

*South Dakota*

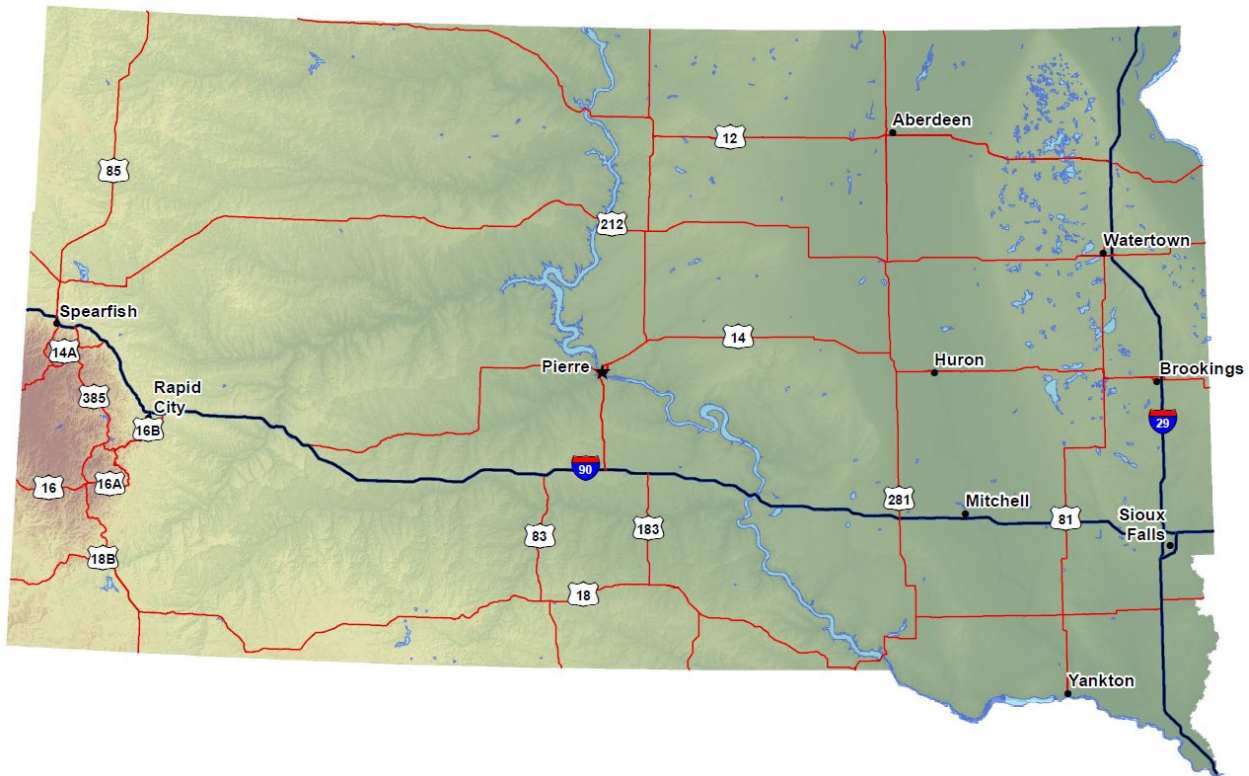
Annual Comprehensive  
Financial Report

For the fiscal year ended June 30, 2024





***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024***



***KRISTI NOEM, GOVERNOR***

***LARRY RHODEN, LT. GOVERNOR***

***JIM TERWILLIGER, CHIEF FINANCIAL OFFICER  
BUREAU OF FINANCE AND MANAGEMENT***

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STATE OF SOUTH DAKOTA  
OFFICE OF THE GOVERNOR  
KRISTI NOEM | GOVERNOR

December 31, 2024

To the Members of the Legislature and the Citizens of South Dakota,

As Governor of South Dakota, I am proud to present the State's 38<sup>th</sup> *Annual Comprehensive Financial Report* covering the financial operations for the fiscal year ending June 30, 2024. This report is prepared in accordance with South Dakota Codified Law 4-4-6 and generally accepted accounting principles. It includes all agencies of state government and reporting entities for which the state has oversight responsibilities. Like previous reports, this report presents to you, and the financial community, the sound financial condition of South Dakota.

In South Dakota, we remain committed to strong financial principles that build a foundation for the next generation of South Dakotans. We structurally balance our budget each year by ensuring ongoing spending is only supported by ongoing revenue. We avoid the creation of unfunded liabilities and maintain a strong level of reserve funds to address emergencies. We use one-time funds to avoid debt or improve an asset, and we base our budget on honest, conservative projections of revenue and expenses.

This stability has contributed to a growing economy in South Dakota. Nonfarm employment grew 2.1% in fiscal year 2024. The unemployment rate was 1.9% as of October, lowest in the nation. Personal income experienced growth of 5.0% in calendar year 2023 after growing 5.6% in 2022 and 13.9% in 2021, further contributing to South Dakota's strong economic growth.

I am committed to maintaining the fiscal integrity for which our state has become known. A well-functioning state government serves as a strong foundation for economic growth. Rooted in fiscal conservatism, my administration will make it a priority to retain our AAA public credit rating, seek budget efficiencies, and improve government transparency without raising taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristi Noem".

Kristi Noem  
Governor of South Dakota

*South Dakota*



GREAT FACES. GREAT PLACES. ©

# TABLE OF CONTENTS

*Title Page*

*Acknowledgements*

*Governor Noem's Letter*

## **INTRODUCTORY SECTION:**

Letter of Transmittal.....	1
Certificate of Achievement for Excellence in Financial Reporting.....	7
Principal State Officials .....	8
Functions of State Government.....	9
State Organizational Chart .....	10

## **FINANCIAL SECTION:**

Independent Auditor's Report.....	11
Management's Discussion and Analysis.....	15

## **Basic Financial Statements ..... 33**

Statement of Net Position.....	34
Statement of Activities.....	36
Balance Sheet – Governmental Funds .....	38
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	39
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	40
Reconciliation of the Change in Fund Balances of Governmental Funds to the Statement of Activities.....	41
Statement of Net Position – Proprietary Funds.....	42
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	43
Statement of Cash Flows – Proprietary Funds .....	44
Statement of Fiduciary Net Position – Fiduciary Funds .....	46
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	47

## **Notes to the Financial Statements..... 49**

## **Required Supplementary Information ..... 115**

Budgetary Comparison Schedule – General Fund .....	116
Budgetary Comparison Schedule – Budget-to-GAAP Reconciliation .....	128
Notes to Required Supplementary Information – Budgetary Reporting.....	129
Schedule of Proportionate Share of Net Pension Liability (Asset).....	130
Schedule of Contributions .....	130
Notes to Required Supplementary Information – Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions.....	131

## **Combining Financial Statements..... 133**

Combining Balance Sheet – Nonmajor Governmental Funds – By Type.....	134
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – By Type .....	135
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	136
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	140
Combining Balance Sheet – Nonmajor Debt Service Funds .....	144
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds.....	145
Combining Statement of Net Position – Nonmajor Enterprise Funds .....	146

# **TABLE OF CONTENTS**

Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds .....	148
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	150
Combining Statement of Net Position – Internal Service Funds .....	152
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds .....	154
Combining Statement of Cash Flows – Internal Service Funds.....	156
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds .....	158
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds .....	159
Combining Statement of Fiduciary Net Position – Custodial Funds .....	160
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds .....	161
Combining Statement of Net Position – Component Units .....	162
Combining Statement of Revenues, Expenses, and Changes in Net Position – Component Units .....	163
Statement of Cash Flows – Higher Education .....	164
Combining Statement of Fiduciary Net Position – Higher Education.....	166
Combining Statement of Changes in Fiduciary Net Position – Higher Education .....	166
Combining Statement of Net Position – Nonmajor Component Units.....	167
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Component Units.....	168

## **STATISTICAL SECTION:**

<b>Index to the Statistical Section .....</b>	<b>169</b>
Net Position by Component.....	170
Changes in Net Position .....	171
Fund Balances, Governmental Funds.....	172
Changes in Fund Balances, All Governmental Funds .....	173
Sales Tax Revenue Payers by Industry .....	174
Taxable Sales by Industry .....	176
Ratios of Outstanding Long-Term Debt.....	177
Pledged-Revenue Coverage .....	178
Population.....	179
Total Personal Income .....	179
Unemployment Rate.....	180
Per Capita Personal Income .....	180
Nonfarm Wage and Salary Employment by Industry .....	181
Expanded and New Industries .....	181
Employment by Industry Type.....	182
Full-Time Equivalent State Employees by Function of Government.....	183
Capital Asset Statistics by Function .....	184
Operating Indicators by Function .....	186
Notes to Statistical.....	190





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# ***INTRODUCTORY SECTION***

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# ***INTRODUCTORY SECTION***

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# DEPARTMENT OF EXECUTIVE MANAGEMENT BUREAU OF FINANCE AND MANAGEMENT

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December 31, 2024

**The Honorable Kristi Noem, Governor of the State of South Dakota**  
**The Honorable Members of the South Dakota Legislature**  
**The Citizens of the State of South Dakota**

It is a privilege to present the 38th *Annual Comprehensive Financial Report* (ACFR) for the State of South Dakota (the State) for the fiscal year ended June 30, 2024.

**Report.** This report is prepared by the Bureau of Finance and Management as required by South Dakota Codified Law 4-4-6. The financial statements and notes to the financial statements contained in the ACFR are prepared in conformity with generally accepted accounting principles (GAAP) applicable to governments as prescribed by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the State's management. We believe the information, as presented, is accurate in all material respects and that all disclosures necessary to enable the readers to gain an adequate understanding of the State's financial affairs have been included.

**Independent Auditors.** The ACFR has been audited by the South Dakota Department of Legislative Audit (DLA), a division of the legislative branch of State government. The audit was conducted 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. The Independent Auditor's Report (issued by DLA) includes expressions of opinions on the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of June 30, 2024, and the respective changes in financial position and cash flows, where applicable, for the fiscal year.

In conjunction with the audit of the State's financial statements, DLA also performs audits of major federal and state programs and issues an opinion on the State's compliance with the requirements of major federal programs. The results of the audit of federal and state programs are presented in the *Single Audit Report* for the State.

**Internal Controls.** The management of the State is responsible for establishing and maintaining an effective system of internal control designed to provide reasonable, but not absolute, assurance the State is achieving its operational, reporting, and compliance objectives. These objectives include but are not limited to: safeguarding of assets from loss, theft, or misuse; ensuring the reliability of financial records for the preparation of financial statements in conformity with GAAP; and promoting operational efficiency and effectiveness. The system of internal control for the State is designed to achieve these objectives effectively. The principle of reasonable assurance recognizes that 1) the cost of implementing a control should not exceed the anticipated benefit and 2) evaluating the costs and benefits involves management's estimates and judgment. Additionally, the system promotes a culture of accountability and continuous improvement, encouraging regular assessments and updates to adapt to changing risks and operational needs. By fostering transparency and effective communication, the internal control framework also enhances stakeholder confidence in the State's governance and operational integrity.

Internal control procedures of the State are considered by DLA during its audits of the State. However, they do not express an opinion on the effectiveness of the State's internal control system.

**Management's Discussion and Analysis (MD&A).** GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of the MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The State's MD&A can be found immediately following the Independent Auditor's Report.

## **PROFILE OF THE GOVERNMENT**

**Structure.** The State entered the Union on November 2, 1889, as the 39<sup>th</sup> or 40<sup>th</sup> state (with its twin, North Dakota). South Dakota has 75,885 square miles of land and a population estimated to be 0.9 million. As established in Article II of the *Constitution of The State of South Dakota*, the State government is comprised of three distinct and separate branches of government: legislative, executive, and judicial. The State Legislature is composed of a 35-member Senate and a 70-member House of Representatives. Legislators are elected for two-year terms and limited to four consecutive terms for the same seat. The State has a strong executive branch with a bicameral legislative form of government. The Governor may be elected for two consecutive four-year terms. The Governor appoints all heads of state departments who serve at the pleasure of the Governor. The judicial branch is governed by the Unified Judicial System consisting of the Supreme Court, circuit courts, and courts of limited jurisdiction. The State's principal state officials, functions of state government, and organizational chart can be found immediately following this letter.

**Services.** The state government provides services to citizens that include support for public education, public assistance, health and human services, public safety, building and maintaining state highways, agricultural and environmental services, community and economic development, and other general government services.

**State Reporting Entity.** The State's reporting entity reflected in the ACFR includes the *primary government* and its *component units*. The *primary government* consists of state departments, bureaus, boards, and commissions within the three separate branches of government. *Component units* are legally separate governmental organizations for which the State is considered to be financially accountable and other organizations for which the nature of their relationship is such that exclusion would cause the State's financial statements to be misleading or incomplete. These relationships are fully described in *Note 1. Summary of Significant Accounting Policies* in the Notes to the Financial Statements. The financial statements emphasize the *primary government* and permit financial statement users to distinguish between the *primary government* and its *component units*. Consequently, this letter of transmittal, the MD&A, and the Basic Financial Statements focus on the *primary government* and its activities. Although information about the *component units* is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position. Higher Education does not have separately issued financial statements but is included as part of the ACFR.

**Budget Process.** State law requires annual preparation and approval of the State's budget. The Governor presents the annual budget to the State Legislature by the first Tuesday following the first Monday in December. The State Legislature is required to approve a budget by the end of the legislative session. There is no provision for a continuing resolution. The *Constitution of the State of South Dakota* requires the Legislature to pass a balanced annual budget for the General Fund in which expenditures and appropriations may not exceed anticipated revenue. Accumulated General Fund balances may be drawn down to balance an annual budget if the General Fund balance remains positive. The Governor has the power to veto individual line items in the budget approved by the State Legislature. The State budget must remain in balance through the end of the fiscal year. Accordingly, state departments cannot encumber more General Funds than they have been authorized to spend. During the year, the Governor may authorize intradepartmental transfers of funds upon approval of the special committee, as long as total appropriation levels are not exceeded.

**Long-term Financial Planning and Financial Policies.** The State has implemented the following long-term financial planning and financial policies:

- **Maintaining AAA bond rating.** The State has maintained its AAA public issuer rating from Standard & Poor's, and Fitch Ratings, and Aaa from Moody's for the past eight consecutive fiscal years. This represents the highest rating possible from all three bond rating agencies. This goal was achieved by operating the State government under several basic principles: structurally balanced budget, ample budget reserve balances, low debt, a healthy pension system, no Other Post-Employment Benefits (OPEB) liability, timely and accurate financial reporting, long-term financial planning and budget forecasting, and consistent conservative fiscal operations.
- **Long-term Financial Planning.** To further strengthen the financial practices of the State, state law requires the Bureau of Finance and Management (BFM) to prepare and provide a Long-term Financial Plan, a Capital Expenditure Plan, and a Debt Limitation and Management Policy.

The Long-term Financial Plan contains projections of both revenues and expenditures of the State. The document gives revenue and expenditure history for the most recently completed fiscal year, and forecasts for the current fiscal year, the next fiscal year, and the succeeding two fiscal years. Projections are shown for all general fund revenue sources, as well as general fund budgets for all state agencies.

The Capital Expenditure Plan includes capital projects being considered for the next five fiscal years and separates the projects into three main categories: new construction, expansion, and maintenance and repair. This plan presents a projection of funding sources and costs for each project, as well as provides other detailed information that adds awareness and understanding of the need and scope of each project.

The Debt Limitation and Management Policy lays out policies for the issuance, maintenance, and servicing of debt. State law limits the amount of outstanding debt of the State to 1.2% of South Dakota’s gross domestic product, while debt service payments may not exceed 4% of the total ongoing general fund receipts. This plan outlines the current debt policies, financial analysis, and other metrics to measure compliance with these statutory debt limits.

The long-term planning documents provide an early detection system, help prioritize capital planning, govern and limit indebtedness, and allow for greater transparency. These documents can be found on the Bureau of Finance and Management’s website at <https://bfm.sd.gov>.

- **Balanced Budget.** South Dakota can proudly say that fiscal year 2024 was the 134<sup>th</sup> consecutive year the State had a balanced budget. The State has made structurally balanced budgets the norm by using one-time dollars prudently for one-time uses and not to fund ongoing obligations.

The *Constitution of the State of South Dakota* requires the Governor to propose, and the Legislature to pass, an annual budget in which expenditures and appropriations may not exceed anticipated revenue. Additionally, state law requires BFM and the Legislature to prepare separate and independent revenue estimates for the budgeting process and update those during the fiscal year. In years when actual revenues fall short, the State maintains a balanced budget through spending cuts. These steps set a good fiscal example as well as help maintain fiscal responsibility and financial stability in South Dakota.

- **Budget Reserves.** The State has two statutorily created reserve accounts: the Budget Reserve and the General Revenue Replacement Fund. As indicated in the table below, the State has prudently maintained “rainy day” funds of at least 10% of the General Fund expenditures while using the excess to address emergencies, prepay liabilities, and avoid future debt.

**Budget Reserves**  
(Expressed in Millions)

As of June 30	Budget Reserve	General Revenue Replacement Fund	Property Tax Reduction Fund	Total Reserves	General Fund Expenditures	Total Reserves As Percentage of General Fund Expenditures
<b>2015</b>	\$ 126.7	\$	\$ 44.6	\$ 171.3	\$ 1,440.0	11.9%
<b>2016</b>	113.4	44.0		157.4	1,514.0	10.4%
<b>2017</b>	121.3	44.0		165.3	1,598.2	10.3%
<b>2018</b>	132.4	44.0		176.4	1,644.4	10.7%
<b>2019</b>	145.1	44.0		189.1	1,678.8	11.3%
<b>2020</b>	169.6	46.3		215.9	1,655.9	13.0%
<b>2021</b>	169.6	137.5		307.1	1,635.8	18.8%
<b>2022</b>	176.8	245.8		422.6	2,016.7	21.0%
<b>2023</b>	201.9	133.7		335.6	2,068.8	16.2%
<b>2024</b>	189.0	133.7		322.7	2,333.0	13.8%

The combined accrual basis balance of these two reserve accounts for fiscal year 2024 was \$322.7 million, a decrease of \$12.9 million. This decrease from the prior year was a result of Legislative appropriations of \$93.6 million of the Budget Reserve for future prison construction offset by required transfers into the reserve funds of \$80.7 million. The transfers as required by law into the Budget Reserve and the GRRF were the result of unspent General Fund appropriations of \$56.4 million and actual revenues exceeding estimates by \$24.3 million. The combined reserve balance of \$322.7 million is approximately 13.8% of the fiscal year 2024 General Fund total expenditures. More information on the State’s reserve accounts can be found in the MD&A.

- **Financially Sound and Well-funded Retirement System.** South Dakota has one of the strongest pension plans in the nation. As illustrated in the table, the long-term experience of the South Dakota Retirement System (SDRS) has been very favorable, resulting in a funded status that exceeds virtually all other state retirement systems.

This high funding status is attributed to three primary factors: 1) the employers and members of SDRS have always made the required contributions to the fund, 2) sound long-term investment returns, and 3) plan benefits and liabilities are managed in accordance with state statute to be sustainable based on the fixed, statutory contribution rates. SDRS is discussed later in this document.

- **Annual Comprehensive Financial Report.** In 1987, the State issued its first ACFR. That report contained an unmodified opinion from the Department of Legislative Audit (the independent auditors). The Independent Auditor's Report included in this report represents the 38<sup>th</sup> consecutive year South Dakota has received an unmodified opinion on its ACFR.

<b>As of June 30</b>	<b>SDRS</b>	<b>Projected Average of Other State Retirement Systems **</b>
2015	104.1%	73%
2016	96.9%	67%
2017	100.1%	70%
2018	100.0%	72%
2019	100.1%	73%
2020	100.0%	70%
2021	105.5%	83%
2022	100.1%	75%
2023	100.1%	75%
2024	100.0%	78% (est)

\*\* Wilshire Consulting Report on State Retirement Systems: Funding Levels and Asset Allocation.

- **Internal Controls.** The State has robust internal controls designed to provide reasonable assurance that the State is meeting its operational, reporting, and compliance objectives. This fact has been proven time and again that South Dakota is a leader in operational efficiencies while maintaining sound safeguards of its assets and resources. The State Board of Internal Control's primary responsibility is to establish and maintain guidelines for an effective system of internal control to be implemented by state agencies. To accomplish this, the Board has established a Statewide Internal Control Framework based on the COSO Internal Control Framework. The State is working to implement the framework in all state agencies, providing even more assurance to state leaders and citizens that they are achieving their objectives.

**Lottery.** The South Dakota Lottery Fund was created during the 1987 legislative session to market instant scratch games. Video lottery was authorized during the 1989 legislative session, and approval for multi-state lotto games was given during the 1990 legislative session. The purpose of the Lottery is to provide the State with additional revenues to fund vital public programs and projects. During fiscal year 2024, the Lottery generated \$184.7 million of income (before transfers) and provided \$183.7 million in transfers to other funds that improve the quality of life in South Dakota. Since its inception in 1987, the Lottery has distributed \$3.8 billion to those funds.

**Retirement System.** The South Dakota Retirement System (SDRS) provides retirement benefits for State employees and those employees of local governments that participate in the system. Employers and employees contribute equal fixed percentages of employee compensation.

Annual SDRS funding is determined based on actuarial assumptions that are more conservative than most public pension plans, including an annual investment return assumption of 6.5% and assumed inflation of 2.5%. The actuarial value of assets is equal to the fair value of assets. The fixed statutory employer and employee contributions support benefits that vary automatically yearly based on investment returns and the assets available to pay future benefits. Specifically, SDRS COLA increases are tied to inflation and limited to the percentage that if paid in all future years, results in an SDRS fair value funded ratio of at least 100%. If after recognizing the automatic benefit adjustments the funded ratio of the system is below 100% or the fixed contributions are not sufficient to support the current benefits, the SDRS Board of Trustees is required by state statute to immediately recommend corrective actions to the Legislature. Therefore, unfunded actuarial accrued liabilities are anticipated only in significant economic downturns and are expected to be temporary.

As previously stated, as of June 30, 2024, SDRS is fully funded with an actuarial value funded ratio and a fair value funded ratio of 100.0%. SDRS currently has no unfunded actuarial accrued liability. During the fiscal year, SDRS experienced a 6.0% (time-weighted) market return, or 0.5% less than the assumed rate of return of 6.5%. Plan investments at fair value in fiscal year 2024 were \$14.9 billion compared to \$10.8 billion in fiscal year 2015.

South Dakota Retirement System is one of the few state government retirement systems in the nation to boast a net pension asset in 9 of the last 10 fiscal years with a relatively small net pension liability in 2016.

### South Dakota Retirement System

<u>As of June 30</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Fair Value Funded Ratio</u>	<u>Primary Government's Proportionate Share</u>	<u>Primary Government's Net Pension Asset (Liability)</u>
2015	\$10.4 billion	\$10.8 billion	104.1%	22.4%	\$95.2 million (FY16)
2016	10.8 billion	10.5 billion	96.9%	22.3%	(75.2 million) (FY17)
2017	11.6 billion	11.6 billion	100.1%	21.6%	2.0 million (FY18)
2018	12.2 billion	12.2 billion	100.0%	21.0%	0.5 million (FY19)
2019	12.5 billion	12.5 billion	100.1%	20.7%	2.2 million (FY20)
2020	12.3 billion	12.3 billion	100.0%	20.6%	0.9 million (FY21)
2021	13.9 billion	14.6 billion	105.5%	20.4%	156.6 million (FY22)
2022	14.1 billion	14.1 billion	100.1%	20.6%	1.9 million (FY23)
2023	14.5 billion	14.5 billion	100.1%	20.6%	2.0 million (FY24)
2024	14.9 billion	14.9 billion	100.0%	21.6%	0.9 million (FY25) *

\* Unaudited

Additional information on the State's retirement plans and the related net pension asset (liability) can be found in *Note 7. Retirement Plans* in the Notes to the Financial Statements.

**Health and Life Insurance Benefits.** The State (rather than an insurance carrier) assumes substantially all risk associated with claims of covered public employees for health insurance. However, an insurance carrier provides claims administration services for health insurance. The Group Insurance Program within the Bureau of Human Resources was established to administer and improve group health, life, and flexible benefit plans for state employees and their dependents. The program provides for the payment of benefits to eligible claimants most efficiently and cost-effectively. Premiums are charged to state funds for all covered employees, while employees share in the costs of premiums, co-pays, deductibles, and dependent costs.

Additional information on the State's health and other insurance benefits can be found in *Note 10. Self-Insurance* in the Notes to the Financial Statements.

### ECONOMIC CONDITIONS AND OUTLOOK

Employment growth is an important indicator of the State's economic health. Prior to 2020, South Dakota's employment situation had been stable for about a decade. From 2011-2019, nonfarm employment growth averaged approximately 1% per year. In 2020, nonfarm employment declined 3.3% in South Dakota due to the disruption in the economy but has since rebounded strongly. Employment grew 3.4% in 2021, 2.8% in 2022, 2.1% in 2023, and is projected to finish 2024 at 1.2%.

The unemployment rate in South Dakota remained low through fiscal year 2024 and remains among the lowest in the nation. In September 2024, South Dakota's unemployment rate was 2.0%, which was 2.1% lower than the U.S. unemployment rate of 4.1% for the same month.

Income growth is another important indicator of the State's economy. In calendar year 2023, which is the most recent annual data that is available, South Dakota's personal income grew 5.0%. From 2011 to 2019, South Dakota's total personal income growth averaged approximately 4% per year. Growth rates have been much higher in recent years. In 2020, 2021, 2022, and 2023, personal income grew by 9.9%, 13.9%, 5.6%, and 5.0%, respectively. Farm income has also been elevated recently. In 2021 through 2023, farm income in South Dakota was \$3.7 billion, \$4.8 billion, and \$4.4 billion, respectively. These are the three highest figures on record for the state. From 2016 through 2020, farm income averaged \$1.6 billion per year. This compares to the previous five-year average farm income level of \$2.7 billion from 2011 through 2015. South Dakota's per capita personal income was \$72,466 in 2023, 3.8% greater than the U.S. average per capita income of \$69,810. South Dakota's per capita personal income for the second quarter of 2024 is at an annual rate of \$73,962, 1.0% greater than the United States average of \$73,219.

The outlook for South Dakota is for steady economic growth. Employment growth is expected to slow over the next two years, with job growth of approximately 0.3% in 2025 and 0.4% in 2026. Personal incomes are projected to grow in the range of 5% to 6% in 2025 and 2026.

## MAJOR INITIATIVES

Governor Noem remains committed to fiscal responsibility, conservative management principles, and respect for freedom. We continue to be responsible stewards of the taxpayers' money with an eye toward future economic growth – and we will always prepare for future challenges. Because of these commitments, South Dakota's financial house is in order and positioned to ensure a safer, stronger, and healthier South Dakota for the future. Listed below are some of the major initiatives Governor Noem has implemented in her sixth year of office.

**Supporting Education.** The adopted budget for state fiscal year 2025 provided a 4.0% increase for state aid to education, as well as a 4.0% increase to the per student allocation for the technical colleges. This was above the statutorily required 3.0% and will help ensure that local school districts have the resources necessary to educate South Dakota's next generation. The adopted budget also recognized the importance of investing in the next generation of skilled professionals by dedicating one-time funding for equipment at the technical colleges.

**Keeping South Dakota Healthy.** An ongoing investment in our healthcare workforce was appropriated through an increase of 4.0% for medical provider rates. The adopted budget for fiscal year 2025 provided targeted rate increases for healthcare providers, which increased reimbursement rates to 98% of the targeted methodology. Additionally, the Governor recommended, and the legislature approved, funding to expand the Bright Start program statewide, which provides resources and education to soon to be mothers and their babies from birth to age two.

**Investing in our Workforce.** It is the State's goal to attract and retain the best and brightest employees to work for state government. To help maintain this standard, the Governor recommended, and the legislature adopted, a 4.0% market adjustment for state employees. The adopted budget also included funding to ensure that the state employee health insurance plan is fully funded.

**Strengthening our Infrastructure.** Governor Noem is committed to investing in state's infrastructure to ensure the health and safety of communities while also planning for economic development and growth in the future. The adopted budget included funding for one-time investments to update water and sewer infrastructure, as well as funding to repair and replace state-owned dams.

**Avoiding Debt.** Governor Noem recommended, and the legislature supported funding to improve public safety and infrastructure by modernizing South Dakota's correctional system. The adopted budget included one-time funding to complete construction of a new women's prison facility and set aside additional funds for the construction of a new men's prison.

## AWARDS AND ACKNOWLEDGMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of South Dakota for its ACFR for the fiscal year ended June 30, 2023. This was the eighth consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this ACFR required the collective efforts of many financial and program personnel throughout the State from various agencies and departments. I sincerely appreciate the dedicated efforts of all these individuals. I would like to recognize and commend the efforts of the accounting staff of each state agency and the staff of the Department of Legislative Audit. I would also like to acknowledge the Bureau of Finance and Management staff, Keith Senger, Amanda Werre, Brian Englund, Randi Olson, Tiffany Ripperda, Amanda Jandt, Fabricio Rodrigues, Cassandra Ryckman, Stephanie Piroutek, Katie Lowe, Seth Romero, Shenal Premarathna, Allysen Kerr, Robert Norwick, Adam Hansen, Cindy Iedema, Mary Keeler, Alan Todd, Dallas Fitzgerald, David Page, Lori Billet, Jennifer Neely, Kyle Weinman, Kate Lemmel, and Kendra Bly for their talents in making this report possible.

This report continues our commitment to the citizens of the State of South Dakota, the Governor, the Legislature, and the financial community, to maintain the highest standards of accountability and financial reporting.

Respectfully Submitted,



Jim Terwilliger, Chief Financial Officer  
Bureau of Finance and Management





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**State of South Dakota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrill*

Executive Director/CEO

***SOUTH DAKOTA  
FY2024 PRINCIPAL STATE OFFICIALS***

***EXECUTIVE BRANCH***

The Honorable Kristi Noem, Governor  
The Honorable Larry Rhoden, Lieutenant Governor

***CONSTITUTIONAL OFFICERS***

The Honorable Marty Jackley, Attorney General  
The Honorable Monae L. Johnson, Secretary of State  
The Honorable Josh Haeder, Treasurer  
The Honorable Rich Sattgast, Auditor  
The Honorable Brock Greenfield, Commissioner, School and Public Lands

***PUBLIC UTILITIES COMMISSION***

The Honorable Kristie Fiegen, Commissioner  
The Honorable Gary Hanson, Commissioner  
The Honorable Chris Nelson, Commissioner

***LEGISLATIVE BRANCH***

The Honorable Lee Schoenbeck  
Senate President Pro Tempore

The Honorable Hugh Bartels  
Speaker of the House

The Honorable Casey Crabtree  
Senate Majority Leader

The Honorable Reynold Nesiba  
Senate Minority Leader

The Honorable Will Mortenson  
House Majority Leader

The Honorable Oren Lesmeister  
House Minority Leader

***JUDICIAL BRANCH***

The Honorable Steven R. Jensen  
Chief Justice

The Honorable Janine M. Kern  
Associate Justice

The Honorable Mark E. Salter  
Associate Justice

The Honorable Patricia J. DeVaney  
Associate Justice

The Honorable Scott P. Myren  
Associate Justice

# ***SOUTH DAKOTA FY2024 FUNCTIONS OF STATE GOVERNMENT***

## ***GENERAL GOVERNMENT***

Executive Management  
Revenue  
Lottery  
Legislature  
School and Public Lands  
Secretary of State  
State Treasurer  
State Auditor

## ***HEALTH, HUMAN, AND SOCIAL SERVICES***

Social Services  
Health  
Labor and Regulation  
Veterans' Affairs  
Human Services  
Retirement System

## ***LAW, JUSTICE, PUBLIC PROTECTION, AND REGULATION***

Corrections  
Unified Judicial System  
Attorney General  
Public Safety  
Military  
Appraiser Program  
Labor Financial Services  
Labor Boards and Commissions  
Revenue – Commission on Gaming  
Public Utilities Commission

## ***AGRICULTURE AND NATURAL RESOURCES***

Agriculture  
Game, Fish and Parks  
Environment and Natural Resources

## ***TRANSPORTATION***

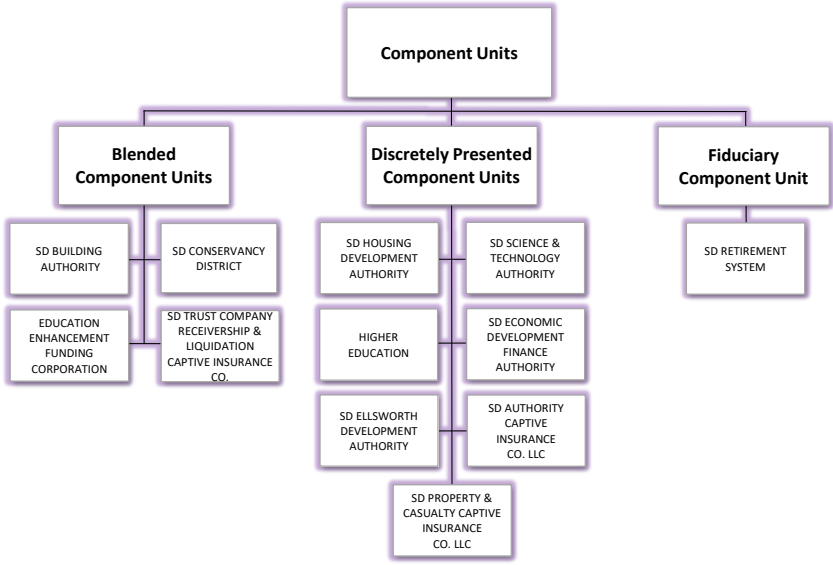
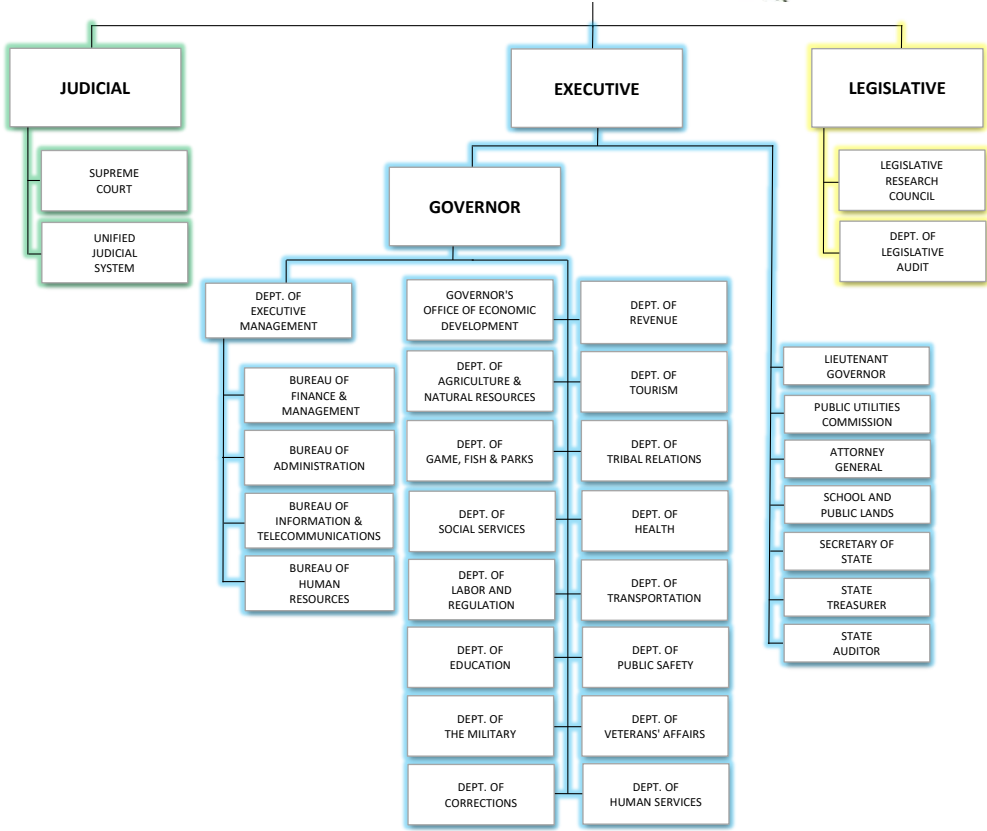
Transportation

## ***EDUCATION***

Education  
Higher Education  
State Aid to Universities

## ***ECONOMIC RESOURCES***

Tourism  
Economic Development  
Tribal Relations





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# ***FINANCIAL SECTION***

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# ***FINANCIAL SECTION***

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427 SOUTH CHAPELLE  
C/O 500 EAST CAPITOL  
PIERRE, SD 57501-5070  
(605) 773-3595

RUSSELL A. OLSON  
AUDITOR GENERAL

## INDEPENDENT AUDITOR'S REPORT

The Honorable Kristi Noem  
Governor of South Dakota

and

Members of the Legislature  
State of South Dakota

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Dakota (State), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Unemployment Insurance Fund, the South Dakota Retirement System, the South Dakota Housing Development Authority, the South Dakota Science and Technology Authority, the South Dakota Ellsworth Development Authority and foundations of Higher Education. Those financial statements reflect total assets and deferred outflows of resources and revenues and additions of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended as follows:

	<u>Percent of Total Assets*</u>	<u>Percent of Total Revenues/Additions</u>
Government-wide financial statements:		
Business-type activities:		
Unemployment Insurance Fund	14.5%	8.5%

Aggregate discretely presented component units:		
South Dakota Housing Development Authority	42.9%	11.8%
South Dakota Science and Technology Authority	2.5%	3.1%
South Dakota Ellsworth Development Authority	.5%	.3%
Foundations of Higher Education	18.8%	15.8%

Fund financial statements:

Aggregate remaining fund information:		
South Dakota Retirement System	87.1%	30.7%
Unemployment Insurance Fund	1.3%	.9%

\* including deferred outflows of resources

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for these entities and fund, are based solely on the reports of the other auditors. The financial statements of the discretely presented component units (foundations) of Higher Education were not audited in accordance with *Government Auditing Standards*.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 State's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 31, the budgetary comparison schedules on pages 116 through 129, and the Schedules of Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions on pages 130 through 131 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The combining and individual fund financial statements on pages 134 through 168 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections on pages 1 through 10 and 169 through 191 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2024 on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of the State's 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 State's internal control over financial reporting and compliance.



Russell A. Olson, Auditor General  
Pierre, South Dakota

December 31, 2024

The following is management's discussion and analysis of the State of South Dakota's (hereinafter referred to as the State) financial performance and position, providing an overview of the State's financial activities for the fiscal year ended June 30, 2024. This document begins with a one-page summary of financial highlights, followed by a more detailed overview of the financial statements and financial analysis. Please read it in conjunction with the transmittal letter found on page 1 in the *Introductory Section* of this report and with the State's financial statements that follow this section.

## **FINANCIAL HIGHLIGHTS**

### **Government-wide Financial Statements**

- Total assets and deferred outflows of resources of the State exceeded its total liabilities and deferred inflows of resources at the close of the fiscal year by \$9.9 billion (reported as net position). Of this amount, \$7.3 billion is restricted for specific uses or invested in capital assets. The remaining \$2.6 billion is unrestricted and may be used to meet the government's ongoing obligations. However, certain resources within this unrestricted net position have internally imposed limitations that are discussed within the *Government-wide Financial Analysis* section of this document.
- The State's total net position increased by \$667.5 million, or 7.2% from the prior fiscal year. The net position of Governmental Activities increased by \$626.5 million, or 7.6%, while the net position of Business-type Activities increased by \$40.9 million, or 4.4% from the prior fiscal year.
- Discretely presented component units reported a total net position of \$3.2 billion, an increase of \$190.6 million, or 6.3% from the prior fiscal year.

### **Fund Financial Statements**

- The State's governmental funds combined ending fund balance of \$3.8 billion, an increase of \$300.6 million, or 8.5% from the prior fiscal year. Of the \$3.8 billion in combined ending fund balance, \$709.2 million is non-spendable and \$1.5 billion is restricted by outside sources or enabling legislation. Another \$64.1 million is committed by state law and \$1.1 billion has been assigned for various specific purposes. The remaining \$490.8 million is unassigned. Please refer to *Note 8. Fund Balance and Net Position* in the Notes to the Financial Statements for further explanation and breakdown of these balances. Certain resources within the \$490.8 million of the unassigned fund balance have internally imposed limitations that are discussed throughout the *Financial Analysis of the State's Funds* section of this document.
- At the end of the fiscal year, the General Fund had a fund balance of \$1.6 billion. This includes total budget reserves of \$322.7 million, comprised of the Budget Reserve and the General Revenue Replacement Fund of \$189.0 million and \$133.7 million, respectively.
- The State's three trust funds (Dakota Cement Trust, Education Enhancement Trust, and Health Care Trust) and the State's Permanent Fund all increased in value during the fiscal year because of strong investment earnings. After transferring \$50.2 million to the General Fund, these funds closed the fiscal year with a combined ending fund balance of \$1.4 billion, an increase of \$47.1 million.
- Proprietary funds reported a net position at fiscal year-end of \$1.0 billion, an increase of \$43.6 million, or 4.4% from the prior fiscal year.

### **Long-Term Debt**

- The primary government's total long-term debt (revenue bonds and notes payable) as of June 30, 2024, totaled \$687.4 million, a decrease of \$45.1 million from the last fiscal year. The decrease represents the payments made on outstanding debt.
- The South Dakota Building Authority, a blended component unit of the State, did not issue any bonds for the primary government or Higher Education in the fiscal year 2024.
- The South Dakota Conservancy District, a blended component unit of the State, did not issue any bonds in fiscal year 2024.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Management's Discussion and Analysis report is intended to serve as an introduction to the State's Basic Financial Statements. The State's Basic Financial Statements are comprised of three components: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Financial Statements. This report also contains Required Supplementary Information and Other Supplementary Information in addition to the Basic Financial Statements.

**Government-wide Financial Statements (Reporting the State as a whole)**

The Government-wide Financial Statements are designed to provide readers with a broad overview of the State's finances in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the State's financial position that aids in assessing the State's economic condition at the end of the fiscal year. These statements include all nonfiduciary assets and liabilities, using the flow of economic resources measurement focus and the accrual basis of accounting. The current year's revenues and expenses are taken into account, regardless of when cash is received or paid. The Government-wide Financial Statements include two statements:

- **The Statement of Net Position** presents information on all the State's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them being reported as net position. Over an extended period of time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the State is improving or deteriorating.
- **The Statement of Activities** presents information depicting how the State's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused employee vacation leave).

Both the Statement of Net Position and the Statement of Activities segregate the activities of the State into three types:

- **Governmental Activities.** Most of the State's services provided to the citizens of the State are reported within the Governmental Activities. The Governmental Activities of the State include the following:
  - General Government
  - Education
  - Education – State Support to Higher Education
  - Health, Human, and Social Services
  - Law, Justice, Public Protection, and Regulation
  - Agriculture and Natural Resources
  - Economic Resources
  - Transportation
  - Intergovernmental – Payments to School Districts
  - Intergovernmental – Revenue Sharing
  - Unallocated Interest Expense

Taxes, fees, unrestricted investment earnings, and intergovernmental revenues (federal grants) finance most of the costs of these activities.

- **Business-type Activities.** The State operates Business-type Activities much like private-sector companies by charging fees to customers to help cover all or most of the costs of certain services it provides. The Lottery Fund is an example of a Business-type Activity.

- **Discretely Presented Component Units.** Component units are legally separate organizations for which the State is financially accountable, or the nature and significance of the unit's relationship with the State is such that exclusion of the unit would cause the State's financial statements to be misleading or incomplete. The following entities are included in the component unit columns of the State's Government-wide Financial Statements:
  - South Dakota Housing Development Authority
  - South Dakota Science and Technology Authority
  - Higher Education
  - South Dakota Economic Development Finance Authority
  - South Dakota Ellsworth Development Authority
  - The South Dakota Authority Captive Insurance Company, LLC
  - The South Dakota Property and Casualty Captive Insurance Company, LLC

Blended component units are blended and reported as part of the primary government while fiduciary component units are reported in the fiduciary statements. Related organizations are not reported in these financial statements. For additional information regarding component units, refer to *Note 1. Summary of Significant Accounting Policies* in the Notes to the Financial Statements.

### **Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The State, like other states and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required by law, while others are established internally to maintain control over a particular activity. All funds of the State can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. It is important to note that these categories use different accounting approaches and should be interpreted differently.

- **Governmental Funds.** Most of the State's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the remaining year-end balances that are available for future spending. The Governmental Fund Financial Statements provide a detailed short-term view of the State's general government operations and the basic services it provides. Governmental fund information helps determine the financial resources that can be spent in the near future to finance the State's programs. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental funds include the General Fund, special revenue, capital projects, debt service, and permanent funds.

Since the focus of governmental funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for Governmental Activities in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the State's short-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and Governmental Activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The State maintains many individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Transportation Fund, Social Services Federal Fund, COVID-19 Federal Fund, Dakota Cement Trust Fund, and Education Enhancement Trust Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for some nonmajor governmental funds is provided in the combining statements elsewhere in this report.

- **Proprietary Funds.** Proprietary funds include: (1) enterprise funds and (2) internal service funds. These funds account for the State's activities that operate much like private sector businesses. Like the Government-wide Financial Statements, proprietary fund statements are presented using the accrual basis of accounting.
  - Enterprise funds are used to account for activities that largely involve customers outside of state government and are reported as Business-type Activities in the Government-wide Financial Statements.

- Internal service funds are used to account for activities that largely involve other state agencies. The internal service fund activities are consolidated with the Governmental Activities in the Government-wide Financial Statements because those services predominantly benefit Governmental rather than Business-type Activities.

The State maintains several individual proprietary funds. The following three are considered major funds: Lottery Fund, Clean Water State Revolving Fund, and Drinking Water State Revolving Fund. These three proprietary funds are presented separately in the Proprietary Funds Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position. Information from the remaining funds is combined into two separate, aggregated columns by proprietary fund type. Individual fund data for some nonmajor proprietary funds is provided in the combining statements elsewhere in this report.

- **Fiduciary Funds.** Fiduciary funds are used to report activities when the State acts as a trustee or fiduciary to hold resources for the benefit of parties outside the state government. The accrual basis of accounting is used for fiduciary funds and is similar to the accounting used for proprietary funds. The Government-wide Financial Statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and cannot be used by the State to finance operations.

The State's fiduciary funds include pension trust funds, private-purpose trust funds, and custodial funds. Individual fund data for some of the fiduciary funds is included in the combining financial statements elsewhere in this report.

### ***Notes to the Financial Statements***

The Notes to the Financial Statements are an integral part of the financial statements and provide additional narrative and financial information essential to fully understand the data provided in the Government-wide Financial Statements and the Fund Financial Statements. The Notes to the Financial Statements are located immediately following the fiduciary funds' financial statements.

### ***Required Supplementary Information***

The Basic Financial Statements are followed by a section of Required Supplementary Information. This section includes Budgetary Comparison Schedules, two pension-related schedules, and related notes.

The Budgetary Comparison Schedules are for the General Fund and for each major special revenue fund that has a legally adopted annual budget. There are no special revenue funds that fit this criterion. These schedules present the original and final appropriated expenditure budgets and estimated receipts for the fiscal year. The Budgetary Comparison Schedule also lists the actual inflows and outflows, and balances stated on a budgetary basis. A variance column is included to compare the final appropriated budget with the actual budget results.

Because accounting principles used to present budgetary basis differ significantly from those used to present financial statements in conformity with Generally Accepted Accounting Principles (GAAP), a Budget-to-GAAP Reconciliation can be found immediately following the Budgetary Comparison Schedule. The Budget-to-GAAP Reconciliation explains the differences between budgetary inflows and outflows to GAAP revenues and expenditures.

The pension-related schedules include the Schedule of Proportionate Share of Net Pension Liability (Asset) and the Schedule of Contributions. The first schedule highlights key amounts relating to the State's share of the Net Pension Liability (Asset). The second schedule illustrates contributions as a percentage of the State's covered-employee payroll.

### ***Other Supplementary Information***

Other Supplementary Information includes Combining Financial Statements for nonmajor governmental funds, proprietary funds, fiduciary funds, and component units that are incorporated into the Basic Financial Statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

As presented in the following table, total assets and deferred outflows of resources of the State on June 30, 2024, were \$12.2 billion, while total liabilities and deferred inflows of resources were \$2.3 billion. This resulted in a combined net position (Governmental and Business-type Activities) of \$9.9 billion, a 7.3% increase from the previous year. As discussed later in this document, a significant portion of this increase is directly attributed to increases in capital assets.

**State of South Dakota  
Net Position as of June 30  
(Expressed in Thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>		<u>% of Change</u>
	<u>FY2024</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2023</u>	
Current and Other Assets, as restated	\$ 5,338,829	\$ 5,199,325	\$ 1,477,931	\$ 1,469,125	\$ 6,816,760	\$ 6,668,450	2.2%
Capital Assets, as restated	5,200,726	4,894,918	35,465	31,268	5,236,191	4,926,186	6.3%
<b>Total Assets, as restated</b>	<b>10,539,555</b>	<b>10,094,243</b>	<b>1,513,396</b>	<b>1,500,393</b>	<b>12,052,951</b>	<b>11,594,636</b>	4.0%
<b>Deferred Outflows of Resources</b>	<b>173,745</b>	<b>191,481</b>	<b>7,952</b>	<b>9,124</b>	<b>181,697</b>	<b>200,605</b>	(9.4)%
Current and Other Liabilities	1,256,564	1,424,285	22,973	24,671	1,279,537	1,448,956	(11.7)%
Noncurrent Liabilities	447,493	466,671	518,591	545,585	966,084	1,012,256	(4.6)%
<b>Total Liabilities</b>	<b>1,704,057</b>	<b>1,890,956</b>	<b>541,564</b>	<b>570,256</b>	<b>2,245,621</b>	<b>2,461,212</b>	(8.8)%
<b>Deferred Inflows of Resources</b>	<b>99,901</b>	<b>111,964</b>	<b>3,316</b>	<b>3,712</b>	<b>103,217</b>	<b>115,676</b>	(10.8)%
<b>Net Position:</b>							
Net Investment in Capital Assets, as restated	4,961,627	4,655,260	33,744	28,767	4,995,371	4,684,027	6.7%
Restricted, as restated	2,279,982	2,190,344	14,874	14,503	2,294,856	2,204,847	4.1%
Unrestricted	1,667,733	1,437,200	927,850	892,279	2,595,583	2,329,479	11.4%
<b>Total Net Position, as restated</b>	<b>\$ 8,909,342</b>	<b>\$ 8,282,804</b>	<b>\$ 976,468</b>	<b>\$ 935,549</b>	<b>\$ 9,885,810</b>	<b>\$ 9,218,353</b>	7.2%
Percent of Total Primary Government Net Position	90.1%	89.9%	9.9%	10.1%	100.0%	100.0%	

In fiscal year 2024, Governmental Activities accounted for 90.1% of the State's total net position, and Business-type activities accounted for 9.9%, a 0.2% change from the prior fiscal year.

**Net Investment in Capital Assets**

The largest component of the State's net position, \$5.0 billion or 50.5%, reflects investments in capital assets (land, land improvements, buildings, equipment, vehicles, infrastructure, intangible assets, and construction in progress), less depreciation and all outstanding debt that was issued to buy or build those assets. This represents a \$311.3 million, or 6.7% increase in the State's investment in capital assets from the prior fiscal year. This increase is primarily attributed to the continued construction of infrastructure (highways and bridges) without the issuance of related debt. For more information, please refer to the *Capital Assets and Debt Administration* section of this document and *Note 6. Capital Assets* in the Notes to the Financial Statements. The State uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

**Restricted Net Position**

Total restricted net position at year-end was \$2.3 billion, or 23.2% of total net position, an increase of \$90.0 million, or 4.1% from the prior fiscal year. The net position is subject to restrictions either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws/regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation on how they can be used.

Most of the restricted net position is accounted for in the State's three trust funds and the State's Permanent Fund. Two of these trust funds (Education Enhancement Trust and Health Care Trust) and the Permanent Fund are held as permanent investments, either as nonexpendable (\$665.4 million) or expendable (\$357.3 million), and the third trust fund (Dakota Cement Trust) is restricted for education (\$371.3 million).

The combined fund balance of these four funds totals \$1.4 billion. Aside from the constitutionally authorized annual distributions, these funds can only be accessed through a constitutional amendment (Dakota Cement Trust and Permanent Fund) or by a three-fourths vote of the Legislature (Health Care Trust Fund and Education Enhancement Trust).

The remaining \$900.9 million of restricted net position is restricted for highways, \$293.1 million; agriculture and natural resources, \$104.7 million; economic development, \$103.7 million; health and public assistance, \$103.1 million; railroads, \$87.0 million; pensions, \$76.8 million; and debt service, \$34.7 million; with the remaining amount for other purposes.

### **Unrestricted Net Position**

The remaining net position balance, \$2.6 billion, or 26.3% is defined by accounting standards as "unrestricted" net position. However, some of the unrestricted net position balances cannot be used to meet the State's general ongoing obligations to citizens and creditors as resources because of limitations imposed by federal regulations, bond covenants, constitutional provisions, or state law. Limitations on unrestricted net position imposed by federal regulations and bond covenants include \$289.3 million within the Clean Water State Revolving Fund and \$247.4 million within the Drinking Water State Revolving Fund. Other federal and state regulation limitations include but are not limited to, \$220.6 million for the Unemployment Insurance Fund, \$125.9 million within the Revolving Economic Development and Initiative Fund, and \$9.6 million for revolving loan programs.

Those funds with limitations imposed by state law include the following:

- **Budget Reserve** (\$189.0 million). The 1991 South Dakota Legislature established a Budget Reserve whereas expenditures out of the Budget Reserve shall only be used by special appropriation (which requires a two-thirds vote of all the members of each house of the Legislature) and shall only redress such unforeseen expenditure obligations or such unforeseen revenue shortfalls as may constitute an emergency pursuant to S.D. Const., Art. III, § 1. Revenues deposited in the Budget Reserve include unobligated General Fund cash remaining at the end of a fiscal year up to an amount equal to 10% of the General Fund appropriations in the General Appropriations Act for the previous fiscal year.

The balance in the Budget Reserve on June 30, 2024, was \$189.0 million, a decrease of \$12.9 million from the prior fiscal year. This change is the result of transferring \$93.6 million out of the Budget Reserve for prison construction and transferring in \$80.7 million for the required revenue deposit.

- **General Revenue Replacement Fund** (\$133.7 million). During the 2015 Legislative Session, the Legislature created the "General Revenue Replacement Fund" (GRRF). This fund is to be used to balance the General Fund annual budget due to an unforeseen revenue shortfall. Revenues deposited in the GRRF include unobligated General Fund cash remaining at the end of a fiscal year after the transfer into the Budget Reserve, if the amount in the GRRF does not exceed 15% of the General Fund appropriations in the General Appropriations Act for the previous fiscal year.

The balance in the GRRF on June 30, 2024, was \$133.7 million, unchanged from the prior year.

The transfers as required by law into the Budget Reserve and the GRRF were the result of unspent General Fund appropriations of \$56.4 million and actual revenues exceeding estimates by \$24.3 million.

The unrestricted net position increased by \$266.1 million, or 11.4% during the fiscal year. A significant portion of this increase is attributed to: (1) \$132.4 million appropriated for future prison construction, (2) \$15.1 million increase in the Drinking Water State Revolving Fund, (3) \$18.6 million increase in the Clean Water State Revolving Fund, (4) \$1.1 million increase in the Unemployment Insurance Fund, and (5) \$5.0 million increase in the Revolving Economic Development and Initiative Fund. For an analysis of these funds, please see the *Financial Analysis of the State's Funds* section in this document.



**Changes in Net Position**

The following table summarizes financial information derived from the Government-wide Statement of Activities and reflects how the State's net position changed during fiscal year 2024:

**State of South Dakota  
Change in Net Position  
for the Fiscal Year Ending June 30  
(Expressed in Thousands)**

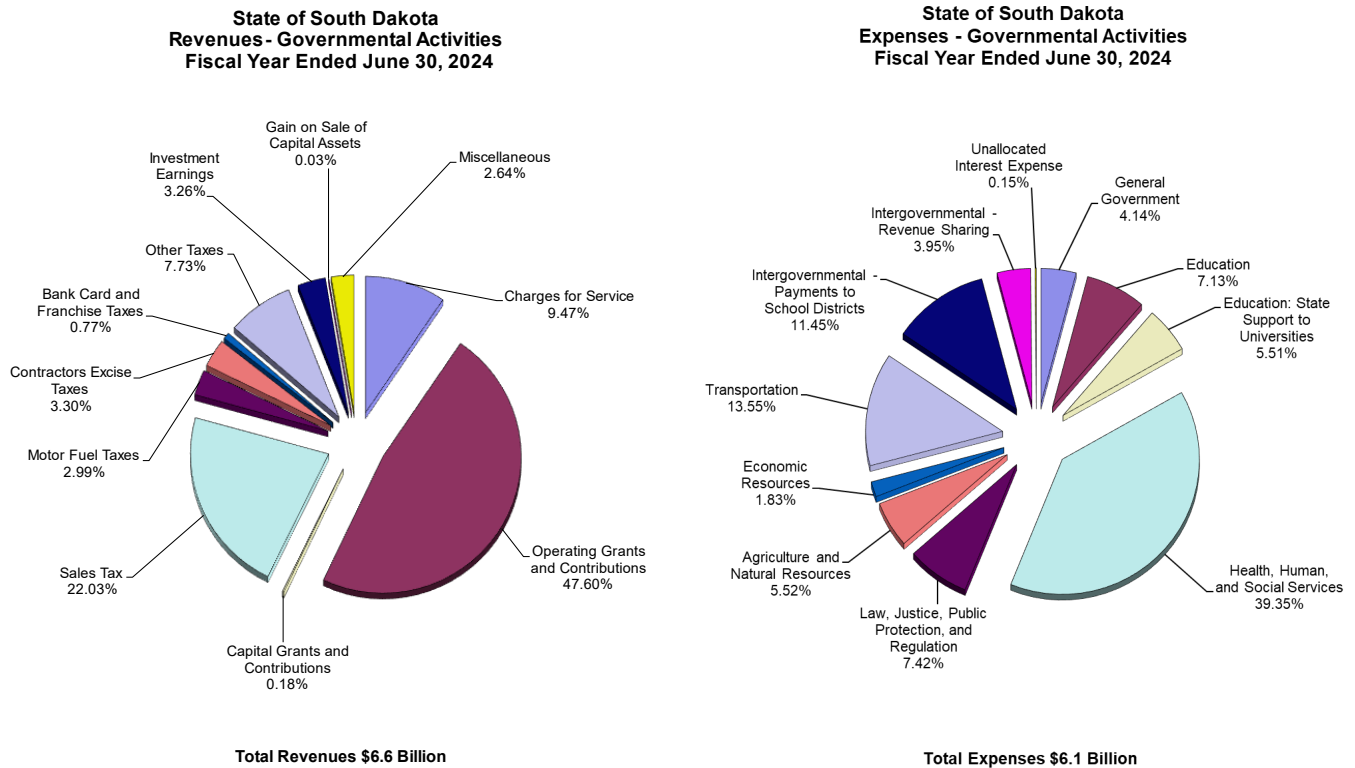
	Governmental Activities		Business-type Activities		Total Primary Government		% of Change
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	
<b>Revenues:</b>							
Program Revenues:							
Charges for Service, as restated	\$ 623,410	\$ 597,916	\$ 329,341	\$ 349,528	\$ 952,751	\$ 947,444	0.6%
Operating Grants and Contributions	3,133,450	2,767,282	71,447	39,061	3,204,897	2,806,343	14.2%
Capital Grants and Contributions	11,855	2,598			11,855	2,598	356.3%
General Revenues:							
Sales Taxes	1,449,867	1,515,425			1,449,867	1,515,425	(4.3)%
Motor Fuel Taxes	197,087	193,534			197,087	193,534	1.8%
Contractors Excise Taxes	217,400	193,935			217,400	193,935	12.1%
Bank Card and Franchise Taxes	50,400	54,486			50,400	54,486	(7.5)%
Other Taxes	509,125	490,081			509,125	490,081	3.9%
Investment Earnings	214,409	142,740			214,409	142,740	50.2%
Gain on Sale of Capital Assets	1,700	1,297			1,700	1,297	31.1%
Miscellaneous	173,937	111,429			173,937	111,429	56.1%
<b>Total Revenues, as restated</b>	<b>6,582,640</b>	<b>6,070,723</b>	<b>400,788</b>	<b>388,589</b>	<b>6,983,428</b>	<b>6,459,312</b>	8.1%
<b>Program Expenses:</b>							
General Government	254,214	252,816			254,214	252,816	0.6%
Education	438,040	460,567			438,040	460,567	(4.9)%
Education – State Support to Higher Education	338,215	289,029			338,215	289,029	17.0%
Health, Human, and Social Services	2,416,457	2,060,981			2,416,457	2,060,981	17.2%
Law, Justice, Public Protection, and Regulation	455,663	398,854			455,663	398,854	14.2%
Agriculture and Natural Resources	339,075	309,021			339,075	309,021	9.7%
Economic Resources	112,498	82,816			112,498	82,816	35.8%
Transportation	832,458	798,565			832,458	798,565	4.2%
Intergovernmental – Payments to School Districts	703,279	654,930			703,279	654,930	7.4%
Intergovernmental – Revenue Sharing	242,625	243,089			242,625	243,089	(0.2)%
Unallocated Interest Expense	9,309	9,506			9,309	9,506	(2.1)%
Unallocated Depreciation		53				53	(100.0)%
Lottery			70,085	69,327	70,085	69,327	1.1%
Clean Water State Revolving			16,421	17,542	16,421	17,542	(6.4)%
Drinking Water State Revolving			20,753	14,196	20,753	14,196	46.2%
Other			66,879	62,755	66,879	62,755	6.6%
<b>Total Expenses</b>	<b>6,141,833</b>	<b>5,560,227</b>	<b>174,138</b>	<b>163,820</b>	<b>6,315,971</b>	<b>5,724,047</b>	10.3%
Excess (Deficiency) Before Transfers	440,807	510,496	226,650	224,769	667,457	735,265	
Transfers	185,731	166,201	(185,731)	(166,201)			
Change in Net Position	626,538	676,697	40,919	58,568	667,457	735,265	
Net Position – Beginning, as restated	8,282,804	7,606,107	935,549	876,981	9,218,353	8,483,088	
<b>Net Position – Ending, as restated</b>	<b>\$ 8,909,342</b>	<b>\$ 8,282,804</b>	<b>\$ 976,468</b>	<b>\$ 935,549</b>	<b>\$ 9,885,810</b>	<b>\$ 9,218,353</b>	
Percent Change in Total Net Position from prior year	7.6%		4.4%		7.2%		

**Governmental Activities:**

The State's net position for Governmental Activities at the end of fiscal year 2024 was \$8.9 billion. This represents an increase of 7.6% or \$626.5 million from the prior fiscal year.

The \$626.5 million increase in the State's net position for Governmental Activities was the result of the net effect of the following: (1) \$6.6 billion revenues (an increase from the prior fiscal year of \$511.9 million); less (2) \$6.1 billion expenses (an increase from the prior fiscal year of \$581.6 million); plus (3) net transfers of \$185.7 million (primarily from the South Dakota Lottery Fund).

The following two charts illustrate the above program revenues and expenses for Governmental Activities for the fiscal year ending June 30, 2024:



This fiscal year, the State received 47.8% of its revenue from federal grants and contributions and 36.8% of its revenues from taxes (sales, motor fuel, contractors excise, bank card, bank franchise, and other taxes). Charges for services accounted for 9.5%.

In fiscal year 2024, health, human, and social services (taking care of people) accounted for 39.4% of the State's expenses, followed by 24.1% for education (K-12 and post-secondary), and 13.6% for transportation (constructing and maintaining roads and bridges).

Significant changes in revenues include an increase of a \$366.2 million, or a 13.2% increase in operating grants and contributions as the result of increasing federal grants including the State Fiscal Recovery Fund, and a \$71.7 million or 50.2% increase in investment earnings from strong investment returns. Contractors excise tax revenues increased by \$23.5 million or 12.1%. Sales and use tax revenue declined by \$65.6 million or 4.3% as a result of the decrease in the state sales tax rate from 4.5% to 4.2%. Future discussion of these changes can be found in the *Financial Analysis of the State's Funds* section of this document.

Most of the increases in expenses are attributed to a \$355.5 million and \$56.8 million increase in the Health, Human, and Social Services; and Law, Justice, Public Protection, and Regulation functions of government, respectively. Additionally the state support to Higher Education, Technical Education, and K – 12 school increased by \$97.5 million.

**Business-type Activities:**

The net position of the Business-type Activities at the end of fiscal year 2024 was \$976.5 million, an increase of \$40.9 million due to total revenues exceeding total expenses and transfers out. Although the net position for Business-type Activities only accounts for roughly 9.9% of the total net position, Business-type Activities provided \$185.7 million in net transfers to Governmental Activities to help fund current operations, most of which came from the South Dakota Lottery Fund.

**FINANCIAL ANALYSIS OF THE STATE'S FUNDS**

As noted earlier, the State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required by law, while others are established internally to maintain control over a particular activity.

