

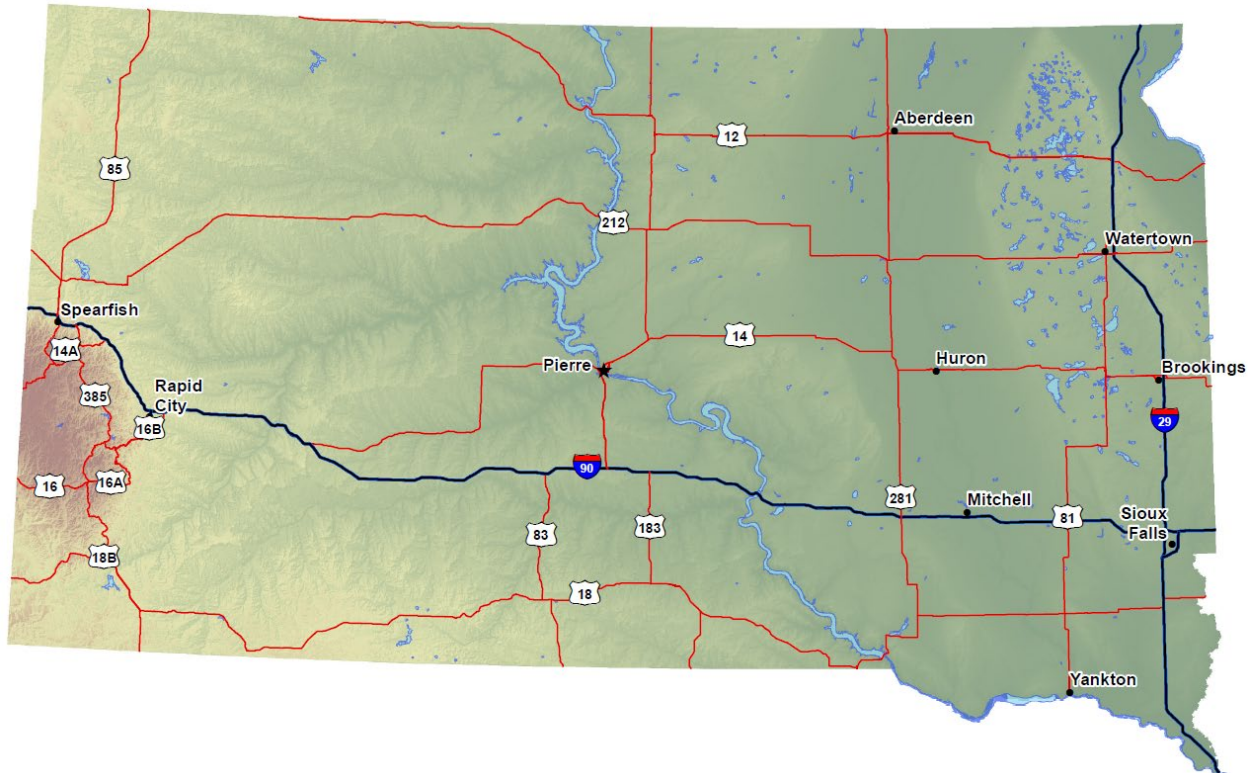
South Dakota

Single Audit Report

for the fiscal year ended June 30, 2023



STATE OF SOUTH DAKOTA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2023



KRISTI NOEM, GOVERNOR

LARRY RHODEN, LT. GOVERNOR

JIM TERWILLIGER
CHIEF FINANCIAL OFFICER
BUREAU OF FINANCE AND MANAGEMENT

RUSSELL A. OLSON
AUDITOR GENERAL
DEPARTMENT OF LEGISLATIVE AUDIT



May 20, 2024

To the Citizens of the State of South Dakota; The Honorable Kristi Noem, Governor;
and Members of the South Dakota Legislature:

We submit to you herein, the *Single Audit Report of the State of South Dakota* for the fiscal year ended June 30, 2023. This report includes the financial statements for the State of South Dakota as of June 30, 2023, and for the year then ended. The report also presents the audit results of the State's compliance with state and federal laws and regulations.

In submitting this report, we would like to express our appreciation to the staff of both the Bureau of Finance and Management and the Department of Legislative Audit for their efforts in completing this report. We also thank the many people in the various departments and agencies of state government that assisted by providing information necessary for completing the report.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Jim Terwilliger". The signature is fluid and cursive.

Jim Terwilliger
Commissioner
Bureau of Finance and Management

A handwritten signature in black ink that reads "Russell A. Olson". The signature is cursive and somewhat stylized.

Russell A. Olson
Auditor General
Department of Legislative Audit

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South Dakota



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INTRODUCTORY SECTION



INTRODUCTORY SECTION



DEPARTMENT OF EXECUTIVE MANAGEMENT BUREAU OF FINANCE AND MANAGEMENT

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December 29, 2023

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 37th *Annual Comprehensive Financial Report* (ACFR) for the State of South Dakota (the State) for the fiscal year ended June 30, 2023.

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, 2023, 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. 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. Those objectives include but are not limited to, the safeguarding of assets from loss, theft, or misuse, and ensuring the reliability of financial records for the preparation of financial statements in conformity with GAAP. The system of internal control for the State is designed to meet those objectives. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefit likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

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 39th or 40th 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 seven 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 2023 was the 133rd 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 |
|------------------|-------------------|---|--------------------------------------|-------------------|------------------------------|--|
| 2014 | \$ 105.2 | \$ | \$ 48.2 | \$ 153.4 | \$ 1,413.9 | 10.8% |
| 2015 | 126.7 | | 44.6 | 171.3 | 1,440.0 | 11.9% |
| 2016 | 113.4 | 44.0 | | 157.4 | 1,514.0 | 10.4% |
| 2017 | 121.3 | 44.0 | | 165.3 | 1,598.2 | 10.3% |
| 2018 | 132.4 | 44.0 | | 176.4 | 1,644.4 | 10.7% |
| 2019 | 145.1 | 44.0 | | 189.1 | 1,678.8 | 11.3% |
| 2020 | 169.6 | 46.3 | | 215.9 | 1,655.9 | 13.0% |
| 2021 | 169.6 | 137.5 | | 307.1 | 1,635.8 | 18.8% |
| 2022 | 176.8 | 245.8 | | 422.6 | 2,016.7 | 21.0% |
| 2023 | 201.9 | 133.7 | | 335.6 | 2,068.8 | 16.2% |

The combined accrual basis balance of these two reserve accounts for fiscal year 2023 was \$335.6 million, a decrease of \$87.0 million. This decrease from the prior year was a result of Legislative appropriations of \$183.8 million of the General Revenue Replacement Fund for future prison construction offset by required transfers into the reserve funds of \$96.8 million. The transfers as required by law into the Budget Reserve and the GRRF were the result of unspent General Fund appropriations of \$79.7 million and actual revenues exceeding estimates by \$17.1 million. The combined reserve balance of \$335.6 million is approximately 16.2% of the fiscal year 2023 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 37th consecutive year South Dakota has received an unmodified opinion on its ACFR.

| As of June 30 | SDRS | Projected Average of Other State Retirement Systems ** |
|--------------------------|-------------|---|
| 2014 | 107.3% | 77% |
| 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% (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 2023, the Lottery generated \$182.8 million of income (before transfers) and provided \$181.9 million in transfers to other funds that improve the quality of life in South Dakota. Since its inception in 1987, the Lottery has distributed \$3.6 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 amounts in the form of a fixed percentage 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 from year to year 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 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 take immediate corrective action including recommending 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, 2023, SDRS is fully funded with an actuarial value funded ratio and a fair value funded ratio of 100.1%. SDRS currently has no unfunded actuarial accrued liability. During the fiscal year, SDRS experienced a 5.8% (time-weighted) market return, or 0.7% less than the assumed rate of return of 6.5%. Plan investments at fair value in fiscal year 2023 were \$14.5 billion compared to \$10.6 billion in fiscal year 2014.

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

| As of June 30 | Total Pension Liability | Plan Fiduciary Net Position | Fair Value Funded Ratio | Primary Government's Proportionate Share | Primary Government's Net Pension Asset (Liability) |
|------------------|-------------------------------|--------------------------------|-------------------------------|---|--|
| 2014 | \$9.9 billion | \$10.6 billion | 107.3% | 22.1% | \$159.0 million (FY15) |
| 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) * |

* 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, and is projected to finish 2023 at 2.2%.

The unemployment rate in South Dakota remained low through fiscal year 2023 and remains among the lowest in the nation. In November 2023, South Dakota's unemployment rate was 2.0%, which was 1.9% lower than the U.S. unemployment rate of 3.9% for the same month.

Income growth is another important indicator of the State's economy. In calendar year 2022, which is the most recent annual data that is available, South Dakota's personal income grew 5.8%, nearly three times higher than the U.S. growth rate of 2.0%. 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, and 2022, personal income grew by 9.9%, 11.1%, and 5.8%, respectively. Farm income has also been elevated recently. In 2021 and 2022, farm income in South Dakota was \$3.7 billion and \$4.3 billion, respectively. These are the two of the 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 \$68,176 in 2022, 4.1% greater than the U.S. average per capita income of \$65,470. South Dakota's per capita personal income for the second quarter of 2023 is at an annual rate of \$69,574, 1.9% greater than the United States average of \$68,279.

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 0.9% in 2024 and 0.1% in 2025. Personal incomes are projected to grow in the range of 4% to 5% in 2024 and 2025.

