	\$0	\$0	\$287	\$448	\$0	\$150	\$600	\$793	\$809	\$825	\$858
42	M&R Additional Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43	Additional Debt Service Reserve	\$0	\$0	\$0	\$54	\$67	\$0	\$0	\$0	\$0	\$0	\$0
44	Total Facility Related Expenses	\$2,656	\$2,754	\$2,797	\$3,012	\$2,577	\$2,661	\$3,110	\$3,304	\$3,321	\$3,339	\$3,372
40	Transfer from Debt Service Reserve	\$0	\$0	(\$267)	\$0	\$0	(\$39)	\$0	(\$230)	(\$80)	(\$130)	\$0
45	<b>TOTAL EXPENDITURES</b>	<b>\$2,910</b>	<b>\$3,112</b>	<b>\$2,932</b>	<b>\$3,371</b>	<b>\$2,998</b>	<b>\$3,228</b>	<b>\$3,991</b>	<b>\$3,461</b>	<b>\$3,634</b>	<b>\$3,609</b>	<b>\$3,778</b>
46	Total Revenue / Expenditures net	\$173	\$74	\$182	(\$164)	\$1	\$87	\$133	\$17	\$4	\$8	\$56
47	Ending Cash Balance	\$173	\$247	\$382	\$73	\$85	\$166	\$262	\$413	\$418	\$426	\$482
48	Debt Service Coverage Ratio	1.13	1.13	1.08	1.13	1.03	1.08	1.29	1.23	1.29	1.28	1.36