**Governmental Funds**

The focus of the State's governmental funds is to provide information on near-term inflows and outflows during the fiscal year and on balances of spendable resources as of fiscal year-end. Such information is useful in assessing the State's financial requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. However, this measure must be used with care because large portions of the balance may relate to internally imposed limitations, such as constitutional or statutory language, which could limit resource use (e.g., Budget Reserve, Dakota Cement Trust Fund, Health Care Trust Fund, Education Enhancement Trust Fund, General Revenue Replacement Fund, and Permanent Fund), unless appropriated by legislative action as defined by state law.

As shown in the table below, at the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$3.8 billion, an increase of \$300.6 million during the fiscal year. Of this amount, approximately 18.4%, or \$709.2 million of the combined ending fund balance is non-spendable, either due to its form or legal constraints. The non-spendable portion is predominately made up of the Education Enhancement Trust, the Health Care Trust, and the Permanent funds to be held as permanent investments. Approximately 38.5%, or \$1.5 billion of the combined ending fund balance is restricted by outside sources or enabling legislation. Another 1.7%, or \$64.1 million of the combined balance is committed by state law and 28.6%, or \$1.1 billion, has been assigned internally for specific purposes. The remaining \$490.8 million, or 12.8% is reported as unassigned. Certain resources within the \$490.8 million of the unassigned fund balance have other internally imposed limitations as discussed below. For additional explanation and breakdown of these balances, see *Note 8. Fund Balance and Net Position* in the Notes to the Financial Statements.

**State of South Dakota**  
**Governmental Fund Balance as of June 30, 2024**  
 (Expressed in Thousands)

	General Fund	Transportation	Social Services Federal	COVID-19 Federal	Dakota Cement Trust	Education Enhancement Trust	Nonmajor	Total	% of Total Fund Balance
Nonspendable	\$ 5,870	\$ 27,337	\$ 49	\$ 4,936	\$ 371,315	\$ 454,009	\$ 217,009	\$ 709,210	18.4%
Restricted		280,931		1,247		278,037	546,439	1,477,969	38.5%
Committed							64,120	64,120	1.7%
Assigned	1,083,444		1,356				15,340	1,100,140	28.6%
Unassigned	505,417						(14,632)	490,785	12.8%
<b>Total Fund Balances</b>	<b>\$ 1,594,731</b>	<b>\$ 308,268</b>	<b>\$ 1,405</b>	<b>\$ 6,183</b>	<b>\$ 371,315</b>	<b>\$ 732,046</b>	<b>\$ 828,276</b>	<b>\$ 3,842,224</b>	
% Change from prior year	16.8%	(5.8)%	(56.1)%	34.9%	2.2%	4.3%	6.8%	8.5%	

The following governmental funds are major funds and had a significant impact on the State's financial position during fiscal year 2024:

**General Fund** (\$1.6 billion). The General Fund is the chief operating fund of the State. It accounts for all financial resources not accounted for and reported in another fund.

The General Fund receives most of its operating cash from sales and use tax, and contractor's excise tax revenue. Other significant General Fund revenues include but are not limited to, insurance company tax, cigarette excise tax, unclaimed property remittance, bank taxes, tourism tax, alcohol beverage tax, and mineral tax. The General Fund also receives annual statutory transfers from the South Dakota Lottery Fund, the Securities and Insurance Fund, the Education Enhancement Trust Fund, the Dakota Cement Trust Fund, the South Dakota Gaming Commission Fund, and the Health Care Trust Fund.

A vast majority of the General Fund expenditures are for education (K-12 and post-secondary); health, human, and social services (taking care of people); and law, justice, public protection, and regulation (protecting people). The General Fund also makes annual transfers out for debt service and to various other funds.

The exhibit below details the General Fund revenue, expenditures, and transfers in a comparative table.

**State of South Dakota  
Change in Revenue, Expenditures, and Transfers  
General Fund  
(Expressed in Thousands)**

Revenues and Transfers In				Expenditures and Transfers Out			
	General Fund		% of Change		General Fund		% of Change
	FY2024	FY2023			FY2024	FY2023	
<b>Revenue:</b>				<b>Expenditures:</b>			
Taxes:				Current:			
Sales and Use Tax	\$ 1,427,913	\$ 1,490,564	(4.2)%	General Government	\$ 95,044	\$ 87,502	8.6%
Contractor's Excise Tax	215,120	194,238	10.8%	Education (all)	1,082,130	981,197	10.3%
Insurance Company Tax	111,082	99,333	11.8%	Health, Human, and Social Services	768,813	639,204	20.3%
Cigarette Excise Tax	31,685	35,321	(10.3)%	Law, Justice, Public Protection, and Regulation	259,748	226,305	14.8%
Bank Tax	53,138	53,085	0.1%	Agriculture and Natural Resources	22,126	17,076	29.6%
Tourism Tax	42,045	40,253	4.5%	Economic Resources	43,643	54,647	(20.1)%
Alcohol Beverage Tax	21,684	21,352	1.6%	State Shared Revenue Paid to Other Governments	57,423	59,686	(3.8)%
Mineral Tax	12,036	7,176	67.7%	Debt Service:			
Other	22,331	19,206	16.3%	Principal and Interest	4,029	3,207	25.6%
Licenses, Permits, and Fees	14,709	14,466	1.7%	<b>Total Expenditures</b>	<b>\$ 2,332,956</b>	<b>\$ 2,068,824</b>	<b>12.8%</b>
Fines, Forfeits, and Penalties	957	800	19.6%				
Use of Money and Property	124,626	61,164	103.8%				
Sales and Services	26,184	24,264	7.9%				
Administering Programs	13	12	8.3%				
Unclaimed Property Remittance	151,006	88,353	70.9%				
Other Revenue	14,804	11,004	34.5%				
<b>Total Revenue</b>	<b>\$ 2,269,333</b>	<b>\$ 2,160,591</b>	<b>5.0%</b>				
<b>Transfers In:</b>				<b>Transfers Out:</b>			
South Dakota Lottery Fund	\$ 179,718	\$ 178,260	0.8%	State Fair Fund	\$	\$ 17,540	
Securities and Insurance Fund	61,121	63,241	(3.4)%	Railroad Trust	6,249		
Education Enhancement Trust Fund	27,383	26,389	3.8%	Emergency Management Fund	4,275	2,525	69.3%
Dakota Cement Trust Fund	14,668	14,369	2.1%	Building Authority	3,248	3,246	0.1%
South Dakota Gaming Commission Fund	8,075	7,678	5.2%	Fire Suppression Fund	2,250	2,462	(8.6)%
Health Care Trust Fund	7,926	7,276	8.9%	Accounting and Payroll	2,046	733	179.1%
All Other Transfers In	14,495	12,757	13.6%	All Other Transfers Out	6,837	9,508	(28.1)%
<b>Total Transfers In</b>	<b>\$ 313,386</b>	<b>\$ 309,970</b>	<b>1.1%</b>	<b>Total Transfers Out</b>	<b>\$ 24,905</b>	<b>\$ 36,014</b>	<b>(30.8)%</b>

The General Fund experienced an increase in revenues of \$108.7 million or 5.0% from the prior fiscal year. A majority of the overall increase is attributed to a \$63.5 million increase (103.8%) in investment earnings due to strong investment returns, \$62.7 million increase (70.9%) in unclaimed property remittances received from banks and other institutions, and \$20.9 million (10.8%) increase in contractor's excise tax due to ongoing construction growth in South Dakota. These increases were offset by \$62.7 million (4.2%) decrease in sales and use tax collections from the prior year primarily attributed to a reduction in sales tax percentage rate decrease from 4.5% to 4.2% during the fiscal year. The 6.7% decrease in the sales and use tax rate resulted in only a 4.2% decrease in the sales and use tax collections. Along with the increase in contractor excise tax, this shows a steadily expanding South Dakota economy with continued growth in construction activity.

The General Fund's total expenditures increased by \$264.1 million or 12.8% from the prior fiscal year. This increase was spread out rather evenly between the Education; Health, Human, and Social Services; Law Justice, Public Protection, and Regulation; and Agriculture and Natural Resources functions of government, offset by a decrease in the Economic Resources function of government.

At the end of the fiscal year, the total fund balance of the General Fund was \$1.6 billion, an increase of \$229.1 million, or 16.8% from the prior fiscal year.

Significant changes in the General Fund balance include the following:

- Assigned ending fund balance of \$1.1 billion increased by \$200.9 million, or 22.8% from the prior fiscal year. This increase consists of a \$247.0 million of General Funds set aside for future prison construction offset by decreases in the assigned fund balance for State Support to Higher Education and Economic Development due to spending down of previously assigned fund balances.
- Unassigned ending fund balance of \$505.4 million remained relatively unchanged from the prior year.

It is important to note that some of this unassigned fund balance has other restricting factors that may limit or decrease its availability for general appropriations because it either has another purpose as intended by state law or has internally imposed limitations. Those limitations on the unassigned fund balance include \$189.0 million in the Budget Reserve and \$133.7 million in the General Revenue Replacement Fund, which by state law is to be used only to address emergency situations without having to raise taxes or cut spending.

Additionally, \$92.7 million of the unassigned fund balance is not part of cash and cash equivalents, but rather a net effect of receivables and other assets in excess of liabilities. Of those receivables, \$103.7 million was tax revenue recognized as revenue in the General Fund in fiscal year 2024 for financial reporting purposes, but not distributed on a cash basis to the General Fund until fiscal year 2025. This revenue was budgeted for and will be used in fiscal year 2025 cash basis operations.

More detailed information on the General Fund's fund balance can be found in *Note 8. Fund Balance Classifications – Governmental Funds* in the Notes to the Financial Statements.

As a measure of the General Fund's liquidity, it may be useful to compare both the assigned and unassigned fund balances to total fund expenditures. The assigned fund balance represents 46.4% of the total General Fund operating expenditures, while the unassigned fund balance (including the Budget Reserve and GRRF) represents 21.7% of that same amount or 68.1% in total.

**Transportation (\$308.3 million).** The Transportation Fund is a major special revenue fund that accounts for the construction and maintenance of the State's highways and bridges, funds public transportation and the state highway patrol. Its revenue is comprised of federal grants, state motor fuel taxes, and state motor vehicle excise taxes. All revenues of the Transportation Fund are used and expended under the direction of the State's Department of Transportation and the Department of Public Safety. The total fund balance at the end of the current fiscal year for this fund was \$308.3 million, a decrease of \$18.9 million, or 5.8% from the prior fiscal year.

Total revenues for the Transportation Fund increased by \$102.8 million or 10.9% from the prior fiscal year while total expenditures increased by \$147.6 million, or 16.1%. These increases are the result of an increase in state funded and federally supported highway construction projects as compared to the prior fiscal year. This variation in construction activity is a normal fluctuation in the Statewide Transportation Improvement Plan.

**Social Services Federal (\$1.4 million).** The Social Services Federal Fund is a major special revenue fund that consists of over sixty federal grants and entitlement programs administered to provide social, financial, and medical services to eligible South Dakotans to foster independence and personal responsibility. This fund is administered by the State's Department of Social Services. Some of the major grants included in this fund are Medicaid, Low-Income Heating and Energy Assistance Payments, Temporary Assistance to Needy Families, State Children's Health Insurance Program, State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, Childcare and Development Fund, Child Care and Development Block Grant, Foster Care - Title IV-E, and Child Support Enforcement.

Revenue in the fund consists of federal grants from the U.S. Department of Health and Human Services, the U.S. Department of Agriculture, the U.S. Department of Energy, the U.S. Department of Justice, and federal pass-through grants from various State entities. Much of the funding is expended on entitlement programs, service contracts to providers, and the administration of these programs. A majority of the state match to these federal grants is accounted for and expended out of the General Fund. The total fund balance at the end of the current fiscal year for the Social Services Federal Fund was \$1.4 million, relatively unchanged from the prior fiscal year.

Total program revenue of \$1.0 billion increased by \$181.3 million, or 21.5% and expenditures of \$1.0 billion increased by \$175.6 million, or 20.6% from the prior fiscal year. These increases are predominantly attributed to growth in the

utilization of the Medicaid program and changes in the Federal Medical Assistance Percentage (FMAP) rate. Constitutional Amendment D which took effect at the beginning of fiscal year 2024 created a new coverage group expanding the utilization of Medicaid.

**COVID-19 Federal** (\$6.2 million). The COVID-19 Federal fund is a major special revenue fund created in fiscal year 2020 to account for all federal grants received for the COVID-19 pandemic. A large majority of the activity in this fund is federal grant funding created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the State Fiscal Recovery Fund (SFRF) as created by the American Rescue Plan Act (ARPA). Other COVID-19 related activity in this fund includes the enhanced FMAP and enhanced Supplemental Nutrition Assistance Program (SNAP) from the Families First Coronavirus Response Act, Elementary and Secondary School Emergency Relief (ESSER) funds, and other federal funding sources for pandemic-related programs.

As of June 30, 2024, the COVID-19 Federal fund reported total expenditures of \$562.0 million. Of that, \$218.1 million (38.8%) and \$173.4 million (30.9%) were SFRF and ESSER federal grant expenditures respectively. Other major expenditures included \$64.5 million (11.5%) of enhanced FMAP expenditures and \$26.0 million (4.6%) for childcare development grants. The remaining \$80.0 million of COVID-19 Federal Fund expenditures included over 65 different federal funding sources.

At the close of the fiscal year, the COVID-19 Federal fund had a fund balance of \$6.2 million and \$600.0 million of unearned federal grant revenue. Most of the unearned revenue is for SFRF receipts not yet spent.

**Dakota Cement Trust Fund** (\$371.3 million). As created in Article XIII, Sections 20 and 21 of the Constitution of the State of South Dakota, this fund consists of the proceeds from the sale of the State Cement Plant and all investment earnings. "Four percent of the lesser of the average market value of the trust fund determined by adding the market value of the trust fund at the end of the sixteen most recent calendar quarters as of December thirty-first of that year and dividing that sum by sixteen, or the market value of the trust fund at the end of that calendar year" shall be transferred to the General Fund in support of education. The Dakota Cement Trust Fund transferred \$14.7 million to the General Fund in fiscal year 2024 and \$14.4 million in fiscal year 2023.

The fund balance in the Dakota Cement Trust Fund on June 30, 2024, was \$371.3 million and is restricted for education. This is an increase of \$8.0 million from the previous fiscal year. The increase resulted primarily from net investment income of \$24.0 million exceeding the statutory required transfer to the General Fund of \$14.7 million.

**Education Enhancement Trust Fund** (\$732.0 million). This fund consists of monies received from the Tobacco Settlement Agreement, monies transferred from the Tobacco Securitization Fund, and General Fund appropriations for scholarship purposes. The fund is authorized by state law to make an annual distribution equal to 4.0% of its market value (less the investment expenses) into the General Fund for educational enhancement programs. Article XII, Section 6 of the Constitution of the State of South Dakota also states that "the Education Enhancement Trust Fund may not be diverted for other purposes, nor may the principal be invaded unless appropriated by a three-fourths vote of all the members-elect of each house of the legislature." The Education Enhancement Trust Fund transferred \$27.4 million to the General Fund in fiscal year 2024 and \$26.4 million in fiscal year 2023.

The fund balance in the Education Enhancement Trust Fund on June 30, 2024, was \$732.0 million, an increase of \$29.9 million from the prior fiscal year. The increase resulted from net investment income of \$49.6 million and the \$10.4 million transfer in from the Tobacco Securitization Fund exceeding the statutory required transfer out to the General Fund of \$27.4 million.

**Proprietary Funds**

The State's proprietary funds are presented on the accrual basis of accounting and include the State's enterprise and internal service funds. The following proprietary funds had significant activity or changes to net position during fiscal year 2024:

**Lottery Fund** (\$7.5 million). The Lottery Fund accounts for the operations of the South Dakota State Lottery, which markets instant tickets and lotto games and regulates video lottery to raise revenue for state programs and projects. At the end of the current fiscal year, the Lottery Fund reported a total net position of \$7.5 million, an increase of \$1.0 million in comparison with the prior fiscal year. Pursuant to state law, the State Lottery Fund transferred \$179.7 million to the General Fund, \$2.4 million to the Water and Environment Fund, \$1.4 million to the Transportation Fund, and \$0.2 million to the Department of Social Services.

The State Lottery produced net income (before transfers) of \$184.7 million on total operating revenue of \$253.6 million, compared to the previous fiscal year's net income (before transfers) of \$182.8 million on total operating revenue of \$251.5 million. This continued growth is attributed to three large jackpot prizes and steady growth in instant ticket sales and video lottery play.

**Clean Water State Revolving Fund** (\$289.3 million). The Clean Water State Revolving Fund program was federally authorized by the 1987 Clean Water Act amendments. The United States Environmental Protection Agency awards capitalization grants to the State. These grants along with 5:1 matching state funds provide low-interest loans to governmental entities for wastewater, storm sewer, and nonpoint source pollution projects. Projects with compliance or health and safety concerns receive the highest priority.

At the end of the current fiscal year, the Clean Water State Revolving Fund reported a total net position of \$289.3 million, an increase of \$18.6 million, or 6.9% in comparison to the prior fiscal year. This increase resulted primarily from an increase in federal capitalization receipts.

**Drinking Water State Revolving Fund** (\$247.5 million). The Drinking Water State Revolving Fund program was federally authorized by the Safe Drinking Water Act amendments of 1996. The United States Environmental Protection Agency awards capitalization grants to the State. These grants along with 5:1 matching state funds are used to provide low-interest loans to finance drinking water projects. Projects with compliance or health and safety concerns receive the highest priority.

At the end of the current fiscal year, the Drinking Water Revolving Fund reported a total net position of \$247.5 million, an increase of \$15.1 million, or 6.5% in comparison with the prior fiscal year. This increase resulted primarily from an increase in federal capitalization receipts.

**Budgetary Highlights - General Fund**

The following analysis is based on the Budgetary Comparison Schedules included in the Required Supplementary Information that immediately follows the Basic Financial Statements.

The original budget is defined as the first complete appropriated budget, adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. Any such transaction that is authorized as a legislative or executive change before the beginning of the fiscal year is included in the original budget, regardless of the effective date of the document loaded on the accounting system. The original budget also includes employee compensation allocations and any actual appropriation amounts carried forward by law from prior fiscal years including special appropriations, maintenance and repair, and carryovers. The final budget is defined as the original budget, adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes after the beginning of the fiscal year.

**General Fund.** The difference between the original and the final budget was a \$26.8 million net decrease in appropriations comprised of two separate appropriation types: emergency special appropriations and net general bill adjustment appropriations (both increases and decreases). The net decrease was due to changes in utilization in healthcare programs and State Aid to general education, as well as general fund transfers to the incarceration construction fund in the final budget.

***Increases to the General Fund Budget***

**Emergency Specials.** During the 2024 Legislative Session, the Legislature approved emergency special appropriations to the General Fund of \$66.8 million in fiscal year 2024. They consisted of the following:

- \$12.0 million was appropriated to the Office of the Attorney General for creating cybersecurity services and grants to organizations that assist with children who have been abused or neglected, victims of domestic violence, and sexual assault.
- \$10.0 million was appropriated to the Department of Transportation for grants to support the improvement, expansion, and future capacity demands of terminals at public airports.
- \$7.9 million was appropriated to the Department of Public Safety for costs related to emergency, disaster, or suppression of wildfires in SD, and for the construction of a maintenance shop for the Wildland Fire Suppression Division in Rapid City and Hot Springs.
- \$6.0 million was appropriated to the Department of Education for providing professional development to teachers in the subject of literacy education based on the science of reading.
- \$6.0 million was appropriated to the Department of Social Services for grants to assist in the construction of a facility that will provide a specialty rehabilitation pediatric hospital, a specialty school, an intermediate health care facility, and outpatient rehabilitation pediatric services.
- \$5.8 million was appropriated to the Department of Corrections to design, renovate, construct, furnish, and equip the expansion of the healthcare service areas in the South Dakota Women's Prison.
- \$4.0 million was appropriated to the Department of Agriculture and Natural Resources to relocate or repurpose the 4-H beef exhibits building on the State Fairgrounds or demolish and dispose of the structure.
- \$3.2 million was appropriated to the Office of School and Public Lands for replacing the Richmond Lake dam and spillway and other general maintenance and repair on other state-owned dams.
- \$3.0 million was appropriated to Higher Education for establishing a Center for Quantum Information Science and Technology.
- \$8.9 million total increase in appropriations to various state agencies.

**General Bill Increases.** The 2024 Legislature approved general bill adjustments that increased the General Fund original budget by \$34.3 million during fiscal year 2024. This increase consisted of the following:

- \$17.8 million increase in appropriations to Higher Education related to the Board of Regents Central Office, SDSU, USD, and SD School for the Deaf.
- \$6.2 million increase in appropriations to the Department of Corrections for programs in the women's prison, state penitentiary, juvenile community corrections, and Mike Durfee state prison.
- \$5.6 million increase in appropriations to the Department of Education for programs in technical colleges.
- \$4.7 million increases in appropriations to various state agencies.

***Decreases to the General Fund Budget***

**General Bill Decreases.** The 2024 Legislature approved general bill adjustments that decreased the General Fund original budget by \$127.9 million during fiscal year 2024. This decrease consisted of the following:

- \$82.1 million decrease in appropriations to the Department of Social Services for programs in medical services, children's services, and behavioral health.
- \$19.8 million decrease in appropriations to the Department of Human Services for programs in developmental disabilities, long-term services and supports, SD Development Center in Redfield, and rehabilitation services.
- \$15.2 million decrease in appropriations to the Department of Education for programs in State Aid to general education and education resources.



- \$10.8 million decrease in appropriations to various state agencies.

The net effect of the emergency special appropriations and general bill adjustments resulted in a \$26.8 million decrease in appropriations. Overall, there were no over-expenditures by any State departments in the General Fund. The difference between the final amended budget and actual spending was \$414.4 million below the final budgeted estimates.

**CAPITAL ASSETS**

Investment in capital assets as of June 30, 2024, is \$5.2 billion (net of accumulated depreciation). This includes land, land improvements, buildings, equipment, intangible assets, vehicles, infrastructure, right-to-use assets, and construction in progress.

**State of South Dakota  
Capital Assets - Primary Government  
(Expressed in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Land	\$ 130,922	\$ 130,793	\$ 295	\$ 295	\$ 131,217	\$ 131,088
Land Improvements	122,840	114,745	1,102	1,096	123,942	115,841
Land Improvements - Roads	648,034	646,845			648,034	646,845
Buildings	847,445	844,037	35,293	7,819	882,738	851,856
Equipment	319,334	302,419	3,759	3,635	323,093	306,054
Intangible Assets – Software	190,325	125,522	473	473	190,798	125,995
Vehicles	212,220	204,558			212,220	204,558
Infrastructure	4,871,764	4,765,726			4,871,764	4,765,726
Right-to-Use Land	35	24			35	24
Right-to-Use Building	85,664	83,257	1,919	2,338	87,583	85,595
Right-to-Use Equipment	613	287			613	287
Right-to-Use Subscription IT Assets	22,178	8,371	1,300	1,300	23,478	9,671
Construction in Progress, as restated	581,269	377,087	2	22,775	581,271	399,862
<b>Total Capital Assets, as restated</b>	<b>8,032,643</b>	<b>7,603,671</b>	<b>44,143</b>	<b>39,731</b>	<b>8,076,786</b>	<b>7,643,402</b>
Accumulated Depreciation	(2,831,917)	(2,708,753)	(8,678)	(8,463)	(2,840,595)	(2,717,216)
<b>Total Capital Assets, Net, as restated</b>	<b>\$ 5,200,726</b>	<b>\$ 4,894,918</b>	<b>\$ 35,465</b>	<b>\$ 31,268</b>	<b>\$ 5,236,191</b>	<b>\$ 4,926,186</b>

The most significant capital asset the State reported in fiscal year 2024 is infrastructure. Infrastructure assets are long-lived capital assets that are normally stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Infrastructure assets account for \$2.9 billion (net of accumulated depreciation), which is 54.9% of total net capital assets.

The State's Net Investment in Capital Assets (net of accumulated depreciation) increased \$310.0 million or 6.3% during the fiscal year. This change was primarily due to an increase in infrastructure from continued highway construction projects funded by federal grants and state motor fuel taxes in the Transportation Fund.

More detailed information on the State's capital assets can be found in *Note 6. Capital Assets* in the Notes to the Financial Statements.

**Debt Administration**

**Issuer Credit Rating of the State.** On May 4, 2015, Standard & Poor's upgraded the issuer credit rating (ICR) for the State to AAA with a stable outlook. Likewise, on June 17, 2016, and July 11, 2016, Fitch Rating Service and Moody's Investors Service also upgraded the ICR for the State to AAA and Aaa both with a stable outlook. As of June 30, 2024, all three rating agencies have reaffirmed South Dakota's AAA (Aaa) ratings with a stable outlook.

The authority of the State to incur limited debt for specific purposes is described in Article XIII, Section 2, of the State's Constitution. This section prohibits the State from having general obligation indebtedness in excess of \$100,000.

**South Dakota Building Authority.** The South Dakota Building Authority (SDBA) was created and organized by Chapter 5-12 of the South Dakota Codified Laws to issue debt on behalf of the primary government. Although legally separate from the State, SDBA is a blended component unit of the State, and accordingly, is included in the State's financial statements.

SDBA issues bonds, certificates of participation, and trust certificates to finance the cost to acquire, construct, remodel, maintain, and equip buildings and other facilities of state departments and institutions. These obligations are payable from revenue generated through rental agreements between SDBA and the state departments and institutions. The indebtedness, bonds, or obligations incurred or created by SDBA may not be or become a lien, charge, or liability against the State. The bonds and all related financial transactions used to finance buildings of state departments and institutions are reported as part of the Governmental Activities in the State's Basic Financial Statements, except for the debt of the universities, which is reported as part of the discretely presented component unit information.

On June 30, 2024, the uninsured rating for SDBA from both Standard & Poor's was AA+ and Moody's Investor Service was Aa1, all one grade lower than the State's ICR.

SDBA did not issue any revenue bonds for the primary government or Higher Education in fiscal year 2024.

**Educational Enhancement Funding Corporation.** The Educational Enhancement Funding Corporation (EEFC) is a special-purpose corporation organized by Chapter 5-12 of the South Dakota Codified Laws. EEFC is an instrumentality of, but separate and apart from the State. Although legally separate from the State, EEFC is a blended component unit of the State and is included in the State's financial statements.

Pursuant to a Purchase and Sale Agreement with the State, the State sold to EEFC its future rights, title, and interest in the Tobacco Settlement Revenues (TSRs) under the Master Settlement Agreement. The purchase price of the State's future right, title, and interest in the TSRs has been financed by the issuance of bonds and the Residual Certificate. The Residual Certificate represents the right of the State to receive all amounts required to be distributed after payment of all outstanding bonds and other liabilities of EEFC as set forth in the Trust Indenture. Pursuant to the Resolution, EEFC is prohibited from selling additional bonds, other than refunding bonds. The bonds represent limited obligations of EEFC, payable solely from and secured solely by the pledged TSRs and the pledged amounts. The bonds are not a debt or liability of the State or any political subdivision or agency thereof. EEFC has no taxing power. The bonds and all related financial transactions of EEFC are reported as part of the Governmental Activities in the State's Basic Financial Statements.

EEFC did not issue any refunding bonds in fiscal year 2024.

**South Dakota Conservancy District.** The South Dakota Conservancy District (SDCD) was created by the Legislature under Chapter 46A-2 of the South Dakota Codified Law as a body politic and corporate to construct water resource facilities for the conservation, storage, distribution, and utilization of water for multiple purposes within the State. Although legally separate from the State, SDCD is a blended component unit of the State and is included in the State's financial statements.

SDCD issues revenue bonds for the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF). These funds provide low-interest loans or other types of financial assistance for the construction of publicly owned wastewater treatment facilities; implementation of nonpoint source management programs; and construction and maintenance of drinking water facilities respectively. The bonds are paid solely from CWSRF and DWSRF loan repayments. The SDCD bonds do not constitute a debt or liability of the State or a pledge of

the faith and credit of the State. The revenue bonds and related financial transactions for the CWSRF and DWSRF are reported as part of the Business-type Activities in the State’s Basic Financial Statements.

On June 30, 2024, the SDCD maintained its long-term rating of AAA with a positive outlook by Standard & Poor’s and Aaa by Moody’s Investor Service.

SDCD did not issue any bonds in fiscal year 2024.

**Total Outstanding Notes and Bond Debt.** The primary government had total notes and bonded debt outstanding as follows:

**State of South Dakota  
Outstanding Notes and Bonded Debt  
(Expressed in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Revenue Bonds:						
South Dakota Building Authority	\$ 55,783	\$ 60,429	\$	\$	\$ 55,783	\$ 60,429
Educational Enhancement Funding Corporation	20,900	31,885			20,900	31,885
South Dakota Conservancy District			513,104	540,247	513,104	540,247
Notes Payable	97,657	100,016			97,657	100,016
<b>Total</b>	<b>\$ 174,340</b>	<b>\$ 192,330</b>	<b>\$ 513,104</b>	<b>\$ 540,247</b>	<b>\$ 687,444</b>	<b>\$ 732,577</b>

Additional information on the State’s long-term debt obligations can be found in *Note 11. Long-Term Liabilities* in the Notes to the Financial Statements.

**ECONOMIC CONDITIONS AND OUTLOOK**

South Dakota’s economy continues to grow. Nonfarm employment in the State grew at 2.1% in 2023 and is projected to finish 2024 at 1.2%. The unemployment rate in South Dakota remained among the lowest in the nation in fiscal year 2024. The State’s unemployment rate was at a rate of 2.0% in June 2024, while the U.S. unemployment rate was 4.1% the same month. In calendar year 2023, the most recent annual data that is available, South Dakota’s personal income grew 5.0%. South Dakota’s per capita personal income for the second quarter of 2024 is at an annual rate of \$73,962, 1.0% greater than the United States’ average of \$73,219.

Further information on the South Dakota economy and economic outlook is included in the transmittal letter.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the State’s finances and to demonstrate the State’s accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Bureau of Finance and Management, 500 East Capitol Avenue, Pierre, South Dakota 57501, (605) 773-3411, or visit our website at <https://bfm.sd.gov>.

The State’s discretely presented component units, except for Higher Education, issue their own separately audited financial statements. These statements may be obtained by directly contacting the Department of Legislative Audit at 427 South Chapelle, c/o 500 East Capitol, Pierre, South Dakota 57501, (605) 773-3595 or visiting their website at <https://legislativeaudit.sd.gov>.



## ***BASIC FINANCIAL STATEMENTS***

**The *Basic Financial Statements* include the government-wide financial statements, the governmental funds financial statements, the proprietary funds financial statements, the fiduciary funds financial statements, and the accompanying Notes to the Financial Statements. The following individual statements are included:**

- Government-wide Financial Statements – Statement of Net Position
- Government-wide Financial Statements – Statement of Activities
- Balance Sheet – Governmental Funds
- Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
- Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
- Reconciliation of the Change in Fund Balances of Governmental Funds to the Statement of Activities
- Statement of Net Position – Proprietary Funds
- Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
- Statement of Cash Flows – Proprietary Funds
- Statement of Fiduciary Net Position – Fiduciary Funds
- Statement of Changes in Fiduciary Net Position – Fiduciary Funds
- Notes to the Financial Statements

STATE OF SOUTH DAKOTA  
STATEMENT OF NET POSITION  
June 30, 2024  
(Expressed in Thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 2,955,314	\$ 464,977	\$ 3,420,291
Receivables, net	846,750	855,930	1,702,680
Due From Component Units	885	121	1,006
Due From Primary Government			0
Internal Balances	14,378	(14,378)	0
Investments	1,442,951	168,235	1,611,186
Securities Held as Escheat Property	4,185		4,185
Inventory	38,459	1,420	39,879
Advances to Component Units	3,072		3,072
Other Assets	10,992	154	11,146
Assets Held for Resale		321	321
Restricted Assets:			
Cash and Cash Equivalents	1	38	39
Investments	12,182	337	12,519
Net Pension Asset	1,963	49	2,012
Other	7,697	727	8,424
Capital Assets:			
Land and Other Non-depreciable Assets	791,295	295	791,590
Infrastructure, net	2,873,049		2,873,049
Property, Plant, and Equipment, net	869,971	33,122	903,093
Right-to-use Leased Assets, net	67,527	1,280	68,807
Right-to-use Subscription IT Assets, net	17,615	766	18,381
Construction in Progress	581,269	2	581,271
<b>Total Assets</b>	<b>10,539,555</b>	<b>1,513,396</b>	<b>12,052,951</b>
<b>Deferred Outflows of Resources</b>			
Related to Pensions	171,270	4,179	175,449
Related to Swaps			0
Related to Asset Retirement Obligations			0
Related to Debt Refunding	2,475	3,773	6,248
<b>Total Deferred Outflows of Resources</b>	<b>173,745</b>	<b>7,952</b>	<b>181,697</b>
<b>Liabilities</b>			
Accounts Payable and Other Liabilities	584,291	11,540	595,831
Due To Primary Government			0
Due To Component Units	938		938
Advances From Primary Government			0
Accrued Interest Payable	1,882	9,325	11,207
Unearned Revenue	669,453	2,108	671,561
Noncurrent Liabilities:			
Due Within One Year	120,572	29,730	150,302
Due In More Than One Year	326,921	488,861	815,782
<b>Total Liabilities</b>	<b>1,704,057</b>	<b>541,564</b>	<b>2,245,621</b>
<b>Deferred Inflows of Resources</b>			
Related to Pensions	98,288	2,423	100,711
Related to Gain on Debt Refunding			0
Related to Swaps			0
Related to Leases	1,613	893	2,506
<b>Total Deferred Inflows of Resources</b>	<b>99,901</b>	<b>3,316</b>	<b>103,217</b>
<b>Net Position</b>			
Net Investment in Capital Assets	4,961,627	33,744	4,995,371
Restricted for:			
Education	383,367		383,367
Highways	293,139		293,139
Railroads	86,983		86,983
Law, Justice, Public Protection, and Regulation	37,181		37,181
Agriculture and Natural Resources	104,748		104,748
Game and Fish	5,718		5,718
Parks and Recreation	4,009		4,009
Health and Public Assistance	103,132		103,132
Economic Development	103,657		103,657
Debt Service	34,664		34,664
Capital Projects	339		339
HOME, HTF, NSP, and HAF Program			0
Energy Conservation Programs	13,299		13,299
Higher Education - Expendable			0
Higher Education - Nonexpendable			0
Funds Held as Permanent Investments:			
Expendable	357,293		357,293
Nonexpendable	665,356		665,356
Underground Expansion			0
Pensions	74,945	1,805	76,750
Disaster Relief Fund		10,667	10,667
Experiments			0
Mine Closure			0
Sanford Center for Science Education			0
Other Purposes	12,152	2,402	14,554
Unrestricted	1,667,733	927,850	2,595,583
<b>Net Position</b>	<b>\$ 8,909,342</b>	<b>\$ 976,468</b>	<b>\$ 9,885,810</b>

The notes to the financial statements are an integral part of this statement.

Component Units			
Housing Authority	Science and Technology Authority	Higher Education	Nonmajor
\$ 559,497	\$ 19,806	\$ 347,270	\$ 20,625
377,214	3,405	150,584	6,961
		938	
1,627,014		704,978	173
6,787	2,723	10,492	
	10,112	30,917	88
			361
		24,142	6,615
		174,965	
16	61	1,261	
		30,247	
220	19,979	54,156	572
	1,266	68,475	
4,171	68,139	1,300,737	27,155
		15,928	
		2,932	
	17,647	179,825	
<b>2,574,919</b>	<b>143,138</b>	<b>3,097,847</b>	<b>62,550</b>
1,397	5,251	109,716	
394			
	1,054		
1,913		11,378	
<b>3,704</b>	<b>6,305</b>	<b>121,094</b>	<b>0</b>
3,795	4,625	58,300	1,201
159	2	845	
		3,072	
13,488		2,539	128
54,288		91,637	170
163,549	990	74,147	4,264
1,674,796	5,701	496,035	21,553
<b>1,910,075</b>	<b>11,318</b>	<b>726,575</b>	<b>27,316</b>
795	3,045	63,039	
8,467		886	
27,248			
<b>36,510</b>	<b>3,045</b>	<b>63,925</b>	<b>0</b>
(1,269)	107,031	1,169,491	13,539
359,482		3,668	5,000
96,328			
		321,838	
		688,068	
	6,807		
618	2,267	47,938	
	579		
	1,642		
	78		
176,879	7,859		
	8,817	197,438	16,695
<b>\$ 632,038</b>	<b>\$ 135,080</b>	<b>\$ 2,428,441</b>	<b>\$ 35,234</b>

**STATE OF SOUTH DAKOTA**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2024**  
**(Expressed in Thousands)**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General Government	\$ 254,214	\$ 302,152	\$ 15,647	\$ 211
Education	438,040	7,922	397,371	
Education - State Support to Higher Education	338,215			
Health, Human, and Social Services	2,416,457	75,429	1,643,090	4,328
Law, Justice, Public Protection, and Regulation	455,663	122,377	131,480	25
Agriculture and Natural Resources	339,075	96,217	214,200	
Economic Resources	112,498	430	59,133	
Transportation	832,458	18,883	672,529	7,291
Intergovernmental - Payments to School Districts	703,279			
Intergovernmental - Revenue Sharing	242,625			
Unallocated Interest Expense	9,309			
<b>Total Governmental Activities</b>	<b>6,141,833</b>	<b>623,410</b>	<b>3,133,450</b>	<b>11,855</b>
<b>Business-type Activities:</b>				
Lottery	70,085	253,670	1,151	
Clean Water State Revolving	16,421	9,478	25,571	
Drinking Water State Revolving	20,753	6,437	29,455	
Revolving Economic Development and Initiative	197	790	4,902	
Unemployment Insurance	31,834	25,926	8,021	
Second Injury	444		33	
State Fair	3,671	6,013	50	
Federal Surplus Property	1,782	1,565	24	
Rural Rehabilitation	212	113	451	
Prison Industries	5,448	5,708	43	
S.D. Trust Company Captive Insurance Co.	32	51	76	
Professional and Licensing	12,385	10,455	876	
Banking and Insurance	7,059	6,215	614	
Other	3,815	2,920	180	
<b>Total Business-type Activities</b>	<b>174,138</b>	<b>329,341</b>	<b>71,447</b>	<b>0</b>
<b>Total Primary Government</b>	<b>\$ 6,315,971</b>	<b>\$ 952,751</b>	<b>\$ 3,204,897</b>	<b>\$ 11,855</b>
<b>Component Units:</b>				
Housing Authority	\$ 144,370	\$ 17,672	\$ 141,504	\$
Science and Technology Authority	43,254	762	40,236	
Higher Education	959,610	494,070	186,838	9,175
Nonmajor	7,321	6,950	436	104
<b>Total Component Units</b>	<b>\$ 1,154,555</b>	<b>\$ 519,454</b>	<b>\$ 369,014</b>	<b>\$ 9,279</b>

**General Revenues:**

Taxes:
Sales Taxes
Motor Fuel Taxes
Contractors Excise Taxes
Bank Card and Franchise Taxes
Other Taxes
Unrestricted Investment and Interest Earnings
State Support to Higher Education
Gain on Sale of Capital Assets
Miscellaneous
Additions to Endowments
Transfers

**Total General Revenues, Additions to Endowments, and Transfers**

**Changes in Net Position**

Net Position at Beginning of Year, as previously reported  
Net Position, restatement  
Net Position at Beginning of Year, as restated

**Net Position at End of Year**

The notes to the financial statements are an integral part of this statement.



**Net (Expenses) Revenue and Changes in Net Position**

Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Housing Authority	Science and Technology Authority	Higher Education	Nonmajor
\$ 63,796	\$	\$ 63,796				
(32,747)		(32,747)				
(338,215)		(338,215)				
(693,610)		(693,610)				
(201,781)		(201,781)				
(28,658)		(28,658)				
(52,935)		(52,935)				
(133,755)		(133,755)				
(703,279)		(703,279)				
(242,625)		(242,625)				
(9,309)		(9,309)				
<b>(2,373,118)</b>	<b>0</b>	<b>(2,373,118)</b>				
	184,736	184,736				
	18,628	18,628				
	15,139	15,139				
	5,495	5,495				
	2,113	2,113				
	(411)	(411)				
	2,392	2,392				
	(193)	(193)				
	352	352				
	303	303				
	95	95				
	(1,054)	(1,054)				
	(230)	(230)				
	(715)	(715)				
<b>0</b>	<b>226,650</b>	<b>226,650</b>				
<b>(2,373,118)</b>	<b>226,650</b>	<b>(2,146,468)</b>				
			\$ 14,806	\$	\$	\$
				(2,256)		
					(269,527)	
			<b>14,806</b>	<b>(2,256)</b>	<b>(269,527)</b>	<b>169</b>
						<b>169</b>
1,449,867		1,449,867				
197,087		197,087				
217,400		217,400				
50,400		50,400				
509,125		509,125				
214,409		214,409		816	71,538	895
		0			338,215	
1,700		1,700				5
173,937		173,937				
		0			35,919	
185,731	(185,731)	0				
<b>2,999,656</b>	<b>(185,731)</b>	<b>2,813,925</b>	<b>0</b>	<b>816</b>	<b>445,672</b>	<b>900</b>
<b>626,538</b>	<b>40,919</b>	<b>667,457</b>	<b>14,806</b>	<b>(1,440)</b>	<b>176,145</b>	<b>1,069</b>
8,268,924	940,171	9,209,095	617,232	136,520	2,244,994	34,165
13,880	(4,622)	9,258			7,302	
<b>8,282,804</b>	<b>935,549</b>	<b>9,218,353</b>	<b>617,232</b>	<b>136,520</b>	<b>2,252,296</b>	<b>34,165</b>
<b>\$ 8,909,342</b>	<b>\$ 976,468</b>	<b>\$ 9,885,810</b>	<b>\$ 632,038</b>	<b>\$ 135,080</b>	<b>\$ 2,428,441</b>	<b>\$ 35,234</b>

STATE OF SOUTH DAKOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2024  
(Expressed in Thousands)

	General Fund	Transportation	Social Services Federal	COVID-19 Federal	Dakota Cement Trust	Education Enhancement Trust	Nonmajor	Total
<b>Assets</b>								
Cash and Cash Equivalents	\$ 1,534,993	\$ 206,609	\$ 5,290	\$ 639,539	\$ 290	\$ 2,832	\$ 483,590	\$ 2,873,143
Restricted Cash							1	1
Investments					370,810	756,001	316,140	1,442,951
Restricted Investments							12,182	12,182
Restricted Other Assets							7,697	7,697
Securities Held as Escheat Property	4,185							4,185
Receivables from:								
Taxes, net	244,643	17,444					2,666	264,753
Interest and Dividends	19,236	1,347	2	2	215	596	2,762	24,160
Other Funds	84,063	5,113	36				9,532	98,744
Component Units	78	1					23	102
Other Governments	1,632	153,600	45,133	36,188			127,922	364,475
Loans and Notes, net	160	5,121		1,155			60,148	66,584
Other, net	16,214	618	16,556	1,615			83,138	118,141
Inventory	2,561	26,553	20	3,774			4,621	37,529
Advances to Component Units							3,072	3,072
Other Assets	3,309	784	29	1,162			1,746	7,030
<b>Total Assets</b>	<b>\$ 1,911,074</b>	<b>\$ 417,190</b>	<b>\$ 67,066</b>	<b>\$ 683,435</b>	<b>\$ 371,315</b>	<b>\$ 759,429</b>	<b>\$ 1,115,240</b>	<b>\$ 5,324,749</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts Payable and Other Liabilities	\$ 181,160	\$ 83,719	\$ 63,430	\$ 30,303	\$	\$	\$ 67,923	\$ 426,535
Payable to:								
Other Funds	8,616	1,545	1,560	395		27,383	55,333	94,832
Component Units	87	55	63	110			591	906
Other Governments	40,221	21,543	208	46,423			70,488	178,883
Claims, Judgments, and Compensated Absences	171	43	31				122	367
Unearned Revenue	49,891	2,017	369	600,021			16,389	668,687
<b>Total Liabilities</b>	<b>280,146</b>	<b>108,922</b>	<b>65,661</b>	<b>677,252</b>	<b>0</b>	<b>27,383</b>	<b>210,846</b>	<b>1,370,210</b>
<b>Deferred Inflows of Resources:</b>								
Related to Leases	149						1,464	1,613
Unavailable Revenue	36,048						74,654	110,702
<b>Total Deferred Inflows of Resources</b>	<b>36,197</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>76,118</b>	<b>112,315</b>
<b>Fund Balances:</b>								
Nonspendable	5,870	27,337	49	4,936		454,009	217,009	709,210
Restricted		280,931		1,247	371,315	278,037	546,439	1,477,969
Committed							64,120	64,120
Assigned	1,083,444		1,356				15,340	1,100,140
Unassigned	505,417						(14,632)	490,785
<b>Total Fund Balances</b>	<b>1,594,731</b>	<b>308,268</b>	<b>1,405</b>	<b>6,183</b>	<b>371,315</b>	<b>732,046</b>	<b>828,276</b>	<b>3,842,224</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,911,074</b>	<b>\$ 417,190</b>	<b>\$ 67,066</b>	<b>\$ 683,435</b>	<b>\$ 371,315</b>	<b>\$ 759,429</b>	<b>\$ 1,115,240</b>	<b>\$ 5,324,749</b>

The notes to the financial statements are an integral part of this statement.

STATE OF SOUTH DAKOTA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2024  
(Expressed in Thousands)

<b>Total Fund Balances - Governmental Funds</b>		<b>\$ 3,842,224</b>
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds. These assets consist of:		
Land and Construction in Progress	\$ 1,370,952	
Infrastructure	4,871,765	
Right-to-use Leased Assets	80,507	
Right-to-use Subscription IT Assets	8,641	
Other Capital Assets	1,566,473	
Accumulated Depreciation and Amortization	<u>(2,749,429)</u>	
Total Capital Assets		5,148,909
Net pension asset used in governmental activities is not a financial resource and is therefore not reported in the governmental funds.		
		1,822
Deferred outflows of resources are not reported in the governmental funds:		
Related to Pension	158,983	
Related to Debt Refunding	<u>2,475</u>	
Total Deferred Outflows of Resources		161,458
Internal service funds are used by management to charge costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
		57,123
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities are:		
Bonds and Notes	(160,808)	
Accrued Interest on Bonds, Leases, and Notes	(1,804)	
Leases	(64,441)	
Subscription IT Arrangements	(5,951)	
Compensated Absences	(75,133)	
Pollution Remediation	<u>(13,501)</u>	
Total Long-Term Liabilities		(321,638)
Deferred inflows of resources are not reported in the governmental funds:		
Revenues not available soon enough after year-end to pay for the current period's expenditures	110,702	
Related to Pensions	<u>(91,258)</u>	
Total Deferred Inflows of Resources		19,444
<b>Net Position of Governmental Activities</b>		<b><u>\$ 8,909,342</u></b>

The notes to the financial statements are an integral part of this statement.

STATE OF SOUTH DAKOTA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	General Fund	Transportation	Social Services Federal	COVID-19 Federal	Dakota Cement Trust	Education Enhancement Trust	Nonmajor	Total
<b>Revenue:</b>								
Taxes	\$ 1,937,034	\$ 365,061	\$	\$	\$	\$	\$ 127,908	\$ 2,430,003
Licenses, Permits, and Fees	14,709	13,125					335,834	363,668
Fines, Forfeits, and Penalties	957	1					38,485	39,443
Use of Money and Property	124,626	11,346	53	44	24,009	49,581	47,555	257,214
Sales and Services	26,184	2,098		12			23,823	52,117
Administering Programs	13	652,674	1,013,328	564,375			858,747	3,089,137
Tobacco Settlement							21,119	21,119
Other Revenue	165,810	2,899	13,359	90			16,544	198,702
<b>Total Revenue</b>	<b>2,269,333</b>	<b>1,047,204</b>	<b>1,026,740</b>	<b>564,521</b>	<b>24,009</b>	<b>49,581</b>	<b>1,470,015</b>	<b>6,451,403</b>
<b>Expenditures:</b>								
Current:								
General Government	95,044			589	1,385	2,623	47,665	147,306
Education	40,636			179,631			218,015	438,282
Education - Payments to School Districts	703,279							703,279
Education - State Support to Higher Education	338,215							338,215
Health, Human, and Social Services	768,813		1,027,496	161,663			492,283	2,450,255
Law, Justice, Public Protection, and Regulation	259,748	32,270		12,590			177,285	481,893
Agriculture and Natural Resources	22,126			152,566			169,288	343,980
Economic Resources	43,643			42,811			25,710	112,164
Transportation		1,035,173		12,039			3,164	1,050,376
State Shared Revenue Paid to Other Governments	57,423						185,202	242,625
Debt Service:								
Principal	3,133	226	1,004	130			22,610	27,103
Interest	896	26	409	7			7,101	8,439
<b>Total Expenditures</b>	<b>2,332,956</b>	<b>1,067,695</b>	<b>1,028,909</b>	<b>562,026</b>	<b>1,385</b>	<b>2,623</b>	<b>1,348,323</b>	<b>6,343,917</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(63,623)</b>	<b>(20,491)</b>	<b>(2,169)</b>	<b>2,495</b>	<b>22,624</b>	<b>46,958</b>	<b>121,692</b>	<b>107,486</b>
<b>Other Financing Sources (Uses):</b>								
Lease Issuance	1,507	11	259				1,249	3,026
Subscriptions	2,558	463					195	3,216
Proceeds from Sale of Capital Assets	135	3,758					400	4,293
Insurance Proceeds	6	25						31
Transfers In	313,386	5,004	215			10,363	52,515	381,483
Transfers Out	(24,905)	(7,696)	(103)	(896)	(14,668)	(27,383)	(123,272)	(198,923)
<b>Net Other Financing Sources (Uses)</b>	<b>292,687</b>	<b>1,565</b>	<b>371</b>	<b>(896)</b>	<b>(14,668)</b>	<b>(17,020)</b>	<b>(68,913)</b>	<b>193,126</b>
<b>Net Change in Fund Balances</b>	<b>229,064</b>	<b>(18,926)</b>	<b>(1,798)</b>	<b>1,599</b>	<b>7,956</b>	<b>29,938</b>	<b>52,779</b>	<b>300,612</b>
Fund Balances at Beginning of Year	1,365,667	327,194	3,203	4,584	363,359	702,108	775,497	3,541,612
<b>Fund Balances at End of Year</b>	<b>\$ 1,594,731</b>	<b>\$ 308,268</b>	<b>\$ 1,405</b>	<b>\$ 6,183</b>	<b>\$ 371,315</b>	<b>\$ 732,046</b>	<b>\$ 828,276</b>	<b>\$ 3,842,224</b>

The notes to the financial statements are an integral part of this statement.

**STATE OF SOUTH DAKOTA  
RECONCILIATION OF THE CHANGE IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

<b>Net Change in Fund Balances - Governmental Funds</b>	<b>\$</b>	<b>300,612</b>
<b>Amounts reported for governmental activities in the Statement of Activities are different because:</b>		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over the useful lives as depreciation expense. In the current period, these amounts are:		
Capital Outlay	\$ 449,872	
Depreciation Expense	<u>(147,000)</u>	
Excess of Capital Outlay Over Depreciation Expense		302,872
The net effect of various miscellaneous transactions involving capital assets, including sales, donations, and trade-ins, is to decrease net position.		
		(7,860)
Contracts for right-to-use assets such as leases and subscription-based information technology arrangements were finalized during the fiscal year and reported as other financing sources in the governmental funds. However, it is not reported in the Statement of Activities as it is shown as an increase in long-term liabilities in the Statement of Net Position.		
		(6,242)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:		
Bond Principal Retirement	15,203	
Note Principal Retirement	3,479	
Lease Principal Retirement	6,982	
Subscription IT Arrangement Principal Retirement	<u>1,439</u>	
Total Long-Term Debt Repayment		27,103
Internal service funds are used by management to charge costs of certain activities to individual funds. The net revenue (expense) of certain activities of internal service funds is reported in governmental activities.		
		2,678
Net effect of revenues reported on the accrual basis in the Statement of Activities that do not provide current financial resources and thus are not reported as revenues in the funds until available.		
		15,765
The issuance of debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are recognized in future periods in the Statement of Activities.		
Bond Refunding Costs	(893)	
Bond Premium	<u>427</u>	
Total Amounts Related to Bond Issuance		(466)
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Net (Increase) Decrease in Accrued Interest	25	
(Increase) Decrease in Compensated Absences	(3,167)	
(Increase) Decrease in Net Pension Costs	(4,183)	
(Increase) Decrease in Pollution Remediation	<u>(599)</u>	
Total Additional Expenditures		<u>(7,924)</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>626,538</u></b>

The notes to the financial statements are an integral part of this statement.

STATE OF SOUTH DAKOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2024  
(Expressed in Thousands)

Assets	Business-type Activities - Enterprise Funds					Governmental Activities
	Major			Nonmajor	Total	Internal Service Funds
	Lottery	Clean Water State Revolving	Drinking Water State Revolving			
<b>Current Assets:</b>						
Cash and Cash Equivalents	\$ 17,770	\$ 50,943	\$ 38,562	\$ 357,702	\$ 464,977	\$ 82,171
Receivables:						
Interest and Dividends	135	4,078	2,438	827	7,478	464
Other Funds				285	285	12,592
Component Units				121	121	783
Other Governments		998	626	213	1,837	200
Loans, Notes, and Leases, net		25,457	10,144	7,119	42,720	
Other, net	7,078			5,279	12,357	7,840
Investments		22,857	17,028		39,885	
Inventory				1,420	1,420	930
Other Assets				154	154	3,962
<b>Total Current Assets</b>	<b>24,983</b>	<b>104,333</b>	<b>68,798</b>	<b>373,120</b>	<b>571,234</b>	<b>108,942</b>
Assets Held for Resale				321	321	
Restricted Assets:						
Restricted Cash	38				38	
Restricted Investments	337				337	
Net Pension Asset	6	1	2	40	49	141
Other	727				727	
Investments		89,142	39,208		128,350	
<b>Capital Assets:</b>						
Land and Other Non-depreciable Assets				295	295	
Property, Plant, and Equipment	1,426			39,202	40,628	113,352
Right-to-use Leased Assets	356			1,563	1,919	5,807
Right-to-use Subscription IT Assets				1,300	1,300	13,536
Accumulated Depreciation and Amortization	(1,389)			(7,290)	(8,679)	(82,490)
Construction in Progress				2	2	1,612
<b>Total Capital Assets</b>	<b>393</b>	<b>0</b>	<b>0</b>	<b>35,072</b>	<b>35,465</b>	<b>51,817</b>
Other Noncurrent Assets		458,813	297,045	35,680	791,538	
<b>Total Assets</b>	<b>26,484</b>	<b>652,289</b>	<b>405,053</b>	<b>444,233</b>	<b>1,528,059</b>	<b>160,900</b>
<b>Deferred Outflows of Resources</b>						
Related to Pensions	553	91	139	3,396	4,179	12,287
Related to Debt Refunding		3,245	528		3,773	
<b>Total Deferred Outflows of Resources</b>	<b>553</b>	<b>3,336</b>	<b>667</b>	<b>3,396</b>	<b>7,952</b>	<b>12,287</b>
<b>Liabilities</b>						
<b>Current Liabilities:</b>						
Accounts Payable and Other Liabilities	3,842	88	184	7,201	11,315	9,242
Payable to:						
Other Funds	14,360	4	4	314	14,682	2,331
Component Units					0	32
Other Governments				60	60	
Escrow Payable	146				146	
Bonds, Notes, Leases, and Subscription IT Payable	7	20,677	7,185	687	28,556	7,920
Claims, Judgments, and Compensated Absences	161	14	31	968	1,174	28,470
Accrued Interest Payable	1	6,347	2,970	7	9,325	78
Unearned Revenue	218			1,890	2,108	766
<b>Total Current Liabilities</b>	<b>18,735</b>	<b>27,130</b>	<b>10,374</b>	<b>11,127</b>	<b>67,366</b>	<b>48,839</b>
<b>Noncurrent Liabilities:</b>						
Bonds, Notes, Leases, and Subscription IT Payable	335	338,330	146,912	692	486,269	21,905
Claims, Judgments, and Compensated Absences	135	12	26	812	985	38,225
Other Noncurrent Liabilities		768	839		1,607	65
<b>Total Noncurrent Liabilities</b>	<b>470</b>	<b>339,110</b>	<b>147,777</b>	<b>1,504</b>	<b>488,861</b>	<b>60,195</b>
<b>Total Liabilities</b>	<b>19,205</b>	<b>366,240</b>	<b>158,151</b>	<b>12,631</b>	<b>556,227</b>	<b>109,034</b>
<b>Deferred Inflows of Resources</b>						
Related to Pensions	318	53	80	1,972	2,423	7,030
Related to Leases				893	893	
<b>Total Deferred Inflows of Resources</b>	<b>318</b>	<b>53</b>	<b>80</b>	<b>2,865</b>	<b>3,316</b>	<b>7,030</b>
<b>Net Position</b>						
Net Investment in Capital Assets	51			33,693	33,744	21,992
Restricted for:						
Disaster Relief Fund				10,667	10,667	
Pensions	241	39	61	1,464	1,805	5,398
Other	727			1,675	2,402	
Unrestricted	6,495	289,293	247,428	384,634	927,850	29,733
<b>Total Net Position</b>	<b>\$ 7,514</b>	<b>\$ 289,332</b>	<b>\$ 247,489</b>	<b>\$ 432,133</b>	<b>\$ 976,468</b>	<b>\$ 57,123</b>

The notes to the financial statements are an integral part of this statement.

**STATE OF SOUTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2024**  
**(Expressed in Thousands)**

	Business-type Activities - Enterprise Funds					Governmental
	Major				Total	Activities
	Lottery	Clean Water State Revolving	Drinking Water State Revolving	Nonmajor		Internal Service Funds
<b>Operating Revenue:</b>						
Licenses, Permits, and Fees	\$ 1,613	\$	\$ 5,185	\$ 18,050	\$ 19,663	\$
Use of Money and Property		7,050		1,347	13,582	9
Sales and Services	252,021	2,428	1,252	10,413	266,114	301,096
Administering Programs				1,376	1,376	
Assessments				25,926	25,926	
Other Revenue	9			4,001	4,010	9,635
<b>Total Operating Revenue</b>	<b>253,643</b>	<b>9,478</b>	<b>6,437</b>	<b>61,113</b>	<b>330,671</b>	<b>310,740</b>
<b>Operating Expenses:</b>						
Personal Services and Benefits	2,499	413	653	16,344	19,909	57,288
Travel	184	10	11	973	1,178	835
Contractual Services	14,670	588	1,350	10,374	26,982	69,361
Supplies and Materials	942	5	5	5,638	6,590	14,204
Grant and Other	146	2,493	11,883	98	14,620	1
Interest		12,345	6,651	6	19,002	2
Provision for Loan Loss (Recovery)				(289)	(289)	
Depreciation and Amortization	95			1,355	1,450	7,975
Lottery Prizes	51,528				51,528	
Insurance Claims				32,262	32,262	164,849
<b>Total Operating Expenses</b>	<b>70,064</b>	<b>15,854</b>	<b>20,553</b>	<b>66,761</b>	<b>173,232</b>	<b>314,515</b>
<b>Operating Income (Loss)</b>	<b>183,579</b>	<b>(6,376)</b>	<b>(14,116)</b>	<b>(5,648)</b>	<b>157,439</b>	<b>(3,775)</b>
<b>Nonoperating Revenue (Expenses):</b>						
Gain on Disposal of Assets	8			19	27	321
Loss on Disposal of Assets				(89)	(89)	(72)
Investment Income	1,151	10,808	6,519	13,759	32,237	4,000
Other Expense	(21)	(567)	(200)	(115)	(903)	(881)
Grant and Other Income	19	14,763	22,936	135	37,853	
<b>Total Nonoperating Revenue (Expenses)</b>	<b>1,157</b>	<b>25,004</b>	<b>29,255</b>	<b>13,709</b>	<b>69,125</b>	<b>3,368</b>
<b>Income (Loss) Before Transfers</b>	<b>184,736</b>	<b>18,628</b>	<b>15,139</b>	<b>8,061</b>	<b>226,564</b>	<b>(407)</b>
<b>Transfers:</b>						
Transfers In				104	104	3,085
Transfers Out	(183,691)	(45)	(74)	(1,939)	(185,749)	
<b>Net Transfers</b>	<b>(183,691)</b>	<b>(45)</b>	<b>(74)</b>	<b>(1,835)</b>	<b>(185,645)</b>	<b>3,085</b>
<b>Change in Net Position</b>	<b>1,045</b>	<b>18,583</b>	<b>15,065</b>	<b>6,226</b>	<b>40,919</b>	<b>2,678</b>
Net Position at Beginning of Year, as previously reported	6,469	270,749	232,424	430,529	940,171	54,445
Net Position, restatement				(4,622)	(4,622)	0
Net Position at Beginning of Year, as restated	6,469	270,749	232,424	425,907	935,549	54,445
<b>Net Position at End of Year</b>	<b>\$ 7,514</b>	<b>\$ 289,332</b>	<b>\$ 247,489</b>	<b>\$ 432,133</b>	<b>\$ 976,468</b>	<b>\$ 57,123</b>

The notes to the financial statements are an integral part of this statement.

STATE OF SOUTH DAKOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental
	Major					Activities
	Lottery	Clean Water State Revolving	Drinking Water State Revolving	Nonmajor	Total	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers and Users	\$ 254,061	\$ 2,352	\$ 1,201	\$ 56,122	\$ 313,736	\$ 98,282
Receipts from Interfund Services Provided				5,535	5,535	201,467
Receipts from Federal Agencies				1,079	1,079	
Receipts from Loan Payments		39,154	16,184	11,227	66,565	
Payments to Suppliers and for Benefits and Claims	(14,916)	(1,796)	(2,179)	(46,274)	(65,165)	(242,443)
Payments for Employee Services	(2,515)	(422)	(668)	(16,137)	(19,742)	(56,970)
Payments for Interfund Services Used	(873)			(2,193)	(3,066)	(11,414)
Payments for Lottery Prizes	(52,297)				(52,297)	
Payments for Principal Forgiveness		(1,894)	(11,268)		(13,162)	
Payments for Loans Originated		(158,810)	(81,856)	(3,469)	(244,135)	
Other Receipts (Payments)	(218)	(5)	(6)	4,006	3,777	16,872
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>183,242</b>	<b>(121,421)</b>	<b>(78,592)</b>	<b>9,896</b>	<b>(6,875)</b>	<b>5,794</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
<b>Activities:</b>						
Purchases of Capital Assets				(5,732)	(5,732)	(1,597)
Construction in Progress					0	(1,482)
Sale or Disposition of Capital Assets				22	22	624
Payments for Right-to-use Leased Assets	(95)			(330)	(425)	(543)
Payments for Right-to-use Subscription IT Assets				(456)	(456)	(1,825)
Payments for Financed Purchase Assets					0	(4,249)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(95)</b>	<b>0</b>	<b>0</b>	<b>(6,496)</b>	<b>(6,591)</b>	<b>(9,072)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>						
Transfers In				104	104	3,083
Transfers Out	(183,393)	(45)	(74)	(1,974)	(185,486)	
Received (Paid) on Interfund Borrowing					0	910
Principal Payments on Bonds and Notes		(16,520)	(6,315)		(22,835)	
Interest Payments on Bonds and Notes		(15,612)	(7,256)		(22,868)	
Contributions and Grants from the Federal Government		14,425	22,837		37,262	
Subsidies Provided to Others				(7)	(7)	
Other Noncapital Financing Activities		461	224	167	852	
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(183,393)</b>	<b>(17,291)</b>	<b>9,416</b>	<b>(1,710)</b>	<b>(192,978)</b>	<b>3,993</b>
<b>Cash Flows from Investing Activities:</b>						
Investment Income	1,159	11,585	6,682	13,903	33,329	4,072
Investment Expense	(5)			(27)	(32)	(135)
Purchase of Investment Securities		(8,670)	(4,415)		(13,085)	
Proceeds from the Sale and Maturity of Investments		94,106	72,346		166,452	
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>1,154</b>	<b>97,021</b>	<b>74,613</b>	<b>13,876</b>	<b>186,664</b>	<b>3,937</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year</b>	<b>908</b>	<b>(41,691)</b>	<b>5,437</b>	<b>15,566</b>	<b>(19,780)</b>	<b>4,652</b>
Cash and Cash Equivalents at Beginning of Year	16,900	92,634	33,125	342,136	484,795	77,519
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 17,808</b>	<b>\$ 50,943</b>	<b>\$ 38,562</b>	<b>\$ 357,702</b>	<b>\$ 465,015</b>	<b>\$ 82,171</b>

Continued on next page



STATE OF SOUTH DAKOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (continued)  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental
	Major				Total	Internal Service Funds
	Lottery	Clean Water State Revolving	Drinking Water State Revolving	Nonmajor		
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating Income (Loss)	\$ 183,579	\$ (6,376)	\$ (14,116)	\$ (5,648)	\$ 157,439	\$ (3,775)
Adjustments to Reconcile Operating Income (Loss):						
Depreciation and Amortization Expense	95			1,353	1,448	7,975
Bad Debt Expense				192	192	
Interest Expense		12,345	6,651		18,996	
Miscellaneous Nonoperating Items	19				19	
Decrease (Increase) in Assets:						
Accounts Receivable	434			6,350	6,784	(198)
Bonds, Notes, and Leases Receivable		(126,705)	(70,857)	6,526	(191,036)	
Due From Other Funds				360	360	(1,347)
Due From Component Units				(86)	(86)	(93)
Due From Other Governments		(76)	(51)	(403)	(530)	(20)
Inventory				95	95	(199)
Other Assets				127	127	1,405
Other Restricted Assets	(11)				(11)	
Restricted Net Pension Asset				(2)	(2)	(4)
Decrease (Increase) in Deferred Outflows of Resources:						
Deferred Outflows - Related to Pensions	59	3	13	241	316	1,181
Increase (Decrease) in Liabilities:						
Accounts Payable	9	(610)	(215)	1,003	187	952
Accrued Liabilities	(12)	(3)	(4)	(759)	(778)	(23)
Compensated Absences Payable	(19)	2	(3)	169	149	57
Due To Other Funds	(2)			2	0	(108)
Due To Component Units					0	(26)
Due To Other Governments				1	1	16
Unearned Revenue	(59)			169	110	(541)
Escrow Payable	(36)				(36)	
Policy Claim Liabilities				310	310	1,435
Other Liabilities	(770)			48	(722)	
Increase (Decrease) in Deferred Inflows of Resources:						
Deferred Inflows - Related to Pensions	(44)	(1)	(10)	(152)	(207)	(893)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 183,242</b>	<b>\$ (121,421)</b>	<b>\$ (78,592)</b>	<b>\$ 9,896</b>	<b>\$ (6,875)</b>	<b>\$ 5,794</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>						
Gain (Loss) on Disposal of Capital Assets	\$ 8	\$	\$	\$ (70)	\$ (62)	\$ 249
Right-to-use Lease Obligations Entered Into				280	280	326
Right-to-use Subscription IT Obligations Entered Into					0	10,625
Transfers In (Out) of Capital Assets				(86)	(86)	
Finance Purchased Obligations Entered Into					0	4,969

The notes to the financial statements are an integral part of this statement.

