

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance
Consent

AGENDA ITEM: 5 – T
DATE: December 11-12, 2024

SUBJECT

SDSU Football Stadium FY24 Financials

CONTROLLING STATUTE, RULE, OR POLICY

None

BACKGROUND / DISCUSSION

During the December 2013 Board of Regents meeting, the Board approved the SDSU football stadium project, with the authorizing legislation following in 2014. A key stipulation of this approval required SDSU to provide the Board with annual updates on the stadium's actual performance compared to the submitted pro forma. In June 2019, the Board further refined the financial reporting requirements for the stadium, ensuring that the SDSU financial report would continue to be submitted annually to the full Board as an informational item.

The actual financial performance for the stadium in fiscal year 2024, along with projections for future years, is detailed in Attachment I.

As of June 30, 2024, the stadium fund reported a cash balance of \$341,000, while the Maintenance and Repair (M&R) fund held \$2.1 million, and the Stadium Debt Service Reserve had \$2.5 million.

Revenues for FY24 exceeded projections, primarily due to increased ticket sales and concessions, driven by higher-than-expected attendance. This revenue boost allowed SDSU to allocate an additional \$500,000 to football operations.

However, the rise in attendance also led to increased operational costs. Gameday expenses, which correlate with attendance, are expected to continue rising alongside revenue. SDSU must closely monitor Facility Operating Costs, which, similar to FY23, were nearly ten times higher than projected. These costs are generally more fixed, meaning that a decline in attendance may not result in a proportional decrease in expenses

(Continued)

INFORMATIONAL ITEM

In FY24, SDSU transferred \$809,000 to the Stadium Repair and Replacement (RRR) fund, which is in line with our expectations. The RRR fund is set aside for major repair projects. While there has not been a need to tap into these funds during the stadium's early years, it is important to ensure we have a reliable revenue source for future repairs as the facility continues to age.

IMPACT AND RECOMMENDATIONS

In FY24, the debt service coverage ratio was 1.31, slightly above the projected 1.29. This indicates that the stadium is generating sufficient net revenue to meet its debt service obligations. However, there is room for improvement in this ratio to ensure it can adequately support the necessary Maintenance and Repair (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		
		FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY24	FY25	FY26
	OPERATING REVENUES									
1	Ticket Sales - SDSU Football	\$322	\$474	\$191	\$476	\$663	\$841	\$581	\$581	\$621
2	Ticket Sales - SDSU Football (Sixth Game)	\$140	\$115	\$0	\$115	\$135	\$171	\$124	\$124	\$133
3	Ticket Sales SDSU Football- Demand Games	\$571	\$761	\$0	\$764	\$870	\$1,104	\$963	\$893	\$1,011
4	Facility Fee (\$2/ticket sold)	\$65	\$75	\$26	\$89	\$131	\$162	\$105	\$105	\$105
5	Premium Seating Leases	\$2,043	\$1,986	\$1,219	\$1,981	\$2,410	\$2,320	\$2,084	\$2,125	\$2,168
6	Premium Seating Stadium Gifts	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
7	Advertising & Sponsorship	\$515	\$283	\$292	\$300	\$310	\$319	\$319	\$328	\$338
	Addtl Advertising funds (Athletics)			\$1,200						
7a	Interest Revenue	\$20	\$54	\$67	\$41	\$22	\$66	\$0	\$0	\$0
8	Ticket Sales - Other Events	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Gross Concessions	\$65	\$108	\$4	\$152	\$206	\$368	\$131	\$138	\$145
10	Net Catering	\$45	\$38	\$0	\$0	\$92	\$0	\$60	\$63	\$66
11	Net Novelties	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
12	Gross Game Day Parking	\$29	\$31	\$0	\$27	\$74	\$53	\$36	\$37	\$38
13	Other Revenue	\$56	\$53	\$0	\$50	\$30	\$67	\$70	\$74	\$77
14	Total Revenue	\$3,871	\$3,978	\$2,999	\$3,995	\$4,943	\$5,471	\$4,473	\$4,468	\$4,703
15										
16										
17	Existing Football Ticket Sales	(\$675)	(\$689)	\$0	(\$600)	(\$731)	(\$745)	(\$745)	(\$760)	(\$776)
18	Existing Football Concessions	(\$42)	(\$42)	\$0	(\$40)	(\$45)	(\$46)	(\$46)	(\$47)	(\$48)
19	Existing Football Event Parking	(\$40)	(\$40)	\$0	(\$40)	(\$43)	(\$44)	(\$44)	(\$45)	(\$45)
19a	Additional Transfer to Athletic Operations	\$0	\$0	\$0	\$0	\$0	(\$500)	\$0	\$0	\$0
20	TOTAL REVENUES	\$3,114	\$3,207	\$2,999	\$3,315	\$4,124	\$4,136	\$3,638	\$3,617	\$3,834
21										
22	OPERATING EXPENDITURES									
23	Salary - Permanent Staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Benefits - Permanent Staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	General & Administrative	\$106	\$63	\$87	\$145	\$113	\$80	\$117	\$118	\$119
26	Utilities	\$72	\$64	\$122	\$103	\$130	\$70	\$69	\$71	\$73
27	Annual Facility Operating Costs	\$36	\$25	\$125	\$124	\$227	\$300	\$24	\$25	\$25
28	Event Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	Miscellaneous	\$32	\$11	\$9	\$0	\$8	\$21	\$30	\$30	\$30
31	Gameday Expenses	\$78	\$118	\$0	\$156	\$326	\$293	\$76	\$79	\$81
32	Insurance/Service Fee (3% Bldg Authority)	\$78	\$78	\$78	\$78	\$77	\$78	\$77	\$77	\$77
33	Total Operating Expenses	\$402	\$359	\$421	\$606	\$881	\$842	\$393	\$400	\$406
34										
35										
36										
37	Facility Related Expenses and Transfers									
38	Annual Debt Service	\$2,510	\$2,510	\$2,510	\$2,511	\$2,510	\$2,510	\$2,512	\$2,514	\$2,514
39	Stadium Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41	M&R Contribution	\$287	\$448	\$0	\$150	\$600	\$809	\$809	\$825	\$858
42	M&R Additional Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43	Additional Debt Service Reserve	\$0	\$54	\$67	\$0	\$0	\$0	\$0	\$0	\$0
44	Total Facility Related Expenses	\$2,797	\$3,012	\$2,577	\$2,661	\$3,110	\$3,319	\$3,321	\$3,339	\$3,372
40	Transfer from Debt Service Reserve	(\$267)	\$0	\$0	(\$39)	\$0	\$0	(\$80)	(\$130)	\$0
45	TOTAL EXPENDITURES	\$2,932	\$3,371	\$2,998	\$3,228	\$3,991	\$4,161	\$3,634	\$3,609	\$3,778
46	Total Revenue / Expenditures net	\$182	(\$164)	\$1	\$87	\$133	(\$25)	\$4	\$8	\$56
47	Ending Cash Balance	\$382	\$73	\$85	\$166	\$262	\$342	\$418	\$350	\$406
48	Debt Service Coverage Ratio	1.08	1.13	1.03	1.08	1.29	1.31	1.29	1.28	1.36