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 fifth year of office.

Fighting Inflation. In 2022, inflation reached a 40-year high resulting in rising prices of food, gas, and consumer goods. To address this, the adopted budget for fiscal year 2024 included the largest tax cut in South Dakota's history, putting over \$100 million back in the pockets of South Dakota taxpayers by reducing state sales tax from 4.5% to 4.2%. It also included a 7% increase for state aid to K-12 education, a 7% increase for market adjustment for state employees, and a 5% increase for medical provider rates. The adopted budget also included a tuition freeze for higher education and technical colleges and 100% tuition assistance offered to National Guard members attending The Board of Regents Universities and Technical Colleges in South Dakota.

Strengthening Families. South Dakota is committed to taking care of those in need throughout all stages of their lives. The adopted budget for fiscal year 2024 provided targeted rate increases for healthcare providers, which increased reimbursement rates to 100% of the targeted methodology. In addition, the Governor recommended, and the legislature supported funding to create a Pregnancy Home Health program to improve pregnancy and postpartum care through enhanced case management and care coordination for mothers in the Medicaid program. The adopted budget also included funding for Regional Behavior Health Centers, which will offer behavioral health crisis stabilization services in communities across South Dakota. This effort will continue to shift mental health crisis services away from our jails and hospitals into more appropriate facilities so that South Dakotans can get the care that they truly need. Lastly, in accordance with the 2022 general election results as approved by the voters, the adopted budget for fiscal year 2024 also includes a plan to administer Medicaid expansion.

Investing in Public Safety and Infrastructure. Governor Noem recommended, and the legislature supported funding to improve public safety and infrastructure by modernizing South Dakota's correctional system, fulfilling infrastructure commitments, enhancing public safety, equipping the National Guard, and upgrading technology infrastructure across state government. This included funding to construct a new women's prison facility and the design and purchase of land for a new men's prison facility. The adopted budget also included inflationary cost overruns for infrastructure projects that the legislature previously approved, upgrades to the State's Emergency Alert System, state radio infrastructure that connects our law enforcement, and funds to upgrade our antiquated core financial system.

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, 2022. This was the seventh 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, Mark Edwardson, Brian Englund, Randi Olson, Tiffany Ripperda, Victor Ko, Amanda Jandt, Fabricio Rodrigues, Cassandra Ryckman, Stephanie Piroutek, Katie Lowe, Seth Romero, Shenal Premarathna, Allysen Kerr, Robert Norwick, Adam Hansen, Rachel Williams, Mary Keeler, Alan Todd, Dallas Fitzgerald, Lori Billet, Jennifer Neely, Kyle Weinman 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, 2022

Christopher P. Morrill

Executive Director/CEO

***SOUTH DAKOTA
FY2023 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 FY2023 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

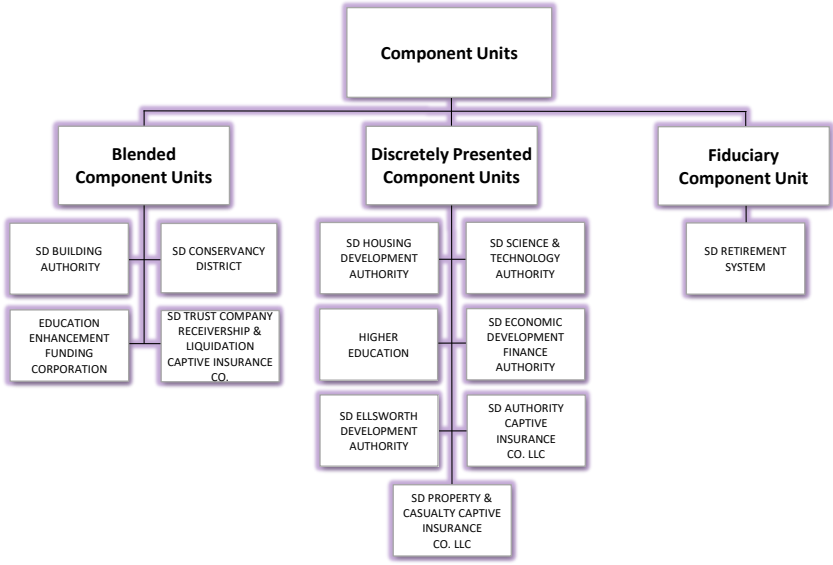
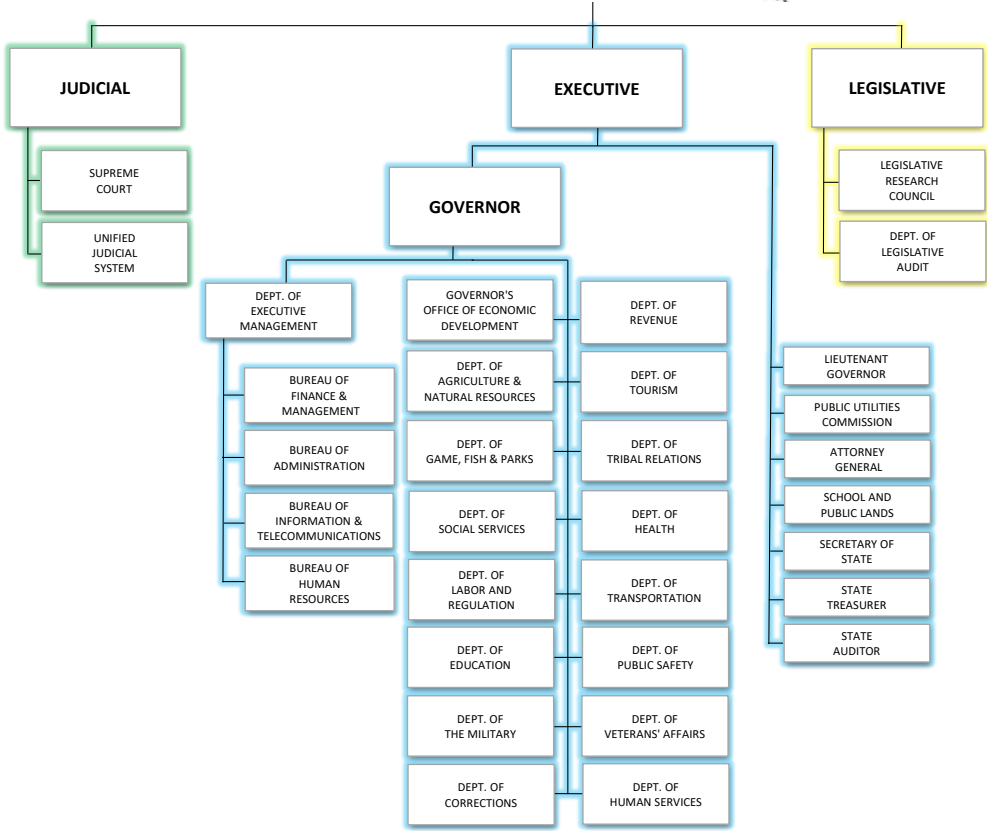
Transportation

EDUCATION

Education
Higher Education
State Aid to Universities

ECONOMIC RESOURCES

Tourism
Economic Development
Tribal Relations





FINANCIAL SECTION



FINANCIAL SECTION



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, 2023, 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, 2023, 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, 2023, 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% | 12.7% |

| | | |
|---|-------|------|
| Aggregate discretely presented component units: | | |
| South Dakota Housing Development Authority | 39.7% | 7.4% |
| South Dakota Science and Technology Authority | 2.7% | 4.5% |
| South Dakota Ellsworth Development Authority | .6% | .7% |
| Foundations of Higher Education | 19.3% | 8.3% |

Fund financial statements:

| | | |
|---------------------------------------|-------|-------|
| Aggregate remaining fund information: | | |
| South Dakota Retirement System | 87.6% | 30.3% |
| Unemployment Insurance Fund | 1.3% | 1.3% |

* 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 132 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 133 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 189 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 29, 2023 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 29, 2023

The following is a 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, 2023. 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 \$9.2 billion (reported as net position). Of this amount, \$6.9 billion is restricted for specific uses or invested in capital assets. The remaining \$2.3 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 \$726.0 million, or 8.6% from the prior fiscal year. The net position of Governmental Activities increased by \$667.4 million, or 8.8%, while the net position of Business-type Activities increased by \$58.6 million, or 6.6% from the prior fiscal year.
- Discretely presented component units reported a total net position of \$3.0 billion, an increase of \$103.1 million, or 3.5% from the prior fiscal year.

Fund Financial Statements

- The State's governmental funds combined ending fund balance of \$3.5 billion, an increase of \$468.0 million, or 15.2% from the prior fiscal year. Of the \$3.5 billion in combined ending fund balance, \$696.6 million is non-spendable and \$1.4 billion is restricted by outside sources or enabling legislation. Another \$63.6 million is committed by state law and \$899.3 million has been assigned for various specific purposes. The remaining \$463.6 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 \$463.6 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 \$1.4 billion. This includes total budget reserves of \$335.6 million, comprised of the Budget Reserve and the General Revenue Replacement Fund of \$201.9 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 \$48.2 million to the General Fund, these funds closed the fiscal year with a combined ending fund balance of \$1.3 billion, an increase of \$38.1 million.
- Proprietary funds reported a net position at fiscal year-end of \$994.6 million, an increase of \$52.3 million, or 5.6% from the prior fiscal year.