**STATE OF SOUTH DAKOTA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2024**  
**(Expressed in Thousands)**

	<b>South Dakota Retirement System Pension Trust Fund</b>	<b>Private Purpose Trust Funds</b>	<b>Custodial Funds</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 9,072	\$ 1,355	\$ 49,915
<b>Receivables:</b>			
Employer	4,402		
Employee	4,501		
Benefits	246		
Unsettled Investment Sales	6,268		
Taxes Receivable, net			62,072
Due From Other Funds			357
Investment Income	59,424	218	
Other		1	1,669
<b>Total Receivables</b>	<b>74,841</b>	<b>219</b>	<b>64,098</b>
<b>Investments, at Fair Value:</b>			
Fixed Income	5,831,211		
Equities	5,474,106		
Real Estate	1,914,897		
Private Equity	1,621,070		
Pooled Investment Funds		336,827	
<b>Total Investments</b>	<b>14,841,284</b>	<b>336,827</b>	<b>0</b>
Due From Brokers - Futures Transactions	10,054		
Properties, at Cost	2,078	13,849	
Accumulated Depreciation	(1,898)		
Other Assets	19	13	
<b>Total Assets</b>	<b>14,935,450</b>	<b>352,263</b>	<b>114,013</b>
<b>Liabilities</b>			
<b>Payables:</b>			
Accounts Payable and Other Liabilities	2,910	20	4,849
Due To Other Funds	54	39	40
Due To Other Governments			90,850
Compensated Absences Payable	535		
Unsettled Investment Purchases	9,642		
<b>Total Liabilities</b>	<b>13,141</b>	<b>59</b>	<b>95,739</b>
<b>Net Position</b>			
Restricted for Pension Benefits	14,922,309		
Restricted for Others		352,204	18,274
<b>Total Net Position</b>	<b>\$ 14,922,309</b>	<b>\$ 352,204</b>	<b>\$ 18,274</b>

The notes to the financial statements are an integral part of this statement.

**STATE OF SOUTH DAKOTA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Fiscal Year Ended June 30, 2024**  
**(Expressed in Thousands)**

	<b>South Dakota Retirement System Pension Trust Fund</b>	<b>Private Purpose Trust Funds</b>	<b>Custodial Funds</b>
<b>Additions</b>			
<b>Contributions:</b>			
Employee	\$ 167,163	\$	\$
Employer	168,330		
From Clients and Inmates		777	
Other		13,295	
<b>Total Contributions</b>	<b>335,493</b>	<b>14,072</b>	<b>0</b>
<b>Investment Income:</b>			
<i>From Investing Activities</i>			
Net Increase (Decrease) in Fair Value of Investments	535,455	5,423	
Interest	257,929		
Dividends	134,803		
Real Estate	(11,381)	(353)	
Pooled Interest and Dividends		10,593	
<b>Total Investment Activity Income</b>	<b>916,806</b>	<b>15,663</b>	<b>0</b>
Less Investment Activity Expenses	(60,880)		
<b>Net Investment Income (Loss)</b>	<b>855,926</b>	<b>15,663</b>	<b>0</b>
<i>From Security Lending Activities</i>			
Securities Lending Income	202	1	
Securities Lending Expenses	(61)		
Tax and Fee Collections for Other Governments			586,525
Child Support Collections			109,404
Collections from Defendants and Inmates			22,981
Collections for Other Governments			1,029
Collections from Participants			2,684
Assessments			13,994
Miscellaneous Income		7,586	
<b>Total Additions</b>	<b>1,191,560</b>	<b>37,322</b>	<b>736,617</b>
<b>Deductions</b>			
Benefits	735,492		
Refunds of Contributions	28,776		
Distribution to School Districts		12,810	
Tax and Fee Distributions to Other Governments			586,525
Child Support Distributions			109,404
Payments Made for Custodial or Trust Purposes		772	13,599
Payments Made to Other Governments			8,285
Forfeiture Returns			9,898
Required Distributions			9,592
Administrative Expenses	5,437	12	
<b>Total Deductions</b>	<b>769,705</b>	<b>13,594</b>	<b>737,303</b>
<b>Change in Net Position</b>	<b>421,855</b>	<b>23,728</b>	<b>(686)</b>
Net Position at Beginning of Year	14,500,454	328,476	18,960
<b>Net Position at End of Year</b>	<b>\$ 14,922,309</b>	<b>\$ 352,204</b>	<b>\$ 18,274</b>

The notes to the financial statements are an integral part of this statement.



<b>1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....</b>	<b>50</b>
A. Basis of Presentation.....	50
B. Reporting Entity .....	50
C. Government-wide and Fund Financial Statements .....	53
D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation .....	54
E. Budgetary Accounting .....	56
F. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance .....	56
G. Compensated Absences .....	61
H. Interfund Activity and Balances .....	61
I. Pensions .....	61
<b>2. ACCOUNTING CHANGES, RESTATEMENTS, AND RECLASSIFICATIONS.....</b>	<b>62</b>
<b>3. CASH, DEPOSITS, AND INVESTMENTS .....</b>	<b>64</b>
<b>4. DISAGGREGATION OF RECEIVABLES AND PAYABLES.....</b>	<b>77</b>
<b>5. INTERFUND TRANSACTIONS .....</b>	<b>78</b>
<b>6. CAPITAL ASSETS .....</b>	<b>79</b>
<b>7. RETIREMENT PLANS.....</b>	<b>82</b>
<b>8. FUND BALANCES AND NET POSITION .....</b>	<b>88</b>
<b>9. COMMITMENTS .....</b>	<b>91</b>
<b>10. SELF-INSURANCE.....</b>	<b>95</b>
<b>11. LONG-TERM LIABILITIES.....</b>	<b>98</b>
<b>12. FUNCTIONAL DISTRIBUTION OF HIGHER EDUCATION OPERATING EXPENSES .....</b>	<b>111</b>
<b>13. POSTSECONDARY TECHNICAL INSTITUTE SYSTEM.....</b>	<b>111</b>
<b>14. TAX ABATEMENTS .....</b>	<b>112</b>
<b>15. RELATED PARTY TRANSACTIONS .....</b>	<b>112</b>
<b>16. SUBSEQUENT EVENTS.....</b>	<b>114</b>
<b>17. CONTINGENCIES AND LITIGATION.....</b>	<b>114</b>

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GAAP allows for and requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

### B. Reporting Entity

For financial reporting purposes, the State of South Dakota (the State) reporting entity includes the primary government and its component units. The primary government consists of state departments, bureaus, boards, and commissions. Component units are legally separate governmental organizations for which the State is considered to be financially accountable and other organizations for which the nature of their relationship is such that exclusion would cause the State's financial statements to be misleading or incomplete.

#### Blended Component Units

Blended component units are legally separate entities that are, in substance, part of the State's primary government. A component unit is blended if: (1) services are provided, or almost entirely provided, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government; (2) the governing body is substantively the same as the governing board of the primary government; (3) the component unit's total debt outstanding is expected to be repaid entirely, or almost entirely, by the primary government; or (4) the primary government is the sole corporate member of a component unit incorporated as a not-for-profit corporation.

The State's blended component units are:

**The South Dakota Building Authority (SDBA)** was created and organized by Chapter 5-12 of the South Dakota Codified Laws. The purpose of the SDBA is to build and otherwise provide certain facilities for use by the State. SDBA is authorized to issue revenue bonds, notes, or other obligations on behalf of state institutions for the purpose of constructing, equipping and improving facilities, or refinancing of outstanding debt. SDBA is comprised of a seven member board that is appointed by the Governor, with the advice and consent of the Senate. No person shall be appointed to SDBA who is an elected official of the State or any subdivision thereof. One of the members shall be designated by the Governor as chairman. The indebtedness or obligations incurred or created by SDBA may not be or become a lien, charge, or liability against the State. Because the State is able to impose its will over SDBA and the services provided by SDBA are almost entirely provided to the State, SDBA is considered a blended component unit. This financial presentation does not change the legal liability of the indebtedness.

**The South Dakota Conservancy District (SDCD)** was created by the Legislature under Chapter 46A-2 of the South Dakota Codified Law as a body politic and corporate for the purpose of constructing water resource facilities for the conservation, storage, distribution, and utilization of water for multiple purposes within the State. SDCCD has two funds: the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund. The Clean Water State Revolving Fund is a low interest loan program used to finance the construction of wastewater facilities, storm sewers, and non-point source pollution control projects. The Drinking Water State Revolving Fund is a low interest loan program used to finance drinking water projects. SDCCD bonds do not constitute a debt or liability of the State, or a pledge of the faith and credit of the State. Because the State is able to impose its will over SDCCD and the governing body is substantively the same as the governing body of the primary government, SDCCD is considered a blended component unit of the primary government. This financial presentation does not change the legal liability of the indebtedness.

**The Educational Enhancement Funding Corporation (EEFC)** is a special purpose corporation, organized under Chapter 5-12 of the South Dakota Codified Law. EEFC was established to purchase all of the State of South Dakota's future right, title, and interest in the Tobacco Settlement Revenues (TSRs) under the Master Settlement Agreement. The purchase price of the State's future right, title, and interest in the TSRs has been financed by the issuance of the bonds and the residual certificate. The residual certificate represents the right of the State to receive all amounts required to be distributed after payment of all outstanding bonds and other liabilities of EEFC as set forth

in the Trust Indenture. Obligations issued by EEFC shall not be deemed to constitute a debt, liability, or obligation of the State. Because there is a financial benefit/burden relationship between EEFC and the State and the services provided by the EEFC are entirely provided to the State, EEFC is considered a blended component unit. This financial presentation does not change the legal liability of the indebtedness.

**The South Dakota Trust Company Receivership and Liquidation Captive Insurance Company, LLC** (Trust Captive), a nonprofit limited liability company, was established to provide insurance to pay for losses if the South Dakota Department of Labor and Regulation, Division of Banking must take over a trust company chartered and regulated by the Division. The obligations of the Trust Captive shall not be deemed to constitute a debt, liability, or obligation of the State. Because the State is able to impose its will over the Trust Captive, and is the sole corporate member, the Trust Captive is considered a blended component unit. This financial presentation does not change the legal liability of the indebtedness. The Trust Captive has a fiscal year end of December 31 and is presented accordingly.

### ***Discretely Presented Component Units***

Discretely presented component units are legally separate entities that are either financially accountable to the State, or their exclusion would cause the State's financial statements to be misleading or incomplete. Discretely presented component units are reported in separate columns or rows in the Government-wide Financial Statements to emphasize that they are legally separate from the State.

The State's major discretely presented component units are:

**The South Dakota Housing Development Authority (HDA)** was created by the Legislature under Chapter 11-11 of the South Dakota Codified Law for the purpose of encouraging the investment of private capital and stimulating the construction and rehabilitation of residential housing for the people of the State. HDA issues negotiable notes and bonds. If an issue utilizes private activity bond cap, authorization is needed by the Governor of South Dakota. Notes and bonds of HDA do not constitute a debt or liability of the State, or a pledge of the faith and credit of the State. These notes and bonds are payable solely from the revenues or assets of HDA. Because the State appoints a voting majority of the board and is able to impose its will over HDA but does not meet any of the GASB's criteria for blending, HDA is considered a discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness.

**The South Dakota Science and Technology Authority (STA)** was created and organized by Chapter 1-16H of the South Dakota Codified Laws. The purposes of the STA are to foster and facilitate scientific and technology investigation, experimentation, and development by creating a mechanism through which laboratory, experimental and development facilities may be acquired, developed, constructed, maintained, operated, and decommissioned. The initial focus of the STA is to support the transfer of the Homestake Gold Mine in Lead, South Dakota for development by the research community to become the world's premier Underground Science and Engineering Laboratory; more specifically, the Sanford Underground Research Facility (SURF). Additional focus is maintained by the STA for an education and outreach program detailing the progress. Because the State appoints a voting majority of the board and past history has established a pattern of the State assuming the obligation to finance STA which creates a financial benefit/burden relationship but does not meet any of GASB's criteria for blending, STA is considered a discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness.

**Higher Education (Higher Ed)** consists of six state public universities (Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines and Technology, South Dakota State University, and University of South Dakota), two special schools (South Dakota School for the Deaf and South Dakota School for the Blind and Visually Impaired), and the governing board, South Dakota Board of Regents (BOR). BOR was created under Article XIV of the Constitution of the State of South Dakota. Chapter 13-49 of the South Dakota Codified Law establishes the authority for BOR to govern the system of public higher education in the State. The system's primary goal is to provide high quality, diverse educational opportunities, and services to the people of South Dakota through the effective use of the resources entrusted to it. Because the State is able to impose its will over the Higher Ed system and BOR and a financial benefit/burden relationship exists but does not meet the GASB's criteria for blending, Higher Ed is considered a discretely presented component unit of the State.

Included in the balances and operating results for Higher Ed are seven foundations that contribute financially to the six state public universities through fundraising. The foundations include Black Hills State University Foundation, Yellow Jacket Foundation, Dakota State University Foundation, Northern State University Foundation, South Dakota School of Mines and Technology Center for Alumni Relations and Advancement, South Dakota State University Foundation, and University of South Dakota Foundation. The universities do not control the timing or amount of receipts from their foundations. However, a majority of resources or income the foundations hold and invest are restricted by the donors for activities of the respective universities. These restricted resources held by the foundations can only be used by, or for the benefit of the specific universities; therefore, the foundations are considered component units of the universities and are included in Higher Ed.

Black Hills State University Foundation, Yellow Jacket Foundation, South Dakota State University Foundation, and University of South Dakota Foundation have fiscal year ends of December 31. The different fiscal year ends for these foundations could create timing differences. The process of eliminating activity between these universities and their foundations could be affected by these timing differences.

The foundations are private not-for-profit entities that report under Financial Accounting Standards Board (FASB) pronouncements. As such, certain revenue recognition criteria and presentation features are different from that of the Governmental Accounting Standards Board (GASB). The foundations' financial statements have not been restated to reflect GASB pronouncements but have been reformatted to comply with the classification and display requirements in GASB pronouncements. The foundations' notes to the financial statements have not been reformatted to reflect GASB pronouncements and thus are not reported in the notes to the financial statements of the primary government.

The State's nonmajor discretely presented component units are:

**The South Dakota Economic Development Finance Authority (EDFA)** was created by the Legislature under Chapter 01-16B of the South Dakota Codified Law for the purpose of making loans to businesses to spawn economic growth. Obligations issued by EDFA shall not be deemed to constitute a debt, liability, or obligation of the State. Because the State appoints a voting majority of the board and is able to impose its will over EDFA but does not meet the GASB's criteria for blending, EDFA is considered a discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness.

**The South Dakota Ellsworth Development Authority (EDA)** was established by the Legislature under Chapter 01-16J of the South Dakota Codified Law for the purpose of protecting and promoting the economic impact of Ellsworth Air Force Base and associated industry. Payments of the principal of, or interest on, the bonds, notes, instruments, or obligations issued by EDA shall not be deemed to constitute a debt, liability, or obligation of the State. Because the State appoints a voting majority of the board and a financial benefit/burden relationship exists, but does not meet the GASB's criteria for blending, EDA is considered a discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness.

**The South Dakota Authority Captive Insurance Company, LLC** (The Authority Captive), a nonprofit limited liability company, was established to cover some of the liability risks of six authorities of the State (South Dakota Science and Technology Authority, South Dakota Building Authority, South Dakota Health and Educational Facilities Authority, Educational Enhancement Funding Corporation, South Dakota Ellsworth Development Authority, and South Dakota Housing Development Authority). The Authority Captive's coverage includes commercial general liability; directors, officers, and entity coverage; employment practices liability; and errors and omissions. The obligations of The Authority Captive shall not be deemed to constitute a debt, liability, or obligation of the State. Because the State appoints a voting majority of the board and is able to impose its will over The Authority Captive but does not meet the GASB's criteria for blending, The Authority Captive is considered a discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness. The Authority Captive has a fiscal year end of December 31.

**The South Dakota Property and Casualty Captive Insurance Company, LLC** (The Property Captive), a nonprofit limited liability company, was established to provide property, including content, business income, and extra expense coverage on the State's buildings, including Higher Education buildings. Because the State appoints a voting majority of the board and is able to impose its will over The Property Captive but does not meet the GASB's criteria for blending, The Property Captive is considered a discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness. The Property Captive has a fiscal year end of December 31.



***Fiduciary Component Unit***

Fiduciary component units are legally separate entities that meet the criteria to be classified as a component unit and account for those activities in the reporting entity that are fiduciary in nature. Fiduciary activities include pension (and other employee benefit) trusts, investment trusts, private purpose trusts, and custodial funds. Descriptions of these fiduciary activity classifications may be found below in the Financial Statement Presentation portion of Note 1. Fiduciary component units are reported only in the fund financial statements in the primary government's statements of fiduciary net position and changes in fiduciary net position using the economic resources measurement focus and accrual basis of accounting.

The State's one fiduciary component unit is:

**The South Dakota Retirement System (SDRS)** was created by South Dakota Codified Law and governed by the provisions found in Chapter 3-12C of the codification. The South Dakota Retirement System (SDRS or the System) is a cost sharing, multiple employer public employee retirement system (PERS) established to provide retirement benefits for employees of the state of South Dakota and its political subdivisions. Members of SDRS include full time employees of public schools, the State, the Board of Regents, city and county governments, and other public entities. Public schools, cities, and counties may choose not to include certain full-time employees in the System. Because the State approves the SDRS budget and there is a financial benefit/burden relationship, the SDRS pension plan is a fiduciary component unit of the State.

***Related Organizations***

**The South Dakota Health and Educational Facilities Authority (HEFA)** is a body politic, corporate, and public instrumentality of the State of South Dakota. The HEFA was created to enhance the health and education of citizens of the State by providing healthcare, educational, and other non-profit institutions access to low cost capital. The State's accountability does not extend beyond appointing a voting majority of HEFA's board members. This relationship does not meet the GASB criteria of a component unit; therefore, HEFA is not included as part of the primary government reporting entity.

***Separately Issued Financial Statements***

Separately issued financial statements for the entities listed below are available from the Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, by calling (605) 773-3595, or online at

<http://legislativeaudit.sd.gov/reports/reports.aspx>:

- South Dakota Building Authority
- South Dakota Conservancy District
- Educational Enhancement Funding Corporation
- South Dakota Trust Company Receivership and Liquidation Captive Insurance Company
- South Dakota Housing Development Authority
- South Dakota Science and Technology Authority
- South Dakota Economic Development Finance Authority
- South Dakota Ellsworth Development Authority
- South Dakota Authority Captive Insurance Company
- South Dakota Property and Casualty Captive Insurance Company
- South Dakota Retirement System
- South Dakota Health and Educational Facilities Authority

Higher Education does not have separately issued financial statements.

***C. Government-wide and Fund Financial Statements***

The Government-wide Financial Statements include the Statement of Net Position and the Statement of Activities. The Statement of Net Position and the Statement of Activities report all nonfiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities are generally supported by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The focus of the

Government-wide Financial Statements and Notes to the Financial Statements is the primary government. A separate column is presented for each major discretely presented component unit and a column for all nonmajor discretely presented component units in the aggregate.

The Statement of Net Position presents the reporting entity's nonfiduciary assets and deferred outflows of resources less liabilities and deferred inflows of resources, with the difference reported as net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included as program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the Government-wide Financial Statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements, with nonmajor funds being combined into a single column.

### ***D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

#### ***Government-wide Financial Statements***

The Statement of Net Position and Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the State receives value without directly giving equal value in exchange, include taxes, grants, and donations. Tax revenue is recognized in the fiscal year in which the related sales, income, or activity being taxed occurred. At June 30, 2024, there was \$42.6 million of bank tax receipts that were not recognizable in the State's financial statements because a reasonable estimate was unable to be determined for how much is considered measurable. Revenue from grants and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

#### ***Governmental Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period. Sales tax, motor fuel taxes, grant revenue, investment income, and charges for goods and services are all considered to be susceptible to accrual if collected within 60 days of the end of the current fiscal year. Bank taxes are considered measurable when returns are filed, not when payments are received. All other revenue is considered to be measurable and available only when cash is received.

Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, expenditures related to debt service, compensated absences, and claims and judgments are recorded only when payment is due and payable.

#### ***Proprietary, Fiduciary, and Similar Component Units Financial Statements***

The financial statements of the proprietary funds, fiduciary funds, and similar component units are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the Government-wide Financial Statements described above. Proprietary funds include both enterprise and internal service fund types.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition, such as subsidies and investment earnings, are reported as nonoperating.

**Financial Statement Presentation**

The State reports the following major governmental funds:

**The General Fund** is the State's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

**The Transportation Fund** accounts for dedicated state tax revenue for the construction, maintenance, and supervision of state highways and bridges and federal grants received by the Department of Transportation.

**The Social Services Federal Fund** accounts for federal grants received by the Department of Social Services to fund social welfare programs.

**The COVID-19 Federal Fund** accounts for federal grants received by the State due to the COVID-19 Pandemic.

**The Dakota Cement Trust Fund** was created with the proceeds from the sale of the State Cement Plant which is invested by the South Dakota Investment Council. Transfers from this fund are made to the General Fund for the support of education in South Dakota.

**The Education Enhancement Trust Fund** primarily accounts for revenue from the Tobacco Settlement and securitization of future tobacco revenue. Income from the fund is used to fund education enhancement programs.

The State reports the following major proprietary funds:

**The Lottery Fund** is used to account for the operations of the State Lottery.

**The Clean Water State Revolving Fund** is used to provide loans to local governments for wastewater, storm sewer, and nonpoint source pollution control projects.

**The Drinking Water State Revolving Fund** is used to provide loans to local governments for drinking water projects.

In addition, the State reports the following fund types:

**Governmental Funds:**

**Special Revenue Funds** account for specific revenue sources that are legally restricted or committed to expenditures for specific purposes. Special revenue funds account for federal grant programs, taxes with distributions defined by the State Constitution or state laws, and other resources restricted or committed as to purpose.

**Debt Service Funds** account for the accumulation of resources for the retirement of long-term debt principal and interest.

**The Capital Projects Funds** account for the acquisition or construction of major capital facilities, other than those financed by proprietary and fiduciary funds, or component units.

**The Permanent Fund** administered by South Dakota School and Public Lands accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

**Proprietary Funds:**

**Enterprise Funds** report activities for which a fee is charged to external users for goods or services. This fund type is also used when the activity is financed with debt that is secured by a pledge of the net revenues from the fees.

**Internal Service Funds** report activities that provide goods or services to other funds, departments, or agencies of the primary government and its component units or to other governments, on a cost-reimbursement basis. These goods and services include information services, telecommunications, insurance risk pools, and fleet and travel management. In the Government-wide Financial Statements, internal service funds activity is included in Governmental Activities.

**Fiduciary Funds:**

**Pension (and Other Employee Benefit) Trust Funds** account for resources that are required to be held in trust for the members and beneficiaries of the State’s defined benefit pension plan.

**Private Purpose Trust Funds** account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. As an example, the Common School Fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support local school districts.

**Custodial Funds** account for those fiduciary activities that are not reported in Pension (and Other Employee Benefit) Trust Funds, Investment Trust Funds, or Private Purpose Trust Funds. Examples of the State’s custodial funds in this category include local government tax collections reported in the Department of Revenue Collections Custodial Fund and child support payments collected in the Child Support Collection Custodial Fund.

**E. Budgetary Accounting**

Agencies and departments submit budget requests to the Bureau of Finance and Management. The commissioner approves the Bureau’s budget recommendation that is presented to the Governor for her consideration. The Governor’s decisions are presented to the Legislature in the Governor’s budget book.

The financial plan for each fiscal year is adopted by the Legislature by the passage of a general appropriations bill, special appropriations bills, and deferred maintenance appropriations. The formal budget approved by the Legislature does not include budgeting for revenues and other financing sources/uses.

The General Appropriations Act includes only appropriations for ordinary current and capital expenses of the executive, legislative, and judicial branches of the State. State law classifies appropriations into general, federal, and other fund budget classifications. The budget is controlled at the program level for personal services and operating expenses. Detailed appropriation information at this level is presented in the Available Funds Report that is available from the Bureau of Finance and Management.

The State’s annual budget is prepared on the cash basis of accounting. Encumbrance accounting is utilized to reserve a portion of the budget to future periods for payment of purchase orders, contracts, and other commitments. Encumbrances at June 30, 2024, totaled \$58.7 million. The encumbrance amount is broken down by major fund and nonmajor fund below (Expressed in Thousands):

<u>Fund</u>	<u>Amount Encumbered</u>
Major Fund:	
General Fund	\$ 30,125
Transportation	7,200
COVID-19 Federal	570
Non-Major:	
Non-Major Total	20,793
<b>Total</b>	<b>\$ 58,688</b>

**F. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance**

**Cash and Cash Equivalents and Investments**

Cash includes cash on hand, demand deposits, and foreign currency balances. Foreign currency cash balances are translated into United States Dollars (USD) using year-end spot foreign currency exchange rates. Cash equivalents include non-negotiable certificates of deposit, which are reported at cost. The State Investment Officer is responsible for the investment of state public funds. State public funds in the Cash Flow Portfolio are invested using the pooled deposit and investment concept which preserves the integrity of the fund cash balances of each state fund while

simultaneously allowing the deposit and investment of aggregate idle fund monies. Investment income is allocated to participating funds per South Dakota law. Participating funds are determined by the Bureau of Finance and Management and approved by the Joint Interim Appropriations Committee of the Legislature. Investment income from the state trust funds is deposited into their respective funds.

Investments, as reported on the balance sheet, represent all investments not considered cash equivalents. Investments may include corporate stocks, bonds, convertible debt, U.S. government and agency securities, mortgage backed securities, negotiable certificates of deposit, repurchase agreements, annuity contracts, investment contracts, international securities, private equity, and real estate. Investments are reported at fair value, in accordance with GAAP.

Investments denominated in foreign currencies are translated into USD using the year-end spot foreign currency exchange rates. Foreign exchange rate gains or losses are included with the net appreciation in fair value of investments.

The preparation of financial statements in accordance with GAAP requires management to make estimates that affect the reported amounts of net position at fiscal year end. Actual results could differ from those estimates.

For additional information see *Note 3. Cash, Deposits, and Investments* in the Notes to the Financial Statements.

**Receivables**

Receivables in the governmental and business-type activities consist mainly of amounts due from component units, other governments, loans, and customers.

**Inventories**

Inventories reported in the governmental fund types are reported at cost using the weighted average cost method. Proprietary fund type inventories are valued at the lower of cost or market, using the moving average cost method. Inventories reported in the Higher Education component unit discrete presentation are reported at cost using the FIFO method. Inventories are expensed using the consumption method.

Federal commodities on hand are reported as inventories, offset by unearned revenue. Commodities are reported at fair value established by the federal government at the date received. At June 30, 2024, the commodities inventory was reported in the amount of \$0.5 million.

**Capital Assets**

Capital assets, which include property, plant, equipment, right-to-use leased assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the Government-wide Financial Statements. Capital assets are capitalized at cost, or estimated historical cost, if original cost records are not available. Property, plant, and equipment acquired through financed purchase agreements are capitalized at fair market value at the inception. Donated capital assets, donated works of art and similar items, and capital assets received in service concession arrangements are capitalized at acquisition value at the acquisition date.

All land is capitalized regardless of cost. Land improvements are capitalized when the cost of the improvement is \$50,000 or more. Buildings and building improvements are capitalized when the cost is \$100,000 or more. Equipment is capitalized when the cost of individual items is \$5,000 or more. Infrastructure assets are capitalized when the cost of the asset is \$1,000,000 or more for governmental funds and fiduciary funds, and \$50,000 or more for proprietary funds and component units. Intangible assets such as easements, patents, trademarks, internally generated computer software, etc. (as defined by GASB Statement 51) are capitalized when the cost is \$250,000 or more, except for purchased software licenses which are capitalized when the cost is \$5,000 or more. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Depreciable capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land Improvements	20-30
Buildings and Improvements	15-50
Infrastructure	20-99
Equipment	3-17
Intangible Assets	3-25

The State owns works of art and historical treasures that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Works of art and historical treasures include items such as statues, monuments, historical documents, paintings, artifacts, etc. Higher Education, a business-type activity discretely presented component unit, adopted the State's policy on capitalizing historical treasures and collections. The exceptions to this policy are the Memorial Art Center Collection at the South Dakota State University and the Oscar Howe paintings collection at the University of South Dakota. The collections are valued at the historical cost or estimated fair market value at the time of donation. The reported capitalized value of these collections was \$10.1 million, as of June 30, 2024. All proceeds from the sale of items within these collections will be used to acquire other items for the collections.

### **Leases**

The State routinely engages in lease agreements to meet operational needs or serve the general public. Lease contracts generally relate to land, buildings, associated facilities such as parking, and various vehicles, machinery, and equipment.

The State uses an estimated incremental borrowing rate as the discount rate for leases unless the rate the lessor charges is known. The State's estimated incremental borrowing rate is based on known lessor charged rates adjusted every six months using a 12-month average of the State and Local Government Series (SLGS) securities rates. If amendments or other certain circumstances occur that are expected to significantly affect the terms of the lease contract, the present value is re-measured and corresponding adjustments are made. Some lease contracts include increases to lease payments related to the consumer price index (CPI) or similar indices, and the available index increase is included in the present value at the commencement of the lease or upon remeasurement.

Payments based on future performance are not included in the measurement of the lease liability or lease receivable but recognized as revenue or expense in the period performed. Residual value guarantees and exercise options are included in the measurement if they are reasonably certain to be paid or exercised.

### **Lessee**

For short term lease contracts, the State recognizes periodic revenue or expense based on the provisions of the lease contracts. For all lease contracts that meet the financial reporting requirements of GASB lease standards where the State is the lessee, the State recognizes a lease liability and an intangible right-to-use lease asset based on the present value of future lease payments over the noncancellable period of the lease contract. Lease right-to-use assets are reported with capital assets, and lease liabilities are reported as long-term debt in the statement of net position. The right-to-use lease assets are amortized using straight-line basis over the term of the lease or the useful life, if different from the lease term. The lease liability is reduced by the principal portion of the lease payments made. More information regarding lessee lease information can be found in *Note 6. Capital Assets*, *Note 9. Commitments*, and *Note 11. Long-term Liabilities* in the Notes to the Financial Statements.

### **Lessor**

On a more limited basis, the State also serves as a lessor providing leases of state-owned assets. The financial statements recognize a lease receivable and a deferred inflow of resources, based on the present value of the future lease payments expected to be received during noncancellable period of the lease contract, and the deferred inflow of resources is amortized evenly over the life of the lease. The lease receivable is reduced by the principal portion of the fixed lease payments received.

**Leases Receivable**

During the fiscal year, the State had 20 lessor lease agreements for the use of land, buildings, and equipment. The terms of these lease agreements range between 1 and 20 years with a weighted average interest rate of 3.60%. The State recognized \$344.7 thousand in lease revenue and \$74.3 thousand in interest revenue during the current fiscal year related to leases. As of June 30, 2024, the receivable for lease payments was \$2.6 million.

**Subscription Based Information Technology Arrangements**

The State routinely engages in software agreements to meet operational needs or serve the general public. These contracts generally relate to the State using another entity's (lessor's) software and paying periodic payments for this use.

The State uses an estimated incremental borrowing rate as the discount rate unless the rate the lessor charges is known. The State's estimated incremental borrowing rate is based on known lessor charged rates adjusted every six months using a 12-month average of the State and Local Government Series (SLGS) securities rates. If amendments or other certain circumstances occur that are expected to significantly affect the terms of the software contract, the present value is re-measured and corresponding adjustments are made. Some software contracts include increases to payments related to the consumer price index (CPI) or similar indices, and the available index increase is included in the present value at the commencement of the contract or upon remeasurement.

Payments based on future performance are not included in the measurement of the SBITA liability but are recognized as an expense in the period performed.

For short term software contracts, the State recognizes periodic expense based on the provisions of the contract. For all software contracts that meet the financial reporting requirements of GAAP, the State recognizes a subscription intangible right-to-use software asset and an IT liability based on the present value of future payments over the noncancellable period of the contract. Software right-to-use assets are reported with capital assets, and software liabilities are reported as long-term debt in the statement of net position. The right-to-use software assets are amortized using straight-line basis over the term of the contract or the useful life, whichever is shorter. The liability is reduced by the principal portion of the payments made. More information regarding SBITA information can be found in *Note 6. Capital Assets*, *Note 9. Commitments*, and *Note 11. Long-term Liabilities* in the Notes to the Financial Statements.

The State, through the Department of Game, Fish and Parks, has a 5-year subscription-based IT arrangement with an early termination option. The State pays the vendor for the sale of hunting and fishing licenses, camping reservations, and state park passes. Payments under this arrangement are variable in nature. Since there is no minimum payment, this arrangement was not included in subscription IT assets or liabilities. A total of \$3.5 million was recognized as an outflow of resources for these variable payments for the year ended June 30, 2024.

The State, through the South Dakota Lottery, has 2 subscription-based IT arrangements with private vendors. One arrangement is for 4 years and the other is for 3 years. The State pays the vendors for monitoring and control of video lottery terminals as well as operating an instant and online lottery gaming system. Payments under these arrangements are variable in nature. Since there is no minimum payment, this arrangement was not included in subscription IT assets or liabilities. A total of \$7.1 million was recognized as an outflow of resources for these variable payments for the year ended June 30, 2024.

**Public-Private Partnerships**

The State, through the Department of Game, Fish, and Parks, has 4 Public-Private Partnership arrangements with private vendors, under which the vendors will operate and maintain State-owned buildings, marinas, and land for a range of 1 to 29 years. The State continues to report the capital assets with a carrying amount of \$25.9 million at year-end. The vendors provide lodging accommodations, visitor centers, restaurant and food services, retail stores, campgrounds, guide services, and outdoor recreational rentals to the public. The vendors collect and retain retail sales revenue from the public. The vendors pay the State a percentage of their retail sales revenues from their annual gross receipts. Since there is no minimum payment in the contract and the retail sales revenues are variable in nature, there is no receivable recognized in the financial statements. As of June 30, 2024, the State received \$3.7 million in commission revenue.

Higher Education, a discretely presented component unit of the State, contracts with a vendor to oversee the food service operations at the six public university campuses. The vendor directly collects retail sales from students without meal plans and other individuals visiting the campuses. The universities receive commission revenue based on these

variable payments received by the vendor. With no mention of a minimum payment in the contract related to the commission received on the retail sales, there is no receivable recognized in the financial statements. As of June 30, 2024, retail sales totaled \$7.1 million, and the universities received \$1.3 million in commission revenue.

**Deferred Outflows of Resources**

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources are reported on the Government-wide Statement of Net Position in the applicable columns for governmental activities, business-type activities, or component units. Deferred outflows of resources of governmental funds, proprietary funds, and component units are reported in detail in their respective fund statements.

**Long-term Obligations**

In the Government-wide Financial Statements and Proprietary Fund Financial Statements, long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are reported on the Government-wide Statement of Net Position in the applicable columns for governmental activities, business-type activities, or component units. Deferred inflows of resources of governmental funds, proprietary funds, and component units are reported in detail in their respective fund statements.

**Net Position and Fund Balances**

“Net position” on the Government-wide, Proprietary, and Fiduciary Funds Financial Statements and “fund balance” on the Governmental Fund Financial Statements consists of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is reported in three categories:

**Net investment in capital assets** consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances for bonds, notes, and other debts that are attributed to the acquisition, construction, or improvement of those assets.

**Restricted net position** consists of assets that have externally imposed constraints placed on them by either creditors, grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation of the State.

**Unrestricted net position** consists of assets that do not meet the definition of the two preceding categories.

The State’s policy is that unrestricted amounts are spent first when expenditures are incurred for purposes of which multiple resources are available within a fund.

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the State is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances can be reported in five different categories:

**Nonspendable fund balance** includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale. Commodities inventories are not included in the nonspendable balance since they are offset with a liability.



**Restricted fund balance** consists of assets that have externally imposed constraints placed on them by either creditors, grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation of the State.

**Committed fund balance** represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the State Legislature through legislation passed into law.

**Assigned fund balance** includes amounts that are constrained by the State's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance are created by the executive branch or by directive of the Appropriations Committee of the Legislature or in some cases by passage of an appropriation. In governmental funds other than the General Fund, assigned fund balance also represents the remaining amount that is not restricted or committed.

**Unassigned fund balance** represents the fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The State does not use separate funds to segregate restricted, committed, and assigned resources. It instead uses the accounting structure to track sources of resources. The State's policy is that assigned amounts are spent first, then committed, restricted, and finally unassigned when expenditures are incurred for purposes of which multiple resources are available within the accounting structure.

### **G. Compensated Absences**

All full-time and permanent part-time employees earn vacation leave and sick leave. Employees earn fifteen days of vacation leave per year that can be accumulated to thirty days, except for employees with more than fifteen years of employment, who earn twenty days of vacation leave per year that can be accumulated to forty days. Upon termination, employees receive payment for their accumulated vacation leave. Employees earn fourteen days of sick leave per year. Unless dismissed for cause, employees who terminate after seven years of continuous employment receive payment for one-fourth of their accumulated sick leave balance, not to exceed four hundred eighty hours.

A liability has been recorded in the Government-wide and Fund Financial Statements for compensated absences in accordance with GASB statements.

### **H. Interfund Activity and Balances**

Interfund activity, as a general rule, has been eliminated from the Government-wide Financial Statements. An exception to this rule is activities between funds reported as governmental activities and funds reported as business-type activities. An example is the transfer of profits from the Lottery Fund to the General Fund. Elimination of these activities would distort the direct costs and program revenues for the functions concerned.

In the fund financial statements, transfers represent flows of assets (such as goods or cash) without equivalent flows of assets in return, or a requirement for repayment. In addition, transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. An example is securities taxes collected by the Department of Labor and Regulation which are deposited into a special revenue fund but are transferred to and expended by the General Fund.

Interfund balances and interfund receivables and payables have been eliminated from the Statement of Net Position.

### **I. Pensions**

For the purposes of measuring the net pension asset, deferred outflows of resources and deferred inflow of resources related to pensions and pension expense, information about the fiduciary net position of the South Dakota Retirement System (SDRS), and additions to/deductions from SDRS fiduciary net position have been determined on the same basis as they are reported by SDRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value or net asset value.

## 2. ACCOUNTING CHANGES, RESTATEMENTS, AND RECLASSIFICATIONS

### Implementation of Recent GASB Pronouncements

For the fiscal year ended June 30, 2024, the State implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

**GASB Statement 99, Omnibus 2022.** This Statement clarifies financial reporting issues for GASB Statement 53, such as derivative instruments that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.

This statement had no effect on the State.

**GASB Statement 100, Accounting Changes and Error Corrections.** This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to work within the financial reporting entity and describes the transactions or other events that constitute those changes. The impact of GASB Statement 100 is as follows:

### Restatements

#### Changes to or Within the Financial Reporting Entity

##### Change in Discretely Presented Component Unit Presentation (Column A)

Higher education is reported as a major discretely presented component unit of the state. During the fiscal year 2024, Higher Education included an additional component unit that met the threshold for inclusion. The new component unit was blended with Higher Education's financial statements for the fiscal year ending June 30, 2024. The effect of that change to or within the financial reporting entity is shown in column A of the table below.

#### Correction of an Error in Previously Issued Financial Statements

##### Correction of Government-Wide (Column B)

In fiscal year 2024, the State determined the amount reported as a receivable from the National Opioid Settlement was not reported correctly for fiscal year 2023. Due to the State's error on the receivable calculation, the reported amount for the receivable and revenue were understated by \$9.3 million for the fiscal year ended June 30, 2023. The effect of correcting that error is shown in column B of the table below and in the Management's Discussion and Analysis.

##### Correction between Government-Wide and Proprietary Funds (Column C)

Construction in progress relating to equipment was previously reported in the Radio Communications Fund, a nonmajor proprietary fund. However, the activity benefitted from the equipment was ultimately determined to be governmental activities. As such, capital outlay expenditures should have been recorded in the General Fund with a reconciling item increasing construction in process in governmental activities. The equipment was put into service during FY24. The effect of correcting that error is shown in column C of the table below, Management's Discussion Analysis and Note 6. *Capital Assets*.

##### Correction on Component Units Notes and Advances Payable in Note 11. Long-Term Liabilities

Note 11. *Long-Term Liabilities* regarding the long-term obligation for component unit notes payable ending balance was not reported correctly for the fiscal year 2023. Higher Education did not include any advance payable in their footnote disclosure for note 11 in fiscal year 2023. This error calculation caused the ending balance for the fiscal year 2023 and the beginning balance for the fiscal year 2024 to be understated relating to component units notes payable in Note 11. However, the financial statements for Higher Education's net position were reported correctly in fiscal year 2023. Therefore, Note 11. *Long-Term Liabilities* for component unit notes and advances payable has been restated to properly correct beginning balances for fiscal year 2024.

**Internal Reclassifications**

During the fiscal year, the State reclassified the operations of the South Dakota One Call from the Public Utility Commission to the Department of Public Safety. The impact of this change was internal to nonmajor governmental funds as it was between nonmajor special revenue funds.

**Adjustments to and Restatements of Beginning Balances**

During the fiscal year 2024, changes to or within the financial reporting entity and an error correction resulted in adjustments to and restatements of beginning net position and fund net positions, as follows (Expressed in Thousands):

	07/01/2023 As Previously Reported	Change to or within the Financial Reporting Entity (A)	Error Correction (B)	Error Correction (C)	07/01/2023 As Restated
<b>Government-Wide</b>					
Governmental Activities	\$ 8,268,924	\$	\$ 9,258	\$ 4,622	\$ 8,282,804
Business-Type Activities	940,171			(4,622)	935,549
<b>Total Primary Government</b>	<b>\$ 9,209,095</b>	<b>\$ 0</b>	<b>\$ 9,258</b>	<b>\$ 0</b>	<b>\$ 9,218,353</b>
<b>Governmental Funds</b>					
Major Funds:					
General Fund	\$ 1,365,667	\$	\$		\$ 1,365,667
Transportation	327,194				327,194
Social Service Federal	3,203				3,203
COVID-19 Federal	4,584				4,584
Dakota Cement Trust	363,359				363,359
Education Enhancement Trust	702,108				702,108
Nonmajor	775,497				775,497
<b>Total Governmental Funds</b>	<b>\$ 3,541,612</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,541,612</b>
<b>Proprietary Funds</b>					
Major Funds:					
Lottery	\$ 6,469	\$	\$		\$ 6,469
Clean Water State Revolving	270,749				270,749
Drinking Water State Revolving	232,424				232,424
Nonmajor	430,529			(4,622)	425,907
Internal Service Funds	54,445				54,445
<b>Total Proprietary Funds</b>	<b>\$ 994,616</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (4,622)</b>	<b>\$ 989,994</b>
<b>Fiduciary Funds</b>					
South Dakota Retirement Pension Trust Fund	\$ 14,500,454	\$	\$		\$ 14,500,454
Private Purpose Trust Funds	328,476				328,476
Custodial Funds	18,960				18,960
<b>Total Fiduciary Funds</b>	<b>\$ 14,847,890</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 14,847,890</b>
<b>Discretely Presented Component Units</b>					
Housing Authority	\$ 617,232	\$	\$		\$ 617,232
Science and Technology Authority	136,520				136,520
Higher Education	2,244,994	7,302			2,252,296
Nonmajor	34,165				34,165
<b>Total Discretely Presented Component Units</b>	<b>\$ 3,032,911</b>	<b>\$ 7,302</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,040,213</b>

### **3. CASH, DEPOSITS, AND INVESTMENTS**

South Dakota Codified Laws (SDCL) and administrative rules authorize the types of deposits and investments. Most State public funds are invested in the Cash Flow Portfolio using the pooled deposit and investment concept. This concept allows for the deposit and investment of aggregate idle fund monies, while preserving the integrity of fund cash balances of each State fund.

Negative cash balances in funds participating in the Cash Flow Portfolio are reclassified at year-end as interfund payables. The cash and cash equivalents balance in the General Fund was reduced by \$32.6 million for deficit cash balances that existed in various state funds on June 30, 2024, and is reported as an interfund receivable.

Certain funds and component units have statutory authority to make deposits and investments in specific types of securities, which may be more or less restrictive than the general authority covering the Cash Flow Portfolio. Additionally, bond provisions may require restrictions on types of investments. The State was in compliance with legal requirements governing deposit and investing activities.

Securities that are unclaimed at financial institutions are transferred to the State. The securities or proceeds can be claimed by the owners under established procedures. The Office of the State Treasurer administers any unclaimed securities per SDCL §43-41B, Uniform Unclaimed Property Act. Any stocks, bonds, and other negotiable instruments will be sold within one hundred eighty days of confirmed receipt, unless involved in an open claim. As of June 30, 2024, the securities, for which cost at the time of acquisition is not readily available, have a fair value of \$4.2 million and are shown as securities held as escheat property in the General Fund.

#### **A. Primary Government**

Investments of the Primary Government are grouped into four categories based upon investment objectives and risk.

##### **Cash Flow Portfolio**

This category represents the pooled public funds of the Primary Government (comprising 86% of the Cash Flow Portfolio) and discretely presented component units, comprising the remainder of the Cash Flow portfolio. Higher Education, the Science and Technology Authority, the Housing Development Authority, the Property and Casualty Captive Insurance Company, and the Authority Captive Insurance Company are discretely presented component units and have deposits and investments in the Cash Flow Portfolio. Because of the pooled deposit and investment concept of the Cash Flow Portfolio, the discretely presented component units' share of the portfolio cannot be disaggregated for risk disclosure purposes. For risk disclosure purposes, their share of the Cash Flow Portfolio is included in the Primary Government.

##### **Retirement Portfolio**

This category represents the investments of the South Dakota Retirement System.

##### **Trust Portfolios**

This category includes the portfolios of School and Public Lands, Dakota Cement Trust Fund, Education Enhancement Trust Fund, and Health Care Trust Fund.

##### **Other Funds**

This category represents funds that are *not* managed by the South Dakota Investment Council (SDIC) and includes Educational Enhancement Funding Corporation, Clean Water State Revolving Fund, Drinking Water State Revolving Fund, and the Vocational Education Program.

##### **Deposits**

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event of the failure of a depository institution, the State of South Dakota will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party.

**Cash Flow Portfolio**

The Cash Flow Portfolio's certificates of deposit and other deposits in state financial institutions more than depository insurance must be 100% collateralized. Collateral is valued at the lower of cost or market as reported in the quarterly call reports prepared by the qualified public depositories pursuant to SDCL 4-6A-7. Collateral is required to be segregated by each depository as approved by the South Dakota Public Deposit Protection Commission. Collateral may not be held in any safety deposit vault owned or controlled either directly or indirectly by the pledging financial institution but must be deposited for safekeeping in a financial institution that is a member of the Federal Reserve. As of June 30, 2024, the Cash Flow portfolio's certificates of deposit were exposed to custodial credit risk of \$52.5 thousand.

**Retirement Portfolio**

The Retirement Portfolio has a formal deposit policy specific to custodial credit risk and foreign currencies. The policy states that the United States Dollar (USD) equivalent of any non-USD currency cannot exceed 2.0% of the portfolio fair value on a trade date +2 calendar days basis. All portfolios as of June 30, 2024, meet policy guidelines. These deposits are not collateralized or covered by depository insurance. As a result, the Retirement Portfolio was exposed to custodial credit risk of \$16.6 million.

**Trust Portfolios**

The Trust Portfolio has a formal deposit policy specific to custodial credit risk for the global equity portfolios of School and Public Lands, Dakota Cement Trust, Education Enhancement Trust, and Health Care Trust. The policy states that the USD equivalent of any non-USD currency cannot exceed 2.0% of the portfolio fair value on a trade date +2 calendar day basis. At June 30, 2024, the Trust Portfolios had bank balances in various foreign currencies. These deposits are not collateralized or covered by depository insurance. As a result, the Trust Portfolios were exposed to custodial credit risk of \$767.4 thousand.

**Other Funds**

The Other Funds use the same deposit policy specific to custodial credit risk as the rest of the State. At June 30, 2024, the Other Funds had bank balances that are not collateralized or covered by depository insurance. As a result, the Other Funds were exposed to custodial credit risk of \$1.8 million.

**Investments**

**Securities Lending.** State statutes and SDIC policies permit the use of investments for securities lending transactions. These transactions involve the lending of corporate debt, foreign equity securities, and domestic equity securities to broker-dealers for collateral in the form of securities, with the simultaneous agreement to return the collateral for the same securities in the future. All securities loans can be terminated on demand by either the SDIC or the borrower. As of June 30, 2024, the fair value of securities on loan was \$94.2 million, and the collateral held on the same date was \$97.0 million. At year-end, the SDIC has no credit risk exposure to borrowers because the amounts the SDIC owes the borrowers exceed the amounts the borrowers owe the SDIC.

The SDIC's securities custodian is an agent in lending securities and shall accept only U.S. Government securities or its agencies as collateral for any loan or loaned securities. The collateral required must equal 102% of fair value plus accrued interest for corporate debt securities. The earnings generated from the collateral investments results in the gross earnings from lending activities, which is then split on a percentage basis with the lending agent.

The contract with the lending agent requires the agent to indemnify the SDIC if the borrowers fail to return the loaned securities and the collateral is inadequate to replace the securities lent. All securities loans can be terminated on demand by either the SDIC or the borrower. The SDIC does not have the ability to pledge or sell collateral securities unless the borrower defaults. Regarding restrictions on loans, the securities lending agreement does limit the total value of securities that can be out on loan on any given day.

**Custodial Credit Risk.** The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The SDIC's securities lending policies are detailed in the preceding Securities Lending section. As of June 30, 2024, the Cash Flow portfolio does not have custodial credit risk regarding securities lending. The Other Funds do not have a policy for custodial credit risk. The Other Funds had custodial credit risk totaling \$195.7 million in guaranteed investment contracts, Federal agency bonds, U.S. Treasury bonds, and U.S. Treasury notes not held in their name at June 30, 2024.

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SDIC policy limits or establishes ranges for the durations of the fixed income portfolios. Modified duration estimates the sensitivity of a bond’s price to interest rate changes.

The Cash Flow short term portfolio policy limits average portfolio duration to 2.88 years, and no holding’s maturity can exceed 5.25 years. The Cash Flow intermediate term portfolio is benchmarked to the duration of the FTSE Broad Investment Grade (BIG) Index. No formal interest rate risk policy exists for the fixed income portfolios of the Other Funds.

The weighted modified durations (in years) of the various funds are listed in the following table (Dollars Expressed in Thousands):

Investment Type	Cash Flow Portfolio		Retirement Portfolio		Trust Portfolios		Other Funds	
	Fair Value	Mod. Dur.	Fair Value	Mod. Dur.	Fair Value	Mod. Dur.	Fair Value	Mod. Dur.
U.S. Treasuries	\$ 311,285	2.60	\$ 587,738	6.13	\$		\$ 44,337	0.24
U.S. Treasury Bills	1,688,880	0.13	2,133,697	0.15				
U.S. Treasury STRIPS	114,513	7.53	453,854	7.49				
U.S. Agencies	168,614	1.45	35,769	2.98			23,060	0.11
Federated Hermes U.S. Treasury Cash Reserves							1,580	
Investment Grade Corporates	452,327	2.28	423,483	4.23				
Total Bond Market Mutual Fund					50,516	6.00		
High-yield Corporates			461,643	3.52				
High-yield Bond Mutual Fund					65,315	3.00		
Bond ETF - Exchange traded funds			43,045	5.99	184,536	5.99		
Agency Mortgage-backed Securities	84,200	5.88	340,330	5.86				
Investment Agreements							128,350	1.69
<b>Total</b>	<b>\$ 2,819,819</b>		<b>\$ 4,479,559</b>		<b>\$ 300,367</b>		<b>\$ 197,327</b>	
Portfolio Modified Duration		1.30		2.92		5.34		1.17

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SDIC policy establishes a percentage range and a normal allocation to various credit risk categories. The Cash Flow short-term portfolio can invest 4% of the portfolio into each corporate security rated AAA or AA, 3% in A-rated, 1% in BBB, and 0.5% in BBB-rated individual holdings of corporate securities. Credit rating limits are 15% of the total short-term portfolio or up to 20% with the Investment Officer’s permission for BBB rated and 5% of the total portfolio or up to 10% with the Investment Officer’s permission on downgraded securities below BBB. The SDIC reviews the investment guidelines annually for the Cash Flow intermediate-term portfolio. These guidelines establish the benchmark percentage invested in each fixed income asset category and the minimum and maximum range of each fixed income asset category.

The Clean Water State Revolving Fund and Drinking Water State Revolving Fund Master Trust Indenture requires any investment agreement to be with a guarantor whose long-term rating category is no lower than the two highest long-term rating categories.

Statutes authorize the Vocational Education Program to invest in the following: (1) direct obligations of the U.S.; (2) obligations issued by any agency or instrumentality of the U.S.; (3) certificates of deposit or time deposits of any bank which is a qualified public depository or any savings and loan association which is a savings and loan depository; (4) obligations of any solvent insurance company or other corporation existing under the laws of the U.S., or any state thereof provided the company or corporation is rated in one of the two highest rating classifications established by a standard rating service of insurance companies or a nationally recognized rating agency; (5) short-term discount obligations of the FNMA; or (6) obligations issued by any state of the U.S.

The Education Enhancement Funding Corporation does not have a formal investment policy with respect to credit risk.

As of June 30, 2024, the portfolios held the following investments, excluding those issued by or explicitly guaranteed by the U.S. Government which are not considered to have credit risk.

The investments are grouped with the following credit ratings as rated by S&P Global Ratings (Expressed in Thousands):

	<b>Cash Flow Portfolio</b>	<b>Retirement Portfolios</b>	<b>Trust Portfolios</b>	<b>Other Funds</b>
	<b>Fair Value</b>	<b>Fair Value</b>	<b>Fair Value</b>	<b>Fair Value</b>
AAA	\$ 6,432	\$ 6,601	\$	\$ 11,555
AA	252,214	331,453		13,085
A	300,705	210,341		
BBB	75,948	138,308		128,350 *
BB		281,196		
B		146,644		
CCC		33,803		
US Government Guaranteed	2,184,520	3,288,168		
Not rated	847,523	1,235,270	1,043,908	
<b>Total</b>	<b>\$ 3,667,342</b>	<b>\$ 5,671,784</b>	<b>\$ 1,043,908</b>	<b>\$ 152,990</b>

\*S&P rating is primary, if not available or not rated by S&P, equivalent Moody's Ratings are used as proxies.

**Foreign Currency Risk.** Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Retirement and Trust Portfolios' exposure to foreign currency risk is derived from their positions in foreign currency and foreign currency-denominated equity and fixed income investments. The Retirement and Trust Portfolios do not hedge foreign currency back to USD (to match the unhedged benchmark) but do allow hedging under certain circumstances when deemed appropriate by the State Investment Officer and portfolio manager.

The Retirement and Trust Portfolios' exposure to foreign currency risk on June 30, 2024, are as follows (Expressed in Thousands):

<b>Currency</b>	<b>Retirement Portfolio</b>			<b>Trust Portfolios</b>		
	<b>Equities</b>	<b>Cash</b>	<b>Total</b>	<b>Equities</b>	<b>Cash</b>	<b>Total</b>
	<b>U.S. Dollar</b>	<b>U.S. Dollar</b>		<b>U.S. Dollar</b>	<b>U.S. Dollar</b>	
<b>Fair Value</b>	<b>Fair Value</b>		<b>Fair Value</b>	<b>Fair Value</b>		
Australian Dollar	\$ 11,760	\$ 1,599	\$ 13,359	\$ 788	\$ 69	\$ 857
British Pound	164,933	1,528	166,461	10,884	106	10,990
Canadian Dollar	107,294	822	108,116	6,947	162	7,109
Danish Krone	5,463	38	5,501	328	7	335
Euro	346,652	4,410	351,062	22,860	157	23,017
Hong Kong Dollar	286		286			
Japanese Yen	143,625	7,309	150,934	9,791	158	9,949
South Korean Won	97,388		97,388	6,264		6,264
Norwegian Krone	4,401	133	4,534	324	24	348
Singapore Dollar	3,780	47	3,827	71	5	76
Swedish Krona	11,193	45	11,238	605	12	617
Swiss Franc	143,833	693	144,526	9,380	67	9,447
Thai Baht	741		741			
<b>Total Fair Value</b>	<b>\$ 1,041,349</b>	<b>\$ 16,624</b>	<b>\$ 1,057,973</b>	<b>\$ 68,242</b>	<b>\$ 767</b>	<b>\$ 69,009</b>

Investments with limited partnerships and certain global equity investments with external managers, which are not included in the table above, may expose the State to additional foreign currency risk. For the Retirement Portfolio, the total fair value of investments in real estate and private equity limited partnerships as of June 30, 2024, was \$3.5 billion. The total fair value of hedge funds investments managed by external managers was \$128.6 million. For the Trust Portfolios, the total fair value of investments in real estate and private equity limited partnerships as of June 30, 2024, was \$344.0 million.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The Cash Flow portfolio has a policy in place limiting its investments in individual holdings. Information regarding the policy is in the Credit Risk section. Additionally, there are no single issuer exposures (excluding those issued by or explicitly guaranteed by the U.S. Government or involving mutual funds or investment pools) within the portfolio that comprises 5% of the overall portfolio as of June 30, 2024.

**Investment Derivative Instruments in Primary Government**

**Retirement Portfolio.** Investment derivative instruments are generally defined as contracts whose values depend on, or derive from, the value of an underlying asset, reference rate, or index. The Retirement Portfolio is exposed to various derivative products through the investment management of the SDIC and its external managers. The following notes detail the derivative instruments used in the SDIC’s internally managed portfolios.

**Trust Portfolio.** Derivatives are generally defined as contracts whose values depend on, or derive from, the value of an underlying asset, reference rate, or index. The School and Public Lands, Dakota Cement Trust, Education Enhancement Trust, and Health Care Trust portfolios may be exposed to various derivative products through the investment management of the SDIC and its external managers. During fiscal year 2024, no derivative instruments were utilized by SDIC in the internally managed trust portfolios.

**Futures Contracts.** A futures contract is a contract to buy or sell units of an index or financial instrument at a specified future date at a price agreed upon when the contract is originated. The SDIC purchases and sells futures contracts as a means of adjusting the SDRS portfolio mix at a lower transaction cost than the transactions, which would otherwise occur in the underlying portfolios. During fiscal year ended June 30, 2024, S&P 500 futures and 10-year U.S. Treasury note futures were utilized. Upon engaging in such a contract, SDRS pledges to the broker cash or U.S. government securities equal to the minimum initial margin requirement of the futures exchange. Additionally, SDRS receives or pays a daily variation margin, which is an amount of cash equal to the daily fluctuation in value of the contract. The change in fair value of the futures contracts is presented in the statement of changes in fiduciary net position as “Net appreciation in fair value of investments.” The net change in fair value from futures contracts for fiscal year ended June 30, 2024, was \$(328.9) million.

At June 30, 2024, futures contracts outstanding were as follows:

	Open Position	Contracts	Notional Contract size	Fair Value (Exposure)
S&P 500 Index Future Due September 2024	Short	8,207	\$50 x S&P 500 index	\$ (2,265,747,525)

**Foreign Currency Forward Contracts.** The SDIC engages in foreign exchange forward contracts to manage foreign currency exposure, as permitted by portfolio policies. The fair values of the contracts are positions within the Statement of Net Position as “Investments at fair value – Equities.” The change in fair value of the forward contracts is presented in the Statement of Changes in Net Position as “Net appreciation in fair value of investments.” For fiscal year ended June 30, 2024, the net change in fair value from foreign currency forward contracts was \$(8.3) million. At June 30, 2024, the foreign currency forward contracts outstanding were as follows:

Description	Notional Amount	Maturity Date	Fair Value (U.S. Dollars)
Forward Buy	\$ 536,000,000	JPY 08/15/2024	\$ (130,890)
Forward Buy	\$ 7,182,000,000	JPY 08/15/2024	\$ (1,753,831)

**Credit Risk.** SDRS is exposed to credit risk on derivative instruments that are in asset positions. The SDIC attempts to minimize credit risk by entering into derivatives contracts with major financial institutions. At June 30, 2024, the net fair value of foreign currency forward contracts was \$0. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

**Interest Rate Risk.** The SDRS is exposed to interest rate risk on its 10-year U.S. Treasury Note futures contract. As interest rates increase, the value of the futures contract decreases.

**Foreign Currency Risk.** SDRS is exposed to foreign currency risk on its foreign currency forward contracts because they are denominated in foreign currencies. The net fair value of the foreign currency forward contracts in USD is \$(1.9) million.



**Fair Value Measurement**

Investments are reported at fair value as of June 30, 2024, to the extent available. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are other than quoted prices included within Level 1 that are observable; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the hierarchy below.

The following tables summarize the Cash Flow Portfolio, Trust Portfolios, Retirement Portfolio, and Other Funds investments within the fair value hierarchy as of June 30, 2024, (Expressed in Thousands):

**Cash Flow Portfolio:**

	<b>Cash Flow Fund Portfolio</b>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments by Fair Value Level</b>				
U.S. Treasuries	\$ 311,286	\$	\$ 311,286	\$
U.S. Treasury Bills	1,688,880		1,688,880	
U.S. Treasury STRIPS	114,513		114,513	
U.S. Agencies	168,614		168,614	
Investment Grade Corporates	452,327		452,327	
Agency Mortgage-Backed Securities	84,200		84,200	
Total Fixed Income Securities	<u>2,819,820</u>	<u>0</u>	<u>2,819,820</u>	<u>0</u>
<b>Total Investments by Fair Value Level</b>	<b><u>\$ 2,819,820</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 2,819,820</u></b>	<b><u>\$ 0</u></b>
<b>Investments Measured at the Net Asset Value (NAV)</b>				
Short-term Investment Funds	\$ 847,523			
Total Investments Measured at the NAV	<u>847,523</u>			
<b>Total Investments Measured at the Fair Value</b>	<b><u>\$ 3,667,343</u></b>			

**Trust Portfolios:**

	<b>Trust Portfolios</b>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments by Fair Value Level</b>				
<b>Fixed Income Securities</b>				
Exchange Traded Funds	\$ 184,536	\$ 184,536	\$	\$
Total Fixed Income Securities	<u>184,536</u>	<u>184,536</u>	<u>0</u>	<u>0</u>
<b>Equity Securities</b>				
Domestic Stock	248,023	248,023		
Depository Receipts	1,776	1,776		
ETF - Exchange Traded Funds	53,752	53,752		
International Stock	68,242	68,242		
Stock Warrants	1	1		
Total Equity Securities	<u>371,794</u>	<u>371,794</u>	<u>0</u>	<u>0</u>
<b>Total Investments by Fair Value Level</b>	<b><u>\$ 556,330</u></b>	<b><u>\$ 556,330</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>
<b>Investments Measured at the Net Asset Value (NAV)</b>				
Short-term Investment Funds	\$ 743,542			
Mutual Funds	120,413			
<b>Alternative Investments</b>				
Real Estate Funds	194,444			
Private Equity Funds	149,511			
Total Alternative Investments	<u>343,955</u>			
Total Investments Measured at the NAV	<u>1,207,910</u>			
<b>Total Investments Measured at the Fair Value</b>	<b><u>\$ 1,764,240</u></b>			

**Retirement Portfolio:**

	Retirement Portfolio			
	Total	Level 1	Level 2	Level 3
<b>Investments by Fair Value Level</b>				
Fixed Income Securities				
U.S. Treasuries	\$ 587,738	\$	\$ 587,738	\$
U.S. Treasury Bills	2,133,697		2,133,697	
U.S. Treasury STRIPS	453,854		453,854	
U.S. Agencies	35,769		35,769	
Investment Grade Corporates	423,483		423,483	
High Yield Corporates	461,643		461,643	
Bond ETF - Exchange traded funds	43,045	43,045		
Agency Mortgage-backed Securities	340,330		340,330	
Total Fixed Income Securities	<u>4,479,559</u>	<u>43,045</u>	<u>4,436,514</u>	<u>0</u>
Equity Securities				
Domestic Stock	3,813,434	3,813,434		
Depository Receipts	38,623	38,623		
ETF - Exchange Traded Funds	561,864	561,864		
International Stock	1,041,349	1,041,349		
Preferred Stock	852		852	
Stock Warrants	11	11		
Total Equity Securities	<u>5,456,133</u>	<u>5,455,281</u>	<u>852</u>	<u>0</u>
<b>Total Investments by Fair Value Level</b>	<b><u>\$ 9,935,692</u></b>	<b><u>\$ 5,498,326</u></b>	<b><u>\$ 4,437,366</u></b>	<b><u>\$ 0</u></b>
<b>Investments Measured at the Net Asset Value (NAV)</b>				
Short-term Investment Funds	\$ 1,192,225			
Multi Strategy Hedge Funds	128,612			
Alternative Investments				
Real Estate Funds	1,914,897			
Private Equity Funds	1,621,070			
Total Alternative Investments	<u>3,535,967</u>			
Total Investments Measured at the NAV	<u>4,856,804</u>			
Total Investments Measured at the Fair Value	14,792,496			
Plus: Cash Held by Fund Managers	72,211			
Less: G/L on FX Transactions	(1,885)			
Less: Accrued Monthly Interest	(21,539)			
<b>Total</b>	<b><u>\$ 14,841,283</u></b>			
<b>Investment Derivative Instruments</b>				
Futures Contracts	\$ 10,054	\$ 10,054	\$	
Foreign Exchange Forward Contracts (liability)	(1,885)		(1,885)	
<b>Total Investment Derivative Instruments</b>	<b><u>\$ 8,169</u></b>	<b><u>\$ 10,054</u></b>	<b><u>\$ (1,885)</u></b>	

**Other Funds:**

	Other Funds			
	Total	Level 1	Level 2	Level 3
<b>Investments by Fair Value Level</b>				
U.S. Treasuries	\$ 44,338	\$	\$ 44,338	\$
U.S. Agencies	23,060		23,060	
Total Fixed Income Securities	<u>67,398</u>	<u>0</u>	<u>67,398</u>	<u>0</u>
<b>Total Investments by Fair Value Level</b>	<b><u>\$ 67,398</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 67,398</u></b>	<b><u>\$ 0</u></b>
<b>Investments Measured at the Net Asset Value (NAV)</b>				
Short-term investment funds	\$ 1,580			
Total Investments Measured at the NAV	<u>1,580</u>			
Money Market Mutual Funds at Amortized Cost	190			
<b>Total Investments Measured at the Fair Value</b>	<b><u>\$ 69,168</u></b>			

Equity securities and fixed income securities classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for identical securities as of the measurement date as issued by pricing vendors. Securities classified in Level 2 of the fair value hierarchy include valuations using quoted prices for a similar security in active markets and using observable inputs other than quoted prices for identical securities.

Fixed income securities classified in Level 2 of the fair value hierarchy are valued using observable inputs other than quoted prices for identical securities. The prices are determined using matrix pricing techniques maintained by various pricing vendors/brokers for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

In the Retirement Portfolio, investment derivative instruments classified in Level 1 of the fair value hierarchy represents the pending variance margin on futures contracts which is calculated using quoted prices in active markets for identical securities. Investment derivative instruments classified in Level 2 of the fair value hierarchy are valued using observable inputs other than quoted prices for identical securities. The foreign currency forward contract valuations are determined by interpolating foreign exchange rates for various settlement dates as of June 30, 2024.

The portfolios may hold shares or interest in investments where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment as a practical expedient. The NAV valuations are based on valuations of the underlying companies as determined and reported by the fund manager or general partner.

Continued on next page

The following table summarizes the fair value, unfunded commitments, and redemption rules of those investments as of June 30, 2024, (Expressed in Thousands):

**Investments Measured at the NAV**

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Short-term Investment Funds (a)	\$ 847,523	\$	Daily	0 days
<b>Investments Measured at the Net Asset Value (NAV)</b>	<b><u>\$ 847,523</u></b>			

**Investments Measured at the NAV**

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Short-term Investment Funds (a)	\$ 743,542	\$	Daily	0 days
High Yield Bond Mutual Funds (b)	120,413		Daily	1 day
Alternative Investments				
Real Estate Funds (c)	194,444	91,660		
Private Equity Funds (d)	149,511	45,934		
Total Alternative Investments	<u>343,955</u>			
<b>Investments Measured at the Net Asset Value (NAV)</b>	<b><u>\$ 1,207,910</u></b>			

**Investments Measured at the NAV**

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Short-term Investment Funds (a)	\$ 1,192,225	\$	Daily	0 days
Multi Strategy Hedge Funds (e)	128,612		Monthly	5-30 days
Alternative Investments				
Real Estate Funds (c)	1,914,897	861,760		
Private Equity Funds (d)	1,621,070	474,456		
Total Alternative Investments	<u>3,535,967</u>			
<b>Investments Measured at the Net Asset Value (NAV)</b>	<b><u>\$ 4,856,804</u></b>			

**Investments Measured at the NAV**

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Short-term Investment Funds (a)	\$ 1,580	\$	Daily	0 days
<b>Investments Measured at the Net Asset Value (NAV)</b>	<b><u>\$ 1,580</u></b>			

a. *Short Term Investment Funds.* This type includes investments in nine open-end mutual funds that invest exclusively or primarily in high-quality, short-term securities that are issued or guaranteed by the U.S. government or by U.S. government agencies and instrumentalities. The fair values of the investments in this type have been determined using the NAV per share of the investments.

*b. Mutual Funds.* This type includes investments in three open-end mutual funds that invest in specific asset categories including investment-grade bonds, high-yield bonds, and real estate stocks. The fair value of the investments in this type has been determined using the NAV per share of the investment.

*c. Real Estate Funds.* This type includes 20 (Trust Portfolios) and 27 (Retirement Portfolio) real estate funds that invest primarily in commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital. These investments can never be redeemed from the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 20 years. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital.

*d. Private Equity Funds.* This type includes 15 (Trust Portfolios) and 31 (Retirement Portfolio) private equity funds that invest primarily in leveraged buyouts. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital. These investments can never be redeemed from the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 20 years. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital.

*e. Multi Strategy Hedge Funds.* This type includes two investments in funds that may invest in a wide range of asset classes to meet fund objectives. The fair values of the investments in this type have been determined using the NAV per share of the investments.

## **B. Component Units**

### **Deposits**

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event of the failure of a depository institution, the component unit's deposits may not be returned to it. The Housing Development Authority deposit policy requires deposits more than the depository insurance maximums be collateralized 100%. Collateral must be deposited for safekeeping in a financial institution that is not owned or controlled either directly or indirectly by the pledging financial institution. The financial institution where the collateral is held must be a member of the Federal Reserve. The additional component units do not have deposit policies for custodial credit risk. As of June 30, 2024, all the component units had deposits collateralized or covered by depository insurance.

### **Investments**

**Custodial Credit Risk.** Custodial credit risk is the risk that in the event of the failure of the counterparty, the component unit will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The component units do not have investment policies for custodial credit risk. At June 30, 2024, investments in the amount of \$9.1 million were uninsured and unregistered, with the securities held by the counterparty, or by its trust department or agent, but not in the component unit's name.

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Housing Development Authority limits the maturities of investments for their restricted accounts. Investments of the Capital Reserve accounts must provide for the purposes thereof as estimated by the Housing Development Authority. The investments must not mature later than the final maturity of the related Series of the Bonds. The average duration of individual securities will not exceed twenty years. Investments of the Mortgage Reserve accounts must provide for the purposes thereof as estimated by the Housing Development Authority. The duration of 50% of individual securities will not exceed two years from the date of purchase or deposit. The Housing Development Authority assumes that its callable investments will not be called. The Housing Development Authority invests in mortgage pass-through securities issued by GNMA, FNMA, and FHLMC. Because prepayments of mortgages underlying these securities affect the principal and interest payments received by these securities, the securities are considered sensitive to interest rate risk.

The Economic Development Finance Authority limits the maturities of investments for its restricted accounts (all accounts other than the General Account) to terms of two years or less from the date of the investment.

The Ellsworth Development Authority and the Science and Technology Authority do not have policies for interest rate risk.

As of June 30, 2024, the Housing Development Authority and the Economic Development Finance Authority had investments maturing as follows (Expressed in Thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>Greater than 10</u>
U.S. Government Obligations	\$ 75,828	\$ 9,258	\$ 43,667	\$ 22,575	\$ 328
U.S. Agencies	1,542,541	72,832	21,236	8,429	1,440,044
Investment Grade Corporates	2,799	3	176	1,187	1,433
Certificates of Deposit	249	249			
Mutual Funds	334,525	334,525			
Municipal Bonds	173	173			
State Obligations	5,596	962	3,611	1,023	
<b>Total</b>	<b>\$ 1,961,711</b>	<b>\$ 418,002</b>	<b>\$ 68,690</b>	<b>\$ 33,214</b>	<b>\$ 1,441,805</b>

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the investment policy of the Housing Development Authority to invest in securities limited to direct general obligations of the U.S. Government, U.S. Government agencies, mortgage-backed securities guaranteed by U.S. Government agencies, direct and general obligations of any state within the United States, mutual funds invested in securities mentioned above, and investment agreements secured by securities mentioned above. If securities are downgraded after purchase, the Authority will analyze the reason for the downgrade and determine what, if any, action is needed. Investments issued by or explicitly guaranteed by the U.S. Government are not considered to have a credit risk.

The investment management policy of the Economic Development Finance Authority limits investments in Corporate Bonds to those rated in either of the two highest rating categories by either Moody's Investors Service or Standard & Poor's Corporation.

The Ellsworth Development Authority and the Science and Technology Authority are limited to investments permitted by State statute.

As of June 30, 2024, the Economic Development Finance Authority had investments of \$173.1 thousand with an AAA rating by S&P Rating.

As of June 30, 2024, the Housing Development Authority investments had the following ratings (Dollars Expressed in Thousands):

<u>Type/Provider</u>	<u>Moody's Credit Rating</u>	<u>Amount</u>	<u>% of Total</u>
Money Market Funds	NR	\$ 334,525	17.1%
Certificates of Deposit	NR	248	0.0%
Corporate-Backed Obligations	NR	2,799	0.1%
U.S. Agencies	Aaa	73,472	3.7%
U.S. Treasuries	Aaa	75,828	3.9%
State and Municipal Securities	A1 to Aaa	5,596	0.3%
Mortgage-backed Securities:			
GNMA	NR	896,409	45.7%
FNMA	NR	556,373	28.4%
FHLMC	NR	16,286	0.8%
		<b>\$ 1,961,536</b>	<b>100.0%</b>

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer.

The Housing Development Authority will minimize Concentration Credit Risk by diversifying the investment portfolio and reducing the impact of potential losses from any one type of security or issuer. (See previous table for investment diversification.)

As of June 30, 2024, the Economic Development Finance Authority permits the maximum portfolio exposure to permitted investments:

	<b>Restricted Account</b>		<b>Unrestricted Account</b>	
	<b>Portfolio Exposure</b>		<b>Portfolio Exposure</b>	
	<b>Total</b>	<b>Individual</b>	<b>Total</b>	<b>Individual</b>
U.S. Governments	100%	100%	100%	100%
U.S. Agencies	100%	100%	100%	100%
Repurchase Agreements	50%	25%	50%	25%
Corporate Bonds	0%	0%	50%	10%
Municipal Bonds	0%	0%	50%	10%
Certificates of Deposit	100%	100%	100%	100%
Money Market Funds	25%	25%	25%	25%

**Fair Value Measurement**

Investments are reported at fair value as of June 30, 2024, to the extent available. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are other than quoted prices included within Level 1 that are observable; Level 3 inputs are significant unobservable inputs.

The following table summarizes the Housing Development Authority and Economic Development Finance Authority investments within the fair value hierarchy as of June 30, 2024, (Expressed in Thousands):

	<b>Total</b>	<b>Component Units</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Investments by Fair Value Level</b>				
U.S. Treasuries	\$ 75,828	\$	\$ 75,828	\$
U.S. Agencies	1,542,541		1,542,541	
Corporate-Backed Obligations	2,799		2,799	
Money Market Mutual Funds	334,525	334,525		
Municipal Bonds	173		173	
Certificates of Deposit	249		249	
State Obligations	5,596		5,596	
<b>Total Investments by Fair Value Level</b>	<b>\$ 1,961,711</b>	<b>\$ 334,525</b>	<b>\$ 1,627,186</b>	<b>\$ 0</b>
<b>Hedging Derivative Instruments</b>				
Interest Rate Swaps	\$ 26,854	\$	\$ 26,854	\$
<b>Total Hedging Derivative Instruments</b>	<b>\$ 26,854</b>	<b>\$ 0</b>	<b>\$ 26,854</b>	<b>\$ 0</b>
<b>Total Investments Measured at the Fair Value</b>	<b>\$ 1,988,565</b>			

For the Economic Development Finance Authority, which serves as trustee, uses a pricing service, FT interactive, to value investments. FT interactive uses market approach pricing which utilizes models and pricing systems as well as mathematical tools and pricing analyst judgment. All EDFA investments are priced by this service, which is not quoted prices in an active market, by rather significant other observable inputs; therefore, the investments are categorized as Level 2.

The Housing Development Authority obtains its fair value pricing on investments from their third-party trustee. There are multiple pricing methodologies which are used to value the Authority's investments. These methods include, but are not limited to, gathering pricing from multiple market sources and vendor credit information, observed market movements, sector news into the pricing applications and models, or manual methods. Money Market Mutual Funds classified as Level 1 are valued using quoted prices in active markets for those securities. Since the Authority's debt security investments are not actively traded on an exchange and rely on significant observable inputs for fair value pricing, these securities are classified as Level 2.

The Housing Development Authority obtains its fair value pricing on interest rate swaps and forward MBS contracts from a third-party vendor. For interest rate swaps, the valuation was determined by calculating the difference between the present values of each fixed cash flow to be paid and each floating cash flow to be received based upon the current market yield curve. The present value factors for each cash flow are based on the implied zero-coupon yield curve determined by current market rates. Additionally, the values of the call options are determined by current market implied volatility. Together these calculations, along with considerations from non-performance risks, determine the current fair value of the Housing Development Authority's swap contracts. The forward MBS contracts fair values were obtained from an external pricing specialist using current trade pricing for similar financial instruments in active markets that the Authority can access.

Continued on next page



**4. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

**A. Receivables - Net**

The line “Receivables, net” reported on the Government-wide Statement of Net Position consisted of the following (Expressed in Thousands):

	Governmental Activities							Total	
	General Fund	Trans- portation Fund	Social Services Federal Fund	COVID-19 Federal Fund	Dakota Cement Trust Fund	Education Enhancement Trust Fund	Non-major Governmental Funds		Internal Service Funds
Taxes Receivable	\$ 262,119	\$ 17,475	\$	\$	\$	\$	\$ 2,670	\$	\$ 282,264
Allowance	(17,476)	(31)					(4)		(17,511)
Accounts Receivable	20,657	2,383	16,556	1,615			26,697	7,840	75,748
Allowance	(4,918)	(1,765)					(103)		(6,786)
Due From Other Governments	1,632	153,600	45,133	36,188			127,922	200	364,675
Interest Receivable	19,236	1,347	2	2	215	596	2,762	464	24,624
Current Debt, Notes, and Leases Receivables	31	382		76			11,369		11,858
Allowance							(33)		(33)
Current Settlement Receivables							6,236		6,236
Non-current Debt, Notes, and Leases Receivables	129	4,739		1,244			49,173		55,285
Allowance				(165)			(361)		(526)
Non-current Settlement Receivables	475						50,308		50,783
Due From Fiduciary Funds	79							54	133
<b>Receivables, net</b>	<b>\$ 281,964</b>	<b>\$ 178,130</b>	<b>\$ 61,691</b>	<b>\$ 38,960</b>	<b>\$ 215</b>	<b>\$ 596</b>	<b>\$ 276,636</b>	<b>\$ 8,558</b>	<b>\$ 846,750</b>

	Business-type Activities				Total
	Lottery Fund	Clean Water State Revolving Fund	Drinking Water State Revolving Fund	Non-major Enterprise Funds	
Accounts Receivable	\$ 7,084	\$	\$	\$ 8,253	\$ 15,337
Allowance	(6)			(2,974)	(2,980)
Due From Other Governments		998	626	213	1,837
Interest Receivable	135	4,078	2,438	827	7,478
Current Debt, Notes, and Leases Receivables		25,457	10,144	7,124	42,725
Allowance				(5)	(5)
Non-current Accounts Receivable				17,972	17,972
Allowance				(14,455)	(14,455)
Non-current Debt, Notes, and Leases Receivables		458,813	297,045	32,353	788,211
Allowance				(190)	(190)
<b>Receivables, net</b>	<b>\$ 7,213</b>	<b>\$ 489,346</b>	<b>\$ 310,253</b>	<b>\$ 49,118</b>	<b>\$ 855,930</b>

**B. Accounts Payable and Other Current Liabilities**

The line “Accounts Payable and Other Current Liabilities” reported on the Government-wide Statement of Net Position consisted of the following (Expressed in Thousands):

	Governmental Activities						Total
	General Fund	Trans- portation Fund	Social Services Federal Fund	COVID-19 Federal Fund	Non-major Governmental Funds	Internal Service Funds	
Payroll and Withholdings	\$ 19,655	\$ 7,558	\$ 2,787	\$ 225	\$ 13,463	\$ 3,460	\$ 47,148
Accounts Payable	63,209	76,161	8,670	25,607	25,496	5,530	204,673
Medicaid and CHIP Claims	38,204		51,973	4,471	28,964		123,612
Due to Other Governments	7,916	21,543	208	46,423	35,264	187	111,541
Bank Tax Refund	10,937						10,937
Shared Revenue Distribution	32,305				35,224		67,529
Claims Payable						18,513	18,513
Due to Fiduciary Funds	338						338
<b>Total</b>	<b>\$ 172,564</b>	<b>\$ 105,262</b>	<b>\$ 63,638</b>	<b>\$ 76,726</b>	<b>\$ 138,411</b>	<b>\$ 27,690</b>	<b>\$ 584,291</b>

	Business-type Activities				Total
	Lottery Fund	Clean Water State Revolving Fund	Drinking Water State Revolving Fund	Non-major Enterprise Funds	
Payroll and Withholdings	\$ 148	\$ 26	\$ 41	\$ 990	\$ 1,205
Accounts Payable	3,319	62	143	5,599	9,123
Due to Fiduciary Funds				19	19
Escrow Payable	146				146
Other Liabilities	375			672	1,047
<b>Total</b>	<b>\$ 3,988</b>	<b>\$ 88</b>	<b>\$ 184</b>	<b>\$ 7,280</b>	<b>\$ 11,540</b>

**5. INTERFUND TRANSACTIONS**

The composition of interfund balances at June 30, 2024, is as follows (Expressed in Thousands):

**A. Interfund Receivables and Payables**

Due From	Due To							Total
	General Fund	Transportation Fund	Social Services Federal Fund	Non-major Governmental Funds	Non-major Enterprise Funds	Internal Service Funds	Fiduciary Funds	
General Fund	\$	\$ 2,788	\$	\$ 678	\$ 46	\$ 4,766	\$ 338	\$ 8,616
Transportation Fund				185	32	1,328		1,545
Social Services Federal Fund	20			368	1	1,171		1,560
COVID-19 Federal Fund	129		36			230		395
Education Enhancement Trust Fund	27,383							27,383
Non-major Governmental Funds	42,727	1,617		7,014	132	3,843		55,333
Lottery Fund	12,770	543		975		72		14,360
Clean Water State Revolving Fund				1		3		4
Drinking Water State Revolving Fund				1		3		4
Non-major Enterprise Funds	12			92		191	19	314
Internal Service Funds	943	165		218	74	931		2,331
Fiduciary Funds	79					54		133
<b>Total</b>	<b>\$ 84,063</b>	<b>\$ 5,113</b>	<b>\$ 36</b>	<b>\$ 9,532</b>	<b>\$ 285</b>	<b>\$ 12,592</b>	<b>\$ 357</b>	<b>\$ 111,978</b>

Interfund receivables and payables are recorded for: 1) interfund goods or services provided or other reimbursable transactions occurring between funds; 2) year-end entries eliminating deficit cash balances in funds as described further in *Note 3 Cash, Deposits, and Investments* in the Notes to the Financial Statements; 3) other payables existing between funds. Advances between funds, which come due beyond a year, are also included in the table above. Advances for fiscal year 2024 include, \$3.8 million between non-major governmental funds for maintenance and repair and \$2.8 million between the general fund and transportation fund for a new visitor center and rest area.

**B. Interfund Transfers**

Transferred From	Transferred To							Total
	General Fund	Transportation Fund	Social Services Federal Fund	Education Enhancement Trust Fund	Non-major Governmental Funds	Non-major Enterprise Funds	Internal Services Funds	
General Fund	\$	\$ 53	\$	\$	\$ 21,727	\$ 40	\$ 3,085	\$ 24,905
Transportation Fund	3,831				3,865			7,696
Social Services Federal Fund					103			103
COVID-19 Federal Fund			215		674	7		896
Dakota Cement Trust Fund	14,668							14,668
Education Enhancement Trust Fund	27,383							27,383
Non-major Governmental Funds	87,228	3,598		10,363	22,026	57		123,272
Lottery Fund	179,718	1,353			2,620			183,691
Clean Water State Revolving Fund					45			45
Drinking Water State Revolving Fund					74			74
Non-major Enterprise Funds	558				1,381			1,939
<b>Total</b>	<b>\$ 313,386</b>	<b>\$ 5,004</b>	<b>\$ 215</b>	<b>\$ 10,363</b>	<b>\$ 52,515</b>	<b>\$ 104</b>	<b>\$ 3,085</b>	<b>\$ 384,672</b>

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; 2) move receipts restricted for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due; and 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**6. CAPITAL ASSETS**

**A. Primary Government**

Capital Assets consisted of the following for fiscal year 2024 (Expressed in Thousands):

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital Assets Not Being Depreciated or Amortized:</b>				
Land	\$ 130,793	\$ 1,287	\$ 1,158	\$ 130,922
Land Improvements	11,988	351		12,339
Land & Improvements - Roads	646,845	1,189		648,034
Construction in Progress, as restated	377,086	435,896	231,713	581,269
<b>Total Capital Assets Not Being Depreciated or Amortized, as restated</b>	<b>1,166,712</b>	<b>438,723</b>	<b>232,871</b>	<b>1,372,564</b>
<b>Capital Assets Being Depreciated or Amortized:</b>				
Land Improvements	102,757	7,744		110,501
Buildings	844,037	4,999	1,591	847,445
Equipment	302,419	26,508	9,593	319,334
Intangible Assets - Software	125,522	71,319	6,516	190,325
Vehicles	204,558	16,607	8,945	212,220
Infrastructure	4,765,726	119,692	13,654	4,871,764
Right-to-use Leased Land	24	11		35
Right-to-use Leased Buildings	83,257	3,014	607	85,664
Right-to-use Leased Equipment	287	326		613
Right-to-use Subscription IT Assets	8,371	14,443	636	22,178
<b>Total Capital Assets Being Depreciated or Amortized</b>	<b>6,436,958</b>	<b>264,663</b>	<b>41,542</b>	<b>6,660,079</b>
<b>Less Accumulated Depreciation or Amortization:</b>				
Land Improvements	29,315	4,181		33,496
Buildings	339,127	21,158	787	359,498
Equipment	192,444	18,780	7,689	203,535
Intangible Assets - Software	87,748	10,683	6,456	91,975
Vehicles	116,878	11,717	7,245	121,350
Infrastructure	1,930,396	77,558	9,239	1,998,715
Right-to-use Leased Land	8	6		14
Right-to-use Leased Buildings	10,879	8,206	486	18,599
Right-to-use Leased Equipment	118	54		172
Right-to-use Leased Subscription IT Assets	1,840	3,350	627	4,563
<b>Total Accumulated Depreciation or Amortization</b>	<b>2,708,753</b>	<b>155,693</b>	<b>32,529</b>	<b>2,831,917</b>
<b>Total Capital Assets Being Depreciated or Amortized, Net</b>	<b>3,728,205</b>	<b>108,970</b>	<b>9,013</b>	<b>3,828,162</b>
<b>Total Governmental Activities, Net, as restated</b>	<b>\$ 4,894,917</b>	<b>\$ 547,693</b>	<b>\$ 241,884</b>	<b>\$ 5,200,726</b>

Continued on next page

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
<b>Capital Assets Not Being Depreciated or Amortized:</b>				
Land	\$ 295	\$	\$	\$ 295
Construction in Progress, as restated	22,776	5,502	28,276	2
<b>Total Capital Assets Not Being Depreciated or Amortized, as restated</b>	<b>23,071</b>	<b>5,502</b>	<b>28,276</b>	<b>297</b>
<b>Capital Assets Being Depreciated or Amortized:</b>				
Land Improvements	1,096	6		1,102
Buildings	7,819	28,276	802	35,293
Equipment	3,635	208	84	3,759
Intangible Assets - Software	473			473
Right-to-use Leased Buildings	2,338	345	764	1,919
Right-to-use Subscription IT Assets	1,300			1,300
<b>Total Capital Assets Being Depreciated or Amortized</b>	<b>16,661</b>	<b>28,835</b>	<b>1,650</b>	<b>43,846</b>
<b>Less Accumulated Depreciation or Amortization:</b>				
Land Improvements	745	9		754
Buildings	3,533	449	724	3,258
Equipment	2,899	202	82	3,019
Intangible Assets - Software	474			474
Right-to-use Leased Buildings	716	352	429	639
Right-to-use Subscription IT Assets	96	438		534
<b>Total Accumulated Depreciation or Amortization</b>	<b>8,463</b>	<b>1,450</b>	<b>1,235</b>	<b>8,678</b>
<b>Total Capital Assets Being Depreciated or Amortized, Net</b>	<b>8,198</b>	<b>27,385</b>	<b>415</b>	<b>35,168</b>
<b>Total Business-type Activities, Net, as restated</b>	<b>\$ 31,269</b>	<b>\$ 32,887</b>	<b>\$ 28,691</b>	<b>\$ 35,465</b>

Depreciation/Amortization was charged to the function of government as follows:

<b>Governmental Activities</b>	<b><u>Amount</u></b>
General Government	\$ 13,681
Health, Human, and Social Services	16,294
Law, Justice, Public Protection, and Regulation	13,777
Agriculture and Natural Resources	10,344
Transportation	96,092
Education	4,634
Economic Resources	153
<b>Total Governmental Activities</b>	<b><u>\$154,975</u> *</b>
<b>Business-type Activities</b>	
Enterprise Funds	\$ 1,450
<b>Total Business-type Activities</b>	<b><u>\$ 1,450</u></b>

\*The Governmental Activities total doesn't tie to total depreciation/amortization due to a building transferred from an enterprise fund to a governmental fund

**B. Component Units**

Capital Assets for Higher Education consisted of the following for fiscal year 2024 (Expressed in Thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Higher Education*:</b>				
<b>Capital Assets Not Being Depreciated or Amortized:</b>				
Land	\$ 31,694	\$	\$	\$ 31,694
Construction in Progress	91,215	146,544	57,935	179,824
Works of Art and Historical Treasures	10,118	24		10,142
<b>Total Capital Assets Not Being Depreciated or Amortized</b>	<b><u>133,027</u></b>	<b><u>146,568</u></b>	<b><u>57,935</u></b>	<b><u>221,660</u></b>
<b>Capital Assets Being Depreciated or Amortized:</b>				
Land Improvements	86,587	10,158		96,745
Infrastructure	114,324	4,995	67	119,252
Buildings	1,793,741	40,591	3,893	1,830,439
Equipment and Other Assets	325,444	21,107	10,087	336,464
Right-to-use Leased Buildings	6,447	14,099		20,546
Right-to-use Leased Subscription IT Assets	5,086	2,131	1,228	5,989
<b>Total Capital Assets Being Depreciated or Amortized</b>	<b><u>2,331,629</u></b>	<b><u>93,081</u></b>	<b><u>15,275</u></b>	<b><u>2,409,435</u></b>
<b>Less Accumulated Depreciation or Amortization:</b>				
Land Improvements	38,631	4,198		42,829
Infrastructure	46,952	3,827	3	50,776
Buildings	639,218	48,675	3,048	684,845
Equipment and Other Assets	258,220	13,700	9,513	262,407
Right-to-use Leased Buildings	3,487	1,801		5,288
Right-to-use Leased Subscription IT Assets	1,569	1,869	381	3,057
<b>Total Accumulated Depreciation or Amortized</b>	<b><u>988,077</u></b>	<b><u>74,070</u></b>	<b><u>12,945</u></b>	<b><u>1,049,202</u></b>
<b>Total Capital Assets Being Depreciated or Amortized, Net</b>	<b><u>1,343,552</u></b>	<b><u>19,011</u></b>	<b><u>2,330</u></b>	<b><u>1,360,233</u></b>
<b>Total Higher Education Capital Assets, Net</b>	<b><u>\$ 1,476,579</u></b>	<b><u>\$ 165,579</u></b>	<b><u>\$ 60,265</u></b>	<b><u>\$ 1,581,893</u></b>

\* Higher Education amounts do not include their foundations.

Capital Asset breakouts for the Housing Development Authority, Science and Technology Authority, and the Ellsworth Development Authority can be found within their separately issued reports.

Continued on next page

**C. Construction in Progress**

The State has entered contracts for the renovation and construction of buildings, structures, and infrastructure (highway projects). Construction in Progress as of June 30, 2024, are as follows (Expressed in Thousands):

	<u>Amount</u>
<b>Primary Government</b>	
<b>Governmental Activities</b>	
Land Improvements	\$ 12,455
Buildings and Structures	86,446
Equipment	5,689
Vehicles	7,588
Intangibles - Computer Software	30,410
Infrastructure	433,991
Right-to-use Subscription IT Assets	4,690
<b>Total Governmental Activities</b>	<u><b>581,269</b></u>
<b>Business-type Activities</b>	
Buildings and Structures	<u>2</u>
<b>Total Business-type Activities</b>	<u><b>2</b></u>
<b>Total Primary Government</b>	<u><b>\$ 581,271</b></u>
<b>Discretely Presented Component Units</b>	
Higher Education*	
Land Improvements	\$ 273
Buildings and Structures	169,627
Infrastructure	9,082
Equipment	842
<b>Total Higher Education</b>	<u><b>\$ 179,824</b></u>

\* Higher Education amounts do not include their foundations.

**7. RETIREMENT PLANS**

**South Dakota Retirement System**

**General Description of the System.** The South Dakota Retirement System (SDRS or the System) is a cost sharing, multiple employer public employee retirement system (PERS) established to provide retirement benefits for employees of the State and its political subdivisions. Members of SDRS include full time employees of public schools, the State, the Board of Regents, city and county governments, and other public entities. Public schools, cities, and counties may choose not to include certain full time employees in the System.

SDRS is considered a fiduciary component unit of the State and is included in the State’s financial report as a fiduciary pension trust fund. More information about this relationship can be found in *Note 1. Summary of Significant Accounting Policies* in the Notes to the Financial Statements. Authority for establishing, administering, and amending plan provisions is found in South Dakota Codified Law (SDCL) 3-12C. Copies of the audited SDRS financial statements are available at <http://sdrs.sd.gov>.

The South Dakota Retirement System Board of Trustees (the Board) is the governing authority of SDRS. The Board consists of 14 elected representatives from participating groups, two appointees of the governor, and an ex officio nonvoting representative of the South Dakota Investment Council. The elected representatives of the Board are two teacher members; two State employee members; a participating municipality member; a participating county member;

a participating classified employee member; a current contributing Class B member other than a justice, judge, or magistrate judge; a county commissioner of a participating county; a school district board member; a justice, judge, or magistrate judge; an elected municipal official of a participating municipality; a retiree; and a faculty or administrative member employed by the Board of Regents. The two Governor's appointees consist of one head of a principal department established pursuant to SDCL 1-32-2, or one head of a bureau under the office of executive management and one individual from the private or public sector.

SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions. The system includes four classes of members: Class A general members, Class B public safety and judicial members, Class C Cement Plant Retirement Fund members, and Class D Department of Labor and Regulation members. Members and their employers make matching contributions, which are defined in State statute. SDRS may expend up to 3% of the annual contributions for administrative expenses subject to approval by the executive and legislative branches of the State.

Members that were hired before July 1, 2017, are Foundational members. Class A Foundation members and Class B Foundation judicial members who retire after age 65 with three years of service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80. Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation public safety members where the sum of age and credited service is equal to or greater than 75. All retirement benefits that do not meet the above criteria may be payable at a reduced level. Class A and B eligible spouses of foundational members will receive a 60% joint and survivor benefit when the member dies.

Members that were hired on/after July 1, 2017, are Generational members. Class A Generational members and Class B Generational judicial members who retire after age 67 with three years of contributory service are entitled to an unreduced annual retirement benefit. Class B Generational public safety members can retire with an unreduced annual retirement benefit after age 57 with three years of contributory service. At retirement, married Generational members may elect a single-life benefit, a 60% joint and survivor benefit, or a 100% joint and survivor benefit. All Generational retirement benefits that do not meet the above criteria may be payable at a reduced level. Generational members will also have a variable retirement account (VRA) established, in which they will receive up to 1.5% of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

Class C Cement Plant Retirement Fund members have a normal retirement age of 65 and early retirement is age 55 with the required credited service. Class C Cement Plant provides for disability payments for those disabled on or before March 16, 2001. All members of the Cement Plant Retirement Plan on March 15, 2001, were 100% vested. Class C members may elect a single-life benefit, or joint and survivor benefits as described in their plan documents.

Class D Department of Labor and Regulation plan members entered SDRS on July 1, 2020, with benefits determined under the terms of the prior plan. All Class D members are currently retired and receiving benefits and are eligible for SDRS COLA.

Legislation enacted in 2017 and established the current COLA process. At each valuation date:

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to the long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
  - \* The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.
- If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:
  - \* The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

Legislation enacted in 2022 reduced minimum COLA from 0.5% to 0.0%.

All benefits except those depending on the Member's Accumulated Contributions are annually increased by the Cost-of-Living Adjustment.

SDRS is a qualified defined benefit retirement plan under Section 401(a) of the Internal Revenue Code and is exempt from federal income taxes. SDRS last received a favorable determination letter dated October 3, 2016, in which the

Internal Revenue Service stated that the System, as then designated, was in compliance with the applicable requirements of the Internal Revenue Code. SDRS believes that the system currently is designed and being operated in compliance with the applicable requirements of the Internal Revenue Code, and therefore, SDRS continues to be tax exempt as of June 30, 2024. Therefore, no provision for income taxes has been included in SDRS's financial statements.

**Summary of Significant Accounting Policies.** SDRS's financial statements are prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles applicable to governmental accounting for a pension trust fund. Employee and employer contributions are recognized when due pursuant to formal commitment, as well as statutory requirements. Pension benefit payments are due the first day of the month following the retirement of a member, and the first of each month thereafter. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments are reported at fair value, in accordance with GASB Statement No. 72. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additional required disclosures can be found in *Note 1, Summary of Significant Accounting Policies* in the Notes to the Financial Statements.

Foreign exchange rate gains and losses are included with the net appreciation in fair value in investments. Futures contracts are marked to market based on quoted futures prices with changes in fair value reflected in the current period.

Interest is accrued in the period in which it is earned, and dividend income is recorded on the ex-dividend date.

The arithmetically calculated money-weighted return net of fees was 5.98% in 2024. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investment by the proportion of time they are available to earn during that period. The rate of return equates the sum of weighted external cash flows into and out of pension plan investments to the ending fair value of the pension plan investment.

The preparation of SDRS's financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and changes therein. Actual results could differ from those estimates.

**Contributions.** Covered employees are required by statute to contribute a percentage of their salary to SDRS as follows:

Class A members	6% of salary
Class B public safety members	8% of salary
Class B judicial members	9% of salary

All participating employers are required to contribute an amount equal to the members' contributions. Members may make an additional contribution of 1.5% of compensation for optional spouse coverage (closed to new enrollees after July 1, 2010).

SDRS is funded by fixed member and employer contributions at a rate established by South Dakota law. On an annual basis, an actuarial valuation of SDRS is performed to determine the adequacy of the fixed contributions to pay the normal costs and expenses, if the System is fully funded or pay the normal costs, expenses and amortize the unfunded actuarial accrued liability (UAAL) if the System is not fully funded. The June 30, 2024, actuarial valuation of the plan determined that the System is fully funded and that the statutorily required employer contributions meet the requirements for the annual required contributions of the employers under GASB Statement No. 67, *Financial Reporting for Pension Plans*; and the statutorily required employer contributions are sufficient to pay the employer normal cost and expenses.

Contributions for the primary government during fiscal year 2024 were \$36.3 million, during fiscal year 2023 were \$31.9 million, and during fiscal year 2022 were \$29.5 million. Contributions for the State's component units during 2024 were \$23.1 million, during fiscal year 2023 were \$21.2 million, and during fiscal year 2022 were \$19.8 million.

**State's Proportionate Share of SDRS.** For fiscal year 2024, the State and its component units used a July 1, 2022, to June 30, 2023, measurement date for reporting purposes.

The State's proportionate share of SDRS's collective net pension asset is 20.6044% or \$2.0 million using a June 30, 2023, measurement date. This percentage was measured based on all employer contributions from July 1, 2022, through June 30, 2023. Pension expense (reduction of pension expense) for the State was \$40.9 million and



contributions subsequent to the measurement date were \$36.3 million at June 30, 2024. The State’s proportionate share increased by 0.0434% from the prior fiscal year’s proportionate share of 20.5610%.

The State’s component unit’s proportionate share of SDRS’s collective net pension asset is 13.7058% or \$1.3 million using a June 30, 2023, measurement date. This percentage was measured based on all employer contributions from July 1, 2022, through June 30, 2023. Pension expense (reduction of pension expense) for component units was \$27.5 million and contributions subsequent to the measurement date were \$23.1 million at June 30, 2024. The State’s component unit’s proportionate share decreased by 0.1029% over the prior fiscal year’s proportionate share of 13.8087%.

The components of the net pension asset of the System at June 30, 2024, using the June 30, 2023, measurement date, were as follows (Dollars Expressed in Thousands):

	<b>State of South Dakota Proportionate Allocation 20.6044%</b>	<b>Discretely Presented Component Units Proportionate Allocation 13.7058%</b>
<b>Total Pension Liability</b>	\$ 2,985,719	\$ 1,986,071
<b>Plan Fiduciary Net Position</b>	(2,987,731)	(1,987,409)
<b>Net Pension (Asset) Liability</b>	<u>\$ (2,012)</u>	<u>\$ (1,338)</u>
<b>Fiduciary Net Position as a Percentage of Net Pension Liability</b>	100.1%	100.1%

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.50%
- Salary Increase: Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
- Discount Rate: 6.50%, net of pension plan investment expenses. This is composed of an average inflation rate of 2.50% and real returns of 4.00%
- Future COLAs: 2.10% in FY23  
1.91% in FY24  
1.71% in FY25

**Mortality rates:**

- All mortality rates based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2020
- Active and Terminated Vested Members:
  - Teachers, Certified Regents, and Judicial: PubT-2010
  - Other Class A Members: PubG-2010
  - Public Safety Members: PubS-2010
- Retired Members:
  - Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65
  - Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above
  - Public Safety Retirees: PubS-2010, 102% of rates at all ages
- Beneficiaries:
  - PubG-2010 contingent survivor mortality table
- Disabled Members:
  - Public Safety: PubS-2010 disabled member mortality table
  - Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period of July 1, 2016, to June 30, 2021.

**Discount rate** - The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions will be made at rates equal to the member rate.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (asset) liability.

**Investments** - The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2024, using the June 30, 2023, measurement date, (see the discussion of the pension plan’s investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	56%	3.8%
Investment Grade Debt	23%	1.7%
High Yield Debt	7%	2.7%
Real Estate	12%	3.5%
Cash	2%	0.8%
<b>Total</b>	<b>100%</b>	

**Sensitivity of (asset) liability to changes in the discount rate.** The following presents the net pension (asset) liability of the State’s proportionate share of SDRS’s collective net pension asset of \$2.0 million using a June 30, 2023, measurement date, calculated using the discount rate of 6.5%, as well as what the System’s net pension (asset) liability would be if it were calculated using a discount rate that is 1% point lower (5.5%) or 1% point higher (7.5%) than the current rate (Expressed in Thousands):

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<b>State’s Proportionate Share of SDRS’s Net Pension (Asset) Liability</b>	\$ 412,201	\$ (2,012)	\$ (340,758)
<b>Discretely Presented Component units Proportionate Share of SDRS Net Pension (Asset) Liability</b>	274,192	(1,338)	(226,669)

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**Deferred Outflows and Inflows of Resources Related to Pensions.** The Deferred Outflows and Inflows of Resources related to pensions at June 30, 2024, were as follows (Expressed in Thousands):

Source	Primary Government		Discretely Presented Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 57,005	\$	\$ 37,919	\$
Changes in Assumptions	68,753	100,507	45,737	66,855
Net Differences between Projected and Actual Earnings on Pension Plan Investments	13,389		8,906	
Changes in Proportionate Share and Differences between Contributions and Proportionate Share of Contributions	13	204	741	24
Contributions Subsequent to the Measurement Date	36,289		23,061	
<b>Total</b>	<b>\$ 175,449</b>	<b>\$ 100,711</b>	<b>\$ 116,364</b>	<b>\$ 66,879</b>

The \$36.3 million and the \$23.1 million reported above as deferred outflows of resources by the primary government and the discretely presented component units are the result of employer contributions made subsequent to the measurement date of June 30, 2023. These contributions will be recognized as an increase of the net pension asset in the upcoming year.

The remaining amounts reported above as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows (Expressed in Thousands):

**Recognition of Remaining Deferred Outflows and (Inflows) of Resources**

Year Ending June 30	Primary Government	Discretely Presented Component Units
2025	\$ 27,324	\$ 18,536
2026	(30,571)	(20,016)
2027	38,880	26,002
2028	2,816	1,902
<b>Total</b>	<b>\$ 38,449</b>	<b>\$ 26,424</b>

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**8. FUND BALANCES AND NET POSITION**

**Fund Balance Classifications – Governmental Funds**

The following table provides additional detail regarding the fund balances reported on the Governmental Fund Balance Sheet at June 30, 2024, (Expressed in Thousands):

	General	Transportation	Social Services Federal	COVID-19 Federal	Dakota Cement Trust	Education Enhancement Trust	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>								
Inventory	\$ 2,561	\$ 26,553	\$ 20	\$ 3,774	\$	\$	\$ 4,097	\$ 37,005
Prepays	3,309	784	29	1,162			1,565	6,849
Permanent Fund Principal						454,009	211,347	665,356
<b>Total Nonspendable Fund Balances</b>	<b>5,870</b>	<b>27,337</b>	<b>49</b>	<b>4,936</b>	<b>0</b>	<b>454,009</b>	<b>217,009</b>	<b>709,210</b>
<b>Restricted</b>								
Education					371,315	278,037	11,740	661,092
Health and Public Assistance							125,609	125,609
Law, Justice, and Public Protection							29,800	29,800
Economic Development				1,247			102,438	103,685
Transportation		280,931						280,931
Agriculture and Natural Resources							114,348	114,348
Energy Conservation or Development							13,302	13,302
Game and Fish							8,693	8,693
Parks and Recreation							4,009	4,009
Public Buildings							1,538	1,538
Public Broadcasting							233	233
Railroads							86,983	86,983
Debt Service							37,084	37,084
Capital Projects							339	339
Other							10,323	10,323
<b>Total Restricted Fund Balances</b>	<b>0</b>	<b>280,931</b>	<b>0</b>	<b>1,247</b>	<b>371,315</b>	<b>278,037</b>	<b>546,439</b>	<b>1,477,969</b>
<b>Committed</b>								
Education							504	504
Health and Public Assistance							4,489	4,489
Law, Justice, and Public Protection							18,159	18,159
Agriculture and Natural Resources							10,476	10,476
Environmental Cleanup							6,734	6,734
Energy Conservation or Development							1,048	1,048
Public Buildings							331	331
Railroads							387	387
Other							21,992	21,992
<b>Total Committed Fund Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64,120</b>	<b>64,120</b>
<b>Assigned</b>								
Education	17,942						276	18,218
Higher Education	79,748							79,748
Health and Public Assistance	57,239		1,356				6,424	65,019
Law, Justice, and Public Protection	660,299						2,996	663,295
Agriculture and Natural Resources	6,969						817	7,786
Game and Fish	4,581							4,581
Tourism Promotion	9,413							9,413
Public Buildings	30,386						2,307	32,693
Economic Development	66,446							66,446
School Districts	9,321							9,321
Transportation	10,000							10,000
Other	131,100							133,620
<b>Total Assigned Fund Balances</b>	<b>1,083,444</b>	<b>0</b>	<b>1,356</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,340</b>	<b>1,100,140</b>
<b>Unassigned Fund Balances *</b>	505,417						(14,632)	490,785
<b>Total Fund Balances</b>	<b>\$ 1,594,731</b>	<b>\$ 308,268</b>	<b>\$ 1,405</b>	<b>\$ 6,183</b>	<b>\$ 371,315</b>	<b>\$ 732,046</b>	<b>\$ 828,276</b>	<b>\$ 3,842,224</b>

\* This amount includes \$189.0 million of equity from the Budget Reserve established by the 1991 South Dakota Legislature and \$133.7 million of equity from the General Revenue Replacement Fund established by the 2015 South Dakota Legislature, as discussed further in the following paragraphs.

**Budget Reserve**

The 1991 South Dakota Legislature established the Budget Reserve that is funded from any unobligated cash in the General Fund. The maximum balance of the Budget Reserve is 10% of the prior year's General Fund appropriation. Expenditures out of the Budget Reserve shall only be used by special appropriation (which requires a two-thirds vote of all the members of each house of the Legislature) and shall only redress such unforeseen expenditure obligations or such unforeseen revenue shortfalls as may constitute an emergency pursuant to South Dakota Constitution, Article III, Section 1. The balance in the Budget Reserve at June 30, 2024, was \$189.0 million and is reported as unassigned fund balance within the General Fund.

**General Revenue Replacement Fund**

The 2015 Legislative Session created the General Revenue Replacement Fund (GRRF). This fund is to be used to balance the General Fund annual budget due to an unforeseen revenue shortfall. Revenues deposited in the GRRF include unobligated General Fund cash remaining at the end of a fiscal year after the transfer into the Budget Reserve, if the amount in the GRRF does not exceed 15% of the General Fund appropriations in the General Appropriations Act for the previous fiscal year. The balance in the GRRF at June 30, 2024, was \$133.7 million and is reported as unassigned fund balance within the General Fund.

**General Fund**

**GASB 54**

The State has statutorily created funds that do not qualify as Special Revenue Funds and are required to be combined with the State's General Fund. As of June 30, 2024, the following equity balances are included within the State's General Fund in accordance with GASB 54 (Expressed in Thousands):

<b>Fund Balance - June 30, 2024 as reported</b>	<b>\$1,594,731</b>
<b>Less Statutorily Created Funds Combined with the General Fund:</b>	
Incarceration Construction Fund - assigned for Law, Justice, and Public Protection	611,220
Tourism Promotion - assigned for Tourism Promotion	9,413
Investment Council Operating - assigned for Other	2,639
Private Activity Bond - assigned for Other	482
Proof of Concept - assigned for Economic Development	48
Fine Arts - assigned for Other	1,326
Economic Development - assigned for Economic Development	49
Local Infrastructure Improvement - assigned for Economic Development	6,251
Workforce Education - assigned for Education	1,713
Extraordinary Litigation Expense - assigned for Other	607
IT Modernization Fund - assigned for Other	9,336
Department of Labor and Regulation Other - unassigned	9
Legislative Contingency Fund - unassigned	1,545
Unclaimed Property - unassigned	26
<b>Fund Balance - June 30, 2024 excluding GASB 54 combinations</b>	<b><u>\$ 950,067</u></b>

**Net Position Restricted by Enabling Legislation**

The Government-wide Statement of Net Position reports \$2.3 billion of restricted net position for the primary government of which \$294.8 million was restricted by enabling legislation. Restrictions imposed by enabling legislation could be changed by future legislative action.

**Funds Held as Permanent Investments**

Funds held as permanent investments represent amounts that have been legally restricted for the purpose of providing a long-term source of investment income. Funds held in special revenue funds for this purpose have their principal balance classified as nonspendable in the governmental fund financial statements since these amounts are not available for appropriation. In the Government-wide Statement of Net Position, the principal balance is shown as nonexpendable and the investment earnings remaining in these funds at June 30, 2024, is shown as expendable.

**Education Enhancement Trust Fund.** This fund consists of monies received from the Tobacco Settlement Agreement, monies transferred from the Tobacco Securitization Fund, monies from the Youth-at-Risk Fund and General Fund appropriations for scholarship purposes. The Fund is authorized by state law to make an annual distribution equal to 4.0% of its market value (less the investment expenses) into the General Fund for educational enhancement programs. Article XII, section 6 of the Constitution of the State of South Dakota also states that, “the Education Enhancement Trust Fund may not be diverted for other purposes, nor may the principal be invaded unless appropriated by a three-fourths vote of all the members-elect of each house of the legislature.”

**Health Care Trust Fund.** This fund is authorized by state law to make an annual distribution equal to 4.0% of its market value (less the investment expenses) into the General Fund for health care related programs. Article XII, section 5 of the Constitution of the State of South Dakota also states that, “the Health Care Trust Fund may not be diverted for other purposes, nor may the principal be invaded unless appropriated by a three-fourths vote of all of the members-elect of each house of the legislature.”

**Permanent Fund.** This fund is administered by the Office of School and Public Lands and accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government’s programs.

These balances at June 30, 2024, are summarized as follows (Expressed in Thousands):

<b>Fund</b>	<b>Expendable</b>	<b>Nonexpendable</b>	<b>Total Restriction</b>
Education Enhancement Trust	\$ 278,037	\$ 454,009	\$ 732,046
Health Care Trust	80,527	135,631	216,158
Permanent	(1,271)	75,716	74,445
<b>Total</b>	<b>\$ 357,293</b>	<b>\$ 665,356</b>	<b>\$ 1,022,649</b>

**Individual Fund Deficits**

The following individual funds had deficit fund equity at June 30, 2024, (Expressed in Thousands):

<b>Fund Type/Fund</b>	<b>Deficit</b>
Internal Service:	
State Worker's Compensation	\$ 26,524
Special Revenue:	
State Fire Suppression	5,140
Parks and Recreation	2,228
Public Utilities Commission Federal	135
Animal Damage Control	134
Public Broadcasting	88
Public Utilities Regulatory Assessment	61

**9. COMMITMENTS**

At June 30, 2024, the Primary Government had operating commitments of \$3.3 billion, the State’s discretely presented component units had operating commitments of \$271.3 million, and the State’s fiduciary component unit had operating commitments of \$1.4 million. The Primary Government and South Dakota Retirement System, a fiduciary component unit, also had uncalled capital commitments of \$1.5 billion. The commitments of the State are broken down as follows:

**Primary Government**

**Major Governmental Funds**

**General Fund:** The General Fund had total operating commitments of \$345.2 million as broken down by departments as follows:

- Governor’s Office of Economic Development has commitments totaling \$120.4 million for Connect SD projects, Reinvestment Payment Program Grants, Local Infrastructure Improvement Program Grants, and service contracts.
- Department of Social Services has commitments totaling \$107.4 million for mental health services, substance use disorder services, food services, janitorial services, and other contractual agreements.
- Department of Revenue has commitments totaling \$38.2 million for a Motor Vehicle Registration Replacement System.
- Department of Education has commitments totaling \$22.7 million for grants, various K-12 programs, construction projects, and other agreements.
- Department of Human Services has commitments totaling \$16.6 million for various programs, equipment and furniture purchases, and other agreements.
- Bureau of Administration has commitments totaling \$14.3 million for statewide maintenance and repair projects.
- Department of Tourism has commitments totaling \$11.5 million for digital, marketing, and website services.
- Department of Corrections has commitments totaling \$6.8 million for contractual services to house offenders and to upgrade offender management software.
- Bureau of Information and Telecommunications has commitments totaling \$4.7 million for state radio upgrades and various purchase orders for goods and services.
- Department of Military has commitments totaling \$1.0 million for engineering, preventative maintenance, and construction services.
- Department of Health has commitments totaling \$0.8 million for various consulting contracts.
- Department of Labor & Regulation has commitments totaling \$0.8 for the Registered Apprenticeship Program Development.

**Transportation Fund:** The State Highway Fund had total operating commitments of \$746.6 million as broken down as follows:

- Department of Transportation has commitments totaling \$739.2 million for a maintenance management system, construction and maintenance projects, asphalt and concrete repairs, pavement markings, and other agreements.
- Department of Public Safety has commitments totaling \$7.4 million for in-car and body worn camera solution for the South Dakota Highway Patrol, maintenance services, equipment purchases, and other agreements.

**Social Services Federal Fund:** Department of Social Services has commitments totaling \$94.0 million for the Water Assistance Program, language translation services, training classes for foster and adoptive parents, janitorial services, weatherization to eligible households, and other agreements.

**COVID-19 Federal Fund:** The COVID-19 Federal Fund had total operating commitments of \$598.7 million as broken down as follows:

- Department of Agriculture and Natural Resources has commitments totaling \$452.7 million for American Rescue Plan Act (ARPA) contracts.
- Department of Education has commitments totaling \$79.7 million for Out-of-School Time Expansion Grants, American Rescue Plan Homeless Grants, Elementary and Secondary School Emergency Relief Grants, and program and service agreements.
- Governor's Office of Economic Development has commitments totaling \$20.3 million for Connect SD projects and Community Development Block Grants.
- Department of Social Services has commitments totaling \$17.9 million for janitorial services, substance misuse prevention services, and peer support services.
- Department of Health has commitments totaling \$15.5 million for various contractual services.
- Bureau of Administration has commitments totaling \$5.3 million for multiple ARPA contracts for sewer and water projects.
- Department of Tourism has commitments totaling \$3.8 million for marketing services.
- Bureau of Finance and Management has commitments totaling \$2.0 million for ARPA reporting.
- Department of Human Services has commitments totaling \$0.9 million for various services agreements.
- Department of Labor and Regulation has commitments totaling \$0.6 million for Career Grant Program and Web Module for workforce program and services.

### **Nonmajor Governmental Funds**

**Education Federal Fund:** Department of Education has commitments totaling \$58.9 million for grants, programs, and other agreements.

**Human Services Fund:** Department of Human Services has commitments totaling \$20.2 million for furniture purchase orders, psychiatric services, caregiver support services, and other services agreements.

**Labor Fund:** Department of Labor has commitments totaling \$3.0 million for the Registered Apprenticeship Program Development and other contractual services and agreements.

**Health Federal Fund:** Department of Health has commitments totaling \$6.0 million for various contractual services.

**Governor's Office and State Development Federal Fund:** Governor's Office of Economic Development has commitments totaling \$12.8 million for Community Development Block Grants and Community Planning Grants.

**Public Safety Emergency Management Fund:** Department of Public Safety has commitments totaling \$38.5 million for Highway Safety Grant payments, equipment and vehicle purchases, and other agreements.

**Natural Resources Federal Fund:** Department of Agriculture and Natural Resources has commitments totaling \$3.8 million for watershed improvement and implementation projects and other grants.

**Game and Fish Fund:** Department of Game, Fish, and Parks has commitments totaling \$4.4 million for a dam spillway replacement at Lake Alvin Recreation Area.

**Parks and Recreation Fund:** Department of Game, Fish, and Parks has commitments totaling \$5.9 million for asphalt repair services and Snake Creek residence relocation.

**Motor Vehicle Fund:** Department of Public Safety has commitments totaling \$17.0 million for equipment purchases, warranty repairs, driver licensing online scheduling system, and other agreements.

**Revenue Fund:** Department of Revenue has commitments totaling \$13.7 million for the production and distribution of vehicle license plates, permits and decal printing services and materials, motor vehicle registration contracts, and self-service kiosks.



**Future Fund:** Governor's Office of Economic Development has commitments totaling \$22.4 million for Future Fund Grants.

**Water and Environment Fund:** Department of Agriculture and Natural Resources has commitments totaling \$44.5 million for grants commitments.

**Military Federal Fund:** Department of Military has commitments totaling \$5.1 million for furniture, fixtures, and equipment purchases, engineering, construction, and cleaning services, and preventative maintenance.

**Other Nonmajor Governmental Funds:** The Other Nonmajor Governmental Funds had total operating commitments of \$111.5 million as broken down by agency as follows:

- Department of Public Safety has commitments totaling \$87.8 million for Highway Safety Grant payments, Emergency Management Grants, vehicle and equipment purchases, and consulting contracts.
- Department of Human Services has commitments totaling \$4.0 million for communication assistance and other contractual services.
- Secretary of State has commitments totaling \$3.0 million for major upgrades to the Total Vote System.
- Department of Health has commitments totaling \$2.5 million for tobacco prevention and consulting services.
- Unified Judicial System has commitments totaling \$1.3 million for Court Security Grants and goods and service contracts.
- Department of Social Services has commitments totaling \$1.3 million for substance use disorder treatment services and other contractual services.
- Department of Education has commitments totaling \$0.9 million for reimbursements to the South Dakota Registered Teach Apprenticeship Pathway Grant and other grants and contractual services.
- Department of Veteran's Affairs has commitments totaling \$0.9 million for temporary staffing, pharmacy relief, laundry services, and other contractual services.
- Department of Revenue has commitments totaling \$0.5 million for grant payments.
- South Dakota Soybean Research and Promotion Council has commitments totaling \$5.9 million for various contractual projects.
- South Dakota American Dairy Association has commitments totaling \$2.3 million for services to implement and administer dairy promotion, research, education programs, and administrative services.
- South Dakota Wheat Utilization, Research and Market Development Commission has commitments totaling \$1.1 million for research, promotion, and other various activities aiming at enhancing producer awareness of wheat and wheat related issues.

### **Major Proprietary Funds**

**Lottery Fund:** South Dakota Lottery has commitments totaling \$3.0 million for Sioux Falls Lottery Office rent.

**Clean Water State Revolving Fund:** Department of Agriculture and Natural Resources has commitments totaling \$447.4 million for loan commitments that have been approved to borrowers but not disbursed.

**Drinking Water State Revolving Fund:** Department of Agriculture and Natural Resources has commitments totaling \$366.0 million for loan commitments that have been approved to borrowers but not disbursed.

### **Nonmajor Proprietary Funds**

**Revolving Economic Development and Initiative Fund:** Governor's Office of Economic Development has commitments totaling \$38.7 million for loan commitments that have been approved by the South Dakota Board of Economic Development, but not disbursed.

**Professional and Licensing Fund:** Department of Health has commitments totaling \$0.7 million for various contractual services.

**Self-Insurance Fund:** The Bureau of Human Resources has commitments totaling \$11.3 million for computer hardware, claims administration, health plan services, and wellness services.

**Information Services Fund:** The Bureau of Information and Telecommunications has commitments totaling \$2.0 million for software and goods purchased.

**Telecommunications Fund:** The Bureau of Information and Telecommunications has commitments totaling \$19.5 million for software and for goods and services purchased.

**Accounting and Payroll Fund:** The Bureau of Finance and Management has commitments totaling \$52.8 million for consulting and service contracts and office equipment.

**Fleet and Travel Management Fund:** The Bureau of Administration has commitments totaling \$1.6 million for motor vehicles and shop equipment.

**Workers Compensation:** The Bureau of Human Resources has commitments totaling \$0.9 million for workers compensation service and consulting contracts.

**Other Nonmajor Proprietary Funds:**

- Department of Public Safety has commitments totaling \$0.9 million to provide support and maintenance for the eAgent FUSE and Hot Files system.

In addition, the State has commitments totaling \$210.6 million for furniture, equipment, and lease payments for the Sioux Falls One-Stop. This is a long-term lease for a multi-agency office complex in Sioux Falls, South Dakota that will be paid by multiple agencies under multiple different funds.

**Discretely Presented Component Units**

**Higher Education:** Higher Education has commitments totaling \$144.0 million for construction, renovation projects, and coaching contracts.

**South Dakota Housing Development Authority:** South Dakota Housing Development Authority has commitments totaling \$100.3 million to fund loans for the Homeownership Mortgage Program.

**South Dakota Ellsworth Development Authority:** South Dakota Ellsworth Development Authority has commitments totaling \$19.4 million to operate and maintain the wastewater treatment plant and the construction of a clean water transmission system.

**South Dakota Science and Technology Authority:** South Dakota Science and Technology Authority has commitments totaling \$7.6 million for building maintenance and repair projects.

**Fiduciary Component Unit**

**South Dakota Retirement System:** South Dakota Retirement System has commitments totaling \$1.4 million for audit services and other agreements.

**Uncalled Capital Commitments**

The Primary Government and the South Dakota Retirement System, a fiduciary component unit of the State, had uncalled capital commitments to private equity and real estate limited partnerships funds of approximately \$1.5 billion. The commitments may be called at the discretion of the general partner or may never be called. As capital is called, it is funded from capital and earnings returned by the limited partnerships or from other assets.

Approximate uncalled capital commitments as of June 30, 2024, is broken down as follows (Expressed in Thousands):

	<u>Permanent</u>		<u>Special Revenue</u>			<u>Fiduciary Component Unit</u>	<u>Total</u>
	<u>Permanent Fund</u>	<u>Dakota Cement Trust</u>	<u>Education Enhancement Trust</u>	<u>Health Care Trust</u>	<u>South Dakota Retirement System Pension Trust Fund</u>		
<b>Real Estate Funds</b>	\$ 21,232	\$ 20,263	\$ 39,620	\$ 10,546	\$ 861,760	<b>\$ 953,421</b>	
<b>Private Equity Funds</b>	10,491	10,420	19,475	5,548	474,456	<b>520,390</b>	
<b>Total</b>	<b>\$ 31,723</b>	<b>\$ 30,683</b>	<b>\$ 59,095</b>	<b>\$ 16,094</b>	<b>\$ 1,336,216</b>	<b>\$ 1,473,811</b>	

**10. SELF-INSURANCE**

**A. Workers' Compensation Benefits and Unemployment Insurance**

Various funds accumulate assets to cover risks that the State incurs in its normal operations. The State (rather than an insurance carrier) assumes the risk associated with claims of state employees for unemployment compensation benefits. "Premiums" charged to state funds to cover the costs of claims servicing and claims payments are based on a percentage of wages paid to state employees. Related transactions are accounted for in the State Unemployment Compensation Fund.

The State is self-insured for workers' compensation through the creation of reserves derived from a percentage of wages paid to state employees. This activity is accounted for in an internal service fund. Claims payable for workers' compensation is reported using an actuarial estimate based on historical experience that includes actual claims submitted as well as claims incurred, but not reported. Allocated claim adjustment expenses (those relating to a specific claim) are included in the determination of claims payable. Unallocated claim adjustment expenses are not included. Estimated recoveries on unsettled and/or settled claims reduce claims liability and are considered in the actuarial estimate. The claims liability is funded as claims are paid resulting in an actuarially determined unfunded liability of \$26.6 million at June 30, 2024.

The Workers' Compensation Fund liability at June 30, 2024, and the changes to the liability during fiscal years ended June 30, 2024 and 2023 were as follows (Expressed in Thousands):

	<u>FY2024</u>	<u>FY2023</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 35,695	\$ 35,015
<b>Incurred claims and claim adjustment expenses</b>		
Provision for insured events of current fiscal year	7,790	6,835
Changes in provision for insured events of prior fiscal years	(1,862)	(839)
<b>Total incurred claims and claim adjustment expenses</b>	<b>5,928</b>	<b>5,996</b>
<b>Payments:</b>		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	1,385	1,109
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	4,347	4,207
<b>Total payments</b>	<b>5,732</b>	<b>5,316</b>
<b>Unpaid claims and claim adjustment expenses at end of fiscal year</b>	<b>\$ 35,891</b>	<b>\$ 35,695</b>

**B. Health Insurance**

The State (rather than an insurance carrier) assumes substantially all risk associated with claims of covered public employees for health insurance (However, an insurance carrier provides claims administration services for health insurance). The health insurance programs are accounted for in the Self-Insurance Fund, reported as an internal service fund. "Premiums" are charged to state funds for all covered employees. Employees may purchase varying levels of health and/or life coverage for their spouses and/or dependents. Claims payable for health insurance is reported using an actuarial estimate based on historical experience that includes actual claims submitted as well as claims incurred, but not reported. Allocated claim adjustment expenses are included in the determination of claims payable. Unallocated claim adjustment expenses are not included. Estimated recoveries on unsettled and/or settled claims reduce claims liability and are considered in the actuarial estimate. Allocated claim adjustment expenses are uncommon and immaterial. Unallocated claim adjustment expenses are not included.