Long-Term Debt

- The primary government's total long-term debt (revenue bonds, notes, leases, and subscription IT payables) as of June 30, 2023, totaled \$815.2 million, an increase of \$165.7 million from the last fiscal year. The increase represents the net difference between new issuances and payments, and the refunding or defeasance of outstanding debts.
- The South Dakota Building Authority, a blended component unit of the State, did not issue any revenue bonds for the primary government or Higher Education in the fiscal year 2023.
- The South Dakota Conservancy District, a blended component unit of the State, issued \$58.8 million in taxable revenue bonds and \$97.8 million in tax-exempt revenue bonds in fiscal year 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis 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
 - Unallocated Depreciation

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 balances remaining at year-end 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, 2023, were \$11.8 billion, while total liabilities and deferred inflows of resources were \$2.6 billion. This resulted in a combined net position (Governmental and Business-type Activities) of \$9.2 billion, an 8.6% 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)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | | % of Change |
|--|-------------------------|---------------------|--------------------------|-------------------|--------------------------|---------------------|-------------|
| | FY2023 | FY2022 | FY2023 | FY2022 | FY2023 | FY2022 | |
| Current and Other Assets | \$ 5,190,067 | \$ 4,925,483 | \$ 1,469,125 | \$ 1,296,258 | \$ 6,659,192 | \$ 6,221,741 | 7.0% |
| Capital Assets | 4,890,296 | 4,687,676 | 35,890 | 9,217 | 4,926,186 | 4,696,893 | 4.9% |
| Total Assets | 10,080,363 | 9,613,159 | 1,505,015 | 1,305,475 | 11,585,378 | 10,918,634 | 6.1% |
| Deferred Outflows of Resources | 191,481 | 214,988 | 9,124 | 10,563 | 200,605 | 225,551 | (11.1)% |
| Current and Other Liabilities | 1,424,285 | 1,494,266 | 24,671 | 19,232 | 1,448,956 | 1,513,498 | (4.3)% |
| Noncurrent Liabilities | 466,671 | 432,442 | 545,585 | 406,162 | 1,012,256 | 838,604 | 20.7% |
| Total Liabilities | 1,890,956 | 1,926,708 | 570,256 | 425,394 | 2,461,212 | 2,352,102 | 4.6% |
| Deferred Inflows of Resources | 111,964 | 299,954 | 3,712 | 9,041 | 115,676 | 308,995 | (62.6)% |
| Net Position: | | | | | | | |
| Net Investment in Capital Assets | 4,650,638 | 4,485,267 | 33,389 | 8,008 | 4,684,027 | 4,493,275 | 4.2% |
| Restricted | 2,181,086 | 2,051,879 | 14,503 | 13,549 | 2,195,589 | 2,065,428 | 6.3% |
| Unrestricted | 1,437,200 | 1,064,339 | 892,279 | 860,046 | 2,329,479 | 1,924,385 | 21.1% |
| Total Net Position | \$ 8,268,924 | \$ 7,601,485 | \$ 940,171 | \$ 881,603 | \$ 9,209,095 | \$ 8,483,088 | 8.6% |
| Percent of Total Primary Government Net Position | 89.8% | 89.6% | 10.2% | 10.4% | 100.0% | 100.0% | |

In fiscal year 2023, Governmental Activities accounted for 89.8% of the State's total net position, and Business-type activities accounted for 10.2%, a 0.2% change from the prior fiscal year.

Net Investment in Capital Assets

The largest component of the State's net position, \$4.7 billion or 50.9%, 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 \$190.8 million, or 4.3% 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 \$2.2 billion, or 23.8% of total net position, an increase of \$130.2 million, or 6.3% 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 (\$652.8 million) or expendable (\$330.7 million), and the third trust fund (Dakota Cement Trust) is restricted for education (\$363.4 million).

The combined fund balance of these four funds totals \$1.3 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 \$848.8 million of restricted net position is restricted for highways (\$312.4 million), economic development (\$104.4 million), agriculture and natural resources (\$94.8 million), pensions (\$81.3 million), railroads (\$78.1 million), health and public assistance (\$63.3 million), and debt service (\$32.7 million), with the remaining amount for other purposes.

Unrestricted Net Position

The remaining net position balance, \$2.3 billion, or 25.3% 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 \$270.7 million within the Clean Water State Revolving Fund and \$232.4 million within the Drinking Water State Revolving Fund. Other federal and state regulation limitations include but are not limited to, \$219.5 million for the Unemployment Insurance Fund, \$120.9 million within the Revolving Economic Development and Initiative Fund, and \$9.2 million for revolving loan programs.

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

- **Budget Reserve** (\$201.9 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, 2023, was \$201.9 million, an increase of \$25.1 million from the prior fiscal year 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.

During fiscal year 2023, the South Dakota Legislatures appropriated \$183.7 million of the GRRF to the Incarceration Construction Fund to be used for the construction of future state prison facilities. The GRRF had a revenue deposit of \$71.7 million. This activity netted a decrease of \$112.1 million in the GRRF bringing the balance down to \$133.7 million.

The transfers as required by law into the Budget Reserve and the GRRF were the result of unspent General Fund appropriations of \$79.8 million and actual revenues exceeding estimates by \$17.1 million.

The unrestricted net position increased by \$405.1 million, or 21.1% during the fiscal year. A significant portion of this increase is attributed to: (1) \$348.9 million appropriated for future prison construction, (2) \$19.6 million increase in the Unemployment Insurance Fund, (3) \$7.1 million increase in the Drinking Water State Revolving Fund, (4) \$3.6 million increase in the Revolving Economic Development and Initiative Fund, (5) \$3.1 million increase in the Clean Water State Revolving 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 2023:

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

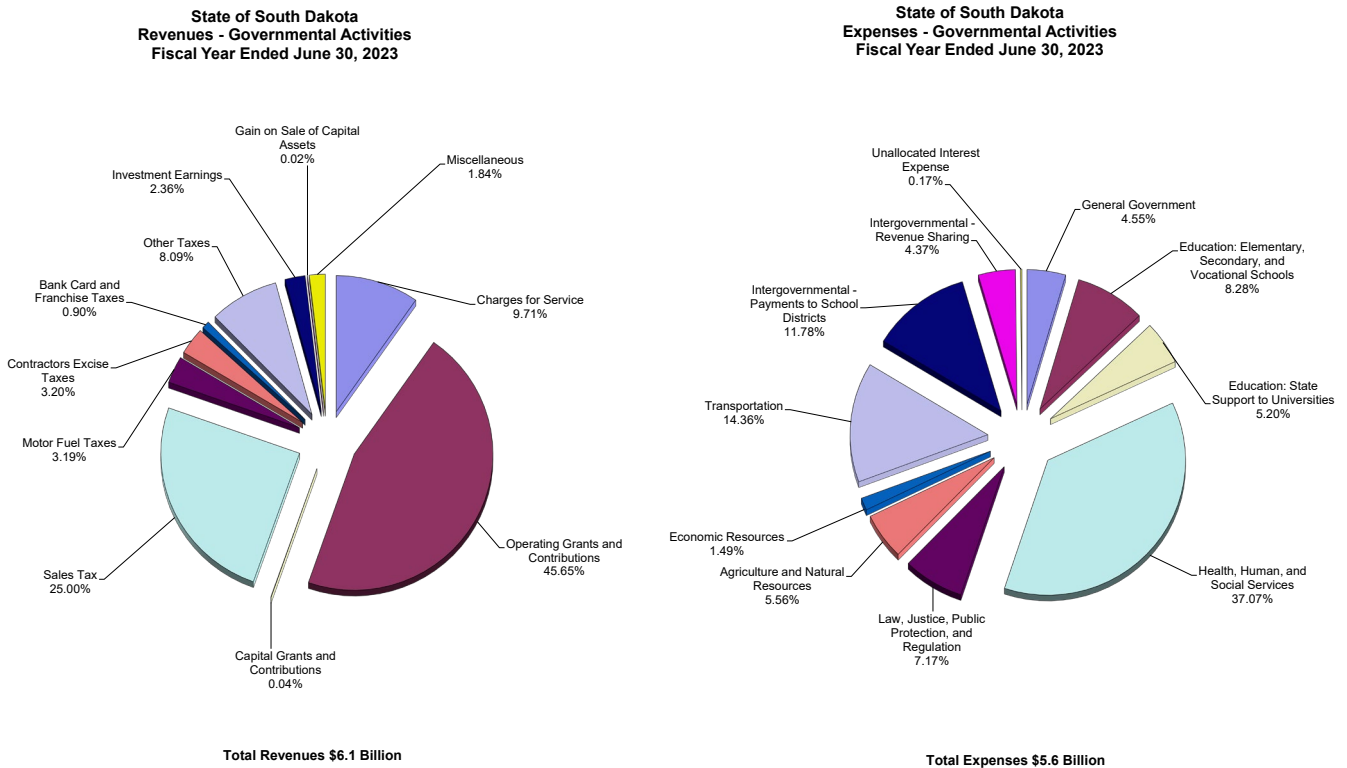
| | Governmental Activities | | Business-type Activities | | Total Primary Government | | % of Change |
|--|--------------------------------|---------------------|---------------------------------|-------------------|---------------------------------|---------------------|--------------------|
| | FY2023 | FY2022 | FY2023 | FY2022 | FY2023 | FY2022 | |
| Revenues: | | | | | | | |
| Program Revenues: | | | | | | | |
| Charges for Service | \$ 588,658 | \$ 550,792 | \$ 349,528 | \$ 322,554 | \$ 938,186 | \$ 873,346 | 7.4% |
| Operating Grants and Contributions | 2,767,282 | 2,635,757 | 39,061 | 24,357 | 2,806,343 | 2,660,114 | 5.5% |
| Capital Grants and Contributions | 2,598 | 3,786 | | | 2,598 | 3,786 | (31.4)% |
| General Revenues: | | | | | | | |
| Sales Taxes | 1,515,425 | 1,376,152 | | | 1,515,425 | 1,376,152 | 10.1% |
| Motor Fuel Taxes | 193,534 | 199,880 | | | 193,534 | 199,880 | (3.2)% |
| Contractors Excise Taxes | 193,935 | 147,888 | | | 193,935 | 147,888 | 31.1% |
| Bank Card and Franchise Taxes | 54,486 | 50,949 | | | 54,486 | 50,949 | 6.9% |
| Other Taxes | 490,081 | 466,058 | | | 490,081 | 466,058 | 5.2% |
| Investment Earnings | 142,740 | (59,783) | | | 142,740 | (59,783) | (338.8)% |
| Gain on Sale of Capital Assets | 1,297 | 5,352 | | | 1,297 | 5,352 | (75.8)% |
| Miscellaneous | 111,429 | 77,023 | | | 111,429 | 77,023 | 44.7% |
| Total Revenues | 6,061,465 | 5,453,854 | 388,589 | 346,911 | 6,450,054 | 5,800,765 | 11.2% |
| Program Expenses: | | | | | | | |
| General Government | 252,816 | 248,754 | | | 252,816 | 248,754 | 1.6% |
| Education | 460,567 | 379,799 | | | 460,567 | 379,799 | 21.3% |
| Education – State Support to Higher Education | 289,029 | 242,751 | | | 289,029 | 242,751 | 19.1% |
| Health, Human, and Social Services | 2,060,981 | 1,976,809 | | | 2,060,981 | 1,976,809 | 4.3% |
| Law, Justice, Public Protection, and Regulation | 398,854 | 301,083 | | | 398,854 | 301,083 | 32.5% |
| Agriculture and Natural Resources | 309,021 | 157,552 | | | 309,021 | 157,552 | 96.1% |
| Economic Resources | 82,816 | 200,463 | | | 82,816 | 200,463 | (58.7)% |
| Transportation | 798,565 | 649,898 | | | 798,565 | 649,898 | 22.9% |
| Pandemic Response | | 329,736 | | | | 329,736 | |
| Intergovernmental – Payments to School Districts | 654,930 | 595,640 | | | 654,930 | 595,640 | 10.0% |
| Intergovernmental – Revenue Sharing | 243,089 | 236,275 | | | 243,089 | 236,275 | 2.9% |
| Unallocated Interest Expense | 9,506 | 9,045 | | | 9,506 | 9,045 | 5.1% |
| Unallocated Depreciation | 53 | 53 | | | 53 | 53 | 0.0% |
| Lottery | | | 69,327 | 59,729 | 69,327 | 59,729 | 16.1% |
| Clean Water State Revolving | | | 17,542 | 15,008 | 17,542 | 15,008 | 16.9% |
| Drinking Water State Revolving | | | 14,196 | 11,024 | 14,196 | 11,024 | 28.8% |
| Other | | | 62,755 | 51,101 | 62,755 | 51,101 | 22.8% |
| Total Expenses | 5,560,227 | 5,327,858 | 163,820 | 136,862 | 5,724,047 | 5,464,720 | 4.7% |
| Excess (Deficiency) Before Transfers | 501,238 | 125,996 | 224,769 | 210,049 | 726,007 | 336,045 | |
| Special Items - Impairment of Capital Asset | | (5,289) | | | | (5,289) | |
| Transfers | 166,201 | 180,436 | (166,201) | (180,436) | | | |
| Change in Net Position | 667,439 | 301,143 | 58,568 | 29,613 | 726,007 | 330,756 | |
| Net Position – Beginning | 7,601,485 | 7,300,342 | 881,603 | 851,990 | 8,483,088 | 8,152,332 | |
| Net Position – Ending | \$ 8,268,924 | \$ 7,601,485 | \$ 940,171 | \$ 881,603 | \$ 9,209,095 | \$ 8,483,088 | |
| Percent Change in Total Net Position from prior year | 8.8% | | 6.6% | | 8.6% | | |

Governmental Activities:

The State's net position for Governmental Activities at the end of fiscal year 2023 was \$8.3 billion. This represents an increase of 8.8% or \$667.4 million from the prior fiscal year.

The \$667.4 million increase in the State's net position for Governmental Activities was the result of the net effect of the following: (1) \$6.1 billion revenues (an increase from the prior fiscal year of \$607.6 million); less (2) \$5.6 billion expenses (an increase from the prior fiscal year of \$232.4 million); plus (3) net transfers of \$166.2 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, 2023:



This fiscal year, the State received 45.7% from federal grants and contributions and 40.4% of its revenues from taxes (sales, motor fuel, contractors excise, bank card, bank franchise, and other taxes). Charges for services accounted for 9.7%.

In fiscal year 2023, health, human, and social services (taking care of people) accounted for 37.1% of the State’s expenses, followed by 25.3% for education (K-12 and post-secondary), and 14.4% for transportation (constructing and maintaining roads and bridges).

Significant changes in revenues include an increase of a \$185.3 million, or a 12.2% increase in sales, use, and contractors excise tax due to a steadily growing South Dakota economy and increasing construction activity, \$202.5 million increase in investment earnings and \$131.5 million increase in operating grants and contributions. Future discussion of these increases can be found in the *Financial Analysis of the State’s Funds* section in this document.

Most of the increases in expenses are attributed to a \$151.5 million, \$148.7 million, and \$127.0 million increase in the Agriculture and Natural Resources, Transportation, and Education functions of government. These increases were offset by a \$329.7 million decrease in the pandemic response function of government as the spending of COVID-19 related federal grant funding switches from pandemic response to economic recovery. Please see the COVID-19 Federal Fund analysis of the *Financial Analysis of the State’s Funds* section in this document.

Business-type Activities:

The net position of the Business-type Activities at the end of fiscal year 2023 was \$940.2 million, an increase of \$58.6 million due to total revenues exceeding total expenses and transfers out. Although the net position for Business-type Activities only accounts for roughly 10.2% of the total net position, Business-type Activities provided \$166.2 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 \$3.5 billion, an increase of \$468.0 million during the fiscal year. Of this amount, approximately 19.7%, or \$696.6 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 40.1%, or \$1.4 billion of the combined ending fund balance is restricted by outside sources or enabling legislation. Another 1.7%, or \$63.6 million of the combined balance is committed by state law and 25.4%, or \$899.3 million, has been assigned internally for specific purposes. The remaining \$463.6 million, or 13.1% is reported as unassigned. Certain resources within the \$463.6 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, 2023
(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 | \$ 6,484 | \$ 22,754 | \$ 1,715 | \$ 4,408 | \$ | \$ 443,646 | \$ 217,543 | \$ 696,550 | 19.7% |
| Restricted | | 304,440 | | 176 | 363,359 | 258,462 | 492,157 | 1,418,594 | 40.1% |
| Committed | | | | | | | 63,640 | 63,640 | 1.7% |
| Assigned | 882,516 | | 1,488 | | | | 15,247 | 899,251 | 25.4% |
| Unassigned | 476,667 | | | | | | (13,090) | 463,577 | 13.1% |
| Total Fund Balances | \$ 1,365,667 | \$ 327,194 | \$ 3,203 | \$ 4,584 | \$ 363,359 | \$ 702,108 | \$ 775,497 | \$ 3,541,612 | |
| % Change from prior year | 38.8% | 8.0% | 23.6% | 337.0% | 1.3% | 3.8% | 3.6% | 15.2% | |

The following governmental funds are major funds and had a significant impact on the State's financial position during fiscal year 2023:

General Fund (\$1.4 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 | General Fund | | % of |
| | FY2023 | FY2022 | | FY2023 | FY2022 | |
| Revenue: | | | | | | |
| Taxes: | | | | | | |
| Sales and Use Tax | \$ 1,490,564 | \$ 1,369,625 | 8.8% | | | |
| Contractor's Excise Tax | 194,238 | 157,885 | 23.0% | | | |
| Insurance Company Tax | 99,333 | 94,869 | 4.7% | | | |
| Cigarette Excise Tax | 35,321 | 37,784 | (6.5)% | | | |
| Bank Tax | 53,085 | 51,237 | 3.6% | | | |
| Tourism Tax | 40,253 | 39,438 | 2.1% | | | |
| Alcohol Beverage Tax | 21,352 | 22,250 | (4.0)% | | | |
| Mineral Tax | 7,176 | 8,581 | (16.4)% | | | |
| Other | 19,206 | 17,453 | 10.0% | | | |
| Licenses, Permits, and Fees | 14,466 | 14,168 | 2.1% | | | |
| Fines, Forfeits, and Penalties | 800 | 675 | 18.5% | | | |
| Use of Money and Property | 61,164 | (32,246) | (289.7)% | | | |
| Sales and Services | 24,264 | 20,739 | 17.0% | | | |
| Administering Programs | 12 | | | | | |
| Unclaimed Property Remittance | 88,353 | 52,770 | 67.4% | | | |
| Other Revenue | 11,004 | 11,057 | (0.5)% | | | |
| Total Revenue | \$ 2,160,591 | \$ 1,866,285 | 15.8% | | | |
| Transfers In: | | | | | | |
| South Dakota Lottery Fund | \$ 178,259 | \$ 175,241 | 1.7% | | | |
| Securities and Insurance Fund | 63,241 | 61,131 | 3.5% | | | |
| Education Enhancement Trust Fund | 26,389 | 25,278 | 4.4% | | | |
| Dakota Cement Trust Fund | 14,369 | 13,982 | 2.8% | | | |
| South Dakota Gaming Commission Fund | 7,678 | 7,712 | (0.4)% | | | |
| Health Care Trust Fund | 7,276 | 6,612 | 10.0% | | | |
| All Other Transfers In | 12,758 | 12,654 | 0.8% | | | |
| Total Transfers In | \$ 309,970 | \$ 302,610 | 2.4% | | | |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General Government | \$ 87,502 | \$ 79,964 | 9.4% | | | |
| Education (all) | 981,197 | 921,445 | 6.5% | | | |
| Health, Human, and Social Services | 639,204 | 584,588 | 9.3% | | | |
| Law, Justice, Public Protection, and Regulation | 226,305 | 164,900 | 37.2% | | | |
| Agriculture and Natural Resources | 17,076 | 18,757 | (9.0)% | | | |
| Economic Resources | 54,647 | 186,690 | (70.7)% | | | |
| State Shared Revenue Paid to Other Governments | 59,686 | 57,974 | 3.0% | | | |
| Debt Service: | | | | | | |
| Principal and Interest | 3,207 | 2,383 | | | | |
| Total Expenditures | \$ 2,068,824 | \$ 2,016,701 | 2.6% | | | |
| Transfers Out: | | | | | | |
| State Fair Fund | \$ 17,541 | \$ | | | | |
| Agricultural Services Fund | 3,350 | 104 | 3121.2% | | | |
| Building Authority | 3,246 | 3,246 | 0.0% | | | |
| Emergency Management Fund | 2,525 | 2,947 | (14.3)% | | | |
| Fire Suppression Fund | 2,463 | 1,059 | 132.6% | | | |
| Vocational Education Facilities Fund | 1,731 | | | | | |
| All Other Transfers Out | 5,158 | 37,524 | (86.3)% | | | |
| Total Transfers Out | \$ 36,014 | \$ 44,880 | (19.8)% | | | |

The General Fund experienced an increase in revenues of \$294.3 million or 15.8% from the prior fiscal year. A majority of the overall increase is attributed to a \$157.3 million increases in sales and use, and contractor's excise tax (a 10.3% increase) and a \$93.4 million increase in investment earnings. These tax revenue increases are due to a steadily expanding South Dakota economy and growing construction activity.

The General Fund's total expenditures increased by \$52.1 million or 2.6% from the prior fiscal year. This increase was spread out rather evenly between the Education; Health, Human, and Social Services; and Law Justice, Public Protection, and Regulation 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 \$1.4 billion, an increase of \$382.0 million, or 38.8% from the prior fiscal year.

Significant changes in the General Fund balance include the following:

- Assigned ending fund balance of \$882.5 million increased by \$413.4 million, or 88.1% from the prior fiscal year. Most of this change consists of a \$348.9 million set aside for future prison construction.
- Unassigned ending fund balance of \$476.7 million decreased by \$32.3 million, or 6.3% from the prior fiscal year. Most of this decrease is attributed to the decrease of the GRRF as previously discussed.

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 \$201.9 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, \$127.3 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, \$115.7 million was tax revenue recognized as revenue in the General Fund in fiscal year 2023 for financial reporting purposes, but not distributed on a cash basis to the General Fund until fiscal year 2024. This revenue was budgeted for and will be used in fiscal year 2024 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 42.7% of the total General Fund operating expenditures, while the unassigned fund balance (including the Budget Reserve and GRRF) represents 23.0% of that same amount or 65.7% in total.

Transportation (\$327.2 million). The Transportation Fund is a major special revenue fund that accounts for the construction and maintenance of the State's highways and bridges, and funds public transportation. 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. The total fund balance at the end of the current fiscal year for this fund was \$327.2 million, an increase of \$24.2 million, or 8.0% from the prior fiscal year.

Total revenues for the Transportation Fund increased by \$150.2 million or 18.9% from the prior fiscal year while total expenditures increased by \$174.8 million, or 23.5%. These increases are the result of an increase in 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 (\$3.2 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, Child Care 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 \$3.2 million, relatively unchanged from the prior fiscal year.

Total program revenue of \$845.4 million increased by \$48.1 million, or 6.0% and expenditures of \$853.3 million increased by \$50.4 million, or 6.3% from the prior fiscal year. These increases are predominantly attributed to growth in the utilization of the Medicaid program, offset by a small decrease in the Federal Medical Assistance Percentage (FMAP) rate.

COVID-19 Federal (\$4.6 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, 2023, the COVID-19 Federal fund reported total expenditures of \$573.1 million. Of that, \$206.9 million (36.1%) and \$164.0 million (28.6%) were ESSER and SFRF expenditures. Other major expenditures included \$58.3 million (10.2%) of enhanced FMAP expenditures and \$40.8 million (7.1%) for childcare development grants. The remaining \$103.1 million of COVID-19 Federal Fund expenditures included over 70 different federal funding sources.

At the close of the fiscal year, the COVID-19 Federal fund had a fund balance of \$4.6 million and 826.7 million of unearned federal grant revenue. Most of the unearned revenue is for SFRF receipts not yet spent.

Dakota Cement Trust Fund (\$363.4 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 \$14.4 million to the General Fund in fiscal year 2023 and \$14.0 million in fiscal year 2022.

The fund balance in the Dakota Cement Trust Fund on June 30, 2023, was \$363.4 million and is restricted for education. This is an increase of \$4.7 million from the previous fiscal year. The increase resulted primarily from net investment income of \$20.5 million exceeding the statutory required transfer to the General Fund of \$14.4 million.

Education Enhancement Trust Fund (\$702.1 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 \$26.4 million to the General Fund in fiscal year 2023 and \$25.3 million in fiscal year 2022.

The fund balance in the Education Enhancement Trust Fund on June 30, 2023, was \$702.1 million, an increase of \$25.7 million from the prior fiscal year. The increase resulted from net investment income of \$42.9 million and the \$12.0 million transfer in from the Tobacco Securitization Fund exceeding the statutory required transfer out to the General Fund of \$26.4 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 2023:

Lottery Fund (\$6.5 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 \$6.5 million, an increase of \$0.9 million in comparison with the prior fiscal year. Pursuant to state law, the State Lottery Fund transferred \$178.3 million to the General Fund, \$2.2 million to the Water and Environment Fund, \$1.3 million to the Transportation Fund, and \$0.2 million to the Department of Social Services.

The State Lottery produced income (before transfers) of \$182.8 million on total operating revenue of \$251.5 million, compared to the previous fiscal year's income (before transfers) of \$179.4 million on operating total revenue of \$239.5 million. This continued growth is attributed to three of the largest jackpot prizes in U.S. Lottery history and steady growth in video lottery play.

Clean Water State Revolving Fund (\$270.7 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 \$270.7 million, an increase of \$3.1 million, or 1.2% in comparison to the prior fiscal year. This increase resulted primarily from operating revenues, federal capitalization grant income, and investment income exceeding operating and grant expenses.

Drinking Water State Revolving Fund (\$232.4 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 \$232.4 million, an increase of \$7.1 million, or 3.2% in comparison with the prior fiscal year. This increase resulted primarily from operating revenues, federal capitalization grant income, and investment income exceeding operating and grant expenses.

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 \$153.4 million net increase in appropriations comprised of two separate appropriation types: emergency special appropriations and net general bill adjustment appropriations (both increases and decreases). The net increase was due to actual sales and use tax, contractors excise tax, lottery revenues, insurance company tax, and unclaimed property receipts exceeding previous estimates.

Increases to the General Fund Budget

Emergency Specials. During the 2023 Legislative Session, the Legislature approved emergency special appropriations to the General Fund of \$199.2 million in fiscal year 2023. They consisted of the following:

- \$70.0 million was appropriated to the Bureau of Finance and Management for modernizing the State's core financial systems and processes.
- \$25.5 million was appropriated to the Department of Revenue for modernizing the motor vehicle administration system, and refunds to elderly and disabled persons for real property tax and sales tax.
- \$25.4 million was appropriated to the Department of Corrections for purchasing real property and contracting for the planning and site preparation of a prison facility.

- \$16.1 million was appropriated to the Department of Health for the new state public health laboratory, grants to support mental health and suicide prevention programs for youths and young adults, and reimbursements to eligible health care practitioners.
- \$13.0 million was appropriated to the South Dakota Science and Technology Authority for expanding laboratory space at the Sanford Underground Research Facility.
- \$12.5 million was appropriated to the Department of Public Safety to provide grants to support volunteer fire departments, costs related to emergency, disaster, or suppression of wildfires, and for the construction of a maintenance shop for the Wildland Fire Suppression Division.
- \$10.4 million was appropriated to Higher Education for revised construction costs for the Mineral Industries Building at the South Dakota School of Mines and Technology, construction of a new bioproducts facility at the South Dakota State University, construction and design of the new Lincoln Hall building at Northern State University, and construction to the health science center at Black Hills State University.
- \$7.0 million was appropriated to the Department of Agriculture and Natural Resources to contract for the livestock and equestrian complex at the State Fair and create a cost-share program for those in the Black Hills National Forest lands.
- \$6.3 million was appropriated to the Department of Transportation for the payment of eligible expenses associated with the rehabilitation of rail lines.
- \$13.0 million total increase in appropriations to various state agencies.

General Bill Increases. The 2023 Legislature approved general bill adjustments that increased the General Fund's original budget by \$34.8 million during fiscal year 2023. This increase consisted of the following:

- \$25.0 million increase in appropriations to Higher Education related to the Board of Regents Central Office, South Dakota State University, South Dakota School of Mines and Technology, University of South Dakota, Northern State University, and Black Hills State University.
- \$4.2 million increase in appropriations to the Department of Corrections for programs in the women's prison.
- \$2.6 million increase in appropriations to the Attorney General's Office for programs in criminal investigation.
- \$3.0 million total increases in appropriations to various state agencies.

Decreases to the General Fund Budget

General Bill Decreases. The 2023 Legislature approved general bill adjustments that decreased the General Fund's original budget by \$80.6 million during fiscal year 2023. These decreases consisted of the following:

- \$40.2 million decrease in appropriations to the Department of Social Services for programs in medical services, children's services, and behavioral health.
- \$27.8 million decrease in appropriations to the Department of Human Services for programs in long-term services and support, developmental disabilities, South Dakota Development Center, and rehabilitation services.
- \$10.2 million decrease in appropriations to the Department of Education for programs in State Aid to general education, technical colleges, education resources, and sparsity payments.
- \$2.4 million decrease in appropriations to various state agencies.

The net effect of the emergency special appropriations and general bill adjustments resulted in a \$153.4 million increase 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 \$519.5 million below the final budgeted estimates.

CAPITAL ASSETS

Investment in capital assets as of June 30, 2023, is \$4.9 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 | |
|-------------------------------------|----------------------------|---------------------|-----------------------------|-----------------|-----------------------------|---------------------|
| | FY2023 | FY2022 | FY2023 | FY2022 | FY2023 | FY2022 |
| Land | \$ 130,793 | \$ 127,054 | \$ 295 | \$ 295 | \$ 131,088 | \$ 127,349 |
| Land Improvements | 114,745 | 93,958 | 1,096 | 1,096 | 115,841 | 95,054 |
| Land Improvements - Roads | 646,845 | 645,218 | | | 646,845 | 645,218 |
| Buildings | 844,037 | 834,999 | 7,819 | 7,819 | 851,856 | 842,818 |
| Equipment | 302,419 | 282,768 | 3,635 | 3,867 | 306,054 | 286,635 |
| Intangible Assets – Software | 125,522 | 120,172 | 473 | 749 | 125,995 | 120,921 |
| Vehicles | 204,558 | 189,066 | | | 204,558 | 189,066 |
| Infrastructure | 4,765,726 | 4,662,465 | | | 4,765,726 | 4,662,465 |
| Right-to-Use Land | 24 | 28 | | | 24 | 28 |
| Right-to-Use Building | 83,257 | 42,006 | 2,338 | 1,839 | 85,595 | 43,845 |
| Right-to-Use Equipment | 287 | 154 | | | 287 | 154 |
| Right-to-Use Subscription IT Assets | 8,371 | | 1,300 | | 9,671 | |
| Construction in Progress | 372,465 | 272,613 | 27,397 | 1,678 | 399,862 | 274,291 |
| Total Capital Assets | 7,599,049 | 7,270,501 | 44,353 | 17,343 | 7,643,402 | 7,287,844 |
| Accumulated Depreciation | (2,708,753) | (2,582,825) | (8,463) | (8,126) | (2,717,216) | (2,590,951) |
| Total Capital Assets, Net | \$ 4,890,296 | \$ 4,687,676 | \$ 35,890 | \$ 9,217 | \$ 4,926,186 | \$ 4,696,893 |

The most significant capital asset the State reported in fiscal year 2023 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 \$2.8 billion (net of accumulated depreciation), which is 57.6% of total net capital assets.

The State's Net Investment in Capital Assets (net of accumulated depreciation) increased \$190.8 million or 4.3% 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, 2023, 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, 2023, 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 2023.

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 2023.

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, 2023, 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 issued \$58.8 million of taxable bonds (\$7.7 million for CWSRF and \$51.1 million for DWSRF) and \$97.8 million of tax-exempt bonds (\$66.0 million for CWSRF and \$31.8 million for DWSRF) in fiscal year 2023.

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 | |
|---|----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-------------------|
| | FY2023 | FY2022 | FY2023 | FY2022 | FY2023 | FY2022 |
| Revenue Bonds: | | | | | | |
| South Dakota Building Authority | \$ 60,429 | \$ 64,912 | \$ | \$ | \$ 60,429 | \$ 64,912 |
| Educational Enhancement Funding Corporation | 31,885 | 43,335 | | | 31,885 | 43,335 |
| South Dakota Conservancy District | | | 540,247 | 400,989 | 540,247 | 400,989 |
| Notes Payable | 100,016 | 102,502 | | | 100,016 | 102,502 |
| Leases Payable | 73,665 | 36,281 | 1,653 | 1,471 | 75,318 | 37,752 |
| Subscription IT Payable | 6,432 | | 834 | | 7,266 | |
| Total | \$ 272,427 | \$ 247,030 | \$ 542,734 | \$ 402,460 | \$ 815,161 | \$ 649,490 |

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 2.8% in 2022 and is projected to finish 2023 at 2.2%. The unemployment rate in South Dakota remained among the lowest in the nation in fiscal year 2023. The State's unemployment rate was at a historically low rate of 1.8% in June 2023, while the U.S. unemployment rate was 3.6% the same month. In calendar year 2022, the most recent annual data that is available, South Dakota's personal income grew 5.8%, nearly three times higher than the U.S. growth rate of 2.0%. South Dakota's per capita personal income for the second quarter of 2023 is at an annual rate of \$69,574, 1.9% greater than the United State's average of \$68,279.

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, 2023
(Expressed in Thousands)

| | Primary Government | | |
|---|-------------------------|--------------------------|---------------------|
| | Governmental Activities | Business-type Activities | Total |
| Assets | | | |
| Cash and Cash Equivalents | \$ 2,887,656 | \$ 484,760 | \$ 3,372,416 |
| Receivables, net | 818,859 | 672,921 | 1,491,780 |
| Due From Component Units | 776 | 35 | 811 |
| Due From Primary Government | | | 0 |
| Internal Balances | 13,802 | (13,802) | 0 |
| Investments | 1,394,496 | 321,905 | 1,716,401 |
| Securities Held as Escheat Property | 1,039 | | 1,039 |
| Inventory | 34,506 | 1,570 | 36,076 |
| Advances to Component Units | 1,010 | | 1,010 |
| Other Assets | 16,151 | 280 | 16,431 |
| Assets Held for Resale | | 321 | 321 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 12,220 | 34 | 12,254 |
| Investments | | 342 | 342 |
| Net Pension Asset | 1,898 | 47 | 1,945 |
| Other | 7,654 | 712 | 8,366 |
| Capital Assets: | | | |
| Land and Other Non-depreciable Assets | 789,626 | 295 | 789,921 |
| Infrastructure, net | 2,835,330 | | 2,835,330 |
| Property, Plant, and Equipment, net | 813,781 | 5,372 | 819,153 |
| Right-to-use Leased Assets, net | 72,563 | 1,622 | 74,185 |
| Right-to-use Subscription IT Assets, net | 6,531 | 1,204 | 7,735 |
| Construction in Progress | 372,465 | 27,397 | 399,862 |
| Total Assets | 10,080,363 | 1,505,015 | 11,585,378 |
| Deferred Outflows of Resources | | | |
| Related to Pensions | 188,079 | 4,495 | 192,574 |
| Related to Asset Retirement Obligations | | | 0 |
| Related to Debt Refunding | 3,402 | 4,629 | 8,031 |
| Total Deferred Outflows of Resources | 191,481 | 9,124 | 200,605 |
| Liabilities | | | |
| Accounts Payable and Other Liabilities | 538,392 | 12,919 | 551,311 |
| Due To Primary Government | | | 0 |
| Due To Component Units | 1,717 | | 1,717 |
| Advances From Primary Government | | | 0 |
| Accrued Interest Payable | 1,958 | 9,752 | 11,710 |
| Unearned Revenue | 882,218 | 2,000 | 884,218 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 125,855 | 28,766 | 154,621 |
| Due In More Than One Year | 340,816 | 516,819 | 857,635 |
| Total Liabilities | 1,890,956 | 570,256 | 2,461,212 |
| Deferred Inflows of Resources | | | |
| Related to Pensions | 110,561 | 2,627 | 113,188 |
| Related to Gain on Debt Refunding | | | 0 |
| Related to Swaps | | | 0 |
| Related to Leases | 1,403 | 1,085 | 2,488 |
| Total Deferred Inflows of Resources | 111,964 | 3,712 | 115,676 |
| Net Position | | | |
| Net Investment in Capital Assets | 4,650,638 | 33,389 | 4,684,027 |
| Restricted for: | | | |
| Education | 375,572 | | 375,572 |
| Highways | 312,398 | | 312,398 |
| Railroads | 78,125 | | 78,125 |
| Law, Justice, Public Protection, and Regulation | 30,111 | | 30,111 |
| Agriculture and Natural Resources | 94,754 | | 94,754 |
| Parks and Recreation | 2,130 | | 2,130 |
| Health and Public Assistance | 63,297 | | 63,297 |
| Economic Development | 104,360 | | 104,360 |
| Debt Service | 32,654 | | 32,654 |
| Capital Projects | 322 | | 322 |
| HOME, HTF, NSP, and HAF Program | | | 0 |
| Energy Conservation Programs | 12,473 | | 12,473 |
| Higher Education - Expendable | | | 0 |
| Higher Education - Nonexpendable | | | 0 |
| Funds Held as Permanent Investments: | | | |
| Expendable | 330,667 | | 330,667 |
| Nonexpendable | 652,791 | | 652,791 |
| Underground Expansion | | | 0 |
| Pensions | 79,416 | 1,915 | 81,331 |
| Disaster Relief Fund | | 10,237 | 10,237 |
| Experiments | | | 0 |
| Mine Closure | | | 0 |
| Sanford Center for Science Education | | | 0 |
| Other Purposes | 12,016 | 2,351 | 14,367 |
| Unrestricted | 1,437,200 | 892,279 | 2,329,479 |
| Net Position | \$ 8,268,924 | \$ 940,171 | \$ 9,209,095 |