The health insurance program liability at June 30, 2024 and the changes to the liability during fiscal years ended June 30, 2024 and 2023 were as follows (Expressed in Thousands):

	<u>FY2024</u>	<u>FY2023</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 15,992	\$ 11,158
Incurred claims and claim adjustment expenses	<u>152,296</u>	<u>138,243</u>
<b>Payments:</b>		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	134,439	122,251
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>15,992</u>	<u>11,158</u>
<b>Total payments</b>	<u><b>150,431</b></u>	<u><b>133,409</b></u>
<b>Unpaid claims and claim adjustment expenses at end of fiscal year</b>	<u><b>\$ 17,857</b></u>	<u><b>\$ 15,992</b></u>

**C. Public Entity Pool for Liability**

The State is insured through a Public Entity Pool for Liability Fund (PEPL), reported as an internal service fund. The PEPL Fund covers risks associated with automobile liability and general tort liability (including public officials' errors and omissions liability, medical malpractice liability, law enforcement liability, and products liability).

All funds and agencies of the State participate in the PEPL Fund. The PEPL Fund allocates the cost of providing claims servicing and claims payment by charging a "premium" to each fund and agency based on the number of automobiles titled to each agency (for automobile liability) or approved full-time employees (for general tort liability). The PEPL Fund initially limits claims to \$1,000,000 per occurrence, subject to limitations set forth in SDCL 3-22. The State claims sovereign immunity for all other tort liabilities. A State Supreme Court opinion allows noneconomic damages against employees of the State while they are performing ministerial acts; therefore, the PEPL Fund coverage document provides liability coverage for noneconomic damages that are the result of these acts and commercial reinsurance is purchased. For the current fiscal year, the State purchased reinsurance for claims costs over \$500,000 with 100% of the remaining \$500,000. Claims expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported, based on historical experience. Allocated and unallocated claim adjustment expenses are included in the determination of claims payable. Estimated recoveries on unsettled and/or settled claims reduce claims liability and are considered in the actuarial estimate. At the end of fiscal year 2024, \$6.1 million of the net position balance in the PEPL Fund was designated for future catastrophic losses.

The PEPL Fund liability at June 30, 2024, and the changes to the liability during fiscal years ended June 30, 2024, and 2023 were as follows (Expressed in Thousands):

	<u>FY2024</u>	<u>FY2023</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 5,034	\$ 5,439
<b>Incurred claims and claim adjustment expenses</b>		
Provision for insured events of current fiscal year	1,950	2,078
Changes in provision for insured events of prior fiscal years	142	(490)
<b>Total incurred claims and claim adjustment expenses</b>	<u>2,092</u>	<u>1,588</u>
<b>Payments:</b>		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	310	536
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	2,135	1,457
<b>Total payments</b>	<u>2,445</u>	<u>1,993</u>
<b>Unpaid claims and claim adjustment expenses at end of fiscal year</b>	<u>\$ 4,681</u>	<u>\$ 5,034</u>

***D. Risk Management***

The State is commercially insured for aircraft, and crime bonds through outside insurance companies. Entities participating in these insurance coverages are only billed for premiums applicable to their coverage needs. The South Dakota Property and Casualty Insurance Company, a discretely presented component unit of the State of South Dakota, provides property, including content, business income, and extra expense coverage on the State's buildings.

Continued on next page

**11. LONG-TERM LIABILITIES**

Long-term obligations at June 30, 2024, and changes to long-term liabilities during the fiscal year then ended are as follows (Expressed in Thousands):

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental Activities *</b>					
Revenue Bonds	\$ 87,342	\$	\$ (15,204)	\$ 72,138	\$ 14,831
Add Unamortized Premium	4,972		(427)	4,545	376
<b>Net Revenue Bonds</b>	<b>92,314</b>	<b>0</b>	<b>(15,631)</b>	<b>76,683</b>	<b>15,207</b>
Compensated Absences	79,781	59,752	(56,423)	83,110	45,141
Policy Claims Liability	5,034	2,092	(2,445)	4,681	1,336
Workers Compensation	35,700	5,928	(5,737)	35,891	4,462
Leases Payable	73,665	12,943	(7,360)	79,248	9,570
Subscription IT Payable	6,432	4,250	(3,240)	7,442	2,626
Notes Payable	100,016	4,969	(7,328)	97,657	7,691
Pollution Remediation Obligation	12,902	599		13,501	600
Escheat Property	60,711	27,582	(39,138)	49,155	33,874
Other Long Term Liabilities	116	65	(56)	125	65
<b>Total Governmental Activities</b>	<b>\$ 466,671</b>	<b>\$ 118,180</b>	<b>\$ (137,358)</b>	<b>\$ 447,493</b>	<b>\$ 120,572</b>
<b>Business-type Activities</b>					
Revenue Bonds	\$ 474,615	\$	\$ (22,835)	\$ 451,780	\$ 23,555
Add Unamortized Premium	65,632		(4,308)	61,324	4,307
<b>Net Revenue Bonds</b>	<b>540,247</b>	<b>0</b>	<b>(27,143)</b>	<b>513,104</b>	<b>27,862</b>
Leases Payable	1,653	345	(695)	1,303	276
Subscription IT Payable	834		(416)	418	418
Compensated Absences	2,010	1,398	(1,249)	2,159	1,174
Other Noncurrent Liabilities	841	766		1,607	
<b>Total Business-type Activities</b>	<b>\$ 545,585</b>	<b>\$ 2,509</b>	<b>\$ (29,503)</b>	<b>\$ 518,591</b>	<b>\$ 29,730</b>
<b>Component Units</b>					
Revenue Bonds	\$ 1,756,717	\$ 571,050	\$ (184,808)	\$ 2,142,959	\$ 192,681
Less Unamortized Discount	(67)		3	(64)	(4)
Add Unamortized Premium	63,262	11,895	(8,479)	66,678	1,924
Direct Placement Bonds	67,742		(1,773)	65,969	1,844
<b>Net Revenue Bonds</b>	<b>1,887,654</b>	<b>582,945</b>	<b>(195,057)</b>	<b>2,275,542</b>	<b>196,445</b>
Compensated Absences	52,043	24,475	(20,798)	55,720	18,052
Leases Payable	3,134	14,099	(1,828)	15,405	1,549
Subscription IT Payable	3,450	1,087	(1,873)	2,664	1,620
Notes and Advances Payable, restated	7,647	3,446	(2,087)	9,006	1,891
Federal Contributions for Education Loan Programs	25,659		(2,435)	23,224	
<b>Total Component Units</b>	<b>\$ 1,979,587</b>	<b>\$ 626,052</b>	<b>\$ (224,078)</b>	<b>\$ 2,381,561</b>	<b>\$ 219,557</b>

\* Governmental Activities Other Long-Term Obligations - The General Fund, special revenue, and internal service funds in which the leases and subscription IT payables are recorded will liquidate these obligations. The General Fund, special revenue, and internal service funds that account for the salaries, wages, and employer pension contributions of the related employees will liquidate the compensated absences and net pension liability. The workers' compensation and policy claims liabilities will be liquidated by applicable internal service funds which will ultimately be billed out to the applicable funds that account for the salaries and wages of the related employees. The pollution remediation obligations will be liquidated by the Petroleum Release Compensation Fund and the Department of Agriculture and Natural Resources – Other Fund. The escheat property obligation will be liquidated by the State's General Fund.

**Revenue Bonds and Trust Certificates**

**A. Governmental Activities**

**1. South Dakota Building Authority**

The SDBA issues bonds and trust certificates to finance the cost to acquire, construct, remodel, maintain, and equip buildings and other facilities of state departments and institutions. Bonds and certificates of participation are payable from revenues generated through agreements between the SDBA and state departments and institutions. Payments for bonds are paid from the General Fund and other state dedicated fees of state departments, boards, and commissions.

The indebtedness or obligations incurred or created by the SDBA may not be or become a lien, charge, or liability against the State of South Dakota. This financial presentation does not change the legal liability of the indebtedness.

Following are SDBA bonds outstanding at June 30, 2024, (Expressed in Thousands):

<u>Bond Series</u>	<u>Maturity Through</u>	<u>Interest Rates</u>	<u>Amount</u>
2014D	2027	5.000%	\$ 2,183
2017A	2040	4.000%-5.000%	35,460
2019B	2038	2.249%-3.201%	5,665
2020A	2039	0.902%-2.619%	7,930
Add Unamortized Premium			4,545
<b>Total</b>			<b>\$ 55,783</b>

As of June 30, 2024, debt service requirements for principal and interest for the SDBA were as follows (Expressed in Thousands):

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,051	\$ 2,070	\$ 6,121
2026	4,187	1,927	6,114
2027	4,352	1,775	6,127
2028	3,638	1,633	5,271
2029	3,600	1,504	5,104
2030-2034	14,579	5,732	20,311
2035-2039	15,281	2,636	17,917
2040	1,550	78	1,628
<b>Total</b>	<b>\$ 51,238</b>	<b>\$ 17,355</b>	<b>\$ 68,593</b>

**2. Educational Enhancement Funding Corporation**

During the 2001 Legislative Session, the Legislature authorized the SDBA to provide for the establishment of a corporation for the purpose of selling a portion or all the State’s rights, title, and interest in the proceeds of the tobacco companies master settlement agreement. On July 26, 2002, the Educational Enhancement Funding Corporation (EEFC) was created pursuant to South Dakota Codified Law 5-12-48 through 5-12-60. The State of South Dakota gave up its rights to any proceeds of the tobacco companies master settlement agreement while the bonds are outstanding, or over the term of the bonds, whichever is shorter.

Following are EEFC bonds outstanding at June 30, 2024, (Expressed in Thousands):

<b>Bond Series</b>	<b>Maturity Through</b>	<b>Interest Rates</b>	<b>Amount</b>
2021	2026	1.245-1.495%	\$ 20,900
<b>Total</b>			<b>\$ 20,900</b>

As of June 30, 2024, debt service requirements for principal and interest for the EEFC were as follows (Expressed in Thousands):

<b>Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 10,780	\$ 286	\$ 11,066
2026	10,120	151	10,271
<b>Total</b>	<b>\$ 20,900</b>	<b>\$ 437</b>	<b>\$ 21,337</b>

**B. Business-type Activities**

**South Dakota Conservancy District - State Revolving Funds**

The SDCD issued tax-exempt revenue bonds for the Clean Water State Revolving Fund (CWSRF) and for the Drinking Water State Revolving Fund (DWSRF). The SRF’s provide low interest loans or other types of financial assistance to political units for the construction of publicly-owned wastewater treatment facilities, implementation of nonpoint source management programs, development and implementation of plans under the Estuary Protection Program, and construction and maintenance of drinking water facilities. To date, the programs have been used to make loans and refinance existing debt with a maximum of twenty years for repayment. Loans for the DWSRF can be made for thirty years, if the funds are for a disadvantaged community.

The SDCD bonds do not constitute a debt or liability of the State of South Dakota, or a pledge of the faith and credit of the State. This financial presentation does not change the legal liability of the indebtedness.



The following is a schedule of outstanding bonds as of June 30, 2024, (Expressed in Thousands):

<b>Bond Series</b>	<b>Maturity Through</b>	<b>Interest Rates</b>	<b>Amount</b>
<b>Clean Water State Revolving Fund</b>			
2010AB	2030-2031	5.034%-5.646%	\$ 16,799
2012AB	2027-2031	2.883%-5.000%	10,970
2014B	2035	5.000%	29,485
2017B	2033-2038	5.000%	55,230
2018	2039	5.000%	48,260
2020	2043	5.000%	73,865
2022AB	2030-2048	4.400%-5.000%	73,705
Add Unamortized Premium			50,693
<b>Total</b>			<b>359,007</b>
<b>Drinking Water State Revolving Fund</b>			
2010AB	2030-2031	5.034%-5.646%	8,826
2012A	2027	2.833%-3.183%	3,710
2014B	2035	5.000%	3,950
2017B	2030-2038	5.000%	11,100
2018	2039	5.000%	32,910
2022AB	2029-2047	4.400%-5.360%	82,970
Add Unamortized Premium			10,631
<b>Total</b>			<b>154,097</b>
<b>Total Revenue Bonds</b>			<b>\$ 513,104</b>

As of June 30, 2024, debt service requirements for principal and interest for the CWSRF and the DWSRF were as follows (Expressed in Thousands):

<b>Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>Clean Water State Revolving Fund</b>			
2025	\$ 17,130	\$ 14,837	\$ 31,967
2026	20,760	13,949	34,709
2027	19,998	12,976	32,974
2028	18,870	12,019	30,889
2029	19,360	11,064	30,424
2030-2034	85,506	41,770	127,276
2035-2039	69,690	22,665	92,355
2040-2044	39,650	8,891	48,541
2045-2048	17,350	1,788	19,138
	<b>308,314</b>	<b>139,959</b>	<b>448,273</b>
<b>Drinking Water State Revolving Fund</b>			
2025	6,425	6,996	13,421
2026	8,625	6,660	15,285
2027	9,062	6,242	15,304
2028	9,015	5,804	14,819
2029	9,465	5,349	14,814
2030-2034	32,634	21,078	53,712
2035-2039	31,215	13,544	44,759
2040-2044	18,485	7,294	25,779
2045-2047	18,540	1,986	20,526
	<b>143,466</b>	<b>74,953</b>	<b>218,419</b>
<b>Total</b>	<b>\$ 451,780</b>	<b>\$ 214,912</b>	<b>\$ 666,692</b>

**C. Component Units**

**1. South Dakota Housing Development Authority**

The HDA provides mortgage financing for construction, rehabilitation, and purchase of residential housing and assists in coordinating with federal, state, regional, and local public and private efforts with statewide housing planning. The HDA issues negotiable notes and bonds in amounts authorized by the Governor of South Dakota. Notes and bonds of the HDA do not constitute a debt or liability of the State of South Dakota, or a pledge of the faith and credit of the State. These notes and bonds are payable solely from the revenues or assets of the HDA.

Following is a schedule of bonds, consolidated by category, outstanding at June 30, 2024, (Expressed in Thousands):

	<b>Maturity Through</b>	<b>Interest Rates</b>	<b>Amount</b>
<b>Home-Ownership Mortgage Program Bonds</b>	2025-2055	0.400%-6.266%	
Serial Bonds			\$ 440,170
Term Bonds			1,274,535
Term Direct Placement Bonds			50,000
Add Unamortized Premium			37,680
			<b>1,802,385</b>
<b>Single Family Mortgage Bonds</b>	2025-2041	2.584%-3.500%	
Serial Bonds			4,005
Term Bonds			7,765
Add Unamortized Premium			81
			<b>11,851</b>
<b>Multiple Purpose Bonds</b>	2025-2062	3.650%-4.130%	
Term Bonds			19,760
			<b>19,760</b>
<b>Total</b>			<b>\$ 1,833,996</b>

As of June 30, 2024, debt service requirements for principal and interest for the HDA were as follows (Expressed in Thousands):

<b>Year Ended June 30</b>	<b>Bonds</b>		<b>Direct Placement Bonds</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2025	\$ 163,153	\$ 61,886	\$	\$ 2,115	\$ 227,154
2026	60,140	55,560		2,115	117,815
2027	55,895	54,213		2,115	112,223
2028	57,480	52,187		2,115	111,782
2029	57,295	50,790		2,115	110,200
2030-2034	247,845	229,662	30,825	7,696	516,028
2035-2039	227,225	195,223	19,175	1,385	443,008
2040-2044	273,082	159,414			432,496
2045-2049	340,275	107,780			448,055
2050-2054	253,760	37,583			291,343
2055-2059	9,075	311			9,386
2060-2064	1,010	2			1,012
<b>Total</b>	<b>\$ 1,746,235</b>	<b>\$ 1,004,611</b>	<b>\$ 50,000</b>	<b>\$ 19,656</b>	<b>\$ 2,820,502</b>

The HDA has entered into interest rate swap agreements in connection with issuing variable rate mortgage revenue bonds. The intentions of the swaps are to create synthetic fixed rate debt at a lower interest rate than achievable from long-term fixed-rate bonds, and to achieve HDA’s goal of lending to low and moderate income first-time home buyers at below-market fixed interest rates. HDA entered into various interest rate swap agreements to reduce the cost of borrowing and exposure to variable interest rate risk for several bond series with a total notional amount of \$25.0 million and \$20.0 million, respectively, as of June 30, 2024. For additional information on interest rate swaps see *Note 3. Cash, Deposits, and Investments* in the Notes to the Financial Statements.

**2. South Dakota Economic Development Finance Authority**

The EDFA was established for the purpose of making loans to businesses for the acquisition and/or construction of land, buildings, machinery, and equipment to spawn economic growth. The EDFA is authorized by South Dakota Codified Law to provide sufficient funds for achieving any of its corporate purposes. The total outstanding amount of such notes and bonds shall not exceed \$300.0 million at any time. No obligation issued by the EDFA shall constitute debt or liability or obligation of the State of South Dakota, or any political subdivision or a pledge of the faith and credit of the State or any political subdivision.

The EDFA issues pooled and stand-alone bond issues. A pooled bond issue is secured by the EDFA’s Capital Reserve Account. A stand-alone issue is based solely on the credit of the borrower and the EDFA acts only as a conduit to the financing. Therefore, the debt is not included in the accompanying financial statements.

The pooled bond issues require amounts to be deposited into the Capital Reserve Account. The money on deposit in the Capital Reserve Account is irrevocably pledged to the payment of all outstanding bonds and interest only when and to the extent that other monies are not available. The amount on deposit in the Capital Reserve Account must be equal to 12.5% of the related bond principal outstanding. Amounts in excess of the reserve requirements may be transferred to any state fund to be used for other purposes. At June 30, 2024 the balance in the Capital Reserve Account was \$5.0 million and the reserve requirement was \$720.6 thousand.

The following is a schedule of outstanding bonds as of June 30, 2024, (Expressed in Thousands):

<b>Bond Series</b>	<b>Maturity Through</b>	<b>Interest Rates</b>	<b>Amount</b>
2013A	2033	4.650%-5.800%	\$ 5,765
<b>Total</b>			<b>\$ 5,765</b>

As of June 30, 2024, debt service requirements for principal and interest for the EDFA were as follows (Expressed in Thousands):

<b>Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 505	\$ 334	\$ 839
2026	535	305	840
2027	565	274	839
2028	600	241	841
2029	635	206	841
2030-2033	2,925	437	3,362
<b>Total</b>	<b>\$ 5,765</b>	<b>\$ 1,797</b>	<b>\$ 7,562</b>

**3. Higher Education**

**a. Higher Education Facilities**

Revenue bonds were issued for the purpose of constructing buildings. The bonds are payable only from and secured by a pledge of net revenues of the University Housing and Auxiliary Facilities System. Net revenue is defined as gross revenue, less reasonable and necessary costs of currently maintaining, repairing, insuring, and operating the University Housing and Auxiliary Facilities System. Total net revenue pledges for fiscal year 2024 equaled \$36.9 million. Following are revenue bonds outstanding at June 30, 2024, (Expressed in Thousands):

<u>Bond Series</u>	<u>Through</u>	<u>Rates</u>	<u>Amount</u>
2006 Direct Placement	2026	3.920%	\$ 1,285
2007 Direct Placement	2029	3.880%	2,785
2008 Direct Placement	2028	3.880%	1,265
2008B Direct Placement	2028	4.550%	1,495
2013A	2028	3.000%-4.000%	3,930
2014B	2033	5.000%	5,795
2015	2040	4.000%-5.000%	14,395
2016	2041	4.000%-5.000%	15,840
2017A	2034	5.000%	70,195
2019A	2044	3.000%-5.000%	11,065
2019B	2036	2.500%-3.350%	3,745
2021	2036	3.000%-4.000%	32,395
2023A	2039	5.000%	13,470
Less Unamortized Discount			(64)
Add Unamortized Premium			18,776
<b>Total</b>			<b>\$ 196,372</b>

As of June 30, 2024, debt service requirements for principal and interest were as follows (Expressed in Thousands):

<u>Year Ended June 30</u>	<u>Bonds</u>		<u>Direct Placement Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2025	\$ 11,075	\$ 7,488	\$ 1,795	\$ 266	\$ 20,624
2026	11,380	6,997	1,865	193	20,435
2027	11,860	6,471	1,255	117	19,703
2028	12,405	5,932	1,315	66	19,718
2029	11,895	5,367	600	12	17,874
2030-2034	60,890	18,548			79,438
2035-2039	39,510	6,692			46,202
2040-2044	11,815	922			12,737
<b>Total</b>	<b>\$ 170,830</b>	<b>\$ 58,417</b>	<b>\$ 6,830</b>	<b>\$ 654</b>	<b>\$ 236,731</b>

**b. South Dakota Building Authority (Higher Education Portion)**

The SDBA issues bonds and trust certificates to finance the cost to acquire, construct, remodel, maintain, and equip buildings and other facilities for Higher Ed institutions. Lease payments are made from tuition and fees paid by students. The obligations incurred or created by the SDBA may not be a lien, charge, or liability against the State of South Dakota.

Following is a schedule of bonds outstanding at June 30, 2024, (Expressed in Thousands):

<u>Bond Series</u>	<u>Maturity Through</u>	<u>Interest Rates</u>	<u>Amount</u>
2014B	2025	5.000%	\$ 840
2014D	2026	5.000%	437
2015B	2025	5.000%	355
2017A	2042	4.000%-5.000%	9,405
2018A	2040	5.000%	24,175
2019A	2034	4.000%-5.000%	9,220
2019B	2038	2.062%-3.201%	58,465
2020A	2040	0.802%-2.619%	64,505
2020B	2029	0.676%-1.732%	7,975
2020C	2045	3.000%-4.000%	21,440
2022A	2046	4.000%	8,675
2022B Direct Placement	2035	2.170%	9,139
Add Unamortized Premium			10,141
<b>Total</b>			<b>\$ 224,772</b>

As of June 30, 2024, debt service requirements for principal and interest for the SDBA (Higher Ed portion) were as follows (Expressed in Thousands):

<u>Year Ended June 30</u>	<u>Bonds</u>		<u>Direct Placement Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2025	\$ 17,049	\$ 6,173	\$ 49	\$ 198	\$ 23,469
2026	16,973	5,763	50	197	22,983
2027	15,548	5,350	702	196	21,796
2028	14,150	4,980	970	181	20,281
2029	14,507	4,616	990	160	20,273
2030-2034	63,696	17,302	5,259	469	86,726
2035-2039	49,204	8,037	1,119	24	58,384
2040-2044	11,900	1,798			13,698
2045-2049	2,465	122			2,587
<b>Total</b>	<b>\$ 205,492</b>	<b>\$ 54,141</b>	<b>\$ 9,139</b>	<b>\$ 1,425</b>	<b>\$ 270,197</b>

**4. South Dakota Ellsworth Development Authority**

The EDA was established to protect and promote the economic impact of Ellsworth Air Force Base and associated industry, and to promote the health and safety of those living or working near the base. No obligation issued by the EDA shall constitute debt or liability or obligation of the State of South Dakota, or any political subdivision or a pledge of the faith and credit of the State or any political subdivision. Debt payments will be paid with pledged user fees from operating the wastewater treatment plant.

Following is a schedule of bonds outstanding at June 30, 2024, (Expressed in Thousands):

<b>Bond Series</b>	<b>Maturity Through</b>	<b>Interest Rate</b>	<b>Amount</b>
2012A	2036	2.390%	\$ 4,742
2012B	2036	2.390%	4,742
2013A	2036	2.390%	1,049
2013B	2036	2.390%	3,179
2013C	2036	2.390%	449
2013D	2036	2.390%	476
<b>Total</b>			<b>\$ 14,637</b>

As of June 30, 2024, debt service requirements for principal and interest for the EDA were as follows (Expressed in Thousands):

<b>Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 1,219	\$ 343	\$ 1,562
2026	1,248	313	1,561
2027	1,278	283	1,561
2028	1,309	253	1,562
2029	1,340	221	1,561
2030-2034	7,200	606	7,806
2035-2036	1,043	16	1,059
<b>Total</b>	<b>\$ 14,637</b>	<b>\$ 2,035</b>	<b>\$ 16,672</b>

Continued on the next page

**Leases Payable**

During the fiscal year the State had 356 lessee lease agreements for the use of land, buildings, and equipment. The terms of the leases range from 1 to 35 years. The leases have a weighted average interest rate of 3.99%.

The following schedule is a summary of the future minimum principal and interest lease payments as of June 30, 2024, (Expressed in Thousands):

Year Ended June 30	Primary Government		Component Units	
	Principal	Interest	Principal	Interest
2025	\$ 9,846	\$ 2,864	\$ 1,550	\$ 504
2026	9,815	2,453	1,521	534
2027	9,672	2,036	1,391	471
2028	5,347	1,829	1,278	383
2029	4,591	1,646	1,346	363
2030-2034	14,620	6,241	8,161	906
2035-2039	8,969	4,168	158	1
2040-2044	7,690	2,456		
2045-2049	5,888	1,273		
2050-2054	3,968	239		
2055-2059	145	9		
<b>Total</b>	<b>\$ 80,551</b>	<b>\$ 25,214</b>	<b>\$ 15,405</b>	<b>\$ 3,162</b>

**Subscription IT Payable**

During the year State had 48 subscription IT agreements that convey control of the right-to-use another entity's information technology asset, alone, or in conjunction with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. The terms of the agreements range from 1 to 10 years and have a weighted average interest rate of 3.99%. The related obligations are presented in the amounts equal to the present value of payments on the agreements, payable during the remaining agreement term.

The following schedule is a summary of the future minimum principal and interest payments under subscription IT agreement as of June 30, 2024, (Expressed in Thousands):

Year Ended June 30	Primary Government		Component Units	
	Principal	Interest	Principal	Interest
2025	\$ 3,045	\$ 354	\$ 1,620	\$ 129
2026	1,778	207	597	49
2027	1,067	116	125	20
2028	680	62	130	15
2029	340	41	61	9
2030-2034	950	48	131	8
<b>Total</b>	<b>\$ 7,860</b>	<b>\$ 828</b>	<b>\$ 2,664</b>	<b>\$ 230</b>

**Notes Payable and Installment Purchases**

Funding of the Vocational Education Program is obtained through the bonds issued by the HEFA. HEFA issues bonds and enters into an agreement with the State for the construction of vocational education facilities. The agreements are recorded as notes payable by the State.

Following is a schedule of the Vocational Education Program notes payable outstanding at June 30, 2024, (Expressed in Thousands):

<u>Note Series</u>	<u>Maturity Through</u>	<u>Interest Rates</u>	<u>Amount</u>
2015A	2039	3.750%-5.000%	\$ 19,970
2015B	2036	5.000%	11,260
2015C	2036	3.000%-5.000%	12,395
2021	2041	2.290%	28,070
2022	2042	3.380%	12,430
<b>Total</b>			<b>\$ 84,125</b>

The State also enters into purchase agreements for various facilities and equipment. Following is a schedule of the installment purchases payable outstanding at June 30, 2024, (Expressed in Thousands):

<u>Installment Series</u>	<u>Maturity Through</u>	<u>Interest Rates</u>	<u>Amount</u>
2018A	2025	3.460%	\$ 900
2019A	2025	4.780%	4
2020A	2026	2.680%	1,251
2021A	2027	2.400%	378
2021B	2027	2.300%	1,928
2023A	2029	4.950%	4,102
2024A	2030	5.550%	4,969
<b>Total</b>			<b>\$ 13,532</b>

The following schedule is a summary of the future minimum payments under notes and installment purchases (including advances from the Primary Government to Higher Education), together with the present value of the net minimum lease payments as of June 30, 2024, (Expressed in Thousands):

<u>Year Ended June 30</u>	<u>Governmental Activities</u>		<u>Component Units</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 7,517	\$ 3,706	\$ 1,891	\$ 214
2026	7,565	3,384	1,432	166
2027	7,040	3,088	707	124
2028	6,579	2,806	540	103
2029	6,854	2,522	556	87
2030-2034	29,357	8,892	2,630	420
2035-2039	26,234	3,093	1,065	2
2040-2044	6,511	225	185	0
<b>Total</b>	<b>\$ 97,657</b>	<b>\$ 27,716</b>	<b>\$ 9,006</b>	<b>\$ 1,116</b>



**Conduit Debt Obligations**

Conduit debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by state governments for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. The State has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued and the debt is not included in the accompanying financial statements.

**1. South Dakota Economic Development Finance Authority**

The EDFFA provides low interest financing to agricultural enterprises in the State of South Dakota. The loans can be used to acquire agricultural property. The EDFFA is authorized to issue federal tax-exempt bonds. The bond proceeds are lent to qualifying applicants. The applicant assumes the bond payment obligation to the bond purchaser in the form of a loan with the third party bond purchaser.

As of June 30, 2024, there were 86 Beginning Farmer Bond Program Series Revenue Bonds outstanding. The aggregate principal amount payable on June 30, 2024 could not be determined; however, the original issue amount totaled \$20.4 million.

As of June 30, 2024, there were 7 Agribusiness Bond Program Series Revenue Bonds outstanding. The aggregate principal amount payable on June 30, 2024, could not be determined; however, the original issue amount totaled \$18.6 million.

As of June 30, 2024, there were 26 Livestock Nutrient Management Bond Program Series Revenue Bonds outstanding. The aggregate principal amount payable on June 30, 2024, could not be determined; however, the original issue amount totaled \$96.0 million.

**2. South Dakota Housing Development Authority**

The HDA has issued certain conduit debt bonds under the Multifamily Housing Revenue Bonds Resolution adopted April 15, 1991, the proceeds of which were made available to developers for the construction or rehabilitation of multifamily housing. The bonds and the interest thereon are a limited obligation of the issuer, payable solely from the trust estate pledged therefor under this indenture. The faith and credit of the HDA is not pledged for the payment of the principal and interest on the bonds. Accordingly, these obligations are excluded from the HDA's financial statements.

As of June 30, 2024, the aggregate principal amount of conduit debt outstanding totaled \$56.5 million.

**Refunded and Defeased Bonds****1. South Dakota Building Authority**

The SDBA has entered into refunding transactions whereby refunding bonds have been issued to facilitate defeasance of the SDBA's obligation with respect to certain bond issues. The proceeds of the refunding issues 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 refunded. Refunded bonds and the related assets held in the trust are not included in the accompanying financial statements since the SDBA has satisfied its obligations with respect thereto through consummation of the refunding transactions.

Fully defeased bonds not yet paid to bondholders as of June 30, 2024, are as follows (Expressed in Thousands):

<u>Bond Issues</u>	<u>Year of Defeasance</u>	<u>Debt Outstanding</u>
Series 2014B	2020	\$ 2,085
Series 2015B	2020	8,015
<b>Total</b>		<b>\$ 10,100</b>

The Series 2014B bonds will be called September 1, 2024. The Series 2015B will be called June 1, 2025.

**2. South Dakota Housing Development Authority**

During the year ended June 30, 2024, the HDA issued Homeownership Mortgage Bonds Series 2023D in the aggregate principal amount of \$99.0 million of which \$52.1 million of bond proceeds were used to refund previously issued bonds for the sole purpose of recycling the volume cap utilized for the issuance of the refunded bonds.

**3. Higher Education and South Dakota Board of Regents**

In December 2023, the South Dakota Board of Regents (SDBOR) issued \$14.1 million in Revenue Bonds Series 2023 to refund the remaining Series 2014A bonds. The refunding portion with an average interest rate of 3.8% was used to refund \$11.2 million of outstanding Black Hills State University and South Dakota School of Mines and Technology bonds with an average interest rate of 4.6%. The net refunding portion of \$16.6 million (after payment of \$200.0 thousand in underwriting fees and other issuance costs), which includes an additional \$5.2 million from South Dakota State University accounts was deposited in trust with an escrow agent to provide for the current refunding of the Series 2014A bonds.

The purpose of the refunding was to reduce the SDBOR borrowing cost on debt that was optionally redeemable at par, which decreased total debt service payments by \$849.0 thousand. This resulted in a present value savings on the bonds of \$659.0 thousand.

**Pollution Remediation Obligations**

The State has pollutions remediation obligation liabilities as of June 30, 2024, of \$13.5 million.

**1. Gilt Edge Superfund Site**

The State of South Dakota, acting through the Department of Agriculture and Natural Resources, has contracted with the United States Environmental Protection Agency (EPA) for participation in the remediation of the Gilt Edge Mine Superfund Site in Lawrence County. The State is required by law to pay a 10% cost share for the total EPA costs for remediation of the site. The total State costs to be paid to EPA is estimated to be \$15.9 million. The State has spent approximately \$6.6 million with an estimated remaining outstanding liability as of June 30, 2024 of \$9.3 million. The State’s cost share for remediation has been paid from the Brohm Mining Co. forfeited reclamation bond and the Regulated Substance Response Fund. After EPA completes the site remediation, the State is required to take control of the site and will use the reclamation bond and settlement money to pay 100% for site management and ongoing water treatment costs. The State cash balance on June 30, 2024 for those two funds was approximately \$20.1 million. However, actual costs incurred when the State takes control of the site cannot be anticipated at this time because they are dependent on the efficacy of the final EPA cleanup action to reduce the quantity of acid mine drainage produced.

**2. Petroleum Release Compensation Fund**

The Petroleum Release Compensation Fund (PRCF) provides reimbursement for remediation of sites where a petroleum release has occurred. This fund and the requirement that the State provide reimbursement were established under SDCL 34A-13. As of June 30, 2024, PRCF was currently involved with 47 active cases, 14 active/monitoring cases, and 21 pending cases (spill report not yet filed), for a total of 82 cases. The estimated cost remaining for sites that have received at least one payment is \$415.1 thousand, the estimated cost for sites that haven’t received any payments is \$3.2 million and the estimated cost for the Abandoned Tank Removal Program is \$600 thousand. The total liability as of June 30, 2024, for this program is \$4.2 million. The cash balance in the PRCF on June 30, 2024 is \$6.5 million.

**12. FUNCTIONAL DISTRIBUTION OF HIGHER EDUCATION OPERATING EXPENSES**

The operating expenses on the Statement of Revenues, Expenses, and Changes in Net Position are presented in natural classifications. The following table presents those same expenses in functional classifications for Higher Education (excluding Foundations) as of June 30, 2024, as recommended by NACUBO (Expressed in Thousands):

<b>Function</b>	<b>Personal Services</b>	<b>Travel</b>	<b>Contractual</b>	<b>Supplies &amp; Noncapitalized Equipment</b>	<b>Grants &amp; Subsidies</b>	<b>Interest &amp; Other Expenses</b>	<b>Depreciation &amp; Amortization</b>	<b>Total</b>
Instruction	\$ 206,598	\$ 4,638	\$ 12,272	\$ 10,199	\$ 706	\$ 194	\$ 7,034	\$ 241,641
Research	53,131	3,033	9,802	14,076	16,710	1	5,535	102,288
Public Service	42,869	2,051	10,396	7,893	2,341		579	66,129
Academic Support	53,981	1,017	13,062	5,047	29	3	1,627	74,766
Student Services	57,761	12,152	12,822	9,914	285	23	1,760	94,717
Institutional Support	59,521	1,028	23,999	6,183	567	897	5,125	97,320
O&M of Plant	33,631	304	20,022	8,991	3	28	46,954	109,933
Scholarships and Fellowships	1,148	12	117	93	27,850	354		29,574
Auxiliary Enterprises	13,380	101	49,543	13,549	11	118	2,707	79,409
Other						59	2,476	2,535
	<b>\$ 522,020</b>	<b>\$ 24,336</b>	<b>\$ 152,035</b>	<b>\$ 75,945</b>	<b>\$ 48,502</b>	<b>\$ 1,677</b>	<b>\$ 73,797</b>	<b>\$ 898,312</b>

**13. POSTSECONDARY TECHNICAL INSTITUTE SYSTEM**

The primary government has an ongoing financial responsibility for funding the four postsecondary technical institutes. The postsecondary technical institutes are considered part of the local school districts or local education authority in the district where they are located. The oversight of the postsecondary technical institutes resides within the primary government through the South Dakota Board of Technical Education (SDBTE). The SDBTE provides overall policies, goals, and objectives for the management of the postsecondary technical institutes. The SDBTE consists of nine members appointed by the Governor. The SDBTE may adopt rules governing the operation of the postsecondary technical institutes including curriculum, tuition payments and other charges, and plans for construction or renovation of facilities. During fiscal year 2024, the State provided \$45.1 million in General Fund state aid payments to the postsecondary technical institutes.

Construction and renovation of facilities at the postsecondary technical institutes is funded with proceeds from debt issued by the Health and Educational Facilities Authority (HEFA). HEFA was created as a public instrumentality of the State to provide tax-exempt revenue bonds, notes, or other obligations on behalf of nonprofit health and educational institutions within the State. Although the primary government appoints a voting majority of HEFA’s board, the State’s accountability for this organization does not extend beyond making the appointments and is considered a related organization of the State.

The State enters into financed purchase agreements with HEFA and rents the facilities at the postsecondary technical institutes to the school districts. The State makes debt payments to HEFA from a combination of General Fund appropriations, interest earnings from a debt service fund, and from student facility fees collected by the postsecondary technical institutes and remitted to the State. Upon completion of payments under the debt agreements, titles to the facilities pass to the State. The agreements with the school districts are then extended annually as long as the school districts pay the State \$100 per year and continue to use the facilities for postsecondary technical education. Facilities constructed or renovated and the financed purchase agreements between the State and HEFA are reported under the governmental activities column in the Government-wide Statement of Net Position.

## 14. TAX ABATEMENTS

The **Reinvestment Payment Program** is an economic development program authorized under SDCL 1-16G-56 to 1-16G-68. The program is designed to promote new employment opportunities and increase property tax revenues in South Dakota by offsetting the costs associated with relocation or expansion of operations and/or the upgrading of equipment in South Dakota through the reimbursement of South Dakota sales and use tax that has been paid on approved projects. The program is intended for projects that would not have occurred without the reimbursement payment.

The Reinvestment Payment Program is administered by the Governor's Office of Economic Development (GOED) with qualifying projects being approved by the Board of Economic Development. Companies pursuing new or expanded facilities with total project costs exceeding \$20.0 million, or equipment upgrade costs exceeding \$2.0 million are eligible for program consideration upon timely completion of an application. A key criterion considered when approving or denying an application is the likelihood the project would have occurred without the reimbursement payment. The Board of Economic Development can approve individual projects from the application for a reimbursement payment that is equal to or less than South Dakota sales and use tax paid on the project costs. All sales and use tax must continue to be paid on the approved projects. Reimbursement payments are made after the project is complete and cannot exceed actual sales and use tax paid.

During fiscal year 2024, the State abated \$5.1 million of sales and use tax as estimated reimbursement amounts for approved projects that have not met all the reimbursement criteria. The State reimbursed \$16.8 million of sales and use tax during fiscal year 2024, all of which was abated in prior fiscal years.

## 15. RELATED PARTY TRANSACTIONS

*The following transactions occurred between the State and external entities:*

**The South Dakota Corn Utilization Council** (SDCUC) is a functional subunit of the Department of Agriculture and Natural Resources, created for market maintenance and expansion, research, education, transportation, and for the prevention, modification or elimination of trade barriers which obstruct the free flow of corn and corn products to market.

SDCUC has a management agreement with South Dakota Corn Growers Association (SDCGA). Under the agreement SDCGA shares employees with SDCUC and provides utilities, insurance and building maintenance, taxes, accounting services, clerical services, office equipment, office supplies, and internet and telephone services. For the fiscal year ended June 30, 2024, SDCUC paid \$0.9 million to SDCGA for these services.

**The American Dairy Association of South Dakota** (ADASD) is a functional subunit of the Department of Agriculture and Natural Resources which has the responsibility of conducting dairy promotion, research, and educational programs on behalf of South Dakota dairy producers.

ADASD contracted with Midwest Dairy, a related organization through similar control and management, to implement and administer programs intended to contribute to the betterment of South Dakota's dairy farmers and the State's dairy industry. Such programs include, but are not limited to strategic initiatives, wellness, farmer relations, consumer demand, economic and dairy product research and innovation, farmer communications, and consumer confidence. Under the terms of the contracts, Midwest Dairy also provides administrative, financial, and reporting services. Payments under these contracts amounted to \$4.5 million for the year ended June 30, 2024.

*The following transactions occurred between the State and discretely presented component units:*

**Higher Education** consists of six state public universities (Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines and Technology, South Dakota State University, and University of South Dakota), two schools serving special K-12 populations (South Dakota School for the Deaf and South Dakota School for the Blind and Visually Impaired), and the governing board, South Dakota Board of Regents (BOR). Higher Education is considered a discretely presented component unit of the State.

Higher Education received state General Fund appropriations of \$338.2 million to support Higher Education universities.

In fiscal year 2023, Northern State University was awarded a loan from GOED in the amount of \$1.7 million for a campus energy project and South Dakota School of Mines and Technology was also awarded a loan from GOED in the amount of \$1.5 million for a campus energy project. During fiscal year 2024, there was \$0.9 million disbursed to NSU and \$1.2 million was disbursed to Mines.

**South Dakota State University Foundation** received a letter of commitment from SDCUC for \$2.0 million for a seven-year period beginning June 2022. This funding is for the operation and/or infrastructure of the bioprocessing center to be located within the State. During fiscal year 2024, the remaining \$0.9 million was paid on this commitment. In fiscal year 2024, another letter of commitment was received from SDCUC for \$0.8 million for a three-year period beginning August 2023. This funding is for the Institute of Global Agriculture Sustainability and Leadership to be located within the State. As of June 30, 2024, the commitment was paid in full. In June 2024, South Dakota State University Foundation received a \$0.5 million one-time payment from SDCUC to enhance their original gift of \$2.0 million that was provided to create the first Endowed Dean's position that was established in 2010. This will allow the university to attract and retain top talent in the College of Agriculture, Food and Environmental Sciences. SDCUC also committed to provide South Dakota State University Foundation with \$1.2 million over a five-year period to expand the Swine Education and Research Facility. Distribution of these funds will begin in fiscal year 2025.

**The South Dakota Housing Development Authority** (SDHDA) was created to encourage the investment of private capital for the construction and rehabilitation of residential housing to meet the needs of persons and families in the state. SDHDA is considered a discretely presented component unit of the State.

SDHDA administers the Housing Opportunity Program. This program provides funding for new construction or the purchase and rehabilitation of rental or homeownership housing, housing preservation, including home repair grants and grants to make homes more accessible to individuals with disabilities, homelessness prevention activities, and community land trusts. During fiscal year 2024, the following transactions occurred between SDHDA and the GOED:

- GOED received a \$1.0 million General Fund Appropriation for the Housing Opportunity Program.
- GOED received \$1.5 million from SDHDA for the Housing Opportunity Program.
- GOED distributed \$0.1 million from private activity bond fees to the Housing Opportunity Program.
- GOED received \$0.5 million in private activity bond fees from SDHDA.
- GOED disbursed \$2.6 million of Housing Opportunity Program funds to SDHDA.
- GOED disbursed \$7.8 million of State and Local Fiscal Recovery Funds to SDHDA.

**The South Dakota Science and Technology Authority** (SDSTA) was created to foster and facilitate scientific and technology, investigation, experimentation, and development by creating a mechanism through which laboratory, experimental, and development facilities may be acquired and operated. SDSTA is considered a discretely presented component unit of the State.

SDSTA received appropriations through Senate Bill 35 in fiscal year 2023 for the amount of \$13.0 million from the state General Fund for purposes of expanding laboratory space at the Sanford Underground Research Facility. As of June 30, 2024, the total amount expended was \$8.3 million.

*The following transactions occurred between discretely presented component units:*

**The South Dakota Ellsworth Development Authority** (SDEDA) was created for the purpose of protecting and promoting the economic impact of Ellsworth Air Force Base and associated industries, and to promote the health and safety of those living or working near the base. SDEDA is considered a discretely presented component unit of the State.

SDHDA has a note receivable of \$1.6 million from the SDEDA. The note receivable is based on funding through the Neighborhood Stabilization Program (NSP) which is a non-interest-bearing note that will be forgiven in 2033, if restrictive covenants related to providing low-income housing are maintained for the 20-year duration.

**The South Dakota State University Foundation** and the **University of South Dakota Foundation** have notes receivable of \$2.0 million each from SDSTA. The loan amounts are used for the purchase of xenon for future experiments. The loans will be repaid at the end of the experiment from the sale of the xenon previously purchased. SDSTA pays the Foundations interest quarterly at a rate of 2.5% per annum per year. The notes mature December 31, 2026.

**16. SUBSEQUENT EVENTS****Primary Government****South Dakota Conservancy District**

In August 2024, the South Dakota Conservancy District, a blended component unit of the State, issued State Revolving Fund Program Bonds totaling approximately \$180.0 million. Approximately \$120.0 million will be deposited into the Clean Water State Revolving Fund and \$60.0 million will be deposited into the Drinking Water State Revolving Fund.

**Department of Public Safety**

In August 2024, a Federal Disaster was declared due to severe storm and flooding incident from June 16 to July 8, 2024. The State of South Dakota has submitted to FEMA the total damage cost of approximately \$25.0 million. Approximately \$3.8 million will be state share.

**Component Units****South Dakota Housing Development Authority**

In September 2024, the South Dakota Housing Development Authority, a discretely presented component unit of the State, issued Homeownership Mortgage Bonds of \$250.0 million.

**South Dakota Building Authority**

In December 2024, South Dakota Building Authority, a blended component unit of Higher Education, approved a resolution to issue bonds in the amount of approximately \$5.1 million to partially finance the new nursing addition at the Black Hills State University – Rapid City Campus. The bond is expected to close in January 2025.

**17. CONTINGENCIES AND LITIGATION**

The State of South Dakota and its component units are defendants to various legal proceedings. Substantial litigation includes claims related to property damage. The State and its component units intend to vigorously defend against any of the plaintiffs' actions. The outcome of these lawsuits is not presently determinable. The plaintiffs are seeking damages of approximately \$30.0 million. If a liability exists, the State believes the damages will be significantly less than the amounts the Plaintiffs are seeking. Any damages awarded would be paid from the Extraordinary Litigation Fund which is reported as part of the State's General Fund. Based on prior experience, it is unlikely that the outcome of these claims will materially affect the financial position of the State.

## ***REQUIRED SUPPLEMENTARY INFORMATION***

**The *Required Supplementary Information* includes the Budgetary Reporting and Pension Information. The following individual schedules are included:**

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Budget-to-GAAP Reconciliation
- Notes to Required Supplementary Information – Budgetary Reporting
- Schedule of Proportionate Share of Net Pension Liability (Asset)
- Schedule of Contributions
- Notes to Required Supplementary Information – Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions

**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>RESOURCES (inflows) AVAILABLE FOR APPROPRIATION</b>				
<b>ONGOING RESOURCES</b>				
Sales and Use Tax	\$ 1,457,753	\$ 1,462,784	\$ 1,441,677	\$ (21,107)
Lottery	185,788	181,019	179,329	(1,690)
Contractor's Excise Tax	195,000	213,318	216,713	3,395
Insurance Company Tax	114,432	120,446	128,189	7,743
Unclaimed Property Receipts	57,185	125,856	133,618	7,762
Licenses, Permits, and Fees	76,869	76,422	75,762	(660)
Tobacco Taxes	46,560	44,237	43,462	(775)
Trust Funds	48,538	48,320	48,334	14
Net Transfers In	23,891	25,634	28,901	3,267
Alcohol Beverage Tax	9,273	9,050	8,970	(80)
Bank Franchise Tax	19,927	19,328	28,659	9,331
Charges for Goods and Services	15,273	13,224	14,263	1,039
Telecommunications Tax	2,047	2,237	2,116	(121)
Severance Taxes	8,171	10,279	10,933	654
Investment Income and Interest	20,334	49,186	49,319	133
Alcohol Beverage 2% Wholesale Tax	3,202	3,063	3,064	1
<b>TOTAL ONGOING</b>	<b>2,284,243</b>	<b>2,404,403</b>	<b>2,413,309</b>	<b>8,906</b>
<b>ONE-TIME RESOURCES</b>				
Unexpended Carryovers and Specials	0	13,250	14,910	1,660
Bank Franchise Tax Prior Year Revenue	0	0	1,443	1,443
One-Time Sales and Use Tax	0	0	12,320	12,320
Prior Year Carryover and Encumbered	53,955	53,955	53,955	0
<b>TOTAL ONE-TIME RESOURCES</b>	<b>53,955</b>	<b>67,205</b>	<b>82,628</b>	<b>15,423</b>
<b>TOTAL RESOURCES AVAILABLE FOR APPROPRIATION</b>	<b>\$ 2,338,198</b>	<b>\$ 2,471,608</b>	<b>\$ 2,495,937</b>	<b>\$ 24,329</b>
<b>CHARGES TO APPROPRIATIONS (outflows)</b>				
<b>OFFICE OF THE GOVERNOR</b>				
Personal Services	\$ 2,336	\$ 2,336	\$ 2,336	\$ 0
Operating Expenses	508	530	515	15
<b>TOTAL</b>	<b>2,844</b>	<b>2,866</b>	<b>2,851</b>	<b>15</b>
<b>GOVERNOR'S CONTINGENCY FUND</b>				
Personal Services	0	0	0	0
Operating Expenses	75	75	69	6
<b>TOTAL</b>	<b>75</b>	<b>75</b>	<b>69</b>	<b>6</b>
<b>GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT</b>				
Personal Services	3,185	3,185	3,057	128
Operating Expenses	72,405	72,451	12,270	60,181
<b>TOTAL</b>	<b>75,590</b>	<b>75,636</b>	<b>15,327</b>	<b>60,309</b>
<b>LOCAL INFRASTRUCTURE IMPROVEMENT</b>				
Personal Services	0	0	0	0
Operating Expenses	1,470	1,470	1,470	0
<b>TOTAL</b>	<b>1,470</b>	<b>1,470</b>	<b>1,470</b>	<b>0</b>
<b>SD HOUSING OPPORTUNITY</b>				
Personal Services	0	0	0	0
Operating Expenses	1,040	1,040	1,040	0
<b>TOTAL</b>	<b>1,040</b>	<b>1,040</b>	<b>1,040</b>	<b>0</b>
<b>WORKFORCE EDUCATION</b>				
Personal Services	0	0	0	0
Operating Expenses	490	490	490	0
<b>TOTAL</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>0</b>



**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>LIEUTENANT GOVERNOR</b>				
Personal Services	\$ 26	\$ 26	\$ 26	\$ 0
Operating Expenses	15	16	15	1
<b>TOTAL</b>	<b>41</b>	<b>42</b>	<b>41</b>	<b>1</b>
<b>BUREAU OF FINANCE AND MANAGEMENT</b>				
Personal Services	10,725	10,725	1,391	9,334
Operating Expenses	60,744	60,744	450	60,294
<b>TOTAL</b>	<b>71,469</b>	<b>71,469</b>	<b>1,841</b>	<b>69,628</b>
<b>ADMINISTRATIVE SERVICES, BUREAU OF ADMINISTRATION</b>				
Personal Services	0	0	0	0
Operating Expenses	1	1	1	0
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>CENTRAL SERVICES</b>				
Personal Services	249	249	249	0
Operating Expenses	239	244	231	13
<b>TOTAL</b>	<b>488</b>	<b>493</b>	<b>480</b>	<b>13</b>
<b>STATEWIDE MAINTENANCE AND REPAIR</b>				
Personal Services	0	0	0	0
Operating Expenses	32,925	32,925	18,604	14,321
<b>TOTAL</b>	<b>32,925</b>	<b>32,925</b>	<b>18,604</b>	<b>14,321</b>
<b>OFFICE OF HEARING EXAMINERS</b>				
Personal Services	370	379	379	0
Operating Expenses	87	84	84	0
<b>TOTAL</b>	<b>457</b>	<b>463</b>	<b>463</b>	<b>0</b>
<b>SOUTH DAKOTA PUBLIC BROADCASTING</b>				
Personal Services	3,864	3,864	3,864	0
Operating Expenses	1,678	1,718	1,716	2
<b>TOTAL</b>	<b>5,542</b>	<b>5,582</b>	<b>5,580</b>	<b>2</b>
<b>STATE RADIO ENGINEERING</b>				
Personal Services	1,171	1,171	1,139	32
Operating Expenses	5,426	5,691	5,678	13
<b>TOTAL</b>	<b>6,597</b>	<b>6,862</b>	<b>6,817</b>	<b>45</b>
<b>PERSONNEL MANAGEMENT AND EMPLOYEE BENEFITS</b>				
Personal Services	300	300	300	0
Operating Expenses	66	66	66	0
<b>TOTAL</b>	<b>366</b>	<b>366</b>	<b>366</b>	<b>0</b>
<b>DEPARTMENT TOTAL, EXECUTIVE MANAGEMENT</b>				
Personal Services	22,226	22,235	12,741	9,494
Operating Expenses	177,169	177,545	42,699	134,846
<b>TOTAL</b>	<b>199,395</b>	<b>199,780</b>	<b>55,440</b>	<b>144,340</b>
<b>SECRETARIAT</b>				
Personal Services	781	781	0	781
Operating Expenses	26,004	26,004	25,015	989
<b>TOTAL</b>	<b>26,785</b>	<b>26,785</b>	<b>25,015</b>	<b>1,770</b>
<b>MOTOR VEHICLES</b>				
Personal Services	0	0	0	0
Operating Expenses	16,667	16,667	8,333	8,334
<b>TOTAL</b>	<b>16,667</b>	<b>16,667</b>	<b>8,333</b>	<b>8,334</b>

**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>PROPERTY TAXES</b>				
Personal Services	\$ 844	\$ 856	\$ 803	\$ 53
Operating Expenses	1,057	1,520	983	537
<b>TOTAL</b>	<b>1,901</b>	<b>2,376</b>	<b>1,786</b>	<b>590</b>
<b>DEPARTMENT TOTAL, REVENUE</b>				
Personal Services	1,625	1,637	803	834
Operating Expenses	43,728	44,191	34,331	9,860
<b>TOTAL</b>	<b>45,353</b>	<b>45,828</b>	<b>35,134</b>	<b>10,694</b>
<b>ADMINISTRATION, SECRETARY OF AGRICULTURE &amp; NATURAL RESOURCES</b>				
Personal Services	1,174	1,174	1,174	0
Operating Expenses	840	863	863	0
<b>TOTAL</b>	<b>2,014</b>	<b>2,037</b>	<b>2,037</b>	<b>0</b>
<b>AGRICULTURAL AND ENVIRONMENTAL SERVICES</b>				
Personal Services	3,744	3,539	3,538	1
Operating Expenses	660	696	688	8
<b>TOTAL</b>	<b>4,404</b>	<b>4,235</b>	<b>4,226</b>	<b>9</b>
<b>RESOURCE CONSERVATION AND FORESTRY</b>				
Personal Services	2,270	1,944	1,518	426
Operating Expenses	3,901	4,244	1,732	2,512
<b>TOTAL</b>	<b>6,171</b>	<b>6,188</b>	<b>3,250</b>	<b>2,938</b>
<b>ANIMAL INDUSTRY BOARD</b>				
Personal Services	2,440	2,440	2,283	157
Operating Expenses	440	451	451	0
<b>TOTAL</b>	<b>2,880</b>	<b>2,891</b>	<b>2,734</b>	<b>157</b>
<b>STATE FAIR</b>				
Personal Services	0	0	0	0
Operating Expenses	1,298	5,300	1,300	4,000
<b>TOTAL</b>	<b>1,298</b>	<b>5,300</b>	<b>1,300</b>	<b>4,000</b>
<b>FINANCIAL AND TECHNICAL ASSISTANCE</b>				
Personal Services	2,039	1,886	1,886	0
Operating Expenses	928	1,099	1,099	0
<b>TOTAL</b>	<b>2,967</b>	<b>2,985</b>	<b>2,985</b>	<b>0</b>
<b>OFFICE OF WATER</b>				
Personal Services	1,544	1,749	1,748	1
Operating Expenses	356	388	388	0
<b>TOTAL</b>	<b>1,900</b>	<b>2,137</b>	<b>2,136</b>	<b>1</b>
<b>DEPARTMENT TOTAL, AGRICULTURE &amp; NATURAL RESOURCES</b>				
Personal Services	13,211	12,732	12,147	585
Operating Expenses	8,423	13,041	6,521	6,520
<b>TOTAL</b>	<b>21,634</b>	<b>25,773</b>	<b>18,668</b>	<b>7,105</b>
<b>ARTS</b>				
Personal Services	0	0	0	0
Operating Expenses	15	15	0	15
<b>TOTAL</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>
<b>DEPARTMENT TOTAL, TOURISM</b>				
Personal Services	0	0	0	0
Operating Expenses	15	15	0	15
<b>TOTAL</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>15</b>

**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>ADMINISTRATION, SECRETARY OF GAME, FISH, AND PARKS</b>				
Personal Services	\$ 190	\$ 190	\$ 189	\$ 1
Operating Expenses	4,239	6,235	1,654	4,581
<b>TOTAL</b>	<b>4,429</b>	<b>6,425</b>	<b>1,843</b>	<b>4,582</b>
<b>STATE PARKS AND RECREATION</b>				
Personal Services	3,849	3,849	3,849	0
Operating Expenses	2,455	2,455	2,454	1
<b>TOTAL</b>	<b>6,304</b>	<b>6,304</b>	<b>6,303</b>	<b>1</b>
<b>DEVELOPMENT AND IMPROVEMENT, PARKS AND RECREATION</b>				
Personal Services	0	0	0	0
Operating Expenses	665	665	665	0
<b>TOTAL</b>	<b>665</b>	<b>665</b>	<b>665</b>	<b>0</b>
<b>DEPARTMENT TOTAL, GAME, FISH, &amp; PARKS</b>				
Personal Services	4,039	4,039	4,038	1
Operating Expenses	7,359	9,355	4,773	4,582
<b>TOTAL</b>	<b>11,398</b>	<b>13,394</b>	<b>8,811</b>	<b>4,583</b>
<b>OFFICE OF TRIBAL RELATIONS</b>				
Personal Services	661	661	661	0
Operating Expenses	164	198	176	22
<b>TOTAL</b>	<b>825</b>	<b>859</b>	<b>837</b>	<b>22</b>
<b>DEPARTMENT TOTAL, TRIBAL RELATIONS</b>				
Personal Services	661	661	661	0
Operating Expenses	164	198	176	22
<b>TOTAL</b>	<b>825</b>	<b>859</b>	<b>837</b>	<b>22</b>
<b>ADMINISTRATION, SECRETARY OF SOCIAL SERVICES</b>				
Personal Services	7,228	7,228	7,228	0
Operating Expenses	7,162	7,374	7,374	0
<b>TOTAL</b>	<b>14,390</b>	<b>14,602</b>	<b>14,602</b>	<b>0</b>
<b>ECONOMIC ASSISTANCE</b>				
Personal Services	12,872	12,872	12,872	0
Operating Expenses	24,141	24,142	20,250	3,892
<b>TOTAL</b>	<b>37,013</b>	<b>37,014</b>	<b>33,122</b>	<b>3,892</b>
<b>MEDICAL SERVICES</b>				
Personal Services	3,017	3,017	2,309	708
Operating Expenses	378,096	302,766	269,233	33,533
<b>TOTAL</b>	<b>381,113</b>	<b>305,783</b>	<b>271,542</b>	<b>34,241</b>
<b>CHILDREN'S SERVICES</b>				
Personal Services	16,910	16,910	16,910	0
Operating Expenses	54,242	53,616	48,315	5,301
<b>TOTAL</b>	<b>71,152</b>	<b>70,526</b>	<b>65,225</b>	<b>5,301</b>
<b>BEHAVIORAL HEALTH</b>				
Personal Services	40,300	40,433	39,246	1,187
Operating Expenses	102,888	103,008	88,188	14,820
<b>TOTAL</b>	<b>143,188</b>	<b>143,441</b>	<b>127,434</b>	<b>16,007</b>
<b>DEPARTMENT TOTAL, SOCIAL SERVICES</b>				
Personal Services	80,327	80,460	78,565	1,895
Operating Expenses	566,529	490,906	433,360	57,546
<b>TOTAL</b>	<b>646,856</b>	<b>571,366</b>	<b>511,925</b>	<b>59,441</b>

**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>ADMINISTRATION, SECRETARY OF HEALTH</b>				
Personal Services	\$ 1,636	\$ 1,636	\$ 1,636	\$ 0
Operating Expenses	1,878	2,588	2,067	521
<b>TOTAL</b>	<b>3,514</b>	<b>4,224</b>	<b>3,703</b>	<b>521</b>
<b>LICENSURE AND ACCREDITATION</b>				
Personal Services	2,300	2,575	2,575	0
Operating Expenses	3,022	3,129	3,129	0
<b>TOTAL</b>	<b>5,322</b>	<b>5,704</b>	<b>5,704</b>	<b>0</b>
<b>FAMILY AND COMMUNITY HEALTH</b>				
Personal Services	3,208	3,008	2,952	56
Operating Expenses	5,600	5,548	3,715	1,833
<b>TOTAL</b>	<b>8,808</b>	<b>8,556</b>	<b>6,667</b>	<b>1,889</b>
<b>LABORATORY SERVICES</b>				
Personal Services	0	0	0	0
Operating Expenses	11,900	12,800	0	12,800
<b>TOTAL</b>	<b>11,900</b>	<b>12,800</b>	<b>0</b>	<b>12,800</b>
<b>EPIDEMIOLOGY, SURVEILLANCE AND INFORMATICS</b>				
Personal Services	223	223	223	0
Operating Expenses	187	188	188	0
<b>TOTAL</b>	<b>410</b>	<b>411</b>	<b>411</b>	<b>0</b>
<b>DEPARTMENT TOTAL, HEALTH</b>				
Personal Services	7,367	7,442	7,386	56
Operating Expenses	22,587	24,253	9,099	15,154
<b>TOTAL</b>	<b>29,954</b>	<b>31,695</b>	<b>16,485</b>	<b>15,210</b>
<b>ADMINISTRATION, SECRETARY OF LABOR</b>				
Personal Services	82	82	82	0
Operating Expenses	1,576	2,378	1,523	855
<b>TOTAL</b>	<b>1,658</b>	<b>2,460</b>	<b>1,605</b>	<b>855</b>
<b>REEMPLOYMENT ASSISTANCE</b>				
Personal Services	0	0	0	0
Operating Expenses	1,490	1,490	100	1,390
<b>TOTAL</b>	<b>1,490</b>	<b>1,490</b>	<b>100</b>	<b>1,390</b>
<b>JOB SERVICE</b>				
Personal Services	745	745	745	0
Operating Expenses	138	259	259	0
<b>TOTAL</b>	<b>883</b>	<b>1,004</b>	<b>1,004</b>	<b>0</b>
<b>STATE LABOR LAW ADMINISTRATION</b>				
Personal Services	822	822	822	0
Operating Expenses	114	115	115	0
<b>TOTAL</b>	<b>936</b>	<b>937</b>	<b>937</b>	<b>0</b>
<b>DEPARTMENT TOTAL, LABOR AND REGULATION</b>				
Personal Services	1,649	1,649	1,649	0
Operating Expenses	3,318	4,242	1,997	2,245
<b>TOTAL</b>	<b>4,967</b>	<b>5,891</b>	<b>3,646</b>	<b>2,245</b>
<b>GENERAL OPERATIONS</b>				
Personal Services	666	610	594	16
Operating Expenses	26	82	81	1
<b>TOTAL</b>	<b>692</b>	<b>692</b>	<b>675</b>	<b>17</b>

**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>CONSTRUCTION CONTRACTS - INFO</b>				
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0
Operating Expenses	6,250	16,250	6,250	10,000
<b>TOTAL</b>	<b>6,250</b>	<b>16,250</b>	<b>6,250</b>	<b>10,000</b>
<b>DEPARTMENT TOTAL, TRANSPORTATION</b>				
Personal Services	666	610	594	16
Operating Expenses	6,276	16,332	6,331	10,001
<b>TOTAL</b>	<b>6,942</b>	<b>16,942</b>	<b>6,925</b>	<b>10,017</b>
<b>ADMINISTRATION, SECRETARY OF EDUCATION</b>				
Personal Services	2,556	2,669	2,669	0
Operating Expenses	1,704	1,714	1,713	1
<b>TOTAL</b>	<b>4,260</b>	<b>4,383</b>	<b>4,382</b>	<b>1</b>
<b>STATE AID TO GENERAL EDUCATION</b>				
Personal Services	0	0	0	0
Operating Expenses	592,302	576,155	573,234	2,921
<b>TOTAL</b>	<b>592,302</b>	<b>576,155</b>	<b>573,234</b>	<b>2,921</b>
<b>STATE AID TO SPECIAL EDUCATION</b>				
Personal Services	0	0	0	0
Operating Expenses	84,434	85,358	85,358	0
<b>TOTAL</b>	<b>84,434</b>	<b>85,358</b>	<b>85,358</b>	<b>0</b>
<b>SPARSITY PAYMENTS</b>				
Personal Services	0	0	0	0
Operating Expenses	2,136	2,136	2,034	102
<b>TOTAL</b>	<b>2,136</b>	<b>2,136</b>	<b>2,034</b>	<b>102</b>
<b>NATIONAL BOARD CERTIFIED TEACHERS</b>				
Personal Services	0	0	0	0
Operating Expenses	88	88	42	46
<b>TOTAL</b>	<b>88</b>	<b>88</b>	<b>42</b>	<b>46</b>
<b>TECHNOLOGY IN SCHOOLS</b>				
Personal Services	0	0	0	0
Operating Expenses	13,707	13,795	13,757	38
<b>TOTAL</b>	<b>13,707</b>	<b>13,795</b>	<b>13,757</b>	<b>38</b>
<b>TECHNICAL COLLEGES</b>				
Personal Services	347	347	292	55
Operating Expenses	47,778	53,375	48,699	4,676
<b>TOTAL</b>	<b>48,125</b>	<b>53,722</b>	<b>48,991</b>	<b>4,731</b>
<b>EDUCATION RESOURCES</b>				
Personal Services	2,460	2,460	2,345	115
Operating Expenses	13,342	19,346	8,587	10,759
<b>TOTAL</b>	<b>15,802</b>	<b>21,806</b>	<b>10,932</b>	<b>10,874</b>
<b>HISTORY</b>				
Personal Services	1,917	1,917	1,917	0
Operating Expenses	9,952	9,957	6,275	3,682
<b>TOTAL</b>	<b>11,869</b>	<b>11,874</b>	<b>8,192</b>	<b>3,682</b>
<b>LIBRARY SERVICES</b>				
Personal Services	1,410	1,297	1,149	148
Operating Expenses	1,013	1,017	1,006	11
<b>TOTAL</b>	<b>2,423</b>	<b>2,314</b>	<b>2,155</b>	<b>159</b>

STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>DEPARTMENT TOTAL, EDUCATION</b>				
Personal Services	\$ 8,690	\$ 8,690	\$ 8,372	\$ 318
Operating Expenses	766,456	762,941	740,705	22,236
<b>TOTAL</b>	<b>775,146</b>	<b>771,631</b>	<b>749,077</b>	<b>22,554</b>
<b>ADMINISTRATION, SECRETARY OF PUBLIC SAFETY</b>				
Personal Services	500	500	500	0
Operating Expenses	827	839	839	0
<b>TOTAL</b>	<b>1,327</b>	<b>1,339</b>	<b>1,339</b>	<b>0</b>
<b>HIGHWAY PATROL</b>				
Personal Services	811	691	688	3
Operating Expenses	1,014	1,031	1,010	21
<b>TOTAL</b>	<b>1,825</b>	<b>1,722</b>	<b>1,698</b>	<b>24</b>
<b>EMERGENCY SERVICES</b>				
Personal Services	2,765	2,754	2,754	0
Operating Expenses	15,982	17,534	10,877	6,657
<b>TOTAL</b>	<b>18,747</b>	<b>20,288</b>	<b>13,631</b>	<b>6,657</b>
<b>EMERGENCY DISASTER</b>				
Personal Services	0	0	0	0
Operating Expenses	0	6,527	6,527	0
<b>TOTAL</b>	<b>0</b>	<b>6,527</b>	<b>6,527</b>	<b>0</b>
<b>CRIMINAL JUSTICE SERVICES</b>				
Personal Services	288	288	288	0
Operating Expenses	3,537	3,533	3,509	24
<b>TOTAL</b>	<b>3,825</b>	<b>3,821</b>	<b>3,797</b>	<b>24</b>
<b>DEPARTMENT TOTAL, PUBLIC SAFETY</b>				
Personal Services	4,364	4,233	4,230	3
Operating Expenses	21,360	29,464	22,762	6,702
<b>TOTAL</b>	<b>25,724</b>	<b>33,697</b>	<b>26,992</b>	<b>6,705</b>
<b>REGENTS CENTRAL OFFICE</b>				
Personal Services	5,740	8,029	5,747	2,282
Operating Expenses	68,414	86,153	66,585	19,568
<b>TOTAL</b>	<b>74,154</b>	<b>94,182</b>	<b>72,332</b>	<b>21,850</b>
<b>RESEARCH POOL</b>				
Personal Services	0	0	0	0
Operating Expenses	5,944	5,944	5,944	0
<b>TOTAL</b>	<b>5,944</b>	<b>5,944</b>	<b>5,944</b>	<b>0</b>
<b>SOUTH DAKOTA SCHOLARSHIPS</b>				
Personal Services	0	0	0	0
Operating Expenses	6,535	6,135	6,080	55
<b>TOTAL</b>	<b>6,535</b>	<b>6,135</b>	<b>6,080</b>	<b>55</b>
<b>UNIVERSITY OF SOUTH DAKOTA</b>				
Personal Services	45,608	46,554	46,554	0
Operating Expenses	19,700	18,879	7,874	11,005
<b>TOTAL</b>	<b>65,308</b>	<b>65,433</b>	<b>54,428</b>	<b>11,005</b>
<b>UNIVERSITY OF SOUTH DAKOTA LAW SCHOOL</b>				
Personal Services	2,276	2,289	2,289	0
Operating Expenses	206	206	206	0
<b>TOTAL</b>	<b>2,482</b>	<b>2,495</b>	<b>2,495</b>	<b>0</b>

**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>UNIVERSITY OF SOUTH DAKOTA SCHOOL OF MEDICINE</b>				
Personal Services	\$ 26,130	\$ 26,017	\$ 26,017	\$ 0
Operating Expenses	3,904	4,083	4,083	0
<b>TOTAL</b>	<b>30,034</b>	<b>30,100</b>	<b>30,100</b>	<b>0</b>
<b>SOUTH DAKOTA STATE UNIVERSITY</b>				
Personal Services	61,203	61,862	61,862	0
Operating Expenses	20,029	20,117	11,288	8,829
<b>TOTAL</b>	<b>81,232</b>	<b>81,979</b>	<b>73,150</b>	<b>8,829</b>
<b>SDSU EXTENSION</b>				
Personal Services	10,190	10,190	10,190	0
Operating Expenses	355	355	320	35
<b>TOTAL</b>	<b>10,545</b>	<b>10,545</b>	<b>10,510</b>	<b>35</b>
<b>AGRICULTURAL EXPERIMENT STATION</b>				
Personal Services	14,665	14,665	14,600	65
Operating Expenses	6,965	6,965	776	6,189
<b>TOTAL</b>	<b>21,630</b>	<b>21,630</b>	<b>15,376</b>	<b>6,254</b>
<b>SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY</b>				
Personal Services	22,677	22,601	22,601	0
Operating Expenses	16,061	15,958	15,780	178
<b>TOTAL</b>	<b>38,738</b>	<b>38,559</b>	<b>38,381</b>	<b>178</b>
<b>NORTHERN STATE UNIVERSITY</b>				
Personal Services	15,606	15,258	15,258	0
Operating Expenses	2,475	2,739	2,559	180
<b>TOTAL</b>	<b>18,081</b>	<b>17,997</b>	<b>17,817</b>	<b>180</b>
<b>NSU - STATEWIDE HIGH SCHOOL E-LEARNING</b>				
Personal Services	3,646	3,594	3,594	0
Operating Expenses	434	485	485	0
<b>TOTAL</b>	<b>4,080</b>	<b>4,079</b>	<b>4,079</b>	<b>0</b>
<b>BLACK HILLS STATE UNIVERSITY</b>				
Personal Services	13,978	14,061	14,061	0
Operating Expenses	2,652	2,566	2,161	405
<b>TOTAL</b>	<b>16,630</b>	<b>16,627</b>	<b>16,222</b>	<b>405</b>
<b>DAKOTA STATE UNIVERSITY</b>				
Personal Services	31,378	31,585	16,414	15,171
Operating Expenses	11,578	11,429	4,298	7,131
<b>TOTAL</b>	<b>42,956</b>	<b>43,014</b>	<b>20,712</b>	<b>22,302</b>
<b>SOUTH DAKOTA SCHOOL FOR THE DEAF</b>				
Personal Services	2,279	2,066	2,049	17
Operating Expenses	722	935	931	4
<b>TOTAL</b>	<b>3,001</b>	<b>3,001</b>	<b>2,980</b>	<b>21</b>
<b>SOUTH DAKOTA SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED</b>				
Personal Services	3,187	3,187	2,743	444
Operating Expenses	638	630	495	135
<b>TOTAL</b>	<b>3,825</b>	<b>3,817</b>	<b>3,238</b>	<b>579</b>
<b>DEPARTMENT TOTAL, BOARD OF REGENTS</b>				
Personal Services	258,563	261,958	243,979	17,979
Operating Expenses	166,612	183,579	129,865	53,714
<b>TOTAL</b>	<b>425,175</b>	<b>445,537</b>	<b>373,844</b>	<b>71,693</b>

**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>ADJUTANT GENERAL</b>				
Personal Services	\$ 582	\$ 532	\$ 532	\$ 0
Operating Expenses	269	326	226	100
<b>TOTAL</b>	<b>851</b>	<b>858</b>	<b>758</b>	<b>100</b>
<b>ARMY GUARD</b>				
Personal Services	545	545	538	7
Operating Expenses	10,596	10,556	7,113	3,443
<b>TOTAL</b>	<b>11,141</b>	<b>11,101</b>	<b>7,651</b>	<b>3,450</b>
<b>AIR GUARD</b>				
Personal Services	295	295	295	0
Operating Expenses	679	647	635	12
<b>TOTAL</b>	<b>974</b>	<b>942</b>	<b>930</b>	<b>12</b>
<b>DEPARTMENT TOTAL, MILITARY</b>				
Personal Services	1,422	1,372	1,365	7
Operating Expenses	11,544	11,529	7,974	3,555
<b>TOTAL</b>	<b>12,966</b>	<b>12,901</b>	<b>9,339</b>	<b>3,562</b>
<b>VETERANS' BENEFITS AND SERVICES</b>				
Personal Services	1,657	1,657	1,642	15
Operating Expenses	1,507	1,522	683	839
<b>TOTAL</b>	<b>3,164</b>	<b>3,179</b>	<b>2,325</b>	<b>854</b>
<b>STATE VETERANS' HOME</b>				
Personal Services	2,449	2,392	2,392	0
Operating Expenses	0	847	847	0
<b>TOTAL</b>	<b>2,449</b>	<b>3,239</b>	<b>3,239</b>	<b>0</b>
<b>STATE VETERANS' CEMETERY</b>				
Personal Services	92	92	92	0
Operating Expenses	74	77	75	2
<b>TOTAL</b>	<b>166</b>	<b>169</b>	<b>167</b>	<b>2</b>
<b>DEPARTMENT TOTAL, VETERANS' AFFAIRS</b>				
Personal Services	4,198	4,141	4,126	15
Operating Expenses	1,581	2,446	1,605	841
<b>TOTAL</b>	<b>5,779</b>	<b>6,587</b>	<b>5,731</b>	<b>856</b>
<b>ADMINISTRATION, CENTRAL OFFICE</b>				
Personal Services	3,344	3,344	3,344	0
Operating Expenses	2,149	2,237	2,236	1
<b>TOTAL</b>	<b>5,493</b>	<b>5,581</b>	<b>5,580</b>	<b>1</b>
<b>MIKE DURFEE STATE PRISON</b>				
Personal Services	18,899	18,899	18,899	0
Operating Expenses	8,599	11,054	10,959	95
<b>TOTAL</b>	<b>27,498</b>	<b>29,953</b>	<b>29,858</b>	<b>95</b>
<b>STATE PENITENTIARY</b>				
Personal Services	28,403	22,963	22,963	0
Operating Expenses	34,406	36,706	27,157	9,549
<b>TOTAL</b>	<b>62,809</b>	<b>59,669</b>	<b>50,120</b>	<b>9,549</b>
<b>WOMEN'S PRISON</b>				
Personal Services	6,731	6,274	6,274	0
Operating Expenses	6,627	18,016	12,244	5,772
<b>TOTAL</b>	<b>13,358</b>	<b>24,290</b>	<b>18,518</b>	<b>5,772</b>



STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>INMATE SERVICES</b>				
Personal Services	\$ 18,423	\$ 6,712	\$ 6,711	\$ 1
Operating Expenses	23,855	28,434	28,434	0
<b>TOTAL</b>	<b>42,278</b>	<b>35,146</b>	<b>35,145</b>	<b>1</b>
<b>PAROLE SERVICES</b>				
Personal Services	6,321	5,803	5,803	0
Operating Expenses	2,406	2,740	2,740	0
<b>TOTAL</b>	<b>8,727</b>	<b>8,543</b>	<b>8,543</b>	<b>0</b>
<b>JUVENILE COMMUNITY CORRECTIONS</b>				
Personal Services	2,190	1,950	1,950	0
Operating Expenses	9,823	10,332	10,332	0
<b>TOTAL</b>	<b>12,013</b>	<b>12,282</b>	<b>12,282</b>	<b>0</b>
<b>DEPARTMENT TOTAL, CORRECTIONS</b>				
Personal Services	84,311	65,945	65,944	1
Operating Expenses	87,865	109,519	94,102	15,417
<b>TOTAL</b>	<b>172,176</b>	<b>175,464</b>	<b>160,046</b>	<b>15,418</b>
<b>ADMINISTRATION, SECRETARY OF HUMAN SERVICES</b>				
Personal Services	1,249	1,284	1,279	5
Operating Expenses	379	657	641	16
<b>TOTAL</b>	<b>1,628</b>	<b>1,941</b>	<b>1,920</b>	<b>21</b>
<b>DEVELOPMENTAL DISABILITIES</b>				
Personal Services	1,150	1,188	1,177	11
Operating Expenses	115,438	106,842	106,055	787
<b>TOTAL</b>	<b>116,588</b>	<b>108,030</b>	<b>107,232</b>	<b>798</b>
<b>SOUTH DAKOTA DEVELOPMENTAL CENTER - REDFIELD</b>				
Personal Services	8,339	7,683	7,647	36
Operating Expenses	2,277	2,246	2,165	81
<b>TOTAL</b>	<b>10,616</b>	<b>9,929</b>	<b>9,812</b>	<b>117</b>
<b>LONG-TERM SERVICES AND SUPPORT</b>				
Personal Services	3,383	3,758	3,578	180
Operating Expenses	134,360	124,641	116,182	8,459
<b>TOTAL</b>	<b>137,743</b>	<b>128,399</b>	<b>119,760</b>	<b>8,639</b>
<b>REHABILITATION SERVICES</b>				
Personal Services	1,180	1,180	1,180	0
Operating Expenses	4,861	5,412	5,307	105
<b>TOTAL</b>	<b>6,041</b>	<b>6,592</b>	<b>6,487</b>	<b>105</b>
<b>SERVICES TO THE BLIND AND VISUALLY IMPAIRED</b>				
Personal Services	677	677	677	0
Operating Expenses	548	553	447	106
<b>TOTAL</b>	<b>1,225</b>	<b>1,230</b>	<b>1,124</b>	<b>106</b>
<b>DEPARTMENT TOTAL, HUMAN SERVICES</b>				
Personal Services	15,978	15,770	15,538	232
Operating Expenses	257,863	240,351	230,797	9,554
<b>TOTAL</b>	<b>273,841</b>	<b>256,121</b>	<b>246,335</b>	<b>9,786</b>
<b>ADMINISTRATION, PUBLIC UTILITIES COMMISSION</b>				
Personal Services	659	665	665	0
Operating Expenses	64	61	61	0
<b>TOTAL</b>	<b>723</b>	<b>726</b>	<b>726</b>	<b>0</b>

**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>DEPARTMENT TOTAL, PUBLIC UTILITIES COMMISSION</b>				
Personal Services	\$ 659	\$ 665	\$ 665	\$ 0
Operating Expenses	64	61	61	0
<b>TOTAL</b>	<b>723</b>	<b>726</b>	<b>726</b>	<b>0</b>
<b>UNIFIED JUDICIAL SYSTEM</b>				
Personal Services	54,611	54,767	53,330	1,437
Operating Expenses	6,603	6,603	6,545	58
<b>TOTAL</b>	<b>61,214</b>	<b>61,370</b>	<b>59,875</b>	<b>1,495</b>
<b>EQUAL ACCESS TO OUR COURTS</b>				
Personal Services	0	0	0	0
Operating Expenses	300	300	300	0
<b>TOTAL</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>0</b>
<b>INDIGENT LEGAL SERVICES</b>				
Personal Services	0	0	0	0
Operating Expenses	0	3,000	0	3,000
<b>TOTAL</b>	<b>0</b>	<b>3,000</b>	<b>0</b>	<b>3,000</b>
<b>DEPARTMENT TOTAL, UNIFIED JUDICIAL SYSTEM</b>				
Personal Services	54,611	54,767	53,330	1,437
Operating Expenses	6,903	9,903	6,845	3,058
<b>TOTAL</b>	<b>61,514</b>	<b>64,670</b>	<b>60,175</b>	<b>4,495</b>
<b>LEGISLATIVE OPERATIONS</b>				
Personal Services	0	0	0	0
Operating Expenses	0	0	0	0
Appropriation	8,969	8,976	8,959	17
<b>TOTAL</b>	<b>8,969</b>	<b>8,976</b>	<b>8,959</b>	<b>17</b>
<b>AUDITOR GENERAL</b>				
Personal Services	4,638	4,638	4,118	520
Operating Expenses	667	701	597	104
Appropriation	0	0	0	0
<b>TOTAL</b>	<b>5,305</b>	<b>5,339</b>	<b>4,715</b>	<b>624</b>
<b>DEPARTMENT TOTAL, LEGISLATIVE DEPARTMENT</b>				
Personal Services	4,638	4,638	4,118	520
Operating Expenses	667	701	597	104
Appropriation	8,969	8,976	8,959	17
<b>TOTAL</b>	<b>14,274</b>	<b>14,315</b>	<b>13,674</b>	<b>641</b>
<b>LEGAL SERVICES PROGRAM</b>				
Personal Services	6,082	6,082	6,082	0
Operating Expenses	970	8,005	1,005	7,000
<b>TOTAL</b>	<b>7,052</b>	<b>14,087</b>	<b>7,087</b>	<b>7,000</b>
<b>CRIMINAL INVESTIGATION</b>				
Personal Services	8,066	8,066	8,066	0
Operating Expenses	5,837	10,713	5,623	5,090
<b>TOTAL</b>	<b>13,903</b>	<b>18,779</b>	<b>13,689</b>	<b>5,090</b>
<b>LAW ENFORCEMENT TRAINING</b>				
Personal Services	0	0	0	0
Operating Expenses	273	726	682	44
<b>TOTAL</b>	<b>273</b>	<b>726</b>	<b>682</b>	<b>44</b>
<b>DEPARTMENT TOTAL, ATTORNEY GENERAL</b>				
Personal Services	14,148	14,148	14,148	0
Operating Expenses	7,080	19,444	7,310	12,134
<b>TOTAL</b>	<b>21,228</b>	<b>33,592</b>	<b>21,458</b>	<b>12,134</b>

**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>ADMINISTRATION OF SCHOOL AND PUBLIC LANDS</b>				
Personal Services	\$ 645	\$ 497	\$ 497	\$ 0
Operating Expenses	9,671	12,984	908	12,076
<b>TOTAL</b>	<b>10,316</b>	<b>13,481</b>	<b>1,405</b>	<b>12,076</b>
<b>DEPARTMENT TOTAL, SCHOOL AND PUBLIC LANDS</b>				
Personal Services	645	497	497	0
Operating Expenses	9,671	12,984	908	12,076
<b>TOTAL</b>	<b>10,316</b>	<b>13,481</b>	<b>1,405</b>	<b>12,076</b>
<b>SECRETARY OF STATE</b>				
Personal Services	862	862	761	101
Operating Expenses	956	1,008	647	361
<b>TOTAL</b>	<b>1,818</b>	<b>1,870</b>	<b>1,408</b>	<b>462</b>
<b>DEPARTMENT TOTAL, SECRETARY OF STATE</b>				
Personal Services	862	862	761	101
Operating Expenses	956	1,008	647	361
<b>TOTAL</b>	<b>1,818</b>	<b>1,870</b>	<b>1,408</b>	<b>462</b>
<b>TREASURY MANAGEMENT</b>				
Personal Services	508	508	485	23
Operating Expenses	582	590	292	298
<b>TOTAL</b>	<b>1,090</b>	<b>1,098</b>	<b>777</b>	<b>321</b>
<b>DEPARTMENT TOTAL, STATE TREASURER</b>				
Personal Services	508	508	485	23
Operating Expenses	582	590	292	298
<b>TOTAL</b>	<b>1,090</b>	<b>1,098</b>	<b>777</b>	<b>321</b>
<b>STATE AUDITOR</b>				
Personal Services	1,442	1,442	1,389	53
Operating Expenses	188	211	210	1
<b>TOTAL</b>	<b>1,630</b>	<b>1,653</b>	<b>1,599</b>	<b>54</b>
<b>DEPARTMENT TOTAL, STATE AUDITOR</b>				
Personal Services	1,442	1,442	1,389	53
Operating Expenses	188	211	210	1
<b>TOTAL</b>	<b>1,630</b>	<b>1,653</b>	<b>1,599</b>	<b>54</b>
<b>STATE TOTAL</b>				
Personal Services	586,810	571,101	537,531	33,570
Operating Expenses	2,174,960	2,164,809	1,783,967	380,842
Appropriation	8,969	8,976	8,959	17
<b>TOTAL CHARGES TO APPROPRIATION</b>	<b>\$ 2,770,739</b>	<b>\$ 2,744,886</b>	<b>\$ 2,330,457</b>	<b>\$ 414,429</b>
<b>NON-BUDGETED OUTFLOWS</b>				
Transfer to Budget Reserve Fund	\$ 0	\$ 0	\$ 25,167	\$ (25,167)
Transfer to General Revenue Replacement Fund	0	0	71,608	(71,608)
Non-budgeted Transfers Out	0	0	164,610	(164,610)
<b>TOTAL NON-BUDGETED OUTFLOWS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 261,385</b>	<b>\$ (261,385)</b>
<b>CHANGE IN BUDGETARY FUND BALANCE</b>	<b>\$ (432,541)</b>	<b>\$ (273,278)</b>	<b>\$ (95,905)</b>	<b>\$ 177,373</b>
<b>BUDGETARY FUND BALANCE JULY 1, 2023</b>	<b>518,857</b>	<b>518,857</b>	<b>518,857</b>	<b>0</b>
<b>BUDGETARY FUND BALANCE JUNE 30, 2024</b>	<b>\$ 86,316</b>	<b>\$ 245,579</b>	<b>\$ 422,952</b>	<b>\$ 177,373</b>

The notes to Required Supplementary Information are an integral part of this schedule.

**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<u>General Fund</u>
<b>Inflows of Resources:</b>	
<b>Actual amounts (budgetary basis) "Amounts Available for Appropriation" from the budgetary comparison schedule</b>	<b>\$ 2,495,937</b>
<b>Differences-budget to GAAP:</b>	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(141,459)
To adjust revenues for accruals and other year-end entries such as the recording tax receivables, shared revenue receipts, and reclassification of lottery revenues	(94,836)
To adjust revenues for statutorily created funds that do not qualify as special revenue funds	78,697
Prior year carryover and encumbered amounts are inflows of budgetary resources but are not revenues for financial reporting purposes	(53,955)
Unexpended carryovers, specials, and deferred maintenances are inflows of budgetary resources but are not revenues for financial reporting purposes	(14,910)
Sales of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	(135)
Insurance proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes	(6)
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds</b>	<b><u>\$ 2,269,333</u></b>

	<u>General Fund</u>
<b>Uses/Outflows of Resources:</b>	
<b>Actual amounts (budgetary basis) "Total Charges to Appropriations" from the budgetary comparison schedule</b>	<b>\$ 2,330,457</b>
<b>Differences-budget to GAAP:</b>	
Encumbrances for supplies, equipment ordered but not yet received and for uncompleted contracts are reported in the year first encumbered for budgetary purposes, but expenditures are reported in the year the related expenditure is incurred for financial reporting purposes.	(97,804)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(17,782)
To adjust expenditures/expenses for accruals and other year-end entries such as the recording of food stamps and shared revenue distribution	26,761
To adjust expenditures/expenses for statutorily created funds that do not qualify as special revenue funds	91,324
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds</b>	<b><u>\$ 2,332,956</u></b>

The notes to Required Supplementary Information are an integral part of this schedule.

## ***Required Supplementary Information***

### ***Notes to Required Supplementary Information - Budgetary Reporting***

A Budgetary Comparison Schedule is presented for the General Fund and all major special revenue funds that have a legally adopted annual budget. The only fund that meets these criteria is the General Fund. The remainder of the State's budget is adopted on a program level, which does not correlate to specific funds.

The Budgetary Comparison Schedule is comprised of three sections: 1) Resources Available for Appropriation (Resources), 2) Charges to Appropriations and 3) Non-Budgeted Outflows. The first section presents comparisons of the legally adopted original estimated resources, the revised adopted estimated resources, and actual amounts for each category of resources in the General Fund on a budgetary basis. The originally adopted estimated resources are defined as the estimated resources for the next fiscal year as referenced in SDCL 4-7-10(2), as adopted by the Legislature. The prior year carryover and encumbered amount is adopted before the current fiscal year and is carried over to subsequent years based on the expiration date. The revised adopted estimated resources are defined as the estimated resources in the current fiscal year as referenced in SDCL 4-7-10(2). The actual amounts are comprised of actual collections as of the close of the fiscal year.

The second section presents comparisons of the original charges to the appropriations budget and legally revised final charges to the appropriations budget, with actual amounts for each program in the General Fund on a budgetary basis. The Budgetary Comparison Schedule follows the same format, terminology, and classification as the State's General Appropriations Act (General Bill). Also included is a column that compares the variance between the final budget and actual amounts. A positive variance refers to unused budget, while a negative variance refers to an over-expended budget. For the year ended June 30, 2024, there were no over-expenditures by any State department.

The original appropriations budget is defined as the first complete appropriated budget, adjusted by reserves, transfers, allocations, supplemental appropriations, reorganizations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. Any such transaction that is authorized as legislative or executive change before the beginning of the fiscal year is included in the original budget, regardless of the effective date of the document loaded on the accounting system. The amount appropriated for employee compensation in the General Bill is reported as distributed to the departments and programs. Any of these adjustments may change the format, terminology, or classification of a Budgetary Comparison Schedule. The original budget also includes any actual appropriation amounts carried forward by law from prior years, including special appropriations, maintenance and repair, and carryovers. The final budget is defined as the original budget, adjusted by all reserves, transfers, allocations, supplemental appropriations, reorganizations, and other legally authorized legislative and executive changes after the beginning of the fiscal year. The actual amounts do not include multiyear appropriation amounts that roll forward for a set number of years and are not encumbered. This can result in a large variance between the final budget and actual amounts.

The third section presents non-budgeted outflows which account for items that are outflows but not charges to appropriations. An example of a non-budgeted outflow includes statutorily required year-end transfers to the Budget Reserve.

The Budgetary Comparison Schedule reports amounts on a budgetary basis. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Since the budget is prepared principally on a cash basis, the Budgetary Comparison Schedule includes information presented on this basis for the fiscal year. A reconciliation of the two methods for the fiscal year ended June 30, 2024, has also been included as Required Supplementary Information.

**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
SOUTH DAKOTA RETIREMENT SYSTEM  
July 1, 2022 to June 30, 2023 Measurement Date  
Last Ten Fiscal Years  
(Dollars Expressed in Thousands)**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
State's proportion of net pension liability (asset)	20.6044%	20.5610%	20.4454%	20.6484%	20.7313%	21.0494%	21.5782%	22.2682%	22.4498%	22.0688%
State's proportionate share of the net pension liability (asset)	\$ (2,012)	\$ (1,945)	\$ (156,577)	\$ (898)	\$ (2,195)	\$ (489)	\$ (1,958)	\$ 75,220	\$ (95,216)	\$ (158,996)
State's covered payroll	\$ 498,296	\$ 461,360	\$ 436,935	\$ 426,298	\$ 413,938	\$ 409,773	\$ 410,337	\$ 395,647	\$ 389,949	\$ 367,417
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(0.40%)	(0.42%)	(35.84%)	(0.21%)	(0.53%)	(0.12%)	(0.48%)	19.01%	(24.42%)	(43.27%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.07%	100.07%	105.52%	100.04%	100.08%	100.02%	100.10%	96.90%	104.10%	107.29%

The notes to Required Supplementary Information are an integral part of this schedule.

**STATE OF SOUTH DAKOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
SOUTH DAKOTA RETIREMENT SYSTEM  
June 30, 2024  
Last Ten Fiscal Years  
(Dollars Expressed in Thousands)**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 36,289	\$ 31,875	\$ 29,452	\$ 27,834	\$ 27,199	\$ 26,441	\$ 26,231	\$ 26,313	\$ 25,406	\$ 24,588
Contributions in relation to the contractually required contribution	(36,289)	(31,875)	(29,452)	(27,834)	(27,199)	(26,441)	(26,231)	(26,313)	(25,406)	(24,588)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
State's covered payroll	\$ 568,867	\$ 498,296	\$ 461,360	\$ 436,935	\$ 426,298	\$ 413,938	\$ 409,773	\$ 410,337	\$ 395,647	\$ 389,949
Contributions as a percentage of covered payroll	6.38%	6.40%	6.38%	6.37%	6.38%	6.39%	6.40%	6.41%	6.42%	6.31%

The notes to Required Supplementary Information are an integral part of this schedule.

***Required Supplementary Information***  
***Notes to Required Supplementary Information – Schedule of***  
***Proportionate Share of Net Pension Liability (Asset) and***  
***Schedule of Contributions***

**Changes from Prior Valuation:**

The June 30, 2023 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2022 Actuarial Valuation as described below.

**Benefit Provision Changes:**

During the 2023 Legislative Session no significant SDRS benefit changes were made and emergency medical services personnel prospectively became Class B Public Safety Members.

**Actuarial Assumption Changes:**

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0 percent and no greater than 3.5 percent. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25 percent) is less than 100 percent, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100 percent.

As of June 30, 2022, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25 percent) was less than 100 percent and the July 2023 SDRS COLA was limited to a restricted maximum of 2.10 percent. For the June 30, 2022 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA assumption of 2.10 percent.

As of June 30, 2023, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25 percent is again less than 100 percent and the July 2024 SDRS COLA is limited to a restricted maximum of 1.91 percent. The July 2024 SDRS COLA will equal inflation, between 0 and 1.91 percent. For this June 30, 2023 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.91 percent.

The changes in the actuarial assumption for future COLAs decreased the Actuarial Accrued Liability by \$277 million, or 1.9 percent of the Actuarial Accrued Liability based on the 2.10 percent prior COLA assumption.

Actuarial assumptions are reviewed for reasonability annually and reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2027 Actuarial Valuation and any recommended changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2027 Actuarial Valuation.

**Actuarial Method Changes:**

No changes in actuarial methods were made since the prior valuation.





## ***COMBINING FINANCIAL STATEMENTS***

**The *Combining Financial Statements* include the Nonmajor Governmental Funds, Nonmajor Enterprise Funds, Internal Service Funds, Fiduciary Funds, Component Units, and Nonmajor Component Units. The following individual statements are included:**

- Combining Balance Sheet – Nonmajor Governmental Funds – By Type
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – By Type
- Combining Balance Sheet – Nonmajor Special Revenue Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds
- Combining Balance Sheet – Nonmajor Debt Service Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds
- Combining Statement of Net Position – Nonmajor Enterprise Funds
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds
- Combining Statement of Cash Flows – Nonmajor Enterprise Funds
- Combining Statement of Net Position – Internal Service Funds
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds
- Combining Statement of Cash Flows – Internal Service Funds
- Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds
- Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds
- Combining Statement of Fiduciary Net Position – Custodial Funds
- Combining Statement of Changes in Fiduciary Net Position – Custodial Funds
- Combining Statement of Net Position – Component Units
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Component Units
- Statement of Cash Flows – Higher Education
- Combining Statement of Fiduciary Net Position – Higher Education
- Combining Statement of Changes in Fiduciary Net Position – Higher Education
- Combining Statement of Net Position – Nonmajor Component Units
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Component Units

**STATE OF SOUTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - BY TYPE  
June 30, 2024  
(Expressed in Thousands)**

<b>Assets</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Permanent</b>	<b>Total</b>
Cash and Cash Equivalents	\$ 481,747	\$ 1,785	\$ 58	\$ 483,590
Restricted Cash		1		1
Investments	223,201	15,332	77,607	316,140
Restricted Investments		12,182		12,182
Restricted Other Assets		7,697		7,697
Receivables from:				
Taxes, net	2,666			2,666
Interest and Dividends	2,701	10	51	2,762
Other Funds	9,532			9,532
Component Units	23			23
Other Governments	127,832	90		127,922
Loans and Notes, net	59,795		353	60,148
Other, net	72,670	10,468		83,138
Inventory	4,621			4,621
Advances to Component Units	3,072			3,072
Other Assets	1,736	10		1,746
<b>Total Assets</b>	<b>\$ 989,596</b>	<b>\$ 47,575</b>	<b>\$ 78,069</b>	<b>\$ 1,115,240</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable and Other Liabilities	\$ 67,910	\$ 13	\$	\$ 67,923
Payable to:				
Other Funds	51,709		3,624	55,333
Component Units	591			591
Other Governments	70,488			70,488
Claims, Judgments, and Compensated Absences	122			122
Unearned Revenue	16,389			16,389
<b>Total Liabilities</b>	<b>207,209</b>	<b>13</b>	<b>3,624</b>	<b>210,846</b>
<b>Deferred Inflows of Resources:</b>				
Related to Leases	1,464			1,464
Unavailable Revenue	64,186	10,468		74,654
<b>Total Deferred Inflows of Resources</b>	<b>65,650</b>	<b>10,468</b>	<b>0</b>	<b>76,118</b>
<b>Fund Balances:</b>				
Nonspendable	141,283	10	75,716	217,009
Restricted	509,355	37,084		546,439
Committed	64,120			64,120
Assigned	15,340			15,340
Unassigned	(13,361)		(1,271)	(14,632)
<b>Total Fund Balances</b>	<b>716,737</b>	<b>37,094</b>	<b>74,445</b>	<b>828,276</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 989,596</b>	<b>\$ 47,575</b>	<b>\$ 78,069</b>	<b>\$ 1,115,240</b>

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - BY TYPE  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Permanent</u>	<u>Total</u>
<b>Revenue:</b>				
Taxes	\$ 127,908	\$	\$	\$ 127,908
Licenses, Permits, and Fees	329,961	5,873		335,834
Fines, Forfeits, and Penalties	38,485			38,485
Use of Money and Property	39,568	1,863	6,124	47,555
Sales and Services	23,823			23,823
Administering Programs	858,747			858,747
Tobacco Settlement		21,119		21,119
Other Revenue	16,544			16,544
<b>Total Revenue</b>	<b>1,435,036</b>	<b>28,855</b>	<b>6,124</b>	<b>1,470,015</b>
<b>Expenditures:</b>				
Current:				
General Government	44,591	171	2,903	47,665
Education	218,015			218,015
Health, Human, and Social Services	492,283			492,283
Law, Justice, Public Protection, and Regulation	177,285			177,285
Agriculture and Natural Resources	169,288			169,288
Economic Resources	25,710			25,710
Transportation	3,164			3,164
State Shared Revenue Paid to Other Governments	185,202			185,202
Debt Service:				
Principal	3,927	18,683		22,610
Interest	1,230	5,871		7,101
<b>Total Expenditures</b>	<b>1,320,695</b>	<b>24,725</b>	<b>2,903</b>	<b>1,348,323</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>114,341</b>	<b>4,130</b>	<b>3,221</b>	<b>121,692</b>
<b>Other Financing Sources (Uses):</b>				
Lease Issuance	1,249			1,249
Subscriptions	195			195
Proceeds from Sale of Capital Assets	400			400
Transfers In	44,247	8,268		52,515
Transfers Out	(112,349)	(10,402)	(521)	(123,272)
<b>Total Other Financing Sources (Uses)</b>	<b>(66,258)</b>	<b>(2,134)</b>	<b>(521)</b>	<b>(68,913)</b>
<b>Net Change in Fund Balances</b>	<b>48,083</b>	<b>1,996</b>	<b>2,700</b>	<b>52,779</b>
Fund Balances at Beginning of Year	668,654	35,098	71,745	775,497
<b>Fund Balances at End of Year</b>	<b>\$ 716,737</b>	<b>\$ 37,094</b>	<b>\$ 74,445</b>	<b>\$ 828,276</b>

STATE OF SOUTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2024  
(Expressed in Thousands)

	Education Federal	Human Services	Labor	Health Federal	Governor's Office and State Development Federal
<b>Assets</b>					
Cash and Cash Equivalents	\$	\$	\$ 4,093	\$ 1,040	\$ 4,327
Investments					
Receivables from:					
Taxes, net					
Interest and Dividends		1	3		9
Other Funds		621	175	173	
Component Units					
Other Governments	31,719	36,113	1,702	4,331	652
Loans and Notes, net					5,657
Other, net					11
Inventory	524	133	28	3,716	
Advances to Component Units					
Other Assets	464	71		65	7
<b>Total Assets</b>	<b>\$ 32,707</b>	<b>\$ 36,939</b>	<b>\$ 6,001</b>	<b>\$ 9,325</b>	<b>\$ 10,663</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable and Other Liabilities	\$ 4,332	\$ 31,987	\$ 1,750	\$ 2,870	\$ 75
Payable to:					
Other Funds	735	2,215	277	424	33
Component Units	19	3		64	
Other Governments	25,787	367	45	322	548
Claims, Judgments, and Compensated Absences	6	1	13	15	
Unearned Revenue	1,364		14	1,849	
<b>Total Liabilities</b>	<b>32,243</b>	<b>34,573</b>	<b>2,099</b>	<b>5,544</b>	<b>656</b>
<b>Deferred Inflows of Resources:</b>					
Related to Leases					
Unavailable Revenue					
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>					
Nonspendable	464	204	28	3,781	7
Restricted			2,986		10,000
Committed					
Assigned		2,162	888		
Unassigned					
<b>Total Fund Balances</b>	<b>464</b>	<b>2,366</b>	<b>3,902</b>	<b>3,781</b>	<b>10,007</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 32,707</b>	<b>\$ 36,939</b>	<b>\$ 6,001</b>	<b>\$ 9,325</b>	<b>\$ 10,663</b>

<b>Public Safety Emergency Management</b>	<b>Natural Resources Federal</b>	<b>Game, Fish, and Parks Federal</b>	<b>Game and Fish</b>	<b>Parks and Recreation</b>	<b>Securities and Insurance</b>	<b>Health</b>	<b>Gaming Commission</b>
\$	\$	\$	\$ 13,397	\$ 3,487	\$ 651	\$ 4,815	\$ 6,856
							1,097
			37	19	62		12
3,883		60	24	86		146	
	22					1	
5,700	4,164	3,116		221		66	
7,982							
84			832	825		9,399	
						178	
14						63	
<b>\$ 17,663</b>	<b>\$ 4,186</b>	<b>\$ 3,176</b>	<b>\$ 14,290</b>	<b>\$ 4,638</b>	<b>\$ 713</b>	<b>\$ 14,668</b>	<b>\$ 7,965</b>
\$ 1,473	\$ 1,453	\$ 1,572	\$ 3,678	\$ 3,656	\$ 229	\$ 371	\$ 75
10,750	2,221	345	1,771	3,146	33	22	1,065
	94	138	97	20			
3,871	418	122	15	39		29	560
7			36	5			
48		999					5,423
<b>16,149</b>	<b>4,186</b>	<b>3,176</b>	<b>5,597</b>	<b>6,866</b>	<b>262</b>	<b>422</b>	<b>7,123</b>
						7,534	
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,534</b>	<b>0</b>
14						241	
			8,693	4,348		5,243	
					442		842
1,500					9	1,228	
				(6,576)			
<b>1,514</b>	<b>0</b>	<b>0</b>	<b>8,693</b>	<b>(2,228)</b>	<b>451</b>	<b>6,712</b>	<b>842</b>
<b>\$ 17,663</b>	<b>\$ 4,186</b>	<b>\$ 3,176</b>	<b>\$ 14,290</b>	<b>\$ 4,638</b>	<b>\$ 713</b>	<b>\$ 14,668</b>	<b>\$ 7,965</b>

Continued on next page

STATE OF SOUTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (continued)  
June 30, 2024  
(Expressed in Thousands)

<u>Assets</u>	<u>Motor Vehicle</u>	<u>Revenue</u>	<u>Future</u>	<u>Vocational Education</u>	<u>Petroleum Release Compensation</u>
Cash and Cash Equivalents	\$ 25,655	\$ 2,370	\$ 82,400	\$ 217	\$ 6,493
Investments					
Receivables from:					
Taxes, net					268
Interest and Dividends	108	12	477		37
Other Funds	36	79	4		
Component Units					
Other Governments	14,934	426			
Loans and Notes, net					
Other, net	109	139			
Inventory					
Advances to Component Units					
Other Assets					
<b>Total Assets</b>	<b><u>\$ 40,842</u></b>	<b><u>\$ 3,026</u></b>	<b><u>\$ 82,881</u></b>	<b><u>\$ 217</u></b>	<b><u>\$ 6,798</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable and Other Liabilities	\$ 1,013	\$ 838	\$ 3	\$	\$ 61
Payable to:					
Other Funds	1,884	333	118		3
Component Units					
Other Governments	31,009				
Claims, Judgments, and Compensated Absences	7				
Unearned Revenue					
<b>Total Liabilities</b>	<b><u>33,913</u></b>	<b><u>1,171</u></b>	<b><u>121</u></b>	<b><u>0</u></b>	<b><u>64</u></b>
<b>Deferred Inflows of Resources:</b>					
Related to Leases					
Unavailable Revenue					
<b>Total Deferred Inflows of Resources</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Fund Balances:</b>					
Nonspendable					
Restricted			82,760		
Committed	6,929	2,835			6,734
Assigned				217	
Unassigned		(980)			
<b>Total Fund Balances</b>	<b><u>6,929</u></b>	<b><u>1,855</u></b>	<b><u>82,760</u></b>	<b><u>217</u></b>	<b><u>6,734</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 40,842</u></b>	<b><u>\$ 3,026</u></b>	<b><u>\$ 82,881</u></b>	<b><u>\$ 217</u></b>	<b><u>\$ 6,798</u></b>

<b>Maintenance and Repair</b>	<b>Water and Environment</b>	<b>Energy Conservation</b>	<b>Military Federal</b>	<b>Health Care Trust</b>	<b>Railroad Trust</b>	<b>Other</b>	<b>Total</b>
\$ 2,009	\$ 36,788	\$ 9,060	\$	\$ 2,412 221,457	\$ 63,200	\$ 212,477 1,744	\$ 481,747 223,201
	868	24				409	2,666
8	212	100		215	468	921	2,701
1,249	966					2,030	9,532
	129		9,837			14,722	127,832
	16,464	2,096			23,547	4,049	59,795
					27	61,244	72,670
						42	4,621
		3,072					3,072
						1,052	1,736
<b>\$ 3,266</b>	<b>\$ 55,427</b>	<b>\$ 14,352</b>	<b>\$ 9,837</b>	<b>\$ 224,084</b>	<b>\$ 87,242</b>	<b>\$ 298,690</b>	<b>\$ 989,596</b>
\$ 499	\$ 734	\$ 2	\$ 2,468	\$	\$	\$ 8,771	\$ 67,910
129			6,560	7,926		11,719	51,709
					35	121	591
	937		761			5,658	70,488
			6			26	122
						6,692	16,389
<b>628</b>	<b>1,671</b>	<b>2</b>	<b>9,795</b>	<b>7,926</b>	<b>35</b>	<b>32,987</b>	<b>207,209</b>
<b>0</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>58,088</b>	<b>65,650</b>
						1,464	1,464
	28					56,624	64,186
	<b>28</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>58,088</b>	<b>65,650</b>
				135,631		913	141,283
	53,728	13,302		80,527	86,820	160,948	509,355
331		1,048			387	44,572	64,120
2,307			42			6,987	15,340
						(5,805)	(13,361)
<b>2,638</b>	<b>53,728</b>	<b>14,350</b>	<b>42</b>	<b>216,158</b>	<b>87,207</b>	<b>207,615</b>	<b>716,737</b>
<b>\$ 3,266</b>	<b>\$ 55,427</b>	<b>\$ 14,352</b>	<b>\$ 9,837</b>	<b>\$ 224,084</b>	<b>\$ 87,242</b>	<b>\$ 298,690</b>	<b>\$ 989,596</b>

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<b>Education Federal</b>	<b>Human Services</b>	<b>Labor</b>	<b>Health Federal</b>	<b>Governor's Office and State Development Federal</b>
<b>Revenue:</b>					
Taxes	\$	\$	\$ 570	\$	\$
Licenses, Permits, and Fees		146	1,021		
Fines, Forfeits, and Penalties			10	607	
Use of Money and Property		35	24		150
Sales and Services	2	2,102	13		32
Administering Programs	214,356	355,500	24,016	69,350	7,380
Other Revenue	20	100	28	5	155
<b>Total Revenue</b>	<b>214,378</b>	<b>357,883</b>	<b>25,682</b>	<b>69,962</b>	<b>7,717</b>
<b>Expenditures:</b>					
General Government					
Education	213,904				
Health, Human, and Social Services		356,708	28,599	70,402	
Law, Justice, Public Protection, and Regulation			146		
Agriculture and Natural Resources					
Economic Resources					7,481
Transportation					
State Shared Revenue Paid to Other Governments					
Debt Service:					
Principal	64	815	992	289	
Interest	5	230	217	33	
<b>Total Expenditures</b>	<b>213,973</b>	<b>357,753</b>	<b>29,954</b>	<b>70,724</b>	<b>7,481</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>405</b>	<b>130</b>	<b>(4,272)</b>	<b>(762)</b>	<b>236</b>
<b>Other Financing Sources (Uses):</b>					
Lease Issuance	42	458	65		
Subscriptions		159			
Proceeds from Sale of Capital Assets					
Transfers In	15	819	3,034	818	
Transfers Out	(54)	(1,245)	(47)		
<b>Total Other Financing Sources (Uses)</b>	<b>3</b>	<b>191</b>	<b>3,052</b>	<b>818</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>408</b>	<b>321</b>	<b>(1,220)</b>	<b>56</b>	<b>236</b>
Fund Balances at Beginning of Year	56	2,045	5,122	3,725	9,771
<b>Fund Balances at End of Year</b>	<b>\$ 464</b>	<b>\$ 2,366</b>	<b>\$ 3,902</b>	<b>\$ 3,781</b>	<b>\$ 10,007</b>



<b>Public Safety Emergency Management</b>	<b>Natural Resources Federal</b>	<b>Game, Fish, and Parks Federal</b>	<b>Game and Fish</b>	<b>Parks and Recreation</b>	<b>Securities and Insurance</b>	<b>Health</b>	<b>Gaming Commission</b>
\$	\$	\$	\$	\$	\$	\$	\$
			36,947	2,383 25,796	27,263 37,541 331	3,775	13,210 5,629 6
95		296	238	3,990	549		107
			115	1		913	
59,610	14,181	24,412	7	516			
288		5	1,349	269		8,324	
<b>59,993</b>	<b>14,181</b>	<b>24,713</b>	<b>38,656</b>	<b>32,955</b>	<b>65,684</b>	<b>13,012</b>	<b>18,952</b>
						10,299	
65,053					4,013		1,796
	14,261	23,421	45,663	32,705			
							8,763
52	44		17		96	307	
5	4		2		27	294	
<b>65,110</b>	<b>14,309</b>	<b>23,421</b>	<b>45,682</b>	<b>32,705</b>	<b>4,136</b>	<b>10,900</b>	<b>10,559</b>
(5,117)	(128)	1,292	(7,026)	250	61,548	2,112	8,393
57	5		14				
			139	122			
4,276	124		15,856	2,782		128	
		(1,292)	(498)	(3,845)	(61,286)	(1,026)	(8,205)
<b>4,333</b>	<b>129</b>	<b>(1,292)</b>	<b>15,511</b>	<b>(941)</b>	<b>(61,286)</b>	<b>(898)</b>	<b>(8,205)</b>
(784)	1	0	8,485	(691)	262	1,214	188
2,298	(1)		208	(1,537)	189	5,498	654
<b>\$ 1,514</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 8,693</b>	<b>\$ (2,228)</b>	<b>\$ 451</b>	<b>\$ 6,712</b>	<b>\$ 842</b>

Continued on next page

**STATE OF SOUTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS (continued)**

**For the Fiscal Year Ended June 30, 2024**

**(Expressed in Thousands)**

	<u>Motor Vehicle</u>	<u>Revenue</u>	<u>Future</u>	<u>Vocational Education</u>	<u>Petroleum Release Compensation</u>
<b>Revenue:</b>					
Taxes	\$ 4,123	\$ 14,825	\$ 24,574	\$	\$ 3,077
Licenses, Permits, and Fees	157,290	4,907			
Fines, Forfeits, and Penalties	2				
Use of Money and Property	711	138	3,950		325
Sales and Services	1,644				
Administering Programs					
Other Revenue	47		1		
<b>Total Revenue</b>	<u>163,817</u>	<u>19,870</u>	<u>28,525</u>	<u>0</u>	<u>3,402</u>
<b>Expenditures:</b>					
General Government	9,732	19,337			
Education					
Health, Human, and Social Services					
Law, Justice, Public Protection, and Regulation	11,357				
Agriculture and Natural Resources					1,006
Economic Resources			15,888		
Transportation					
State Shared Revenue Paid to					
Other Governments	142,942				
Debt Service:					
Principal	249	212			
Interest	92	76			
<b>Total Expenditures</b>	<u>164,372</u>	<u>19,625</u>	<u>15,888</u>	<u>0</u>	<u>1,006</u>
<b>Excess of Revenue Over (Under)</b>					
<b>Expenditures</b>	<b>(555)</b>	<b>245</b>	<b>12,637</b>	<b>0</b>	<b>2,396</b>
<b>Other Financing Sources (Uses):</b>					
Lease Issuance	464				
Subscriptions					
Proceeds from Sale of Capital Assets	1				
Transfers In	1,033				
Transfers Out	(2,030)		(14,685)		(2,181)
<b>Total Other Financing Sources (Uses)</b>	<u>(532)</u>	<u>0</u>	<u>(14,685)</u>	<u>0</u>	<u>(2,181)</u>
<b>Net Change in Fund Balances</b>	<b>(1,087)</b>	<b>245</b>	<b>(2,048)</b>	<b>0</b>	<b>215</b>
Fund Balances at Beginning of Year	8,016	1,610	84,808	217	6,519
<b>Fund Balances at End of Year</b>	<u><u>\$ 6,929</u></u>	<u><u>\$ 1,855</u></u>	<u><u>\$ 82,760</u></u>	<u><u>\$ 217</u></u>	<u><u>\$ 6,734</u></u>

<b>Maintenance and Repair</b>	<b>Water and Environment</b>	<b>Energy Conservation</b>	<b>Military Federal</b>	<b>Health Care Trust</b>	<b>Railroad Trust</b>	<b>Other</b>	<b>Total</b>
\$	\$ 10,056	\$ 271	\$	\$	\$	\$ 27,556	\$ 127,908
	1,976				272	54,661	329,961
						37,529	38,485
84	1,923	868	37	15,189	2,802	8,057	39,568
1,101					23	17,877	23,823
			36,799			52,620	858,747
2					50	5,901	16,544
<b>1,187</b>	<b>13,955</b>	<b>1,139</b>	<b>36,836</b>	<b>15,189</b>	<b>3,147</b>	<b>204,201</b>	<b>1,435,036</b>
4,607				711		10,204	44,591
						4,111	218,015
						26,275	492,283
			36,760			58,160	177,285
	9,237					42,995	169,288
		41				2,300	25,710
					434	2,730	3,164
						33,497	185,202
				51		739	3,927
				24		221	1,230
<b>4,607</b>	<b>9,237</b>	<b>41</b>	<b>36,835</b>	<b>711</b>	<b>434</b>	<b>181,232</b>	<b>1,320,695</b>
(3,420)	4,718	1,098	1	14,478	2,713	22,969	114,341
						144	1,249
						36	195
						138	400
1,521	2,406				6,250	5,185	44,247
	(572)	(47)	(1)	(7,926)		(7,409)	(112,349)
<b>1,521</b>	<b>1,834</b>	<b>(47)</b>	<b>(1)</b>	<b>(7,926)</b>	<b>6,250</b>	<b>(1,906)</b>	<b>(66,258)</b>
(1,899)	6,552	1,051	0	6,552	8,963	21,063	48,083
4,537	47,176	13,299	42	209,606	78,244	186,552	668,654
<b>\$ 2,638</b>	<b>\$ 53,728</b>	<b>\$ 14,350</b>	<b>\$ 42</b>	<b>\$ 216,158</b>	<b>\$ 87,207</b>	<b>\$ 207,615</b>	<b>\$ 716,737</b>

**STATE OF SOUTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
June 30, 2024  
(Expressed in Thousands)**

<b>Assets</b>	<b>Vocational Educational Facilities</b>	<b>Building Authority</b>	<b>Tobacco Securitization</b>	<b>Total</b>
Cash and Cash Equivalents	\$ 1,580	\$ 15	\$ 190	\$ 1,785
Restricted Cash			1	1
Investments	14,429		903	15,332
Restricted Investments			12,182	12,182
Restricted Other Assets	7,654		43	7,697
Receivables from:				
Interest and Dividends	6		4	10
Due from Other Governments	90			90
Other, net			10,468	10,468
Other Assets			10	10
<b>Total Assets</b>	<b>\$ 23,759</b>	<b>\$ 15</b>	<b>\$ 23,801</b>	<b>\$ 47,575</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable and Other Liabilities	\$	\$	\$ 13	\$ 13
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>13</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue			10,468	10,468
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>10,468</b>	<b>10,468</b>
<b>Fund Balances:</b>				
Nonspendable			10	10
Restricted	23,759	15	13,310	37,084
<b>Total Fund Balances</b>	<b>23,759</b>	<b>15</b>	<b>13,320</b>	<b>37,094</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 23,759</b>	<b>\$ 15</b>	<b>\$ 23,801</b>	<b>\$ 47,575</b>

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<b>Vocational Educational Facilities</b>	<b>Building Authority</b>	<b>Tobacco Securitization</b>	<b>Total</b>
<b>Revenue:</b>				
Use of Money and Property	\$ 1,124	\$	\$ 739	\$ 1,863
Tobacco Settlement			21,119	21,119
Licenses, Permits, and Fees	5,873			5,873
<b>Total Revenue</b>	<b>6,997</b>	<b>0</b>	<b>21,858</b>	<b>28,855</b>
<b>Expenditures:</b>				
Current:				
General Government	51		120	171
Debt Service:				
Principal	3,479	4,219	10,985	18,683
Interest	3,267	2,213	391	5,871
<b>Total Expenditures</b>	<b>6,797</b>	<b>6,432</b>	<b>11,496</b>	<b>24,725</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>200</b>	<b>(6,432)</b>	<b>10,362</b>	<b>4,130</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,821	6,447		8,268
Transfers Out		(39)	(10,363)	(10,402)
<b>Total Other Financing Sources (Uses)</b>	<b>1,821</b>	<b>6,408</b>	<b>(10,363)</b>	<b>(2,134)</b>
<b>Net Change in Fund Balances</b>	<b>2,021</b>	<b>(24)</b>	<b>(1)</b>	<b>1,996</b>
Fund Balances at Beginning of Year	21,738	39	13,321	35,098
<b>Fund Balances at End of Year</b>	<b>\$ 23,759</b>	<b>\$ 15</b>	<b>\$ 13,320</b>	<b>\$ 37,094</b>

STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
June 30, 2024  
(Expressed in Thousands)

Assets	Revolving Economic Development and Initiative	Unemployment Insurance	Second Injury	State Fair	Federal Surplus Property
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 102,027	\$ 212,360	\$ 360	\$ 1,047	\$ 478
Receivables:					
Interest and Dividends	583		3	1	3
Other Funds		73			
Component Units					
Other Governments		87			89
Loans, Notes, and Leases, net	6,474				
Other, net	14	5,155			34
Inventory					268
Other Assets					
<b>Total Current Assets</b>	<b>109,098</b>	<b>217,675</b>	<b>363</b>	<b>1,048</b>	<b>872</b>
Assets Held for Resale	321				
Restricted Assets:					
Net Pension Asset	1			2	2
<b>Capital Assets:</b>					
Land and Other Non-depreciable Assets				192	103
Property, Plant, and Equipment				35,477	559
Right-to-use Leased Assets					
Right-to-use Subscription IT Assets	32				
Accumulated Depreciation and Amortization	(30)			(3,101)	(531)
Construction in Progress				2	
<b>Total Capital Assets</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>32,570</b>	<b>131</b>
Other Noncurrent Assets	28,899	3,517			
<b>Total Assets</b>	<b>138,321</b>	<b>221,192</b>	<b>363</b>	<b>33,620</b>	<b>1,005</b>
<b>Deferred Outflows of Resources</b>					
Related to Pensions	62		3	174	140
<b>Total Deferred Outflows of Resources</b>	<b>62</b>	<b>0</b>	<b>3</b>	<b>174</b>	<b>140</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable and Other Liabilities	37	357	23	351	55
Payable to:					
Other Funds	4	89		25	5
Other Governments		55		5	
Bonds, Notes, Leases, and Subscription IT Payable					
Claims, Judgments, and Compensated Absences	13		2	46	68
Accrued Interest Payable					
Unearned Revenue		115		933	
<b>Total Current Liabilities</b>	<b>54</b>	<b>616</b>	<b>25</b>	<b>1,360</b>	<b>128</b>
<b>Noncurrent Liabilities:</b>					
Bonds, Notes, Leases, and Subscription IT Payable					
Claims, Judgments, and Compensated Absences	11		1	39	57
<b>Total Noncurrent Liabilities</b>	<b>11</b>	<b>0</b>	<b>1</b>	<b>39</b>	<b>57</b>
<b>Total Liabilities</b>	<b>65</b>	<b>616</b>	<b>26</b>	<b>1,399</b>	<b>185</b>
<b>Deferred Inflows of Resources</b>					
Related to Pensions	36		2	98	81
Related to Leases					
<b>Total Deferred Inflows of Resources</b>	<b>36</b>	<b>0</b>	<b>2</b>	<b>98</b>	<b>81</b>
<b>Net Position</b>					
Net Investment in Capital Assets	2			32,569	130
Restricted for:					
Disaster Relief Fund	10,667				
Pensions	27		1	78	61
Other	1,675				
Unrestricted	125,911	220,576	337	(350)	688
<b>Total Net Position</b>	<b>\$ 138,282</b>	<b>\$ 220,576</b>	<b>\$ 338</b>	<b>\$ 32,297</b>	<b>\$ 879</b>

<u>Rural Rehabilitation</u>	<u>Prison Industries</u>	<u>S.D. Trust Company Captive Insurance Co.</u>	<u>Professional and Licensing</u>	<u>Banking and Insurance</u>	<u>Other</u>	<u>Total</u>
\$ 6,558	\$ 529	\$ 2,131	\$ 15,380	\$ 13,517	\$ 3,315	\$ 357,702
37	5	14	92	71	18	827
	203		6		3	285
	121					121
					37	213
534					111	7,119
	72				4	5,279
	1,051				101	1,420
					154	154
<u>7,129</u>	<u>1,981</u>	<u>2,145</u>	<u>15,478</u>	<u>13,588</u>	<u>3,743</u>	<u>373,120</u>
						321
	4		15	11	5	40
						295
18	2,058		47		1,043	39,202
			723	680	160	1,563
			1,268			1,300
(17)	(1,491)		(841)	(290)	(989)	(7,290)
						2
<u>1</u>	<u>567</u>	<u>0</u>	<u>1,197</u>	<u>390</u>	<u>214</u>	<u>35,072</u>
2,431						833
<u>9,561</u>	<u>2,552</u>	<u>2,145</u>	<u>16,690</u>	<u>13,989</u>	<u>4,795</u>	<u>444,233</u>
1	290		1,303	997	426	3,396
<u>1</u>	<u>290</u>	<u>0</u>	<u>1,303</u>	<u>997</u>	<u>426</u>	<u>3,396</u>
	141	12	562	5,278	385	7,201
1	33		109	25	23	314
						60
			532	129	26	687
	58		341	310	130	968
			5	1	1	7
			842			1,890
<u>1</u>	<u>232</u>	<u>12</u>	<u>2,391</u>	<u>5,743</u>	<u>565</u>	<u>11,127</u>
	49		333	274	85	692
<u>0</u>	<u>49</u>	<u>0</u>	<u>286</u>	<u>260</u>	<u>109</u>	<u>812</u>
<u>1</u>	<u>281</u>	<u>12</u>	<u>619</u>	<u>534</u>	<u>194</u>	<u>1,504</u>
	180		755	573	247	1,972
<u>0</u>	<u>180</u>	<u>0</u>	<u>755</u>	<u>573</u>	<u>893</u>	<u>893</u>
	567		332	(13)	105	33,693
						10,667
1	114		563	435	184	1,464
						1,675
9,559	1,700	2,133	13,333	7,714	3,033	384,634
<u>\$ 9,561</u>	<u>\$ 2,381</u>	<u>\$ 2,133</u>	<u>\$ 14,228</u>	<u>\$ 8,136</u>	<u>\$ 3,322</u>	<u>\$ 432,133</u>

STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	Revolving Economic Development and Initiative	Unemployment Insurance	Second Injury	State Fair	Federal Surplus Property
<b>Operating Revenue:</b>					
Licenses, Permits, and Fees	\$	\$	\$	\$ 1,519	\$
Use of Money and Property	732			502	
Sales and Services				958	1,564
Administering Programs		1,284		25	
Assessments		25,926			
Other Revenue	58			3,015	1
<b>Total Operating Revenue</b>	<b>790</b>	<b>27,210</b>	<b>0</b>	<b>6,019</b>	<b>1,565</b>
<b>Operating Expenses:</b>					
Personal Services and Benefits	327		16	1,705	646
Travel	7			8	6
Contractual Services	309			1,085	483
Supplies and Materials	1			313	638
Other				97	
Interest					
Provision for Loan Loss (Recovery)	(481)				
Depreciation and Amortization				463	9
Insurance Claims		31,834	428		
<b>Total Operating Expenses</b>	<b>163</b>	<b>31,834</b>	<b>444</b>	<b>3,671</b>	<b>1,782</b>
<b>Operating Income (Loss)</b>	<b>627</b>	<b>(4,624)</b>	<b>(444)</b>	<b>2,348</b>	<b>(217)</b>
<b>Nonoperating Revenue (Expenses):</b>					
Gain on Disposal of Assets				19	
Loss on Disposal of Assets					
Investment Income	4,902	6,737	33	25	24
Other Expense	(34)				
Grant and Other Income					
<b>Total Nonoperating Revenue (Expenses)</b>	<b>4,868</b>	<b>6,737</b>	<b>33</b>	<b>44</b>	<b>24</b>
<b>Income (Loss) Before Transfers</b>	<b>5,495</b>	<b>2,113</b>	<b>(411)</b>	<b>2,392</b>	<b>(193)</b>
<b>Transfers:</b>					
Transfers In					
Transfers Out		(1,007)	(1)		
<b>Net Transfers</b>	<b>0</b>	<b>(1,007)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>
<b>Change in Net Position</b>	<b>5,495</b>	<b>1,106</b>	<b>(412)</b>	<b>2,392</b>	<b>(193)</b>
Net Position at Beginning of Year, as previously reported	132,787	219,470	750	29,905	1,072
Net Position, restatement					
Net Position at Beginning of Year, as restated	132,787	219,470	750	29,905	1,072
<b>Net Position at End of Year</b>	<b>\$ 138,282</b>	<b>\$ 220,576</b>	<b>\$ 338</b>	<b>\$ 32,297</b>	<b>\$ 879</b>



Rural Rehabilitation	Prison Industries	S.D. Trust Company Captive Insurance Co.	Professional and Licensing	Banking and Insurance	Other	Total
\$ 113	\$ 5,708	\$ 51	\$ 9,353	\$ 5,387	\$ 1,791	\$ 18,050
			426	612	1,094	1,347
			67			10,413
						1,376
						25,926
			676	216	35	4,001
<b>113</b>	<b>5,708</b>	<b>51</b>	<b>10,522</b>	<b>6,215</b>	<b>2,920</b>	<b>61,113</b>
16	961		5,920	4,420	2,333	16,344
	8		528	174	242	973
3	358	32	5,030	2,220	854	10,374
	3,993		294	94	305	5,638
			1			98
					6	6
192						(289)
	127		552	130	74	1,355
						32,262
<b>211</b>	<b>5,447</b>	<b>32</b>	<b>12,325</b>	<b>7,038</b>	<b>3,814</b>	<b>66,761</b>
<b>(98)</b>	<b>261</b>	<b>19</b>	<b>(1,803)</b>	<b>(823)</b>	<b>(894)</b>	<b>(5,648)</b>
						19
	(87)		(2)			(89)
316	43	76	809	614	180	13,759
(1)			(58)	(21)	(1)	(115)
135						135
<b>450</b>	<b>(44)</b>	<b>76</b>	<b>749</b>	<b>593</b>	<b>179</b>	<b>13,709</b>
<b>352</b>	<b>217</b>	<b>95</b>	<b>(1,054)</b>	<b>(230)</b>	<b>(715)</b>	<b>8,061</b>
					104	104
	(558)		(167)	(205)	(1)	(1,939)
<b>0</b>	<b>(558)</b>	<b>0</b>	<b>(167)</b>	<b>(205)</b>	<b>103</b>	<b>(1,835)</b>
<b>352</b>	<b>(341)</b>	<b>95</b>	<b>(1,221)</b>	<b>(435)</b>	<b>(612)</b>	<b>6,226</b>
9,209	2,722	2,038	15,449	8,571	8,556	430,529
					(4,622)	(4,622)
9,209	2,722	2,038	15,449	8,571	3,934	425,907
<b>\$ 9,561</b>	<b>\$ 2,381</b>	<b>\$ 2,133</b>	<b>\$ 14,228</b>	<b>\$ 8,136</b>	<b>\$ 3,322</b>	<b>\$ 432,133</b>

STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	Revolving Economic Development and Initiative	Unemployment Insurance	Second Injury	State Fair	Federal Surplus Property
<b>Cash Flows from Operating Activities:</b>					
Receipts from Customers and Users	\$ 58	\$ 32,231	\$	\$ 3,347	\$ 1,166
Receipts from Interfund Services Provided					96
Receipts from Federal Agencies		919			160
Receipts from Loan Payments	11,227				
Payments to Suppliers and for Benefits and Claims	(317)	(31,524)	(405)	(1,124)	(944)
Payments for Employee Services	(310)		(16)	(1,659)	(637)
Payments for Interfund Services Used				(297)	(93)
Payments for Loans Originated	(3,469)				
Other Receipts (Payments)				3,015	64
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>7,189</b>	<b>1,626</b>	<b>(421)</b>	<b>3,282</b>	<b>(188)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Purchases of Capital Assets				(5,690)	
Sale or Disposition of Capital Assets				22	
Payments for Right-to-use Leased Assets					
Payments for Right-to-use Subscription IT Assets	(15)				
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(15)</b>	<b>0</b>	<b>0</b>	<b>(5,668)</b>	<b>0</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In					
Transfers Out		(1,023)	(1)		
Subsidies Provided to Others	(7)				
Other Noncapital Financing Activities		(11)			
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(7)</b>	<b>(1,034)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>
<b>Cash Flows from Investing Activities:</b>					
Investment Income	5,026	6,735	37	32	24
Investment Expense	(19)				
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>5,007</b>	<b>6,735</b>	<b>37</b>	<b>32</b>	<b>24</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year</b>	<b>12,174</b>	<b>7,327</b>	<b>(385)</b>	<b>(2,354)</b>	<b>(164)</b>
Cash and Cash Equivalents at Beginning of Year	89,853	205,033	745	3,401	642
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 102,027</b>	<b>\$ 212,360</b>	<b>\$ 360</b>	<b>\$ 1,047</b>	<b>\$ 478</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ 627	\$ (4,624)	\$ (444)	\$ 2,348	\$ (217)
Adjustments to Reconcile Operating Income (Loss):					
Depreciation and Amortization Expense				461	9
Bad Debt Expense					
Decrease (Increase) in Assets:					
Accounts Receivable	23	6,332			(8)
Bonds, Notes, and Leases Receivable	6,523				
Due From Other Funds		(27)			
Due From Component Units					
Due From Other Governments		(365)			(74)
Inventory					89
Other Assets					
Restricted Net Pension Asset					
Decrease (Increase) in Deferred Outflows of Resources:					
Deferred Outflows - Related to Pensions	36			6	24
Increase (Decrease) in Liabilities:					
Accounts Payable	1		23	(54)	3
Accrued Liabilities	(2)			188	
Compensated Absences Payable	6			13	4
Due To Other Funds				(18)	
Due To Other Governments				1	
Unearned Revenue				343	(1)
Policy Claim Liabilities		310			
Other Liabilities					
Increase (Decrease) in Deferred Inflows of Resources:					
Deferred Inflows - Related to Pensions	(25)			(6)	(17)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 7,189</b>	<b>\$ 1,626</b>	<b>\$ (421)</b>	<b>\$ 3,282</b>	<b>\$ (188)</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>					
Gain (Loss) on Disposal of Capital Assets	\$	\$	\$	\$ 19	\$
Right-to-use Lease Obligations Entered Into					
Transfers In (Out) of Capital Assets					

Rural Rehabilitation	Prison Industries	S.D. Trust Company Captive Insurance Co.	Professional and Licensing	Banking and Insurance	Other	Total
\$ 116	\$ 908	\$ 217	\$ 9,422	\$ 5,999	\$ 2,658	\$ 56,122
	4,981		256		202	5,535
						1,079
	(4,245)	(191)	(5,354)	(1,134)	(1,036)	(46,274)
(17)	(963)	(7)	(5,967)	(4,321)	(2,240)	(16,137)
(3)	(107)		(1,195)	(273)	(225)	(2,193)
			676	216	35	4,006
<u>96</u>	<u>574</u>	<u>19</u>	<u>(2,162)</u>	<u>487</u>	<u>(606)</u>	<u>9,896</u>
	(42)					(5,732)
			(138)	(143)	(49)	22
			(441)			(330)
<u>0</u>	<u>(42)</u>	<u>0</u>	<u>(579)</u>	<u>(143)</u>	<u>(49)</u>	<u>(6,496)</u>
					104	104
	(558)		(167)	(205)	(20)	(1,974)
						(7)
161					17	167
<u>161</u>	<u>(558)</u>	<u>0</u>	<u>(167)</u>	<u>(205)</u>	<u>101</u>	<u>(1,710)</u>
334	43	68	828	623	153	13,903
(1)			(4)	(2)	(1)	(27)
<u>333</u>	<u>43</u>	<u>68</u>	<u>824</u>	<u>621</u>	<u>152</u>	<u>13,876</u>
590	17	87	(2,084)	760	(402)	15,566
5,968	512	2,044	17,464	12,757	3,717	342,136
<u>\$ 6,558</u>	<u>\$ 529</u>	<u>\$ 2,131</u>	<u>\$ 15,380</u>	<u>\$ 13,517</u>	<u>\$ 3,315</u>	<u>\$ 357,702</u>
\$ (98)	\$ 261	\$ 19	\$ (1,803)	\$ (823)	\$ (894)	\$ (5,648)
192	127		552	130	74	1,353
						192
	4				(1)	6,350
3						6,526
	389				(2)	360
	(86)					(86)
	76				36	(403)
	12		9		(70)	95
			(1)	(1)	106	127
						(2)
(1)	27		58	56	35	241
	(200)		148	1,077	5	1,003
	(19)		(973)	27	20	(759)
	(6)		45	57	50	169
	(2)		6	3	13	2
						1
	(5)		(168)			169
						310
					48	48
	(4)		(35)	(39)	(26)	(152)
<u>\$ 96</u>	<u>\$ 574</u>	<u>\$ 19</u>	<u>\$ (2,162)</u>	<u>\$ 487</u>	<u>\$ (606)</u>	<u>\$ 9,896</u>
\$	\$ (87)	\$	\$ (2)	\$	\$	\$ (70)
	(86)			215	65	280
						(86)

STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
June 30, 2024  
(Expressed in Thousands)

Assets	Self- Insurance	Information Services	Tele- communi- cations	Accounting and Payroll	Buildings and Grounds	Central Mail
<b>Current Assets:</b>						
Cash and Cash Equivalents	\$ 39,667	\$ 5,472	\$ 637	\$ 6,544	\$ 410	\$ 395
Receivables:						
Interest and Dividends	268			36		3
Other Funds		2,976	2,735	2,481	1,813	243
Component Units		5	131	101		
Other Governments						
Other, net	7,713	3	21	1		3
Inventory						384
Other Assets	100	1,379	791	1,228		5
<b>Total Current Assets</b>	<b>47,748</b>	<b>9,835</b>	<b>4,315</b>	<b>10,391</b>	<b>2,223</b>	<b>1,033</b>
Restricted Assets:						
Net Pension Asset	3	61	21	6	12	1
<b>Capital Assets:</b>						
Property, Plant, and Equipment		10,589	5,590	12,145	1,610	380
Right-to-use Leased Assets		442	962		1,777	776
Right-to-use Subscription IT Assets		1,571	9,730	2,092		
Accumulated Depreciation and Amortization		(10,337)	(4,681)	(12,955)	(1,443)	(408)
Construction in Progress		5		1,482		
<b>Total Capital Assets</b>	<b>0</b>	<b>2,270</b>	<b>11,601</b>	<b>2,764</b>	<b>1,944</b>	<b>748</b>
<b>Total Assets</b>	<b>47,751</b>	<b>12,166</b>	<b>15,937</b>	<b>13,161</b>	<b>4,179</b>	<b>1,782</b>
<b>Deferred Outflows of Resources</b>						
Related to Pensions	246	5,301	1,832	524	1,046	104
<b>Total Deferred Outflows of Resources</b>	<b>246</b>	<b>5,301</b>	<b>1,832</b>	<b>524</b>	<b>1,046</b>	<b>104</b>
<b>Liabilities</b>						
<b>Current Liabilities:</b>						
Accounts Payable and Other Liabilities	2,355	1,999	1,084	1,018	453	37
Payable to:						
Other Funds	19	163	299	152	72	9
Component Units						
Bonds, Notes, Leases, and Subscription IT Payable		410	2,924	684	55	45
Claims, Judgments, and Compensated Absences	18,567	1,656	758	201	265	45
Accrued Interest Payable		25	6	25	8	3
Unearned Revenue	1	108	643			
<b>Total Current Liabilities</b>	<b>20,942</b>	<b>4,361</b>	<b>5,714</b>	<b>2,080</b>	<b>853</b>	<b>139</b>
<b>Noncurrent Liabilities:</b>						
Bonds, Notes, Leases, and Subscription IT Payable		510	7,503		1,657	665
Claims, Judgments, and Compensated Absences	46	1,387	633	168	222	38
Other Noncurrent Liabilities		65				
<b>Total Noncurrent Liabilities</b>	<b>111</b>	<b>1,897</b>	<b>8,136</b>	<b>168</b>	<b>1,879</b>	<b>703</b>
<b>Total Liabilities</b>	<b>21,053</b>	<b>6,258</b>	<b>13,850</b>	<b>2,248</b>	<b>2,732</b>	<b>842</b>
<b>Deferred Inflows of Resources</b>						
Related to Pensions	146	3,035	1,038	291	606	60
<b>Total Deferred Inflows of Resources</b>	<b>146</b>	<b>3,035</b>	<b>1,038</b>	<b>291</b>	<b>606</b>	<b>60</b>
<b>Net Position</b>						
Net Investment in Capital Assets		1,349	1,174	2,081	232	38
Restricted for Pensions	103	2,327	815	239	452	45
Unrestricted	26,695	4,498	892	8,826	1,203	901
<b>Total Net Position</b>	<b>\$ 26,798</b>	<b>\$ 8,174</b>	<b>\$ 2,881</b>	<b>\$ 11,146</b>	<b>\$ 1,887</b>	<b>\$ 984</b>

Digital Dakota Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation	Other	Total
\$ 436	\$ 11,151	\$	\$ 1,352	\$ 9,191	\$ 6,916	\$ 82,171
3	58		6	53	37	464
124		1,175	233		812	12,592
212	2	271			61	783
					200	200
	17	1		11	70	7,840
					546	930
117		31	7	200	104	3,962
<b>892</b>	<b>11,228</b>	<b>1,478</b>	<b>1,598</b>	<b>9,455</b>	<b>8,746</b>	<b>108,942</b>
1	2	2	12	1	19	141
1,712		70,707	378		10,241	113,352
			94		1,756	5,807
					143	13,536
(1,702)		(47,227)	(378)		(3,359)	(82,490)
		125				1,612
<b>10</b>	<b>0</b>	<b>23,605</b>	<b>94</b>	<b>0</b>	<b>8,781</b>	<b>51,817</b>
<b>903</b>	<b>11,230</b>	<b>25,085</b>	<b>1,704</b>	<b>9,456</b>	<b>17,546</b>	<b>160,900</b>
116	178	145	1,035	78	1,682	12,287
<b>116</b>	<b>178</b>	<b>145</b>	<b>1,035</b>	<b>78</b>	<b>1,682</b>	<b>12,287</b>
27	113	1,007	294	66	789	9,242
14	17	1,195	68	4	319	2,331
		32				32
		3,665	2		135	7,920
16	1,465	40	351	4,489	617	28,470
					11	78
					14	766
<b>57</b>	<b>1,595</b>	<b>5,939</b>	<b>715</b>	<b>4,559</b>	<b>1,885</b>	<b>48,839</b>
		9,862	88		1,620	21,905
12	3,454	34	281	31,451	499	38,225
						65
<b>12</b>	<b>3,454</b>	<b>9,896</b>	<b>369</b>	<b>31,451</b>	<b>2,119</b>	<b>60,195</b>
<b>69</b>	<b>5,049</b>	<b>15,835</b>	<b>1,084</b>	<b>36,010</b>	<b>4,004</b>	<b>109,034</b>
67	99	82	598	48	960	7,030
<b>67</b>	<b>99</b>	<b>82</b>	<b>598</b>	<b>48</b>	<b>960</b>	<b>7,030</b>
10		10,078	4		7,026	21,992
50	81	65	449	31	741	5,398
823	6,179	(830)	604	(26,555)	6,497	29,733
<b>\$ 883</b>	<b>\$ 6,260</b>	<b>\$ 9,313</b>	<b>\$ 1,057</b>	<b>\$ (26,524)</b>	<b>\$ 14,264</b>	<b>\$ 57,123</b>

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<u>Self- Insurance</u>	<u>Information Services</u>	<u>Tele- communi- cations</u>	<u>Accounting and Payroll</u>	<u>Buildings and Grounds</u>	<u>Central Mail</u>
<b>Operating Revenue:</b>						
Use of Money and Property	\$	\$	\$	\$	\$	\$
Sales and Services	175,873	36,845	24,748	7,235	8,797	3,428
Other Revenue	9,098	2	42	17	2	1
<b>Total Operating Revenue</b>	<b>184,971</b>	<b>36,847</b>	<b>24,790</b>	<b>7,252</b>	<b>8,799</b>	<b>3,429</b>
<b>Operating Expenses:</b>						
Personal Services and Benefits	1,020	23,660	8,841	2,608	4,803	476
Travel	18	84	210	16	12	
Contractual Services	31,392	7,488	15,572	3,401	3,104	148
Supplies and Materials	60	149	319	149	925	2,738
Grant and Other						
Interest			2			
Depreciation and Amortization		1,105	824	1,144	137	76
Insurance Claims	156,583					
<b>Total Operating Expenses</b>	<b>189,073</b>	<b>32,486</b>	<b>25,768</b>	<b>7,318</b>	<b>8,981</b>	<b>3,438</b>
<b>Operating Income (Loss)</b>	<b>(4,102)</b>	<b>4,361</b>	<b>(978)</b>	<b>(66)</b>	<b>(182)</b>	<b>(9)</b>
<b>Nonoperating Revenue (Expenses):</b>						
Gain on Disposal of Assets		10	7		8	
Loss on Disposal of Assets						(15)
Investment Income	2,278	26	17	301	1	27
Other Expense	(9)	(44)	(89)	(26)	(109)	(36)
<b>Total Nonoperating Revenue (Expenses)</b>	<b>2,269</b>	<b>(8)</b>	<b>(65)</b>	<b>275</b>	<b>(100)</b>	<b>(24)</b>
<b>Income (Loss) Before Transfers</b>	<b>(1,833)</b>	<b>4,353</b>	<b>(1,043)</b>	<b>209</b>	<b>(282)</b>	<b>(33)</b>
<b>Transfers:</b>						
Transfers In				2,047		
<b>Net Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,047</b>	<b>0</b>	<b>0</b>
<b>Change in Net Position</b>	<b>(1,833)</b>	<b>4,353</b>	<b>(1,043)</b>	<b>2,256</b>	<b>(282)</b>	<b>(33)</b>
Net Position at Beginning of Year	28,631	3,821	3,924	8,890	2,169	1,017
<b>Net Position at End of Year</b>	<b>\$ 26,798</b>	<b>\$ 8,174</b>	<b>\$ 2,881</b>	<b>\$ 11,146</b>	<b>\$ 1,887</b>	<b>\$ 984</b>

Digital Dakota Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation	Other	Total
\$	\$	\$	\$	\$	\$	\$
920	3,687	14,270	6,175	6,670	12,448	301,096
	92	12		17	352	9,635
<b>920</b>	<b>3,779</b>	<b>14,282</b>	<b>6,175</b>	<b>6,687</b>	<b>12,809</b>	<b>310,740</b>
476	990	735	4,872	240	8,567	57,288
4	40	1	105	4	341	835
368	802	3,014	1,303	566	2,203	69,361
	8	7,619	154	1	2,082	14,204
					1	1
						2
18		4,013	8		650	7,975
	2,092			5,928	246	164,849
<b>866</b>	<b>3,932</b>	<b>15,382</b>	<b>6,442</b>	<b>6,739</b>	<b>14,090</b>	<b>314,515</b>
54	(153)	(1,100)	(267)	(52)	(1,281)	(3,775)
1		294			1	321
		(57)				(72)
32	491		46	443	338	4,000
	(2)	(477)	(3)	(2)	(84)	(881)
<b>33</b>	<b>489</b>	<b>(240)</b>	<b>43</b>	<b>441</b>	<b>255</b>	<b>3,368</b>
87	336	(1,340)	(224)	389	(1,026)	(407)
			363		675	3,085
<b>0</b>	<b>0</b>	<b>0</b>	<b>363</b>	<b>0</b>	<b>675</b>	<b>3,085</b>
87	336	(1,340)	139	389	(351)	2,678
796	5,924	10,653	918	(26,913)	14,615	54,445
<b>\$ 883</b>	<b>\$ 6,260</b>	<b>\$ 9,313</b>	<b>\$ 1,057</b>	<b>\$ (26,524)</b>	<b>\$ 14,264</b>	<b>\$ 57,123</b>

STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)

	Self- Insurance	Information Services	Tele- communi- cations	Accounting and Payroll	Buildings and Grounds	Central Mail
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers and Users	\$ 87,487	\$ 387	\$ 1,789	\$ 540	\$ 11	\$ 206
Receipts from Interfund Services Provided	88,257	35,801	21,444	6,729	9,248	3,256
Payments to Suppliers and for Benefits and Claims	(193,111)	(5,276)	(13,382)	(2,319)	(3,008)	(2,932)
Payments for Employee Services	(1,032)	(23,605)	(8,837)	(2,572)	(4,797)	(486)
Payments for Interfund Services Used	(712)	(1,492)	(2,262)	(1,440)	(1,042)	(113)
Other Receipts (Payments)	16,441	2	42	19	3	1
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(2,670)</b>	<b>5,817</b>	<b>(1,206)</b>	<b>957</b>	<b>415</b>	<b>(68)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
<b>Activities:</b>						
Purchases of Capital Assets		(21)	(102)		(93)	
Construction in Progress				(1,482)		
Sale or Disposition of Capital Assets		10	7		8	4
Payments for Right-to-use Leased Assets		(70)	(99)		(146)	(80)
Payments for Right-to-use Subscription IT Assets		(763)	(223)	(740)		
Payments for Financed Purchase Assets		(100)				
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>0</b>	<b>(944)</b>	<b>(417)</b>	<b>(2,222)</b>	<b>(231)</b>	<b>(76)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>						
Transfers In				2,045		
Received (Paid) on Interfund Borrowing						
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,045</b>	<b>0</b>	<b>0</b>
<b>Cash Flows from Investing Activities:</b>						
Investment Income	2,302	42	28	300	2	29
Investment Expense	(9)	(6)	(61)	(1)	(17)	
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>2,293</b>	<b>36</b>	<b>(33)</b>	<b>299</b>	<b>(15)</b>	<b>29</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year</b>	<b>(377)</b>	<b>4,909</b>	<b>(1,656)</b>	<b>1,079</b>	<b>169</b>	<b>(115)</b>
Cash and Cash Equivalents at Beginning of Year	40,044	563	2,293	5,465	241	510
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 39,667</b>	<b>\$ 5,472</b>	<b>\$ 637</b>	<b>\$ 6,544</b>	<b>\$ 410</b>	<b>\$ 395</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating Income (Loss)	\$ (4,102)	\$ 4,361	\$ (978)	\$ (66)	\$ (182)	\$ (9)
Adjustments to Reconcile Operating Income (Loss):						
Depreciation and Amortization Expense		1,105	824	1,144	137	76
Decrease (Increase) in Assets:						
Accounts Receivable	(195)	(1)	(8)			(1)
Due From Other Funds		(539)	(1,080)	(754)	463	40
Due From Component Units		(1)	4	2		
Due From Other Governments						
Inventory						(159)
Other Assets		889	677	(71)		(5)
Restricted Net Pension Asset		(2)			(1)	
Decrease (Increase) in Deferred Outflows of Resources:						
Deferred Outflows - Related to Pensions	63	528	170	51	66	9
Increase (Decrease) in Liabilities:						
Accounts Payable	71	130	(171)	594	(31)	1
Accrued Liabilities	(14)	(63)	4	48	(14)	(4)
Compensated Absences Payable	(22)	(14)	(35)	23	(3)	(10)
Due To Other Funds	(31)	(66)	(42)	36	8	
Due To Component Units						
Due To Other Governments	3				14	
Unearned Revenue		(115)	(430)			
Policy Claim Liabilities	1,597					
Increase (Decrease) in Deferred Inflows of Resources:						
Deferred Inflows - Related to Pensions	(40)	(395)	(141)	(50)	(42)	(6)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (2,670)</b>	<b>\$ 5,817</b>	<b>\$ (1,206)</b>	<b>\$ 957</b>	<b>\$ 415</b>	<b>\$ (68)</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>						
Gain (Loss) on Disposal of Capital Assets	\$	\$ 10	\$ 7	\$	\$ 8	\$ (15)
Right-to-use Lease Obligations Entered Into						
Right-to-use Subscription IT Obligations Entered Into		957	9,668			
Finance Purchased Obligations Entered Into						



Digital Dakota Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation	Other	Total
\$ 496	\$ 1,023	\$ 2,931	\$ 18	\$ 1,073	\$ 2,321	\$ 98,282
294	2,663	11,472	6,556	5,597	10,150	201,467
(314)	(3,068)	(9,167)	(858)	(6,205)	(2,803)	(242,443)
(529)	(812)	(738)	(4,846)	(264)	(8,452)	(56,970)
(90)	(184)	(1,357)	(726)	(42)	(1,954)	(11,414)
	1	13		17	333	16,872
<u>(143)</u>	<u>(377)</u>	<u>3,154</u>	<u>144</u>	<u>176</u>	<u>(405)</u>	<u>5,794</u>

		(1,204)			(177)	(1,597)
						(1,482)
1		594				624
			(5)		(143)	(543)
					(99)	(1,825)
		(4,084)			(65)	(4,249)

<u>1</u>	<u>0</u>	<u>(4,694)</u>	<u>(5)</u>	<u>0</u>	<u>(484)</u>	<u>(9,072)</u>
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			363		675	3,083
		910				910
<u>0</u>	<u>0</u>	<u>910</u>	<u>363</u>	<u>0</u>	<u>675</u>	<u>3,993</u>

32	496		47	445	349	4,072
	(2)	(35)		(2)	(2)	(135)
<u>32</u>	<u>494</u>	<u>(35)</u>	<u>47</u>	<u>443</u>	<u>347</u>	<u>3,937</u>

(110)	117	(665)	549	619	133	4,652
546	11,034	665	803	8,572	6,783	77,519
<u>\$ 436</u>	<u>\$ 11,151</u>	<u>\$ 0</u>	<u>\$ 1,352</u>	<u>\$ 9,191</u>	<u>\$ 6,916</u>	<u>\$ 82,171</u>

\$ 54	\$ (153)	\$ (1,100)	\$ (267)	\$ (52)	\$ (1,281)	\$ (3,775)
18		4,013	8		650	7,975
	(1)	1			7	(198)
(44)		115	393		59	(1,347)
(86)	(2)	17			(27)	(93)
					(20)	(20)
					(40)	(199)
(31)		(31)			(23)	1,405
			(1)			(4)
12	14	28	72	1	167	1,181
	17	136	(6)	52	159	952
(2)	29		(5)	(4)	2	(23)
(56)	85	(9)	35	(11)	74	57
	1	9	(13)	(4)	(6)	(108)
		(3)	(23)			(26)
					(1)	16
					4	(541)
	(353)			191		1,435
(8)	(14)	(22)	(49)	3	(129)	(893)
<u>\$ (143)</u>	<u>\$ (377)</u>	<u>\$ 3,154</u>	<u>\$ 144</u>	<u>\$ 176</u>	<u>\$ (405)</u>	<u>\$ 5,794</u>

\$ 1	\$	\$ 237	\$	\$	\$ 1	\$ 249
					326	326
						10,625
		4,969				4,969

**STATE OF SOUTH DAKOTA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
**June 30, 2024**  
**(Expressed in Thousands)**

	<b>Common School</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 381	\$ 974	\$ 1,355
<b>Receivables:</b>			
Investment Income	216	2	218
Other		1	1
<b>Total Receivables</b>	<b>216</b>	<b>3</b>	<b>219</b>
<b>Investments, at Fair Value:</b>			
Pooled Investment Funds	336,827		336,827
<b>Total Investments</b>	<b>336,827</b>	<b>0</b>	<b>336,827</b>
Properties, at Cost	13,798	51	13,849
Other Assets		13	13
<b>Total Assets</b>	<b>351,222</b>	<b>1,041</b>	<b>352,263</b>
<b>Liabilities</b>			
Payables:			
Accounts Payable and Other Liabilities		20	20
Due To Other Funds		39	39
<b>Total Liabilities</b>	<b>0</b>	<b>59</b>	<b>59</b>
<b>Net Position - Restricted for Others</b>	<b>\$ 351,222</b>	<b>\$ 982</b>	<b>\$ 352,204</b>

**STATE OF SOUTH DAKOTA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
**For the Fiscal Year Ended June 30, 2024**  
**(Expressed in Thousands)**

	Common School	Other	Total
<b>Additions</b>			
<b>Contributions:</b>			
From Clients and Inmates	\$	\$ 777	\$ 777
Other	13,295		13,295
<b>Total Contributions</b>	<b>13,295</b>	<b>777</b>	<b>14,072</b>
<b>Investment Income:</b>			
<i>From Investing Activities</i>			
Net Increase (Decrease) in Fair Value of Investments	5,423		5,423
Real Estate	(353)		(353)
Pooled Interest and Dividends	10,593		10,593
<b>Net Investment Income (Loss)</b>	<b>15,663</b>	<b>0</b>	<b>15,663</b>
<i>From Security Lending Activities</i>			
Securities Lending Income	1		1
Miscellaneous Income	7,546	40	7,586
<b>Total Additions</b>	<b>36,505</b>	<b>817</b>	<b>37,322</b>
<b>Deductions</b>			
Distribution to School Districts	12,810		12,810
Payments Made for Trust Purposes		772	772
Administrative Expenses		12	12
<b>Total Deductions</b>	<b>12,810</b>	<b>784</b>	<b>13,594</b>
<b>Change in Net Position</b>	<b>23,695</b>	<b>33</b>	<b>23,728</b>
Net Position at Beginning of Year	327,527	949	328,476
<b>Net Position at End of Year</b>	<b>\$ 351,222</b>	<b>\$ 982</b>	<b>\$ 352,204</b>

STATE OF SOUTH DAKOTA  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 June 30, 2024  
 (Expressed in Thousands)

	Department of Revenue Collections	Child Support Collections	Clerk of Courts	Soybean	Corrections	Other	Total
<b>Assets</b>							
Cash and Cash Equivalents	\$ 28,626	\$ 2,738	\$ 16,849	\$ 389	\$ 1,074	\$ 239	\$ 49,915
<b>Receivables:</b>							
Taxes, net	62,072						62,072
Due From Other Funds					357		357
Other	65			1,604			1,669
<b>Total Receivables</b>	<b>62,137</b>	<b>0</b>	<b>0</b>	<b>1,604</b>	<b>357</b>	<b>0</b>	<b>64,098</b>
<b>Total Assets</b>	<b>90,763</b>	<b>2,738</b>	<b>16,849</b>	<b>1,993</b>	<b>1,431</b>	<b>239</b>	<b>114,013</b>
<b>Liabilities</b>							
Payables:							
Accounts Payable and Other Liabilities		2,738	118	1,993			4,849
Due To Other Governments	90,763		85			2	90,850
Due To Other Funds					40		40
<b>Total Liabilities</b>	<b>90,763</b>	<b>2,738</b>	<b>203</b>	<b>1,993</b>	<b>40</b>	<b>2</b>	<b>95,739</b>
<b>Net Position - Restricted for Others</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 16,646</b>	<b>\$ 0</b>	<b>\$ 1,391</b>	<b>\$ 237</b>	<b>\$ 18,274</b>

**STATE OF SOUTH DAKOTA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**For the Fiscal Year Ended June 30, 2024**  
**(Expressed in Thousands)**

	<b>Department of Revenue Collections</b>	<b>Child Support Collections</b>	<b>Clerk of Courts</b>	<b>Soybean</b>	<b>Corrections</b>	<b>Other</b>	<b>Total</b>
<b>Additions</b>							
Tax and Fee Collections for Other Governments	\$ 586,525	\$	\$	\$	\$	\$	\$ 586,525
Child Support Collections		109,404					109,404
Collections from Defendants and Inmates			15,542		6,958	481	22,981
Collections for Other Governments			1,029				1,029
Collections from Participants			36			2,648	2,684
Assessments				13,994			13,994
<b>Total Additions</b>	<b>586,525</b>	<b>109,404</b>	<b>16,607</b>	<b>13,994</b>	<b>6,958</b>	<b>3,129</b>	<b>736,617</b>
<b>Deductions</b>							
Tax and Fee Distributions to Other Governments	586,525						586,525
Child Support Distributions		109,404					109,404
Forfeiture Returns			9,878			20	9,898
Required Distributions			2,279	6,772		541	9,592
Payments Made to Other Governments			1,029	7,222		34	8,285
Payments Made for Custodial Purposes			3,696		7,292	2,611	13,599
<b>Total Deductions</b>	<b>586,525</b>	<b>109,404</b>	<b>16,882</b>	<b>13,994</b>	<b>7,292</b>	<b>3,206</b>	<b>737,303</b>
<b>Change in Net Position</b>	<b>0</b>	<b>0</b>	<b>(275)</b>	<b>0</b>	<b>(334)</b>	<b>(77)</b>	<b>(686)</b>
Net Position at Beginning of Year	0	0	16,921	0	1,725	314	18,960
<b>Net Position at End of Year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 16,646</b>	<b>\$ 0</b>	<b>\$ 1,391</b>	<b>\$ 237</b>	<b>\$ 18,274</b>

STATE OF SOUTH DAKOTA  
 COMBINING STATEMENT OF NET POSITION  
 COMPONENT UNITS  
 June 30, 2024  
 (Expressed in Thousands)

	Business-type Activities				
	Housing Authority	Science and Technology Authority	Higher Education	Nonmajor	Total
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 559,497	\$ 19,806	\$ 347,270	\$ 20,625	\$ 947,198
Receivables:					
Interest and Dividends	8,572	133	1,286	108	10,099
Primary Government			938		938
Other Governments			25,948		25,948
Loans and Notes, net	31,992		3,450	597	36,039
Other, net	1,363	3,272	38,461	545	43,641
Investments	306,221		10,699	173	317,093
Restricted Assets:					
Cash and Cash Equivalents				6,615	6,615
Inventory	6,787	2,723	10,492		20,002
Other Assets		1,424	9,791	88	11,303
<b>Total Current Assets</b>	<b>914,432</b>	<b>27,358</b>	<b>448,335</b>	<b>28,751</b>	<b>1,418,876</b>
Investments	1,320,793		694,279		2,015,072
Assets Held for Resale				361	361
Restricted Assets:					
Cash and Cash Equivalents			24,142		24,142
Investments			174,965		174,965
Net Pension Asset	16	61	1,261		1,338
Other			30,247		30,247
<b>Capital Assets:</b>					
Land and Other Non-depreciable Assets	220	19,979	54,156	572	74,927
Property, Plant, and Equipment	11,140	96,213	2,421,459	36,388	2,565,200
Right-to-use Leased Assets			21,216		21,216
Right-to-use Subscription IT Assets			5,989		5,989
Accumulated Depreciation and Amortization	(6,969)	(26,808)	(1,060,592)	(9,233)	(1,103,602)
Construction in Progress		17,647	179,825		197,472
<b>Total Capital Assets</b>	<b>4,391</b>	<b>107,031</b>	<b>1,622,053</b>	<b>27,727</b>	<b>1,761,202</b>
Other Noncurrent Assets, net	335,287	8,688	102,565	5,711	452,251
<b>Total Assets</b>	<b>2,574,919</b>	<b>143,138</b>	<b>3,097,847</b>	<b>62,550</b>	<b>5,878,454</b>
<b>Deferred Outflows of Resources</b>					
Related to Pensions	1,397	5,251	109,716		116,364
Related to Swaps	394				394
Related to Asset Retirement Obligations		1,054			1,054
Related to Debt Refunding	1,913		11,378		13,291
<b>Total Deferred Outflows of Resources</b>	<b>3,704</b>	<b>6,305</b>	<b>121,094</b>	<b>0</b>	<b>131,103</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable and Other Liabilities	2,546	4,625	58,300	292	65,763
Payable to Primary Government	159	2	845		1,006
Escrow Payable	1,249				1,249
Bonds, Notes, and Leases Payable	163,156		39,248	1,724	204,128
Claims, Judgments, and Compensated Absences	393	990	16,716		18,099
Accrued Interest Payable	13,488		2,539	128	16,155
Unearned Revenue	17,000		91,637	170	108,807
Advances from Primary Government			205		205
Other Current Liabilities			18,183	2,540	20,723
<b>Total Current Liabilities</b>	<b>197,991</b>	<b>5,617</b>	<b>227,673</b>	<b>4,854</b>	<b>436,135</b>
<b>Noncurrent Liabilities:</b>					
Bonds, Notes, and Leases Payable	1,670,843	3,121	426,457	20,299	2,120,720
Unearned Revenue	37,288				37,288
Claims, Judgments, and Compensated Absences	329	990	36,410		37,729
Federal Capital Contribution Refundable Advance			23,224		23,224
Advances from Primary Government			2,867		2,867
Other Noncurrent Liabilities	3,624	1,590	9,944	2,163	17,321
<b>Total Noncurrent Liabilities</b>	<b>1,712,084</b>	<b>5,701</b>	<b>498,902</b>	<b>22,462</b>	<b>2,239,149</b>
<b>Total Liabilities</b>	<b>1,910,075</b>	<b>11,318</b>	<b>726,575</b>	<b>27,316</b>	<b>2,675,284</b>
<b>Deferred Inflows of Resources</b>					
Related to Pensions	795	3,045	63,039		66,879
Related to Gain on Debt Refunding	8,467		886		9,353
Related to Swaps	27,248				27,248
<b>Total Deferred Inflows of Resources</b>	<b>36,510</b>	<b>3,045</b>	<b>63,925</b>	<b>0</b>	<b>103,480</b>
<b>Net Position</b>					
Net Investment in Capital Assets	(1,269)	107,031	1,169,491	13,539	1,288,792
Restricted for:					
Debt Service	359,482		3,668	5,000	368,150
HOME, HTF, NSP, and HAF Program	96,328				96,328
Higher Education - Expendable			321,838		321,838
Higher Education - Nonexpendable			688,068		688,068
Underground Expansion		6,807			6,807
Experiments		579			579
Mine Closure		1,642			1,642
Sanford Center for Science Education		78			78
Indemnification		7,859			7,859
Pensions	618	2,267	47,938		50,823
Other	176,879				176,879
Unrestricted		8,817	197,438	16,695	222,950
<b>Total Net Position</b>	<b>\$ 632,038</b>	<b>\$ 135,080</b>	<b>\$ 2,428,441</b>	<b>\$ 35,234</b>	<b>\$ 3,230,793</b>

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<u>Business-type Activities</u>				<u>Total</u>
	<u>Housing Authority</u>	<u>Science and Technology Authority</u>	<u>Higher Education</u>	<u>Nonmajor</u>	
<b>Operating Revenue:</b>					
Tuition and Fees (net of discounts and allowances for scholarships of Higher Education of \$53,008)	\$	\$	\$ 235,379	\$	\$ 235,379
Use of Money and Property	79,971			381	80,352
Sales and Services (net of discounts and allowances for scholarships of Higher Education of \$18,466)		624	149,938	6,398	156,960
Administering Programs	67,903	40,250	142,517	436	251,106
Other Revenue	11,302	138	108,753	171	120,364
<b>Total Operating Revenue</b>	<u>159,176</u>	<u>41,012</u>	<u>636,587</u>	<u>7,386</u>	<u>844,161</u>
<b>Operating Expenses:</b>					
Personal Services and Benefits	5,949	25,051	532,662		563,662
Travel	425	320	25,982	26	26,753
Contractual Services	16,822	9,230	151,713	2,948	180,713
Supplies and Materials	3,378	4,559	80,060	348	88,345
Grants and Subsidies	59,193		49,279	104	108,576
Other			3,656	1,851	5,507
Interest	51,434		561	355	52,350
Provisions for Loan Loss (Recovery)	6,746			(11)	6,735
Depreciation and Amortization	423	2,968	75,182	1,329	79,902
<b>Total Operating Expenses</b>	<u>144,370</u>	<u>42,128</u>	<u>919,095</u>	<u>6,950</u>	<u>1,112,543</u>
<b>Operating Income (Loss)</b>	<b>14,806</b>	<b>(1,116)</b>	<b>(282,508)</b>	<b>436</b>	<b>(268,382)</b>
<b>Nonoperating Revenue (Expenses):</b>					
Gain on Disposal of Assets				5	5
Loss on Disposal of Assets		(618)	(748)		(1,366)
Investment Income		816	71,538	895	73,249
Interest Expense			(12,966)	(370)	(13,336)
Other Expense		(508)	(26,801)	(1)	(27,310)
State Aid from Primary Government			338,215		338,215
Federal Appropriation			9,780		9,780
Grant and Other Income		(14)	34,541		34,527
<b>Total Nonoperating Revenue (Expenses)</b>	<u>0</u>	<u>(324)</u>	<u>413,559</u>	<u>529</u>	<u>413,764</u>
<b>Income (Loss) Before Capital Grants and Additions to Endowments</b>	<b>14,806</b>	<b>(1,440)</b>	<b>131,051</b>	<b>965</b>	<b>145,382</b>
Capital Grants			9,175	104	9,279
Additions to Endowments			35,919		35,919
<b>Change in Net Position</b>	<b>14,806</b>	<b>(1,440)</b>	<b>176,145</b>	<b>1,069</b>	<b>190,580</b>
Net Position at Beginning of Year, as previously reported	617,232	136,520	2,244,994	34,165	3,032,911
Net Position, restatement			7,302		7,302
Net Position at Beginning of Year, as restated	<u>617,232</u>	<u>136,520</u>	<u>2,252,296</u>	<u>34,165</u>	<u>3,040,213</u>
<b>Net Position at End of Year</b>	<u>\$ 632,038</u>	<u>\$ 135,080</u>	<u>\$ 2,428,441</u>	<u>\$ 35,234</u>	<u>\$ 3,230,793</u>

**STATE OF SOUTH DAKOTA  
STATEMENT OF CASH FLOWS  
HIGHER EDUCATION  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<b>Higher Education</b>
<b>Cash Flows from Operating Activities:</b>	
Tuition and Fees	\$ 236,009
Auxiliaries	78,640
Sales & Services - General	75,933
Federal Contracts & Grants	107,890
State Contracts & Grants	9,593
Private Contracts & Grants	44,412
Other Revenue and Additions	52
Loans Issued to Students	(1,662)
Loans Collected from Students	3,293
Student Loan Interest	386
Payments for Personal Services Expenditures	(514,337)
Payments for Travel Expenditures	(25,078)
Payments for Contractual Expenditures	(154,448)
Payments for Supply Expenditures and Non-Capitalized Equipment	(77,664)
Payments for Grant and Subsidy Expenditures	(50,774)
Payments for Other Expenditures	(133)
Foundation Activity	(35,454)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(303,342)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>	
General Fund Appropriations	338,215
School & Public Lands	2,903
Federal Fund Appropriations	11,400
State Designated Fees	779
Federal Capital Contribution - Student Loan	(2,429)
Other Revenues & Additions	38,668
Payments for Other Expenditures	(7,529)
Foundation Activity	85,222
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>467,229</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Capital Grants & Contracts	556
Proceeds from Capital Debt	18,515
Sale of Capital Asset	22
Principal Paid on Capital Debt and Leases	(50,612)
Interest Paid on Capital Debt and Leases	(15,534)
Purchase of Capital Assets	(163,703)
Foundation Activity	19,570
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(191,186)</b>
<b>Cash Flows from Investing Activities:</b>	
Investment Income	10,424
Foundation Activity	21,189
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>31,613</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents during the Fiscal Year</b>	<b>4,314</b>
Cash and Cash Equivalents at Beginning of Year, as restated	367,098
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 371,412</b>

Continued on next page



**STATE OF SOUTH DAKOTA**  
**STATEMENT OF CASH FLOWS**  
**HIGHER EDUCATION**  
**For the Fiscal Year Ended June 30, 2024**  
**(Expressed in Thousands)**

	<u>Higher Education</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
<b>by Operating Activities</b>	
Operating Income (Loss)	\$ (282,509)
Adjustments to Reconcile Operating Income (Loss):	
Depreciation Expense	75,182
Bad Debt Expense	952
Loan Cancellation Expense	750
Pension Adjustment	4,353
Foundation Activity	(119,578)
Decrease/(Increase) in Assets:	
Accounts Receivable Students	(480)
Accounts Receivable - Dept	(563)
Interest Receivable	221
Notes Receivable	1,560
Due From Federal Sources	2,712
Due From Primary Govt	780
Due from Component Unit	411
Prepaid Expense and Deferred Charges	(63)
Inventory	97
Increase/(Decrease) in Liabilities:	
Accounts Payable	(11,802)
Accrued Wages & Benefits	(683)
Due to Federal Sources	1,285
Due to Primary Government	94
Due To Component Unit	(410)
Student Deposits	235
Compensated Absences	3,103
Other Accrued Liabilities	196
Unearned Revenue	20,815
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (303,342)</b>
<b>Noncash Investing, Capital and Financing Activities:</b>	
Transfers In (Out) of Capital Assets	\$ 19,448
Gain or (Loss) on Disposal of Capital Assets	(748)
Bond Proceeds Deposited Directly into an Escrow Account	11,343

**STATE OF SOUTH DAKOTA  
STATEMENT OF FIDUCIARY NET POSITION  
HIGHER EDUCATION  
June 30, 2024  
(Expressed in Thousands)**

<u>Assets</u>	<u>Custodial Funds</u>
Cash and Cash Equivalents	\$ 879
Accounts Receivable	36
<b>Total Assets</b>	<b>915</b>
<u>Liabilities</u>	
Accounts Payable and Other Liabilities	12
<b>Total Liabilities</b>	<b>12</b>
<b>Restricted for Individuals, Organizations, and Other Governments</b>	<b>\$ 903</b>

**STATE OF SOUTH DAKOTA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
HIGHER EDUCATION  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

<u>Additions</u>	<u>Custodial Funds</u>
Sales and Services	\$ 705
<b>Total Additions</b>	<b>705</b>
<u>Deductions</u>	
Personal Services and Benefits	1
Travel	232
Contractual Services	174
Supplies and Materials	292
Grants and Subsidies	39
Other	1
<b>Total Deductions</b>	<b>739</b>
<b>Change in Net Position</b>	<b>(34)</b>
Net Position at Beginning of Year, as previously reported	937
<b>Net Position at End of Year</b>	<b>\$ 903</b>

**STATE OF SOUTH DAKOTA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR COMPONENT UNITS**  
**June 30, 2024**  
**(Expressed in Thousands)**

	Business-type Activities				Total
	S.D. Economic Development Finance Authority	S.D. Ellsworth Development Authority	S.D. Authority Captive Insurance Co.	S.D. Property and Casualty Captive Insurance Co.	
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 3,292	\$ 1,386	\$ 6,071	\$ 9,876	\$ 20,625
Receivables:					
Interest and Dividends	29		38	41	108
Loans and Notes, net	597				597
Other, net		545			545
Investments	173				173
Restricted Assets:					
Cash and Cash Equivalents	6,615				6,615
Other Assets		13		75	88
<b>Total Current Assets</b>	<b>10,706</b>	<b>1,944</b>	<b>6,109</b>	<b>9,992</b>	<b>28,751</b>
Assets Held for Resale		361			361
<b>Capital Assets:</b>					
Land and Other Non-depreciable Assets		572			572
Property, Plant, and Equipment		36,388			36,388
Accumulated Depreciation and Amortization		(9,233)			(9,233)
<b>Total Capital Assets</b>	<b>0</b>	<b>27,727</b>	<b>0</b>	<b>0</b>	<b>27,727</b>
Other Noncurrent Assets, net	5,576	135			5,711
<b>Total Assets</b>	<b>16,282</b>	<b>30,167</b>	<b>6,109</b>	<b>9,992</b>	<b>62,550</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts Payable and Other Liabilities		237	17	38	292
Bonds, Notes, and Leases Payable	505	1,219			1,724
Accrued Interest Payable	84	44			128
Unearned Revenue		170			170
Other Current Liabilities			193	2,347	2,540
<b>Total Current Liabilities</b>	<b>589</b>	<b>1,670</b>	<b>210</b>	<b>2,385</b>	<b>4,854</b>
<b>Noncurrent Liabilities:</b>					
Bonds, Notes, and Leases Payable	5,260	15,039			20,299
Other Noncurrent Liabilities	909		501	753	2,163
<b>Total Noncurrent Liabilities</b>	<b>6,169</b>	<b>15,039</b>	<b>501</b>	<b>753</b>	<b>22,462</b>
<b>Total Liabilities</b>	<b>6,758</b>	<b>16,709</b>	<b>711</b>	<b>3,138</b>	<b>27,316</b>
<b>Net Position</b>					
Net Investment in Capital Assets		13,539			13,539
Restricted for:					
Debt Service	5,000				5,000
Unrestricted	4,524	(81)	5,398	6,854	16,695
<b>Total Net Position</b>	<b>\$ 9,524</b>	<b>\$ 13,458</b>	<b>\$ 5,398</b>	<b>\$ 6,854</b>	<b>\$ 35,234</b>

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
NONMAJOR COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	Business-type Activities				Total
	S.D. Economic Development Finance Authority	S.D. Ellsworth Development Authority	S.D. Authority Captive Insurance Co.	S.D. Property and Casualty Captive Insurance Co.	
<b>Operating Revenue:</b>					
Use of Money and Property	\$ 381	\$	\$	\$	\$ 381
Sales and Services		3,115	280	3,003	6,398
Administering Programs		436			436
Other Revenue		171			171
<b>Total Operating Revenue</b>	<b>381</b>	<b>3,722</b>	<b>280</b>	<b>3,003</b>	<b>7,386</b>
<b>Operating Expenses:</b>					
Travel		26			26
Contractual Services	37	2,722	59	130	2,948
Supplies and Materials		348			348
Grants and Subsidies		104			104
Other			(12)	1,863	1,851
Interest	355				355
Provisions for Loan Loss (Recovery)	(11)				(11)
Depreciation and Amortization		1,329			1,329
<b>Total Operating Expenses</b>	<b>381</b>	<b>4,529</b>	<b>47</b>	<b>1,993</b>	<b>6,950</b>
<b>Operating Income (Loss)</b>	<b>0</b>	<b>(807)</b>	<b>233</b>	<b>1,010</b>	<b>436</b>
<b>Nonoperating Revenue (Expenses):</b>					
Gain on Disposal of Assets		5			5
Investment Income	406	14	208	267	895
Interest Expense		(370)			(370)
Other Expense				(1)	(1)
<b>Total Nonoperating Revenue (Expenses)</b>	<b>406</b>	<b>(351)</b>	<b>208</b>	<b>266</b>	<b>529</b>
<b>Income (Loss) Before Capital Grants</b>	<b>406</b>	<b>(1,158)</b>	<b>441</b>	<b>1,276</b>	<b>965</b>
Capital Grants		104			104
<b>Change in Net Position</b>	<b>406</b>	<b>(1,054)</b>	<b>441</b>	<b>1,276</b>	<b>1,069</b>
Net Position at Beginning of Year	9,118	14,512	4,957	5,578	34,165
<b>Net Position at End of Year</b>	<b>\$ 9,524</b>	<b>\$ 13,458</b>	<b>\$ 5,398</b>	<b>\$ 6,854</b>	<b>\$ 35,234</b>



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***STATISTICAL SECTION***

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# ***STATISTICAL SECTION***

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# **STATISTICAL SECTION**

This section of the State of South Dakota's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to the financial statements, and required supplementary information says about the State's overall financial health.

**FINANCIAL TRENDS INFORMATION ..... 170**

These schedules present trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

Net Position by Component.....	170
Changes in Net Position.....	171
Fund Balances, Governmental Funds.....	172
Changes in Fund Balances, All Governmental Funds .....	173

**REVENUE CAPACITY INFORMATION ..... 174**

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

Sales Tax Revenue Payers by Industry .....	174
Taxable Sales by Industry .....	176

**DEBT CAPACITY INFORMATION ..... 177**

These schedules present information to help the reader understand and assess the State's levels of outstanding debt and the State's ability to issue additional debt in the future.

Ratios of Outstanding Long-Term Debt .....	177
Pledged-Revenue Coverage.....	178

**DEMOGRAPHIC AND ECONOMIC INFORMATION ..... 179**

These schedules contain demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Population .....	179
Total Personal Income .....	179
Unemployment Rate .....	180
Per Capita Personal Income .....	180
Nonfarm Wage and Salary Employment by Industry .....	181
Expanded and New Industries .....	181
Employment by Industry Type.....	182

**OPERATING INFORMATION ..... 183**

These schedules offer operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

Full-Time Equivalent State Employees by Function of Government .....	183
Capital Asset Statistics by Function .....	184
Operating Indicators by Function .....	186

**Notes to Statistical..... 190**

These notes offer information on financial trend restatements.

**State of South Dakota**  
**Net Position by Component**  
**Last Ten Fiscal Years**

(Accrual Basis of Accounting, Dollars Expressed in Thousands)

	Fiscal Year				
	2024	2023	2022	2021	2020
<b>Governmental Activities:</b>					
Net Investment in Capital Assets, as restated	\$ 4,961,627	\$ 4,655,260	\$ 4,485,267	\$ 4,334,442	\$ 4,259,851
Restricted, as restated	2,279,982	2,190,344	2,051,879	1,982,808	1,726,738
Unrestricted, as restated	1,667,733	1,437,200	1,064,339	975,363	586,958
<b>Total Governmental Activities Net Position, as restated</b>	<b>\$ 8,909,342</b>	<b>\$ 8,282,804</b>	<b>\$ 7,601,485</b>	<b>\$ 7,292,613</b>	<b>\$ 6,573,547</b>
<b>Business-type Activities:</b>					
Net Investment in Capital Assets, as restated	\$ 33,744	\$ 28,767	\$ 8,008	\$ 6,649	\$ 6,552
Restricted	14,874	14,503	13,549	13,681	14,758
Unrestricted	927,850	892,279	860,046	831,660	782,424
<b>Total Business-type Activities Net Position, as restated</b>	<b>\$ 976,468</b>	<b>\$ 935,549</b>	<b>\$ 881,603</b>	<b>\$ 851,990</b>	<b>\$ 803,734</b>
<b>Primary Government:</b>					
Net Investment in Capital Assets, as restated	\$ 4,995,371	\$ 4,684,027	\$ 4,493,275	\$ 4,341,091	\$ 4,266,403
Restricted, as restated	2,294,856	2,204,847	2,065,428	1,996,489	1,741,496
Unrestricted, as restated	2,595,583	2,329,479	1,924,385	1,807,023	1,369,382
<b>Total Primary Government Net Position, as restated</b>	<b>\$ 9,885,810</b>	<b>\$ 9,218,353</b>	<b>\$ 8,483,088</b>	<b>\$ 8,144,603</b>	<b>\$ 7,377,281</b>

	Fiscal Year				
	2019	2018	2017	2016	2015
<b>Governmental Activities:</b>					
Net Investment in Capital Assets, as restated	\$ 4,126,405	\$ 4,051,612	\$ 3,961,256	\$ 3,817,182	\$ 3,713,057
Restricted, as restated	1,755,692	1,751,888	1,589,767	1,510,555	1,537,781
Unrestricted	363,208	283,343	267,296	254,579	264,916
<b>Total Governmental Activities Net Position, as restated</b>	<b>\$ 6,245,305</b>	<b>\$ 6,086,843</b>	<b>\$ 5,818,319</b>	<b>\$ 5,582,316</b>	<b>\$ 5,515,754</b>
<b>Business-type Activities:</b>					
Net Investment in Capital Assets	\$ 6,650	\$ 7,027	\$ 7,060	\$ 6,357	\$ 2,810
Restricted	5,821	6,782	5,085	5,481	6,155
Unrestricted, as restated	747,639	707,805	684,730	660,697	624,416
<b>Total Business-type Activities Net Position, as restated</b>	<b>\$ 760,110</b>	<b>\$ 721,614</b>	<b>\$ 696,875</b>	<b>\$ 672,535</b>	<b>\$ 633,381</b>
<b>Primary Government:</b>					
Net Investment in Capital Assets, as restated	\$ 4,133,055	\$ 4,058,639	\$ 3,968,316	\$ 3,823,539	\$ 3,715,867
Restricted, as restated	1,761,513	1,758,670	1,594,852	1,516,036	1,543,936
Unrestricted, as restated	1,110,847	991,148	952,026	915,276	889,332
<b>Total Primary Government Net Position, as restated</b>	<b>\$ 7,005,415</b>	<b>\$ 6,808,457</b>	<b>\$ 6,515,194</b>	<b>\$ 6,254,851</b>	<b>\$ 6,149,135</b>

**Source:** South Dakota Annual Comprehensive Financial Reports (FY 2015-2024). See statistical note for discussion on restated amounts.



**State of South Dakota  
Changes in Net Position  
Last Ten Fiscal Years**

(Accrual Basis of Accounting, Dollars Expressed in Thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 254,214	\$ 252,816	\$ 248,754	\$ 261,786	\$ 209,723	\$ 215,879	\$ 217,355	\$ 198,531	\$ 198,079	\$ 185,273
Education - Elementary, Secondary, and Vocational Schools	438,040	460,567	379,799	245,784	223,524	228,729	213,449	223,668	210,777	210,271
Education - State Support to Higher Education	338,215	289,029	242,751	228,207	229,545	213,843	210,972	206,253	232,245	192,950
Health, Human, and Social Services	2,416,457	2,060,981	1,976,809	1,546,179	1,544,824	1,552,490	1,500,037	1,503,967	1,423,411	1,406,586
Law, Justice, Public Protection, and Regulation	455,663	398,854	301,083	283,780	313,534	301,008	258,727	294,852	269,583	279,097
Agriculture and Natural Resources, as restated	339,075	309,021	157,552	159,310	157,010	155,789	144,690	161,412	140,314	140,921
Economic Resources	112,498	82,816	200,463	41,343	45,920	71,819	43,560	52,771	56,138	74,004
Transportation	832,458	798,565	649,898	700,366	676,547	533,336	455,118	459,424	561,536	507,300
Pandemic Response			329,736	1,274,185	116,299					
Intergovernmental - Payments to School Districts	703,279	654,930	595,640	585,672	563,878	559,484	547,119	516,880	421,666	404,909
Intergovernmental - Revenue Sharing	242,625	243,089	236,275	228,243	196,425	194,537	187,573	176,836	173,721	169,514
Unallocated Interest Expense	9,309	9,506	9,045	6,233	6,861	7,524	7,899	6,419	6,627	6,712
Unallocated Depreciation		53	53	53	53	53	53	53	53	53
<b>Total Governmental Activities Expenses, as restated</b>	<b>6,141,833</b>	<b>5,560,227</b>	<b>5,327,858</b>	<b>5,561,141</b>	<b>4,284,143</b>	<b>4,034,491</b>	<b>3,786,552</b>	<b>3,801,066</b>	<b>3,694,150</b>	<b>3,577,590</b>
<b>Business-type Activities:</b>										
Lottery	70,085	69,327	59,729	63,044	50,484	51,016	45,256	39,907	43,454	41,053
Clean Water State Revolving	16,421	17,542	15,008	18,077	13,516	11,662	12,345	9,638	8,290	9,673
Drinking Water State Revolving	20,753	14,196	11,024	10,652	9,349	8,222	10,314	7,511	9,031	8,651
Other	66,879	62,755	51,101	180,051	272,039	55,331	55,571	60,920	60,352	56,081
<b>Total Business-type Activities Expenses</b>	<b>174,138</b>	<b>163,820</b>	<b>136,862</b>	<b>271,824</b>	<b>345,388</b>	<b>126,231</b>	<b>123,486</b>	<b>117,976</b>	<b>121,127</b>	<b>115,458</b>
<b>Total Primary Government Expenses</b>	<b>\$ 6,315,971</b>	<b>\$ 5,724,047</b>	<b>\$ 5,464,720</b>	<b>\$ 5,832,965</b>	<b>\$ 4,629,531</b>	<b>\$ 4,160,722</b>	<b>\$ 3,910,038</b>	<b>\$ 3,919,042</b>	<b>\$ 3,815,277</b>	<b>\$ 3,693,048</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
General Government	\$ 302,152	\$ 293,555	\$ 278,558	\$ 296,527	\$ 272,984	\$ 260,567	\$ 258,406	\$ 242,343	\$ 236,003	\$ 244,728
Education - Elementary, Secondary, and Vocational Schools	7,922	7,219	8,094	9,215	8,750	10,442	10,112	11,136	10,016	8,489
Health, Human, and Social Services, as restated	75,429	71,040	39,311	38,034	34,115	39,525	31,807	39,584	41,741	39,058
Law, Justice, Public Protection, and Regulation	122,377	113,598	112,366	103,712	89,945	87,061	85,139	85,221	82,456	85,252
Agriculture and Natural Resources, as restated	96,217	95,332	95,757	100,123	84,795	82,993	86,130	86,657	85,035	76,994
Economic Resources	430	231	210	96	178	231	845	433	452	1,611
Transportation	18,883	16,941	16,496	17,854	16,519	15,279	14,723	15,927	14,755	9,007
Pandemic Response				257						
Operating Grants and Contributions	3,133,450	2,767,282	2,635,577	3,123,083	1,918,543	1,589,862	1,520,834	1,553,460	1,475,671	1,493,542
Capital Grants and Contributions	11,855	2,598	3,786	7,965	16,761	3,378	2,342	3,886	7,045	21,946
<b>Total Governmental Activities Program Revenues, as restated</b>	<b>3,768,715</b>	<b>3,367,796</b>	<b>3,190,335</b>	<b>3,696,866</b>	<b>2,442,590</b>	<b>2,089,338</b>	<b>2,010,338</b>	<b>2,038,647</b>	<b>1,953,174</b>	<b>1,980,627</b>
<b>Business-type Activities:</b>										
Charges for Services:										
Lottery	253,670	251,538	239,600	225,300	177,306	179,644	170,099	156,814	160,728	152,362
Clean Water State Revolving	9,478	8,298	8,090	7,673	7,401	7,250	7,213	6,963	6,899	6,856
Drinking Water State Revolving	6,437	5,806	5,264	4,855	5,033	4,587	4,740	4,519	4,333	4,197
Other, as restated	59,756	83,886	69,600	69,859	59,384	72,113	60,688	68,543	75,424	71,243
Operating Grants and Contributions	71,447	39,061	24,357	175,004	261,674	26,910	30,971	25,334	32,772	30,005
Capital Grants and Contributions					19	200	84	426	727	2,810
<b>Total Business-type Activities Program Revenues, as restated</b>	<b>400,788</b>	<b>388,589</b>	<b>346,911</b>	<b>482,691</b>	<b>510,817</b>	<b>290,704</b>	<b>273,795</b>	<b>262,599</b>	<b>280,883</b>	<b>267,473</b>
<b>Total Primary Government Program Revenues, as restated</b>	<b>\$ 4,169,503</b>	<b>\$ 3,756,385</b>	<b>\$ 3,537,246</b>	<b>\$ 4,179,557</b>	<b>\$ 2,953,407</b>	<b>\$ 2,380,042</b>	<b>\$ 2,284,133</b>	<b>\$ 2,301,246</b>	<b>\$ 2,234,057</b>	<b>\$ 2,248,100</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities, as restated	\$ (2,373,118)	\$ (2,192,431)	\$ (2,137,523)	\$ (1,864,275)	\$ (1,841,553)	\$ (1,945,153)	\$ (1,776,214)	\$ (1,762,419)	\$ (1,740,976)	\$ (1,596,963)
Business-type Activities, as restated	226,650	224,769	210,049	210,867	165,429	164,473	150,309	144,623	159,756	152,015
<b>Total Primary Government</b>										
<b>Net (Expense)/Revenue, as restated</b>	<b>\$ (2,146,468)</b>	<b>\$ (1,967,662)</b>	<b>\$ (1,927,474)</b>	<b>\$ (1,653,408)</b>	<b>\$ (1,676,124)</b>	<b>\$ (1,780,680)</b>	<b>\$ (1,625,905)</b>	<b>\$ (1,617,796)</b>	<b>\$ (1,581,220)</b>	<b>\$ (1,444,948)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Taxes:										
Sales Taxes	\$ 1,449,867	\$ 1,515,425	\$ 1,376,152	\$ 1,267,583	\$ 1,149,732	\$ 1,089,336	\$ 1,025,111	\$ 991,155	\$ 905,475	\$ 871,402
Motor Fuel Taxes	197,087	193,534	199,880	193,053	184,949	184,027	183,441	183,795	184,105	151,901
Contractors Excise Taxes	217,400	193,935	147,888	147,507	132,043	118,873	112,518	106,834	104,979	101,678
Bank Card and Franchise Taxes	50,400	54,486	50,949	51,515	44,727	35,411	31,448	32,844	25,943	20,669
Other Taxes, as restated	509,125	490,081	466,058	459,330	385,180	376,813	382,375	371,864	360,917	331,649
Investment Earnings	214,409	142,740	(59,783)	215,767	91,816	96,270	72,379	109,684	14,997	47,130
Gain on Sale of Capital Assets	1,700	1,297	5,352	1,590	1,515	1,978	1,737	1,463	2,057	1,198
Miscellaneous, as restated	173,937	111,429	77,023	84,720	61,664	79,632	110,159	80,500	88,463	81,275
Special Items			(5,289)		(3,636)	(4,702)				
Transfers, as restated	185,731	170,823	180,436	162,611	121,805	125,977	125,570	120,283	120,602	113,558
<b>Total Governmental Activities, as restated</b>	<b>2,999,656</b>	<b>2,873,750</b>	<b>2,438,666</b>	<b>2,583,676</b>	<b>2,169,795</b>	<b>2,103,615</b>	<b>2,044,738</b>	<b>1,998,422</b>	<b>1,807,538</b>	<b>1,720,460</b>
<b>Business-type Activities:</b>										
Transfers, as restated	(185,731)	(170,823)	(180,436)	(162,611)	(121,805)	(125,977)	(125,570)	(120,283)	(120,602)	(113,558)
<b>Total Business-type Activities, as restated</b>	<b>(185,731)</b>	<b>(170,823)</b>	<b>(180,436)</b>	<b>(162,611)</b>	<b>(121,805)</b>	<b>(125,977)</b>	<b>(125,570)</b>	<b>(120,283)</b>	<b>(120,602)</b>	<b>(113,558)</b>
<b>Total Primary Government, as restated</b>	<b>\$ 2,813,925</b>	<b>\$ 2,702,927</b>	<b>\$ 2,258,230</b>	<b>\$ 2,421,065</b>	<b>\$ 2,047,990</b>	<b>\$ 1,977,638</b>	<b>\$ 1,919,168</b>	<b>\$ 1,878,139</b>	<b>\$ 1,686,936</b>	<b>\$ 1,606,902</b>
<b>Change in Net Position</b>										
Governmental Activities, as restated	\$ 626,538	\$ 681,319	\$ 301,143	\$ 719,401	\$ 328,242	\$ 158,462	\$ 268,524	\$ 236,003	\$ 66,562	\$ 123,497
Business-type Activities, as restated	40,919	53,946	29,613	48,256	43,624	38,496	24,739	24,340	39,154	38,457
<b>Total Primary Government, as restated</b>	<b>\$ 667,457</b>	<b>\$ 735,265</b>	<b>\$ 330,756</b>	<b>\$ 767,657</b>	<b>\$ 371,866</b>	<b>\$ 196,958</b>	<b>\$ 293,263</b>	<b>\$ 260,343</b>	<b>\$ 105,716</b>	<b>\$ 161,954</b>

Source: South Dakota Annual Comprehensive Financial Reports (FY 2015-2024). See statistical note for discussion on restated amounts.