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

| Component Units | | | | |
|-------------------|----------------------------------|---------------------|------------------|--|
| Housing Authority | Science and Technology Authority | Higher Education | Nonmajor | |
| \$ 585,264 | \$ 28,287 | \$ 342,352 | \$ 18,197 | |
| 340,940 | 2,738 | 145,662 | 7,474 | |
| | | 1,717 | | |
| 1,207,856 | | 677,868 | 421 | |
| 3,957 | 3,119 | 10,548 | | |
| | 9,904 | 25,363 | 86 | |
| | | | 361 | |
| | | 23,125 | 6,205 | |
| | | 151,088 | | |
| 15 | 58 | 1,232 | | |
| | | 20,221 | | |
| 220 | 19,931 | 48,250 | 653 | |
| 4,287 | 70,237 | 1,364,668 | 28,444 | |
| | | 2,959 | | |
| | | 3,517 | | |
| | 6,192 | 91,215 | | |
| 2,142,539 | 140,466 | 2,909,785 | 61,841 | |
| 1,528 | 5,765 | 122,699 | | |
| | 1,092 | | | |
| 2,048 | | 12,636 | | |
| 3,576 | 6,857 | 135,335 | 0 | |
| 2,793 | 1,613 | 69,654 | 1,169 | |
| 70 | | 741 | | |
| | | 1,010 | | |
| 8,039 | | 2,806 | 138 | |
| 72,808 | | 68,298 | 275 | |
| 58,378 | 712 | 76,013 | 3,300 | |
| 1,354,723 | 5,030 | 509,180 | 22,794 | |
| 1,496,811 | 7,355 | 727,702 | 27,676 | |
| 902 | 3,448 | 71,639 | | |
| 9,111 | | 785 | | |
| 22,059 | | | | |
| 32,072 | 3,448 | 72,424 | 0 | |
| (1,253) | 96,360 | 1,037,723 | 13,756 | |
| | | | | |
| | | | | |
| 357,581 | | 3,222 | 5,000 | |
| 89,722 | | | | |
| | | 331,793 | | |
| | | 624,130 | | |
| | 13,114 | | | |
| 641 | 2,375 | 52,292 | | |
| | 621 | | | |
| | 1,595 | | | |
| | 640 | | | |
| 170,541 | 7,800 | | | |
| | 14,015 | | | |
| | | 195,834 | 15,409 | |
| \$ 617,232 | \$ 136,520 | \$ 2,244,994 | \$ 34,165 | |

STATE OF SOUTH DAKOTA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
|--|---------------------|-----------------------------|---|---|
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 252,816 | \$ 293,555 | \$ 25,595 | \$ |
| Education | 460,567 | 7,219 | 423,567 | |
| Education - State Support to Higher Education | 289,029 | | | |
| Health, Human, and Social Services | 2,060,981 | 61,782 | 1,420,479 | |
| Law, Justice, Public Protection, and Regulation | 398,854 | 113,598 | 100,841 | |
| Agriculture and Natural Resources | 309,021 | 95,332 | 173,632 | |
| Economic Resources | 82,816 | 231 | 28,858 | |
| Transportation | 798,565 | 16,941 | 594,310 | 2,598 |
| Intergovernmental - Payments to School Districts | 654,930 | | | |
| Intergovernmental - Revenue Sharing | 243,089 | | | |
| Unallocated Interest Expense | 9,506 | | | |
| Unallocated Depreciation | 53 | | | |
| Total Governmental Activities | 5,560,227 | 588,658 | 2,767,282 | 2,598 |
| Business-type Activities: | | | | |
| Lottery | 69,327 | 251,538 | 606 | |
| Clean Water State Revolving | 17,542 | 8,298 | 12,421 | |
| Drinking Water State Revolving | 14,196 | 5,806 | 15,604 | |
| Revolving Economic Development and Initiative | 567 | 833 | 3,082 | |
| Unemployment Insurance | 28,631 | 43,302 | 5,887 | |
| Second Injury | 474 | | 38 | |
| State Fair | 2,388 | 7,067 | 74 | |
| Federal Surplus Property | 2,280 | 2,045 | 21 | |
| Rural Rehabilitation | 14 | 118 | 301 | |
| Prison Industries | 8,397 | 9,163 | 19 | |
| S.D. Trust Company Captive Insurance Co. | 28 | 50 | (16) | |
| Professional and Licensing | 10,807 | 12,046 | 555 | |
| Banking and Insurance | 5,911 | 6,252 | 348 | |
| Other | 3,258 | 3,010 | 121 | |
| Total Business-type Activities | 163,820 | 349,528 | 39,061 | 0 |
| Total Primary Government | \$ 5,724,047 | \$ 938,186 | \$ 2,806,343 | \$ 2,598 |
| Component Units: | | | | |
| Housing Authority | \$ 108,750 | \$ 14,264 | \$ 71,532 | \$ |
| Science and Technology Authority | 35,667 | 818 | 36,241 | 13,000 |
| Higher Education | 875,073 | 479,052 | 203,032 | 30,080 |
| Nonmajor | 9,658 | 6,428 | 619 | 2,718 |
| Total Component Units | \$ 1,029,148 | \$ 500,562 | \$ 311,424 | \$ 45,798 |

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 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 |
| \$ 66,334 | \$ | \$ 66,334 | | | | |
| (29,781) | | (29,781) | | | | |
| (289,029) | | (289,029) | | | | |
| (578,720) | | (578,720) | | | | |
| (184,415) | | (184,415) | | | | |
| (40,057) | | (40,057) | | | | |
| (53,727) | | (53,727) | | | | |
| (184,716) | | (184,716) | | | | |
| (654,930) | | (654,930) | | | | |
| (243,089) | | (243,089) | | | | |
| (9,506) | | (9,506) | | | | |
| (53) | | (53) | | | | |
| (2,201,689) | 0 | (2,201,689) | | | | |
| | 182,817 | 182,817 | | | | |
| | 3,177 | 3,177 | | | | |
| | 7,214 | 7,214 | | | | |
| | 3,348 | 3,348 | | | | |
| | 20,558 | 20,558 | | | | |
| | (436) | (436) | | | | |
| | 4,753 | 4,753 | | | | |
| | (214) | (214) | | | | |
| | 405 | 405 | | | | |
| | 785 | 785 | | | | |
| | 6 | 6 | | | | |
| | 1,794 | 1,794 | | | | |
| | 689 | 689 | | | | |
| | (127) | (127) | | | | |
| 0 | 224,769 | 224,769 | | | | |
| (2,201,689) | 224,769 | (1,976,920) | | | | |
| | | | \$ (22,954) | \$ | \$ | \$ |
| | | | | 14,392 | | |
| | | | | | (162,909) | |
| | | | | | | 107 |
| | | | (22,954) | 14,392 | (162,909) | 107 |
| 1,515,425 | | 1,515,425 | | | | |
| 193,534 | | 193,534 | | | | |
| 193,935 | | 193,935 | | | | |
| 54,486 | | 54,486 | | | | |
| 490,081 | | 490,081 | | | | |
| 142,740 | | 142,740 | | 386 | (32,246) | 147 |
| | | 0 | | | 289,029 | |
| 1,297 | | 1,297 | | 1,790 | | 724 |
| 111,429 | | 111,429 | | | | |
| | | 0 | | | 14,668 | |
| 166,201 | (166,201) | 0 | | | | |
| 2,869,128 | (166,201) | 2,702,927 | 0 | 2,176 | 271,451 | 871 |
| 667,439 | 58,568 | 726,007 | (22,954) | 16,568 | 108,542 | 978 |
| 7,601,485 | 881,603 | 8,483,088 | 640,186 | 119,952 | 2,136,452 | 33,187 |
| \$ 8,268,924 | \$ 940,171 | \$ 9,209,095 | \$ 617,232 | \$ 136,520 | \$ 2,244,994 | \$ 34,165 |