**State of South Dakota**  
**Fund Balance, Governmental Funds**  
**Last Ten Fiscal Years**

(Modified Accrual Basis of Accounting, Dollars Expressed in Thousands)

	Fiscal Year				
	2024	2023	2022	2021	2020
<b>General Fund:</b>					
Nonspendable	\$ 5,870	\$ 6,484	\$ 5,611	\$ 6,353	\$ 5,300
Restricted				5,333	3,382
Committed					
Assigned	1,083,444	882,516	469,146	382,166	136,363
Unassigned, as restated	505,417	476,667	508,940	470,229	381,326
<b>Total General Fund, as restated</b>	<b>\$ 1,594,731</b>	<b>\$ 1,365,667</b>	<b>\$ 983,697</b>	<b>\$ 864,081</b>	<b>\$ 526,371</b>
<b>Other Governmental Funds:</b>					
Nonspendable	\$ 703,340	\$ 690,066	\$ 666,878	\$ 653,767	\$ 582,096
Restricted, as restated	1,477,969	1,418,594	1,353,951	1,327,864	1,098,864
Committed	64,120	63,640	63,281	59,244	51,243
Assigned	16,696	16,735	18,669	19,188	25,593
Unassigned	(14,632)	(13,090)	(12,881)	(8,606)	(8,359)
<b>Total Other Governmental Funds, as restated</b>	<b>\$ 2,247,493</b>	<b>\$ 2,175,945</b>	<b>\$ 2,089,898</b>	<b>\$ 2,051,457</b>	<b>\$ 1,749,437</b>

	Fiscal Year				
	2019	2018	2017	2016	2015
<b>General Fund:</b>					
Nonspendable	\$ 5,503	\$ 6,097	\$ 6,458	\$ 4,193	\$ 3,911
Restricted	3,300	3,300	3,300	8,384	10,479
Committed					
Assigned	74,156	60,691	54,835	54,516	120,180
Unassigned	294,225	268,052	249,087	242,449	183,570
<b>Total General Fund</b>	<b>\$ 377,184</b>	<b>\$ 338,140</b>	<b>\$ 313,680</b>	<b>\$ 309,542</b>	<b>\$ 318,140</b>
<b>Other Governmental Funds:</b>					
Nonspendable	\$ 571,644	\$ 563,385	\$ 526,968	\$ 512,525	\$ 501,093
Restricted, as restated	1,087,753	1,080,962	1,034,589	894,947	949,713
Committed	41,816	36,863	38,940	43,652	51,119
Assigned	22,430	17,514	29,404	27,022	27,633
Unassigned	(4,036)	(11,758)	(5,742)	(5,048)	(3,624)
<b>Total Other Governmental Funds, as restated</b>	<b>\$ 1,719,607</b>	<b>\$ 1,686,966</b>	<b>\$ 1,624,159</b>	<b>\$ 1,473,098</b>	<b>\$ 1,525,934</b>

**Source:** South Dakota Annual Comprehensive Financial Reports (FY 2015-2024). See statistical note for discussion on restated amounts.

**State of South Dakota**  
**Changes in Fund Balances, All Governmental Funds**  
**Last Ten Fiscal Years**  
(Modified Accrual Basis of Accounting, Dollars Expressed in Thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues:</b>										
Taxes:										
Sales and Use	\$ 1,454,967	\$ 1,515,078	\$ 1,393,235	\$ 1,272,342	\$ 1,129,007	\$ 1,062,456	\$ 1,025,807	\$ 990,332	\$ 905,203	\$ 876,138
Insurance Company	128,557	113,993	107,878	94,224	94,277	88,270	91,062	83,952	83,291	80,133
Liquor	21,684	21,352	22,250	21,387	19,231	19,919	17,135	15,994	17,580	16,356
Cigarette	36,885	40,321	42,784	46,331	45,885	45,501	49,729	52,149	52,081	52,776
Bank Franchise	53,138	53,085	51,237	50,146	44,893	34,706	31,462	32,800	25,412	20,669
Contractor's Excise	215,740	194,292	157,945	146,712	126,946	112,705	112,473	106,845	104,938	102,246
Severance	12,036	7,176	8,746	10,937	8,640	4,777	9,055	10,154	8,260	7,508
Other Tobacco	11,733	11,775	11,536	11,119	10,357	9,470	9,231	8,226	8,882	7,995
Motor Fuel and Vehicle	373,302	366,255	356,822	348,908	305,620	302,498	298,774	294,918	293,045	240,382
Other, as restated	122,161	122,823	116,972	118,290	86,123	90,396	90,854	90,251	81,993	78,434
Licenses, Permits, and Fees, as restated	363,668	360,405	352,057	344,090	312,714	307,301	304,754	302,647	303,270	281,742
Fines, Forfeits, and Penalties	39,443	26,455	22,836	25,875	18,697	15,070	13,347	14,400	12,647	14,516
Use of Money and Property	257,214	166,656	(56,767)	222,744	116,694	128,161	84,549	123,183	27,578	59,865
Sales and Services	52,117	48,962	45,100	47,043	41,564	53,192	44,973	44,916	39,797	42,531
Administering Programs	3,089,137	2,732,392	2,636,609	3,107,263	1,889,237	1,555,548	1,493,062	1,546,964	1,464,030	1,503,362
Tobacco Settlement	21,119	23,691	22,549	21,973	20,865	20,558	46,000	24,302	24,582	23,421
Other Revenue	198,702	123,511	90,879	98,604	78,640	95,092	106,339	80,380	87,874	77,614
<b>Total Revenues, as restated</b>	<b>6,451,403</b>	<b>5,928,222</b>	<b>5,382,668</b>	<b>5,987,988</b>	<b>4,349,190</b>	<b>3,945,620</b>	<b>3,828,436</b>	<b>3,822,413</b>	<b>3,540,463</b>	<b>3,485,688</b>
<b>Expenditures:</b>										
General Government, as restated	147,306	156,246	127,079	106,808	104,375	104,963	102,803	94,658	99,874	87,785
Education	1,479,776	1,404,829	1,217,208	1,079,375	1,015,113	999,426	977,720	977,833	859,072	804,348
Health, Human, and Social Services	2,450,255	2,101,821	2,025,975	1,550,963	1,523,558	1,531,129	1,516,592	1,487,068	1,428,259	1,435,850
Law, Justice, Public Protection, and Regulation	481,893	410,793	317,724	290,727	304,836	282,912	272,861	283,053	268,818	281,688
Agriculture and Natural Resources, as restated	343,980	322,355	180,575	160,413	164,876	155,168	161,734	173,111	155,006	143,466
Economic Resources	112,164	83,846	200,559	41,172	45,258	71,505	43,978	52,432	56,202	74,182
Transportation	1,050,376	920,046	784,714	778,681	788,580	614,680	575,332	600,346	655,752	554,536
Pandemic Response			329,736	1,274,185	116,299					
State Shared Revenue	242,625	243,089	236,275	228,243	196,425	194,537	187,573	176,836	173,721	169,514
Capital Outlay					13,912	28,163	8,182	1,023	1,017	2,038
Debt Service:										
Principal	27,103	26,146	23,051	17,931	14,280	14,407	14,962	15,583	16,415	17,272
Interest	8,439	7,966	8,154	5,830	6,510	7,234	7,563	8,647	9,177	9,261
Bond Issuance Costs			1,289	80	65		67	322	6	346
Payment to Refunded Bond Escrow Agent			7,319							
Payment on Current Note Refunding			43,006							
<b>Total Expenditures, as restated</b>	<b>6,343,917</b>	<b>5,677,137</b>	<b>5,502,664</b>	<b>5,534,408</b>	<b>4,294,087</b>	<b>4,004,124</b>	<b>3,869,167</b>	<b>3,870,912</b>	<b>3,723,319</b>	<b>3,580,286</b>
<b>Excess of Revenues Over (Under) Expenditures, as restated</b>	<b>107,486</b>	<b>251,085</b>	<b>(119,996)</b>	<b>453,580</b>	<b>55,103</b>	<b>(58,504)</b>	<b>(40,761)</b>	<b>(48,499)</b>	<b>(182,856)</b>	<b>(94,598)</b>
<b>Other Financing Sources (Uses):</b>										
Lease Issuance	3,026	40,473	39,255							
Subscription	3,216	5,024					1,322	32,048		1,125
Proceeds from Sale of Capital Assets	4,293	1,822	4,298	25,067	2,895	5,663	2,627	2,253	2,136	2,099
Insurance Proceeds	31	426	2,415	36	15	33	13	80	85	
Bonds Issued								44,305		13,410
Premiums on Bond Issuance								6,173		314
Issuance of Refunding Bonds			54,370							
Issuance of Refunding Notes			44,065							
Payment to Refunded Bond Escrow Agent			(53,361)							
Proceeds of Refunding Bonds				9,495	7,130			1,405		10,408
Premiums on Refunding Bonds								206		1,657
Payments on Advance Refundings				(8,970)	(6,469)			(1,488)		(11,379)
Transfers In, as restated	381,483	365,272	381,854	391,819	289,409	283,840	298,786	261,279	274,598	271,301
Transfers Out	(198,923)	(196,085)	(204,440)	(230,962)	(169,066)	(159,347)	(174,720)	(142,563)	(155,397)	(158,782)
<b>Net Other Financing Sources (Uses), as restated</b>	<b>193,126</b>	<b>216,932</b>	<b>268,456</b>	<b>186,485</b>	<b>123,914</b>	<b>130,189</b>	<b>128,028</b>	<b>203,698</b>	<b>121,422</b>	<b>130,153</b>
<b>Net Change in Fund Balances, as restated</b>	<b>\$ 300,612</b>	<b>\$ 468,017</b>	<b>\$ 148,460</b>	<b>\$ 640,065</b>	<b>\$ 179,017</b>	<b>\$ 71,685</b>	<b>\$ 87,267</b>	<b>\$ 155,199</b>	<b>\$ (61,434)</b>	<b>\$ 35,555</b>
Debt Service as a Percentage of Noncapital Expenditures	0.60%	0.64%	1.58%	0.45%	0.52%	0.57%	0.62%	0.69%	0.73%	0.79%

Source: South Dakota Annual Comprehensive Financial Reports (FY 2015-2024). See statistical note for discussion on restated amounts.

**State of South Dakota**  
**Sales Tax Revenue Payers by Industry**  
**Last Ten Fiscal Years**  
(Dollars Expressed in Thousands)

<b>Fiscal Year 2024</b>				
	<b>Number of Filers</b>	<b>Percent of Total</b>	<b>Taxable Sales</b>	<b>Percent of Total</b>
Agriculture, Forestry, and Fishing	3,787	3.49%	\$ 601,799	1.80%
Mining	216	0.20%	112,806	0.34%
Construction	356	0.33%	41,792	0.12%
<b>Manufacturing</b>	<b>6,613</b>	<b>6.09%</b>	<b>1,863,275</b>	<b>5.57%</b>
Transportation and Public Utilities	3,089	2.84%	2,938,854	8.78%
Wholesale Trade	9,908	9.11%	3,092,515	9.24%
Retail Trade	46,849	43.09%	18,055,383	53.94%
Finance, Insurance, and Real Estate	2,069	1.90%	635,292	1.90%
Services	35,747	32.88%	6,124,922	18.30%
Public Administration	78	0.07%	4,159	0.01%
<b>Total</b>	<b>108,712</b>	<b>100.00%</b>	<b>\$ 33,470,797</b>	<b>100.00%</b>

<b>Fiscal Year 2021</b>				
	<b>Number of Filers</b>	<b>Percent of Total</b>	<b>Taxable Sales</b>	<b>Percent of Total</b>
Agriculture, Forestry, and Fishing	3,516	3.49%	\$ 453,836	1.70%
Mining	216	0.21%	69,146	0.26%
Construction	371	0.37%	32,700	0.12%
<b>Manufacturing</b>	<b>5,394</b>	<b>5.35%</b>	<b>1,703,602</b>	<b>6.39%</b>
Transportation and Public Utilities	2,774	2.75%	2,762,543	10.36%
Wholesale Trade	8,788	8.71%	2,389,599	8.96%
Retail Trade	43,666	43.29%	13,986,926	52.45%
Finance, Insurance, and Real Estate	2,020	2.00%	609,282	2.29%
Services	34,048	33.76%	4,652,257	17.45%
Public Administration	75	0.07%	4,126	0.02%
<b>Total</b>	<b>108,868</b>	<b>100.00%</b>	<b>\$ 26,664,017</b>	<b>100.00%</b>

<b>Fiscal Year 2018</b>				
	<b>Number of Filers</b>	<b>Percent of Total</b>	<b>Taxable Sales</b>	<b>Percent of Total</b>
Agriculture, Forestry, and Fishing	3,313	3.53%	\$ 367,891	1.70%
Mining	216	0.23%	68,101	0.31%
Construction	534	0.57%	32,765	0.15%
<b>Manufacturing</b>	<b>4,522</b>	<b>4.82%</b>	<b>1,065,841</b>	<b>4.91%</b>
Transportation and Public Utilities	2,684	2.86%	2,938,739	13.54%
Wholesale Trade	7,417	7.90%	1,523,330	7.02%
Retail Trade	39,386	41.96%	11,100,575	51.15%
Finance, Insurance, and Real Estate	2,298	2.45%	476,306	2.20%
Services	33,417	35.61%	4,125,512	19.01%
Public Administration	65	0.07%	2,547	0.01%
<b>Total</b>	<b>93,852</b>	<b>100.00%</b>	<b>\$ 21,701,607</b>	<b>100.00%</b>

<b>Fiscal Year 2015</b>				
	<b>Number of Filers</b>	<b>Percent of Total</b>	<b>Taxable Sales</b>	<b>Percent of Total</b>
Agriculture, Forestry, and Fishing	3,162	3.76%	\$ 297,936	1.45%
Mining	231	0.28%	105,773	0.51%
Construction	527	0.63%	27,123	0.13%
<b>Manufacturing</b>	<b>3,939</b>	<b>4.69%</b>	<b>873,909</b>	<b>4.24%</b>
Transportation and Public Utilities	2,697	3.21%	2,765,194	13.43%
Wholesale Trade	6,940	8.26%	1,617,613	7.85%
Retail Trade	31,642	37.65%	10,864,164	52.74%
Finance, Insurance, and Real Estate	2,136	2.54%	394,780	1.92%
Services	32,706	38.91%	3,650,026	17.72%
Public Administration	56	0.07%	2,390	0.01%
<b>Total</b>	<b>84,036</b>	<b>100.00%</b>	<b>\$ 20,598,908</b>	<b>100.00%</b>

Fiscal Year 2023			
Number of Filers	Percent of Total	Taxable Sales	Percent of Total
3,685	3.46%	\$ 589,112	1.80%
215	0.20%	100,484	0.31%
366	0.34%	44,247	0.14%
6,065	5.69%	2,019,810	6.18%
3,032	2.84%	3,095,440	9.48%
9,554	8.96%	3,003,526	9.19%
46,733	43.83%	17,433,451	53.36%
2,050	1.92%	642,793	1.97%
34,855	32.69%	5,736,764	17.56%
77	0.07%	3,329	0.01%
<b>106,632</b>	<b>100.00%</b>	<b>\$ 32,668,956</b>	<b>100.00%</b>

Fiscal Year 2020			
Number of Filers	Percent of Total	Taxable Sales	Percent of Total
3,504	3.53%	\$ 414,827	1.74%
206	0.21%	74,930	0.31%
368	0.37%	30,204	0.13%
5,180	5.22%	1,281,161	5.36%
2,750	2.77%	3,038,835	12.72%
8,440	8.50%	1,773,771	7.43%
42,777	43.09%	12,427,707	52.03%
1,994	2.01%	529,407	2.22%
33,983	34.23%	4,311,839	18.05%
73	0.07%	3,169	0.01%
<b>99,275</b>	<b>100.00%</b>	<b>\$ 23,885,850</b>	<b>100.00%</b>

Fiscal Year 2017			
Number of Filers	Percent of Total	Taxable Sales	Percent of Total
3,237	3.64%	\$ 348,540	1.68%
213	0.24%	63,973	0.31%
515	0.58%	31,077	0.15%
4,370	4.91%	958,294	4.61%
2,546	2.86%	2,833,338	13.63%
7,168	8.06%	1,438,813	6.92%
35,687	40.10%	10,789,651	51.89%
2,122	2.38%	451,550	2.17%
33,076	37.16%	3,873,304	18.62%
59	0.07%	3,920	0.02%
<b>88,993</b>	<b>100.00%</b>	<b>\$ 20,792,460</b>	<b>100.00%</b>

Fiscal Year 2022			
Number of Filers	Percent of Total	Taxable Sales	Percent of Total
3,614	3.47%	\$ 516,217	1.74%
217	0.21%	90,504	0.30%
362	0.35%	38,061	0.13%
5,743	5.52%	1,416,531	4.76%
2,887	2.78%	3,025,158	10.17%
9,230	8.87%	2,523,657	8.49%
45,399	43.64%	16,058,298	54.00%
2,036	1.96%	687,007	2.31%
34,462	33.13%	5,375,240	18.07%
76	0.07%	10,079	0.03%
<b>104,026</b>	<b>100.00%</b>	<b>\$ 29,740,752</b>	<b>100.00%</b>

Fiscal Year 2019			
Number of Filers	Percent of Total	Taxable Sales	Percent of Total
3,378	3.49%	\$ 405,756	1.78%
219	0.23%	70,449	0.31%
384	0.40%	27,292	0.12%
4,820	4.98%	1,144,740	5.03%
2,642	2.73%	3,008,229	13.21%
7,919	8.18%	1,696,169	7.45%
41,642	43.00%	11,646,177	51.14%
2,254	2.33%	496,573	2.18%
33,498	34.59%	4,271,983	18.76%
67	0.07%	4,942	0.02%
<b>96,823</b>	<b>100.00%</b>	<b>\$ 22,772,310</b>	<b>100.00%</b>

Fiscal Year 2016			
Number of Filers	Percent of Total	Taxable Sales	Percent of Total
3,202	3.77%	\$ 338,993	1.60%
210	0.25%	71,002	0.34%
475	0.56%	26,495	0.13%
4,076	4.80%	917,873	4.34%
2,625	3.09%	2,767,864	13.09%
7,117	8.38%	1,618,465	7.65%
32,455	38.19%	11,137,027	52.66%
2,135	2.51%	432,211	2.04%
32,618	38.38%	3,835,074	18.14%
55	0.07%	2,799	0.01%
<b>84,968</b>	<b>100.00%</b>	<b>\$ 21,147,803</b>	<b>100.00%</b>

Source: South Dakota Sales and Use Tax Report, Department of Revenue

**Notes:**

- (a) Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's sales tax resources, representing the largest source of funding for the General Fund.
- (b) Taxable sales: This is the amount of sales and use taxable sales of tangible personal property, services, and products delivered electronically which are subject to state tax or reservation tax unless specifically exempted. No Contractors Excise taxes are included.
- (c) Prior to June 1, 2016, a tax was imposed upon gross receipts from selling, leasing, and renting tangible personal property and the sales of services. From June 1, 2016 to June 30, 2023, all items subject to the state sales tax were taxed at 4.5% to conform to the HB 1182 passed during the 2016 Session. Beginning July 1, 2023, all items subject to the state sales tax are taxed at 4.2% to conform to the HB 1137 passed during the 2023 Session. A use tax of the same rate as the sales tax rate was imposed on goods and services that are used, stored, or consumed in South Dakota on which South Dakota sales tax was not paid. An excise tax of the same rate as the sales tax rate was imposed on farm machinery and amusement device tax.
- (d) The taxable figures could include amended returns that were due in prior periods.

**State of South Dakota**  
**Taxable Sales by Industry**  
**Last Ten Fiscal Years**  
(Dollars Expressed in Thousands)

	Fiscal Year				
	2024	2023	2022	2021	2020
<b>Taxable Sales by Industry</b>					
Agriculture, Forestry, and Fishing	\$ 601,799	\$ 589,112	\$ 516,217	\$ 453,836	\$ 414,827
Mining	112,806	100,484	90,504	69,146	74,930
Construction	41,792	44,247	38,061	32,700	30,204
Manufacturing	1,863,275	2,019,810	1,416,531	1,703,602	1,281,161
Transportation and Public Utilities	2,938,854	3,095,440	3,025,158	2,762,543	3,038,835
Wholesale Trade	3,092,515	3,003,526	2,523,657	2,389,599	1,773,771
Retail Trade	18,055,383	17,433,451	16,058,298	13,986,926	12,427,707
Finance, Insurance, and Real Estate	635,292	642,793	687,007	609,282	529,407
Services	6,124,922	5,736,764	5,375,240	4,652,257	4,311,839
Public Administration	4,159	3,329	10,079	4,126	3,169
<b>Totals</b>	<b>\$ 33,470,797</b>	<b>\$ 32,668,956</b>	<b>\$ 29,740,752</b>	<b>\$ 26,664,017</b>	<b>\$ 23,885,850</b>
Direct Sales Tax Rate	4.20%	4.50%	4.50%	4.50%	4.50%

	Fiscal Year				
	2019	2018	2017	2016	2015
<b>Taxable Sales by Industry</b>					
Agriculture, Forestry, and Fishing	\$ 405,756	\$ 367,891	\$ 348,540	\$ 338,993	\$ 297,936
Mining	70,449	68,101	63,973	71,002	105,773
Construction	27,292	32,765	31,077	26,495	27,123
Manufacturing	1,144,740	1,065,841	958,294	917,873	873,909
Transportation and Public Utilities	3,008,229	2,938,739	2,833,338	2,767,864	2,765,194
Wholesale Trade	1,696,169	1,523,330	1,438,813	1,618,465	1,617,613
Retail Trade	11,646,177	11,100,575	10,789,651	11,137,027	10,864,164
Finance, Insurance, and Real Estate	496,573	476,306	451,550	432,211	394,780
Services	4,271,983	4,125,512	3,873,304	3,835,074	3,650,026
Public Administration	4,942	2,547	3,920	2,799	2,390
<b>Totals</b>	<b>\$ 22,772,310</b>	<b>\$ 21,701,607</b>	<b>\$ 20,792,460</b>	<b>\$ 21,147,803</b>	<b>\$ 20,598,908</b>
Direct Sales Tax Rate	4.50%	4.50%	4.50%	4.50%	4.00%

**Source:** South Dakota Sales and Use Tax Report, Department of Revenue

**Notes:**

- (a) Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's sales tax resources, representing the largest source of funding for the General Fund.
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- (d) The taxable figures could include amended returns that were due in prior periods.

**State of South Dakota**  
**Ratios of Outstanding Long-Term Debt**  
**Last Ten Fiscal Years**  
(Dollars Expressed in Thousands)

	Fiscal Year				
	2024	2023	2022	2021	2020
<b>Governmental Activities:</b>					
Revenue Bonds	\$ 76,683	\$ 92,314	\$ 108,247	\$ 128,869	\$ 146,764
Trust Certificates					
Leases Payable	79,248	73,666	36,281		
Subscription IT Payable	7,442	6,432			
Notes Payable	97,657	100,016	102,502	108,922	133,352
<b>Total Governmental Activities</b>	<b>261,030</b>	<b>272,428</b>	<b>247,030</b>	<b>237,791</b>	<b>280,116</b>
<b>Business-type Activities:</b>					
Revenue Bonds	513,104	540,247	400,989	427,310	351,302
Leases Payable	1,303	1,653	1,471		
Subscription IT Payable	418	834			
<b>Total Business-type Activities</b>	<b>514,825</b>	<b>542,734</b>	<b>402,460</b>	<b>427,310</b>	<b>351,302</b>
<b>Total Primary Government</b>	<b>\$ 775,855</b>	<b>\$ 815,162</b>	<b>\$ 649,490</b>	<b>\$ 665,101</b>	<b>\$ 631,418</b>
South Dakota Total Personal Income (r)	\$ 68,633,000	\$ 66,619,500	\$ 63,440,100	\$ 60,077,700	\$ 52,763,700
Debt as a Percentage of Personal Income	1.1%	1.2%	1.0%	1.1%	1.2%
South Dakota Population (in thousands) (r)	928	919	910	896	888
Long-Term Debt per Capita	\$ 836.05	\$ 887.01	\$ 713.73	\$ 742.30	\$ 711.06

	Fiscal Year				
	2019	2018	2017	2016	2015
<b>Governmental Activities:</b>					
Revenue Bonds	\$ 160,839	\$ 176,322	\$ 192,360	\$ 157,847	\$ 174,764
Trust Certificates				280	570
Leases Payable					
Subscription IT Payables					
Notes Payable	136,417	139,181	145,681	116,289	116,352
<b>Total Governmental Activities</b>	<b>297,256</b>	<b>315,503</b>	<b>338,041</b>	<b>274,416</b>	<b>291,686</b>
<b>Business-type Activities:</b>					
Revenue Bonds	375,803	287,206	230,912	247,852	263,818
Leases Payable					
Subscription IT Payables					
<b>Total Business-type Activities</b>	<b>375,803</b>	<b>287,206</b>	<b>230,912</b>	<b>247,852</b>	<b>263,818</b>
<b>Total Primary Government</b>	<b>\$ 673,059</b>	<b>\$ 602,709</b>	<b>\$ 568,953</b>	<b>\$ 522,268</b>	<b>\$ 555,504</b>
South Dakota Total Personal Income (r)	\$ 48,013,900	\$ 45,144,000	\$ 42,989,300	\$ 41,551,500	\$ 41,160,100
Debt as a Percentage of Personal Income	1.4%	1.3%	1.3%	1.3%	1.3%
South Dakota Population (in thousands) (r)	883	875	870	861	852
Long-Term Debt per Capita	\$ 762.24	\$ 688.81	\$ 653.97	\$ 606.58	\$ 652.00

**Source:** Debt information obtained from the South Dakota Annual Comprehensive Financial Reports (FY 2015-2024)  
Total Personal Income and Population data: US Bureau of Economic Analysis

- Note:**
- (a) South Dakota Total Personal Income figure for 2024 is preliminary.
  - (b) Detail about the State's debt can be found in Note 11 of the financial statements.
  - (c) Generally, the State Constitution prohibits the State from having general obligation indebtedness in excess of \$100,000.
  - (d) The State has no specific limitation of the debt that can be issued by the Building Authority, Educational Enhancement Funding Corporation, Clean Water State Revolving Fund, and the Drinking Water State Revolving Fund; however, Legislative approval is required.
  - (r) Data for Total Personal Income has been revised for fiscal years 2019 through 2023.  
Data for South Dakota Population has been revised for fiscal year 2023.

**State of South Dakota**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
(Dollars Expressed in Thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenue Bonds and Trust Certificates										
- Building Authority										
Revenue - Lease Payments	\$ 6,447	\$ 6,447	\$ 6,450	\$ 10,485	\$ 6,966	\$ 6,968	\$ 7,019	\$ 8,071	\$ 8,607	\$ 8,898
Less: Operating Expenses										
<b>Net Available Revenue</b>	<b>\$ 6,447</b>	<b>\$ 6,447</b>	<b>\$ 6,450</b>	<b>\$ 10,485</b>	<b>\$ 6,966</b>	<b>\$ 6,968</b>	<b>\$ 7,019</b>	<b>\$ 8,071</b>	<b>\$ 8,607</b>	<b>\$ 8,898</b>
Debt Service										
Principal	\$ 4,218	\$ 4,051	\$ 3,913	\$ 7,632	\$ 3,680	\$ 3,507	\$ 3,462	\$ 3,648	\$ 2,321	\$ 4,047
Interest	2,213	2,357	2,494	2,807	3,112	3,451	3,532	4,388	6,283	4,377
<b>Total</b>	<b>\$ 6,431</b>	<b>\$ 6,408</b>	<b>\$ 6,407</b>	<b>\$ 10,439</b>	<b>\$ 6,792</b>	<b>\$ 6,958</b>	<b>\$ 6,994</b>	<b>\$ 8,036</b>	<b>\$ 8,604</b>	<b>\$ 8,424</b>
Coverage	1.00	1.01	1.01	1.00	1.03	1.00	1.00	1.00	1.00	1.06
Revenue Bonds										
- Educational Enhancement Funding Corp.										
Revenue:										
Tobacco Settlement	\$ 20,952	\$ 23,371	\$ 23,329	\$ 21,949	\$ 20,832	\$ 20,024	\$ 46,015	\$ 22,815	\$ 25,156	\$ 23,306
Investment Earnings	739	508		13	341	462	257	102	68	13
Less: Operating Expenses										
<b>Net Available Revenue</b>	<b>\$ 21,691</b>	<b>\$ 23,879</b>	<b>\$ 23,329</b>	<b>\$ 21,962</b>	<b>\$ 21,173</b>	<b>\$ 20,486</b>	<b>\$ 46,272</b>	<b>\$ 22,917</b>	<b>\$ 25,224</b>	<b>\$ 23,319</b>
Debt Service										
Principal	\$ 10,985	\$ 11,450	\$ 11,035	\$ 10,300	\$ 10,600	\$ 10,900	\$ 11,500	\$ 11,935	\$ 12,535	\$ 13,225
Interest	1,138	1,187	784	2,770	3,145	3,530	3,789	4,018	4,215	4,376
<b>Total</b>	<b>\$ 12,123</b>	<b>\$ 12,637</b>	<b>\$ 11,819</b>	<b>\$ 13,070</b>	<b>\$ 13,745</b>	<b>\$ 14,430</b>	<b>\$ 15,289</b>	<b>\$ 15,953</b>	<b>\$ 16,750</b>	<b>\$ 17,601</b>
Coverage	1.79	1.89	1.97	1.68	1.54	1.42	3.03	1.44	1.51	1.32
Revenue Bonds										
- Clean Water State Revolving Fund										
Revenue:										
Loan Repayments	\$ 39,590	\$ 43,738	\$ 44,686	\$ 42,248	\$ 36,697	\$ 30,004	\$ 27,944	\$ 28,764	\$ 28,998	\$ 26,637
Investment Income	9,020	8,379	5,197	5,619	5,752	6,637	4,605	4,181	4,192	3,900
Other Income	2,303	1,561	2,596	2,216	1,701	1,597	1,528	1,428	1,410	1,442
Less: Operating Expenses	1,659	2,947	3,519	2,090	1,698	2,288	3,737	2,348	982	1,294
<b>Net Available Revenue</b>	<b>\$ 49,254</b>	<b>\$ 50,731</b>	<b>\$ 48,960</b>	<b>\$ 47,993</b>	<b>\$ 42,452</b>	<b>\$ 35,950</b>	<b>\$ 30,340</b>	<b>\$ 32,025</b>	<b>\$ 33,618</b>	<b>\$ 30,685</b>
Debt Service										
Principal	\$ 16,520	\$ 15,335	\$ 14,685	\$ 13,115	\$ 13,130	\$ 12,505	\$ 10,125	\$ 9,875	\$ 9,290	\$ 7,580
Interest	15,297	14,866	13,028	13,601	10,304	9,293	7,862	6,821	7,088	6,663
<b>Total</b>	<b>\$ 31,817</b>	<b>\$ 30,201</b>	<b>\$ 27,713</b>	<b>\$ 26,716</b>	<b>\$ 23,434</b>	<b>\$ 21,798</b>	<b>\$ 17,987</b>	<b>\$ 16,696</b>	<b>\$ 16,378</b>	<b>\$ 14,243</b>
Coverage	1.55	1.68	1.77	1.80	1.81	1.65	1.69	1.92	2.05	2.15
Revenue Bonds										
- Drinking Water State Revolving Fund										
Revenue:										
Loan Repayments	\$ 16,656	\$ 18,876	\$ 14,918	\$ 28,421	\$ 15,449	\$ 20,165	\$ 21,007	\$ 17,634	\$ 23,042	\$ 25,234
Investment Income	5,208	4,615	3,044	3,140	3,727	4,230	3,233	2,930	3,104	2,639
Other Income	1,127	943	1,366	1,056	1,050	921	955	916	899	885
Less: Operating Expenses	2,705	2,245	2,276	1,465	1,476	1,282	1,076	695	105	123
<b>Net Available Revenue</b>	<b>\$ 20,286</b>	<b>\$ 22,189</b>	<b>\$ 17,052</b>	<b>\$ 31,152</b>	<b>\$ 18,750</b>	<b>\$ 24,034</b>	<b>\$ 24,119</b>	<b>\$ 20,785</b>	<b>\$ 26,940</b>	<b>\$ 28,635</b>
Debt Service										
Principal	\$ 6,315	\$ 8,140	\$ 7,740	\$ 7,515	\$ 8,575	\$ 8,085	\$ 6,075	\$ 5,925	\$ 5,535	\$ 4,475
Interest	7,150	6,071	3,543	3,803	4,073	3,315	2,409	2,116	2,255	2,276
<b>Total</b>	<b>\$ 13,465</b>	<b>\$ 14,211</b>	<b>\$ 11,283</b>	<b>\$ 11,318</b>	<b>\$ 12,648</b>	<b>\$ 11,400</b>	<b>\$ 8,484</b>	<b>\$ 8,041</b>	<b>\$ 7,790</b>	<b>\$ 6,751</b>
Coverage	1.51	1.56	1.51	2.75	1.48	2.11	2.84	2.58	3.46	4.24

**Source:** Clean Water State Revolving Fund Financial Statements, Drinking Water State Revolving Fund Financial Statements, Education Enhancement Funding Corporation Annual Report, and Building Authority Lease Rental Schedules and Debt Service Schedules.

- Note:**
- (a) The Building Authority, Educational Enhancement Funding Corporation, Clean Water State Revolving Fund, and Drinking Water State Revolving Fund are considered to be blended component units of the State. The Revenue Bonds and Trust Certificates issued by these entities may not be or become: a lien, charge, or liability against the State.
  - (b) For the Educational Enhancement Funding Corporation, all turbo redemptions are excluded from this calculation.
  - (c) All funds are presented on an accrual basis except for the Building Authority Fund which is presented on a cash basis.



## **POPULATION** *(Expressed in Thousands)*

<b>YEAR</b>	<b>UNITED STATES</b>	<b>PERCENT CHANGE</b>	<b>PLAINS*</b>	<b>PERCENT CHANGE</b>	<b>SOUTH DAKOTA</b>	<b>PERCENT CHANGE</b>
2023	334,915	0.5 %	21,763	0.4 %	919	1.0 %
2022r	333,271	0.4 %	21,685	0.1 %	910	1.6 %
2021r	332,049	0.2 %	21,663	0.2 %	896	0.9 %
2020r	331,527	0.4 %	21,625	0.3 %	888	0.6 %
2019	330,233	0.5 %	21,562	0.4 %	883	0.9 %
2018	328,542	0.6 %	21,474	0.4 %	875	0.6 %
2017	326,623	0.7 %	21,380	0.5 %	870	1.0 %
2016	324,368	0.8 %	21,273	0.5 %	861	1.1 %
2015	321,829	0.8 %	21,165	0.6 %	852	0.5 %
2014	319,270	0.8 %	21,049	0.6 %	848	0.8 %

**Note:** The Census Bureau provides a midyear population estimate for the current year. With each new release of population estimates, the Census Bureau revises estimates for years back to the last census.

r = Revised Estimates from Prior Year ACFR

\* The Plains Region includes Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota

**Source:** U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2024.

## **TOTAL PERSONAL INCOME** *(Dollars Expressed in Millions)*

<b>YEAR</b>	<b>UNITED STATES</b>	<b>PERCENT CHANGE</b>	<b>PLAINS*</b>	<b>PERCENT CHANGE</b>	<b>SOUTH DAKOTA</b>	<b>PERCENT CHANGE</b>
2023	\$ 23,380,269	5.9 %	\$ 1,464,221	5.0 %	\$ 66,620	5.0 %
2022r	22,077,232	3.1 %	1,394,917	4.8 %	63,440	5.6 %
2021r	21,403,979	9.2 %	1,330,943	9.8 %	60,078	13.9 %
2020r	19,600,945	6.8 %	1,212,194	6.8 %	52,764	9.9 %
2019r	18,349,584	4.8 %	1,134,579	3.8 %	48,014	6.4 %
2018	17,514,402	5.1 %	1,093,520	4.8 %	45,144	5.0 %
2017	16,658,962	4.9 %	1,043,303	3.2 %	42,989	3.5 %
2016	15,884,741	2.7 %	1,010,852	1.4 %	41,552	1.0 %
2015	15,467,113	4.7 %	997,298	3.2 %	41,160	3.9 %
2014	14,778,160	5.1 %	966,354	4.0 %	39,607	4.7 %

**Note:** Revised estimates reflect the revision of the National Income and Product Accounts (NIPA's), and newly available state and local data. Revised estimates for 2019 through 2023.

r = Revised Estimates from Prior Year ACFR

\* The Plains Region includes Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota

**Source:** U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2024.

## **UNEMPLOYMENT RATE**

<b>YEAR</b>	<b>SOUTH DAKOTA</b>	<b>UNITED STATES</b>
2023	2.0%	3.6%
2022r	2.0%	3.6%
2021	2.6%	5.3%
2020	4.2%	8.1%
2019	2.8%	3.7%
2018	2.8%	3.9%
2017	3.1%	4.4%
2016	3.0%	4.9%
2015	3.0%	5.3%
2014	3.3%	6.2%

**Note:** r = Revised Estimates from Prior Year ACFR

**Source:** SD Department of Labor and Regulation, Labor Market Information

## **PER CAPITA PERSONAL INCOME**

<b>YEAR</b>	<b>UNITED STATES</b>	<b>PERCENT CHANGE</b>	<b>PLAINS*</b>	<b>PERCENT CHANGE</b>	<b>SOUTH DAKOTA</b>	<b>PERCENT CHANGE</b>
2023	\$ 69,810	5.4 %	\$ 67,280	4.6 %	\$ 72,466	3.9 %
2022r	66,244	2.8 %	64,327	4.7 %	69,724	4.0 %
2021r	64,460	9.0 %	61,439	9.6 %	67,029	12.8 %
2020r	59,123	6.4 %	56,056	6.5 %	59,429	9.2 %
2019r	55,566	4.2 %	52,620	3.3 %	54,406	5.5 %
2018	53,309	4.5 %	50,923	4.4 %	51,575	4.4 %
2017	51,004	4.2 %	48,797	2.7 %	49,404	2.3 %
2016	48,971	1.9 %	47,518	0.8 %	48,279	(0.0)%
2015	48,060	3.8 %	47,121	2.6 %	48,302	3.4 %
2014	46,287	4.2 %	45,910	3.3 %	46,727	3.9 %

**Note:** Per capita personal income is total personal income divided by total midyear population estimate. Midyear population estimates. Source: U.S. Census Bureau.

r = Revised Estimates from Prior Year ACFR

\* The Plains Region includes Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

**Source:** U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2024.

## **NONFARM WAGE AND SALARY EMPLOYMENT BY INDUSTRY<sup>1</sup>** **(Expressed in Thousands)**

	<b>2024p</b>	<b>2023r</b>	<b>2022r</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Natural Resources/Mining/Construction	31.7	29.6	27.3	26.2	25.4	24.6	24.0	23.4	23.7	23.1
Manufacturing	44.5	45.3	45.1	43.9	43.2	45.0	44.4	43.1	42.2	42.6
Trade/Transportation/Utilities	91.9	91.6	89.2	86.9	84.0	85.9	86.5	87.0	88.0	87.3
<i>Wholesale Trade</i>	22.5	22.3	21.9	21.4	20.9	21.1	20.8	20.8	21.0	21.0
<i>Retail Trade</i>	53.7	53.7	53.0	51.6	49.7	51.2	52.3	53.0	53.7	52.9
<i>Transportation/Warehousing/Utility</i>	15.7	15.6	14.3	13.9	13.4	13.5	13.5	13.3	13.3	13.4
Information	5.1	5.1	5.2	5.1	5.1	5.5	5.6	5.7	5.8	5.9
Financial Activities	27.2	27.9	28.0	28.2	28.3	29.0	29.2	29.3	29.3	29.7
Professional/Business Services	37.9	37.3	36.8	34.6	32.8	33.2	32.3	31.5	31.4	30.8
Educational/Health Services	78.0	76.7	75.3	74.2	73.0	73.2	72.2	71.2	70.0	68.8
Leisure and Hospitality	50.7	49.4	48.3	45.6	41.0	47.4	47.3	47.0	46.7	46.2
Other Services (Except Public Administration)	18.3	18.3	17.7	17.0	16.6	16.8	16.7	16.7	16.6	16.3
Government	82.5	81.0	79.7	78.9	77.0	80.0	79.5	79.1	78.4	77.8
<b>TOTAL</b>	<b>559.7</b>	<b>553.8</b>	<b>541.8</b>	<b>527.5</b>	<b>510.4</b>	<b>526.4</b>	<b>524.3</b>	<b>521.1</b>	<b>520.1</b>	<b>515.8</b>
% Change in Nonfarm Employment	1.1%	2.2%	2.7%	3.4%	-3.0%	0.4%	0.6%	0.2%	0.8%	1.3%

**Note:** Numbers may not add due to rounding. Data not seasonally adjusted.

<sup>1</sup> Based on North American Industry Classification System (NAICS)

p = Preliminary Data

r = Revised Estimates from Prior Year ACFR

**Source:** Labor Market Information Center (LMIC) in cooperation with the U.S. Bureau of Labor Statistics

## **EXPANDED AND NEW INDUSTRIES** **(Dollars Expressed in Millions)**

	<b>EXPANSIONS</b>		<b>NEW</b>		<b>TOTAL</b>	
	<b>NUMBER</b>	<b>NEW CAPITAL INVESTMENT</b>	<b>NUMBER</b>	<b>NEW CAPITAL INVESTMENT</b>	<b>NUMBER</b>	<b>NEW CAPITAL INVESTMENT</b>
2023*	28	\$ 1,235.1	6	\$ 210.4	34	\$ 1,445.5
2022*	17	742.0	19	1,132.8	36	1,874.8
2021*	24	896.5	16	1,316.0	40	2,212.5
2020**	382	123.5	5	1.3	387	124.8
2019**	372	324.2	0	0.0	372	324.2
2018**	304	423.3	6	26.1	310	449.4
2017**	207	387.8	4	9.3	211	397.1
2016**	163	256.6	2	0.6	165	257.2
2015**	330	406.5	2	3.4	332	409.9
2014**	352	459.4	8	16.3	360	475.7

**Note:** \* The State no longer conducts surveys of manufactures. Expansion and investment amounts only include projects the Governor's Office of Economic Development directly helps facilitate.

\*\* Prior to 2021, the State conducted surveys of manufactures requesting information on capital investments.

**Source:** Governor's Office of Economic Development

**State of South Dakota  
Employment by Industry Type  
2024 as Compared to 2015**

<b>June 2024 Rank</b>	<b>Industry</b>	<b>South Dakota Employees</b>	<b>Percentage of Industry Types</b>
1	Government	83,900	17.6%
2	Health Care and Social Assistance	70,900	14.8%
3	Leisure and Hospitality	54,900	11.5%
4	Retail Trade	54,800	11.5%
5	Manufacturing	44,700	9.4%
6	Professional and Business Services	38,600	8.1%
7	Mining, Logging, and Construction	33,900	7.1%
8	Financial Activities	27,300	5.7%
9	Wholesale Trade	22,700	4.7%
10	Other Services	18,100	3.8%
11	Transportation, Warehousing, and Utilities	15,900	3.3%
12	Educational Services	6,600	1.4%
13	Information	5,100	1.1%
	<b>Total Nonfarm Employment</b>	<b>477,400</b>	<b>100.0%</b>

**Sources:** June, 2024 Current Employment Statistics (CES) data for all nonfarm workers, not seasonally adjusted.

Labor Market Information Center, SD Dept. of Labor & Regulation in cooperation with U.S. Bureau of Labor Statistics. Downloaded: 11/21/2024

**Notes:** Due to confidentiality issues, employment numbers of the ten largest employers is not available. The categories presented are intended to provide alternative information regarding employment.

<b>June 2015 Rank</b>	<b>Industry</b>	<b>South Dakota Employees</b>	<b>Percentage of Industry Types</b>
1	Government	79,000	18.1%
2	Health Care and Social Assistance	62,100	14.2%
3	Retail Trade	53,700	12.3%
4	Leisure and Hospitality	49,800	11.4%
5	Manufacturing	42,900	9.8%
6	Professional and Business Services	31,300	7.2%
7	Financial Activities	29,900	6.8%
8	Mining, Logging, and Construction	25,500	5.8%
9	Wholesale Trade	21,300	4.9%
10	Other Services	16,700	3.8%
11	Transportation, Warehousing, and Utilities	13,500	3.1%
12	Information	5,900	1.3%
13	Educational Services	5,600	1.3%
	<b>Total Nonfarm Employment</b>	<b>437,200</b>	<b>100.0%</b>

**Sources:** June, 2015 Current Employment Statistics (CES) data for all nonfarm workers, not seasonally adjusted.

Labor Market Information Center, SD Dept. of Labor & Regulation in cooperation with U.S. Bureau of Labor Statistics. Downloaded: 11/21/2024

**Notes:** Due to confidentiality issues, employment numbers of the ten largest employers is not available. The categories presented are intended to provide alternative information regarding employment.

**State of South Dakota**  
**Full-Time Equivalent State Employees by Function of Government**  
**Last Ten Fiscal Years**  
(excluding Higher Education)

Function of State Government:	Fiscal Year				
	2024	2023	2022	2021	2020
General Government	1,051	1,022	1,019	1,033	1,024
Health, Human, and Social Services	2,771	2,809	2,803	2,874	2,905
Law, Justice, Public Protection, and Regulation	2,259	2,105	2,142	2,169	2,137
Agriculture and Natural Resources	895	882	865	891	927
Transportation	1,008	993	999	990	991
Education	179	176	178	182	178
Economic Resources	81	72	67	69	71
<b>State Total</b>	<b>8,244</b>	<b>8,059</b>	<b>8,073</b>	<b>8,208</b>	<b>8,233</b>

Function of State Government:	Fiscal Year				
	2019	2018	2017	2016	2015
General Government	1,020	1,028	1,020	1,018	998
Health, Human, and Social Services	2,913	2,958	2,991	2,936	3,007
Law, Justice, Public Protection, and Regulation	2,143	2,129	2,130	2,186	2,215
Agriculture and Natural Resources	944	944	948	939	943
Transportation	997	1,000	998	976	977
Education	178	177	180	176	178
Economic Resources	125	125	124	156	158
<b>State Total</b>	<b>8,320</b>	<b>8,361</b>	<b>8,391</b>	<b>8,387</b>	<b>8,476</b>

**Source:** State's Budget System RB16 - June 30, 2024 *does not take into consideration reorganization*

**Note:**

(a) A full-time equivalent employee, or FTE, represents one full-time position, or a number of part-time or seasonal positions.

**State of South Dakota  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

	Fiscal Year			
	2024	2023	2022	2021
<b>General Government</b>				
Vehicles	2,776	2,772	2,712	2,861
Land (Acres)	762,218	762,538	762,538	762,538
Equipment	1,038	1,022	1,373	1,433
Buildings	35	34	33	56
Infrastructure	0	0	0	0
<b>Health, Human, and Social Services</b>				
Vehicles	19	14	8	8
Land (Acres)	656	656	656	642
Equipment	800	739	769	786
Buildings	82	82	82	83
Infrastructure	0	0	0	0
<b>Law, Justice, Public Protection, and Regulation</b>				
Vehicles	453	376	336	394
Land (Acres)	1,720	1,400	1,394	1,373
Equipment	1,314	1,340	1,494	1,516
Buildings	156	155	144	155
Infrastructure	0	0	0	0
<b>Agriculture and Natural Resources</b>				
Vehicles	343	349	357	379
Land (Acres)	363,948	363,627	363,607	363,435
Equipment	1,907	1,803	1,747	1,877
Buildings	173	176	160	172
Infrastructure	0	0	0	0
<b>Transportation</b>				
Vehicles	1,186	1,370	1,212	1,328
Land (Acres)	3,466	3,522	3,489	3,489
Land, ROW Roads	\$ 119,019,786	\$ 117,831,013	\$ 116,203,883	\$ 110,124,754
Land Improvements, Roads	\$ 529,014,507	\$ 529,014,507	\$ 529,014,507	\$ 529,014,507
Equipment	4,540	4,604	4,233	4,500
Buildings	222	221	217	217
Infrastructure				
-Roads: Lane Miles	8,841	8,843	8,842	8,849
-Bridges: Number of	1,819	1,819	1,819	1,811
-Railroads: Track Miles	173	173	173	173
<b>Education</b>				
Vehicles	0	0	0	0
Land (Acres)	187	187	187	187
Equipment	58	50	73	78
Buildings	30	32	32	35
Infrastructure	0	0	0	0
<b>Economic Resources</b>				
Vehicles	0	0	0	0
Land (Acres)	6	6	6	6
Equipment	3	2	2	2
Buildings	0	0	0	0
Infrastructure	0	0	0	0

**Source:** Survey conducted by BFM of the department's finance personnel and the Capital Asset System.

**Fiscal Year**

<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
2,897	3,012	2,948	2,908	2,987	2,904
762,538	761,475	761,465	760,743	760,806	760,806
1,359	1,406	1,382	1,386	1,427	1,406
24	24	22	22	23	22
0	0	0	0	0	0
7	7	7	7	7	7
642	644	584	710	763	799
653	689	665	650	667	651
81	81	84	89	89	92
0	0	0	0	0	0
297	358	361	361	332	317
1,413	1,413	1,512	1,504	1,504	1,510
1,246	1,263	1,196	1,180	1,090	1,047
137	137	135	157	156	159
0	0	0	0	0	0
353	366	369	378	389	392
363,285	363,221	363,222	362,876	361,821	360,938
1,667	1,715	1,668	1,647	1,617	1,576
129	128	120	96	76	73
0	0	0	0	0	0
1,197	1,295	1,301	1,281	1,287	1,279
3,199	3,182	3,177	3,199	3,213	3,217
\$ 108,226,917	\$ 107,257,048	\$ 103,939,192	\$ 97,004,207	\$ 95,308,778	\$ 93,472,606
\$ 529,014,507	\$ 529,014,507	\$ 527,033,832	\$ 527,033,832	\$ 523,392,571	\$ 520,147,538
4,109	4,257	4,066	3,917	3,806	3,661
209	207	203	199	193	183
8,847	8,847	8,850	8,850	8,861	8,862
1,802	1,795	1,796	1,796	1,795	1,799
530	530	530	530	530	530
0	0	0	0	0	0
187	187	284	284	284	184
76	81	81	86	78	25
32	32	32	34	27	27
0	0	0	0	0	0
0	0	0	0	0	0
6	6	6	0	0	0
1	1	1	3	3	47
0	0	0	0	0	1
0	0	0	0	0	0

**State of South Dakota  
Operating Indicators by Function  
Last Ten Fiscal Years**

	Fiscal Year		
	2024	2023	2022
<b>General Government</b>			
<b>Executive Management</b>			
<b>Bureau of Finance and Management</b>			
Complete Governors Budget Book	Annual	Annual	Annual
Finalize State Operating Budget	Annual	Annual	Annual
<b>Bureau of Information and Telecommunications</b>			
SDPB Local Production (Hours)	2,509	3,145	3,215
Radio Calls through Digital Network	29,911,109	29,759,859	26,745,228
<b>Bureau of Human Resources</b>			
Health: Employees, COBRA, Retirees/Dependents	12,137 / 14,025	11,943 / 13,668	12,050 / 13,794
<b>Bureau of Administration</b>			
Pieces of Mail Handled/Year	6,328,023	6,188,495	6,216,662
Total Miles Driven	28,082,566	27,583,403	33,549,427
<b>Revenue</b>			
Total Active Business Licenses	103,677	102,017	98,532
Vehicles Registered	1,619,981	1,635,157	1,602,358
Misc. Special Tax Licenses	6,298	6,359	6,204
<b>Lottery</b>			
Licensed Lottery Retailers--Instant Only	11	11	11
Licensed Lottery Retailers--On-line	633	624	623
<b>Legislature</b>			
<b>Auditor General</b>			
Audits Performed	50	51	55
Audits Reviewed (IPA reports)	376	383	358
<b>School and Public Lands</b>			
Apportion Common School Interest Fund and Income to School Districts (Thousands)	\$ 10,000	\$ 10,000	\$ 9,840
Apportion Endowed Income and Interest Fund to Ten Endowed Institutions (Thousands)	\$ 2,900	\$ 2,900	\$ 2,900
<b>Secretary of State</b>			
Business and Secured Transaction Filings	147,261	145,612	136,563
<b>State Treasurer</b>			
Cash Receipts (Thousands)	\$ 7,830,425	\$ 7,362,410	\$ 7,957,896
Unclaimed Property - Claims Paid	6,768	5,979	9,022
<b>State Auditor</b>			
Vouchers Audited	261,726	268,473	276,987
Warrants Written	188,806	198,474	226,742
<b>Health, Human, and Social Services</b>			
<b>Social Services</b>			
Medicaid Enrolled/Month	127,664	145,350	140,791
Long Term Care Services - Clients Served	3,041	3,159	3,272
<b>Health</b>			
Public Health Investigations	20,370	18,172	13,112
<b>Labor</b>			
State Labor Force	480,238	475,065	468,015
Unemployment Rate	2.00%	2.10%	3.10%
<b>South Dakota Retirement System</b>			
Budget Compared to Assets	0.03%	0.04%	0.04%
Budget Compared to Benefits	0.82%	0.74%	0.80%
<b>Veterans Benefits and Services</b>			
South Dakota Veteran Population	62,433	63,322	63,950
<b>State Veterans' Home</b>			
Average Daily Census	70	74	84
<b>Human Services</b>			
People with Developmental Disabilities Served	2,804	2,893	2,938
People with Mental Illness Served	16,279	17,077	17,548
People with Substance Abuse Issues Served	12,251	11,552	11,260
People Receiving Vocational Rehabilitation Services	4,964	4,513	4,440



Fiscal Year						
2021	2020	2019	2018	2017	2016	2015
Annual Annual	Annual Annual	Annual Annual	Annual Annual	Annual Annual	Annual Annual	Annual Annual
3,150	3,068	3,237	3,239	3,110	3,271	3,760
27,376,199	27,376,199	25,879,566	27,038,877	24,549,762	29,858,306	27,888,987
12,669 / 14,228	12,897 / 14,204	13,073 / 14,311	13,240 / 14,179	13,264 / 13,730	13,242 / 13,418	13,328 / 13,360
6,852,597	6,594,534	6,783,673	7,254,250	7,448,095	7,536,209	7,720,306
28,984,851	32,786,517	37,538,989	37,677,337	38,898,000	38,344,195	38,848,323
94,925	91,793	89,842	85,147	84,242	82,640	80,779
1,639,437	1,509,538	1,527,593	1,533,549	1,484,111	1,519,080	1,425,379
6,004	5,878	6,059	6,757	6,663	6,612	5,228
9	13	13	13	13	13	12
625	614	616	636	632	610	608
54	57	56	53	54	54	46
351	352	345	316	351	333	326
\$ 12,823	\$ 12,695	\$ 12,112	\$ 11,282	\$ 10,196	\$ 10,227	\$ 9,969
\$ 3,000	\$ 3,412	\$ 2,813	\$ 2,642	\$ 2,410	\$ 2,267	\$ 2,104
133,507	127,036	122,122	125,600	112,454	121,302	120,807
\$ 6,304,280	\$ 6,971,719	\$ 5,432,711	\$ 5,205,064	\$ 5,197,293	\$ 4,955,107	\$ 4,917,575
11,272	6,467	4,624	5,822	3,162	5,127	4,500
262,463	257,420	285,516	281,596	279,250	288,653	290,861
234,696	236,466	239,860	250,707	257,678	270,702	298,293
128,654	115,731	116,709	118,338	119,619	118,674	117,346
3,294	3,487	3,694	3,723	3,702	3,867	3,977
9,287	11,716	28,087	21,187	16,999	13,224	13,750
467,427	463,278	460,531	457,941	455,617	453,175	450,900
3.60%	4.10%	2.90%	3.00%	3.10%	2.80%	3.50%
0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
0.81%	0.86%	0.84%	0.86%	0.86%	0.86%	0.87%
65,014	67,119	65,893	66,811	72,000	72,000	75,000
95	98	96	94	94	96	121
3,070	3,093	3,031	3,105	3,092	3,103	3,104
17,156	18,047	18,189	17,866	17,169	17,194	16,653
11,189	11,693	11,361	12,351	12,003	12,297	11,525
4,378	4,697	5,174	5,581	5,608	5,484	5,299

**State of South Dakota**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years (continued)**

	Fiscal Year		
	2024	2023	2022
<b>Law, Justice, Public Protection, and Regulation</b>			
<b>Corrections</b>			
Adult System ADP (Average Daily Population)	3,694	3,452	3,317
Avg. Daily Population on Supervision	3,493	3,064	3,264
Juvenile Institutional and Placement ADP	159	188	185
<b>Unified Judicial System</b>			
Felony Offenses Filings	11,982	12,304	12,560
Class One Misdemeanor Filings	18,823	18,249	18,238
Class Two Misdemeanor Filings	100,231	93,857	101,299
<b>Attorney General</b>			
New Cases Opened/Closed/Pending (Thousands)	1.1 / 0.6 / 2.2	1.0 / 0.8 / 2.0	1.2 / 0.9 / 1.7
Investigations Conducted by DCI	1,498	1,483	1,511
<b>Public Safety</b>			
Patrol of Public Highways (Percentage)	60%	60%	60%
Driver Licenses Issued	183,957	212,667	214,813
Wildfires Suppressed (Fires/Acres)	83 / 275	77 / 5,655	217 / 17,059
<b>Military and Veterans Affairs</b>			
Assigned Strength of the Army Guard	2,971	2,924	3,118
Assigned Strength of the Air Guard	1,094	1,063	1,055
<b>Appraiser Program</b>			
New / Renewed Licenses	47 / 375	40 / 447	52 / 415
<b>Dealer, Broker &amp; Investment Advisor</b>			
Agents Licensed	141,328	137,151	125,738
<b>Renewed &amp; Issued Insurance</b>			
Appointments/Licenses	448,180	455,969	475,286
<b>Revenue Boards and Commissions</b>			
New & Renewed Licenses Issued	6,958	6,264	6,443
<b>Public Utilities Commission</b>			
Dockets Opened	124	122	156
<b>Agriculture and Natural Resources</b>			
<b>Agriculture</b>			
Dairy Inspections	N/A	N/A	N/A
Insect & Disease Individual Assists	N/A	N/A	N/A
<b>Game, Fish and Parks</b>			
Total Park Visitations	9,136,522	9,435,657	9,304,995
Acres of Walk-In Areas	1,433,074	1,407,005	1,389,000
<b>Natural Resources</b>			
Dollars Awarded/Number of Grants and Loans	N/A	N/A	N/A
Total Number of Regulated Facilities	N/A	N/A	N/A
<b>Petroleum Release Compensation</b>			
Petroleum Release Cases Initiated	N/A	N/A	N/A
Abandoned Tank Site Cases Initiated	N/A	N/A	N/A
<b>Transportation</b>			
Percent of Non-interstate State Highway System			
Main Lane Pavement Mileage Rated Good or Better on Condition Index	88	90	90
Percent of Interstate Pavement in Excellent Condition Based on Condition Index			
	49	46	56
<b>Education</b>			
Student K-12 Public School Fall Enrollment	138,202	138,387	137,685
<b>Economic Resources</b>			
<b>Tourism and State Development</b>			
Capital Investment Reported (Millions)	N/A	N/A	N/A
New Jobs Created (Calendar Year)	N/A	N/A	N/A
Tourism's Impact on South Dakota Economy (Billions)	\$ 3.56	\$ 3.31	\$ 2.84

Source: State's Budget System and/or survey of department finance personnel  
N/A= Not Applicable due to the data no longer being collected

Fiscal Year							
2021	2020	2019	2018	2017	2016	2015	
3,318	3,772	3,902	3,949	3,844	3,613	3,610	
3,325	3,393	2,951	2,573	2,480	2,345	2,315	
200	188	197	231	316	482	650	
13,305	13,284	12,527	12,259	11,512	10,800	10,392	
19,002	19,640	20,828	22,144	21,884	22,055	20,979	
97,035	92,599	104,426	115,784	114,231	114,445	112,323	
0.8 / 1.6 / 1.7	1.3 / 1.6 / 2.3	1.1 / 1.9 / 2.0	1.4 / 1.7 / 2.3	1.0 / 2.0 / 2.0	2.1 / 1.8 / 2.1	1.9 / 2.0 / 1.9	
1,418	1,277	819	935	963	1,063	1,062	
61%	63%	60%	59%	55%	59%	54%	
214,420	169,997	163,658	196,733	196,780	203,012	198,279	
241 / 39,771	324 / 3,404	259 / 4,413	731 / 65,659	748 / 74,228	614 / 17,359	642 / 53,145	
3,113	3,072	3,141	3,148	3,163	3,130	3,165	
1,055	1,055	1,055	1,051	1,037	1,040	1,050	
44 / 398	23 / 402	14 / 410	14 / 387	19 / 378	36 / 410	11 / 380	
114,553	107,764	104,188	100,956	96,156	96,262	91,545	
458,624	403,025	366,307	360,232	326,870	295,526	282,241	
6,126	6,591	6,396	6,939	6,688	7,161	6,708	
160	128	180	183	152	154	193	
395	378	458	434	635	604	500	
N/A	1,599	1,072	412	317	305	279	
9,892,484	11,255,067	7,298,423	7,646,131	7,729,787	7,509,840	7,605,595	
1,389,000	1,200,000	1,270,000	1,355,000	1,331,000	1,392,000	1,389,734	
115.6 M / 88	189.6 M / 112	155.0 M / 70	66.1 M / 66	121.6 M / 91	77.5 M / 106	118.3 M / 113	
N/A	N/A	29,463	29,225	29,108	29,186	28,359	
20	36	34	30	42	55	60	
32	35	36	39	45	57	62	
91	87	88	86	83	82	90	
52	50	56	50	50	45	53	
136,115	136,119	135,317	133,861	132,520	130,936	129,772	
N/A	N/A	N/A	\$ 400.90	\$ 257.20	\$ 400.00	\$ 475.00	
N/A	N/A	N/A	1,138	163	3,000	3,300	
\$ 2.57	\$ 2.75	\$ 2.65	\$ 2.64	\$ 2.46	\$ 2.36	\$ 1.99	

## *Statistical Section*

### *Notes to Statistical*

Restatement information for the *financial trends* statisticals is discussed below. These restatements only include error corrections and not restatement due to accounting principle changes, such as GASB 84 and 87.

**Fiscal Year 2023. A detailed correction can be found in the FY24 ACFR Note 2. Accounting Changes, Restatements, and Reclassifications:**

\$9.3 million was restated regarding the National Opioid Settlement due to an error in the receivable calculation. The Governmental Activities restricted net position and program revenue for Health, Human, and Social Services charges for services increased. This restatement can be found in the *Net Position by Component* and *Changes in Net Position*.

\$4.6 million was restated regarding an error in recording construction in progress. The Governmental Funds General Government Expenditures and Transfer In increased. The Governmental Activities net investment in capital assets and Transfer In increased. The Business-type Activities net investment in capital assets decreased and Transfer Out increased. This restatement can be found in the *Net Position by Component*, *Changes in Net Position*, and *Fund Balances, Governmental Funds*.

**Fiscal Year 2021. A detailed correction can be found in the FY22 ACFR Note 2. Accounting Changes, Restatements, and Reclassifications:**

\$19.2 million was restated regarding an error in reporting of insurance tax receivables and revenue. The Governmental Activities other taxes revenue, unassigned fund balance, and unassigned net position increased. This restatement can be found in the *Net Position by Component*, *Changes in Net Position*, *Fund Balances, Governmental Funds*, and *Changes in Fund Balances, All Governmental Funds*.

\$1.2 million was restated regarding an error in reporting of insurance tax receivables and revenue. The Governmental Activities other taxes revenue and unassigned net position increased. This restatement can be found in the *Net Position by Component* and *Changes in Net Position*.

\$0.6 million was restated regarding an error in reporting assessment revenue in the South Dakota Corn Utilization Council. This adjusted Agriculture and Natural Resources expenditures and restricted net position increased, which was carried forward to the Government Activities. This restatement can be found in the *Net Position by Component*, *Changes in Net Position*, *Fund Balances, Governmental Funds*, and *Changes in Fund Balances, All Governmental Funds*.

**Fiscal Year 2019. A detailed correction can be found in the FY20 ACFR Note 2. Accounting Changes, Restatements, and Reclassifications:**

\$8.4 million was restated regarding an error for employer tax receivable calculation. The employer assessment revenue, and unrestricted net position increased, which is carried forward to Business-type Activities charges for services. This restatement can be found in the *Net Position by Component* and *Changes in Net Position*.

**Fiscal Year 2017. A detailed correction can be found in the FY18 ACFR Note 2. Accounting Changes, Restatements, and Reclassifications:**

\$1.1 million was restated regarding an error in reporting revenues in the South Dakota Corn Utilization Council. The assessment revenue for Licenses, Permits, and Fees and restricted fund balance increased, which are carried forward to Governmental Activities charges for services. This restatement can be found in the *Net Position by Component*, *Changes in Net Position*, *Fund Balances, Governmental Funds*, and *Changes in Fund Balances, All Governmental Funds*.

\$0.3 million was restated regarding an error in reporting revenues in the South Dakota Soybean Research and Promotion Council. The assessment revenue for Licenses, Permits, and Fees and restricted fund balance increased, which are carried forward to Governmental Activities charges for

services. This restatement can be found in the *Net Position by Component, Changes in Net Position, Fund Balances, Governmental Funds, and Changes in Fund Balances, All Governmental Funds*.

**Fiscal Year 2016. A detailed correction can be found in the FY17 ACFR Note 2. Accounting Changes, Restatements, and Reclassifications:**

\$12.8 million was restated regarding an error in capital assets that were not capitalized. The Governmental Activities net investment of capital assets increased. This restatement can be found in the *Net Position by Component and Changes in Net Position*.

\$1.1 million was restated regarding an error in reporting revenues in the South Dakota Soybean Research and Promotion Council. The assessment revenue for Licenses, Permits, and Fees and restricted fund balance increased, which are carried forward to Governmental Activities charges for services. This restatement can be found in the *Net Position by Component, Changes in Net Position, Fund Balances, Governmental Funds, and Changes in Fund Balances, All Governmental Funds*.