STATE OF SOUTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023
(Expressed in Thousands)

| | General Fund | Transportation | Social Services Federal | COVID-19 Federal | Dakota Cement Trust | Education Enhancement Trust | Nonmajor | Total |
|--|---------------------|-------------------|-------------------------|-------------------|---------------------|-----------------------------|---------------------|---------------------|
| Assets | | | | | | | | |
| Cash and Cash Equivalents | \$ 1,281,756 | \$ 218,957 | \$ 5,797 | \$ 856,364 | \$ 82 | \$ 83 | \$ 447,098 | \$ 2,810,137 |
| Restricted Cash | | | | | | | 12,220 | 12,220 |
| Investments | | | | | 362,806 | 727,538 | 304,152 | 1,394,496 |
| Restricted Other Assets | | | | | | | 7,654 | 7,654 |
| Securities Held as Escheat Property | 1,039 | | | | | | | 1,039 |
| Receivables from: | | | | | | | | |
| Taxes, net | 269,608 | 19,610 | | | | | 2,656 | 291,874 |
| Interest and Dividends | 23,752 | 1,446 | | | 471 | 876 | 3,074 | 29,619 |
| Other Funds | 86,121 | 5,770 | 47 | 499 | | | 11,167 | 103,604 |
| Component Units | 78 | | | | | | 9 | 87 |
| Other Governments | 1,828 | 148,100 | 29,888 | 45,545 | | | 130,410 | 355,771 |
| Loans and Notes, net | 120 | 5,148 | | 171 | | | 54,654 | 60,093 |
| Other, net | 12,857 | 309 | 11,591 | 1,461 | | | 46,739 | 72,957 |
| Inventory | 2,982 | 22,482 | 18 | 3,700 | | | 4,593 | 33,775 |
| Advances to Component Units | | | | | | | 1,010 | 1,010 |
| Other Assets | 3,502 | 272 | 1,697 | 708 | | | 4,610 | 10,789 |
| Total Assets | \$ 1,683,643 | \$ 422,094 | \$ 49,038 | \$ 908,448 | \$ 363,359 | \$ 728,497 | \$ 1,030,046 | \$ 5,185,125 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts Payable and Other Liabilities Payable to: | \$ 193,827 | \$ 82,808 | \$ 43,690 | \$ 15,554 | \$ | \$ | \$ 62,638 | \$ 398,517 |
| Other Funds | 7,718 | 1,588 | 1,505 | 451 | | 26,389 | 61,797 | 99,448 |
| Component Units | 210 | | 66 | 325 | | | 1,058 | 1,659 |
| Other Governments | 34,600 | 7,901 | 216 | 60,823 | | | 72,094 | 175,634 |
| Claims, Judgments, and Compensated Absences | 140 | 47 | 8 | 2 | | | 65 | 262 |
| Unearned Revenue | 37,131 | 2,556 | 350 | 826,709 | | | 14,166 | 880,912 |
| Total Liabilities | 273,626 | 94,900 | 45,835 | 903,864 | 0 | 26,389 | 211,818 | 1,556,432 |
| Deferred Inflows of Resources: | | | | | | | | |
| Related to Leases | 112 | | | | | | 1,291 | 1,403 |
| Unavailable Revenue | 44,238 | | | | | | 41,440 | 85,678 |
| Total Deferred Inflows of Resources | 44,350 | 0 | 0 | 0 | 0 | 0 | 42,731 | 87,081 |
| Fund Balances: | | | | | | | | |
| Nonspendable | 6,484 | 22,754 | 1,715 | 4,408 | | 443,646 | 217,543 | 696,550 |
| Restricted | | 304,440 | | 176 | 363,359 | 258,462 | 492,157 | 1,418,594 |
| Committed | | | | | | | 63,640 | 63,640 |
| Assigned | 882,516 | | 1,488 | | | | 15,247 | 899,251 |
| Unassigned | 476,667 | | | | | | (13,090) | 463,577 |
| Total Fund Balances | 1,365,667 | 327,194 | 3,203 | 4,584 | 363,359 | 702,108 | 775,497 | 3,541,612 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 1,683,643 | \$ 422,094 | \$ 49,038 | \$ 908,448 | \$ 363,359 | \$ 728,497 | \$ 1,030,046 | \$ 5,185,125 |

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, 2023
(Expressed in Thousands)

| | | |
|---|--------------------|----------------------------|
| Total Fund Balances - Governmental Funds | | \$ 3,541,612 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| 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 | \$ 1,161,951 | |
| Infrastructure | 4,765,727 | |
| Right-to-use Leased Assets | 78,149 | |
| Right-to-use Subscription IT Assets | 5,024 | |
| Other Capital Assets | 1,466,842 | |
| Accumulated Depreciation | <u>(2,628,232)</u> | |
| Total Capital Assets | | 4,849,461 |
| Net pension asset used in governmental activities is not a financial resource and is therefore not reported in the governmental funds. | | |
| | | 1,762 |
| Deferred outflows of resources are not reported in the governmental funds: | | |
| Related to Pension | 174,609 | |
| Related to Debt Refunding | <u>3,402</u> | |
| Total Deferred Outflows of Resources | | 178,011 |
| 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. | | |
| | | 54,445 |
| 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 | (179,918) | |
| Accrued Interest on Bonds, Leases, and Notes | (1,861) | |
| Leases | (68,581) | |
| Subscription IT Arrangements | (4,176) | |
| Compensated Absences | (71,966) | |
| Pollution Remediation | <u>(12,902)</u> | |
| Total Long-Term Liabilities | | (339,404) |
| 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 | 85,678 | |
| Related to Pensions | <u>(102,641)</u> | |
| Total Deferred Inflows of Resources | | <u>(16,963)</u> |
| Net Position of Governmental Activities | | <u>\$ 8,268,924</u> |

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, 2023
(Expressed in Thousands)

| | <u>General Fund</u> | <u>Transportation</u> | <u>Social Services Federal</u> | <u>COVID-19 Federal</u> | <u>Dakota Cement Trust</u> | <u>Education Enhancement Trust</u> | <u>Nonmajor</u> | <u>Total</u> |
|---|---------------------|-----------------------|--------------------------------|-------------------------|----------------------------|------------------------------------|-------------------|---------------------|
| Revenue: | | | | | | | | |
| Taxes | \$ 1,960,528 | \$ 358,517 | \$ | \$ | \$ | \$ | \$ 127,105 | \$ 2,446,150 |
| Licenses, Permits, and Fees | 14,466 | 12,503 | | | | | 333,436 | 360,405 |
| Fines, Forfeits, and Penalties | 800 | | | | | | 25,655 | 26,455 |
| Use of Money and Property | 61,164 | 6,932 | 27 | 251 | 20,487 | 42,851 | 34,944 | 166,656 |
| Sales and Services | 24,264 | 695 | | 2 | | | 24,001 | 48,962 |
| Administering Programs | 12 | 564,266 | 838,027 | 575,988 | | | 754,099 | 2,732,392 |
| Tobacco Settlement | | | | | | | 23,691 | 23,691 |
| Other Revenue | 99,357 | 1,506 | 7,381 | 202 | | | 15,065 | 123,511 |
| Total Revenue | 2,160,591 | 944,419 | 845,435 | 576,443 | 20,487 | 42,851 | 1,337,996 | 5,928,222 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General Government | 87,502 | | | 11,956 | 1,410 | 2,764 | 47,992 | 151,624 |
| Education | 37,238 | | | 215,861 | | | 207,771 | 460,870 |
| Education - Payments to School Districts | 654,930 | | | | | | | 654,930 |
| Education - State Support to Higher Education | 289,029 | | | | | | | 289,029 |
| Health, Human, and Social Services | 639,204 | | 851,991 | 177,492 | | | 433,134 | 2,101,821 |
| Law, Justice, Public Protection, and Regulation | 226,305 | 26,079 | | 1,202 | | | 157,207 | 410,793 |
| Agriculture and Natural Resources | 17,076 | | | 121,988 | | | 183,291 | 322,355 |
| Economic Resources | 54,647 | | | 20,105 | | | 9,094 | 83,846 |
| Transportation | | 893,907 | | 24,208 | | | 1,931 | 920,046 |
| State Shared Revenue Paid to Other Governments | 59,686 | | | | | | 183,403 | 243,089 |
| Debt Service: | | | | | | | | |
| Principal | 2,614 | 75 | 970 | 251 | | | 22,236 | 26,146 |
| Interest | 593 | 5 | 324 | 1 | | | 7,043 | 7,966 |
| Total Expenditures | 2,068,824 | 920,066 | 853,285 | 573,064 | 1,410 | 2,764 | 1,253,102 | 5,672,515 |
| Excess of Revenues Over (Under) Expenditures | 91,767 | 24,353 | (7,850) | 3,379 | 19,077 | 40,087 | 84,894 | 255,707 |
| Other Financing Sources (Uses): | | | | | | | | |
| Lease Issuance | 14,930 | 156 | 8,537 | 7 | | | 16,843 | 40,473 |
| Subscriptions | 1,251 | 75 | | 418 | | | 3,280 | 5,024 |
| Proceeds from Sale of Capital Assets | 66 | 1,346 | | | | | 410 | 1,822 |
| Insurance Proceeds | | 18 | | | | | 408 | 426 |
| Transfers In | 309,970 | 5,754 | 36 | 326 | | 11,986 | 32,578 | 360,650 |
| Transfers Out | (36,014) | (7,454) | (112) | (595) | (14,369) | (26,389) | (111,152) | (196,085) |
| Net Other Financing Sources (Uses) | 290,203 | (105) | 8,461 | 156 | (14,369) | (14,403) | (57,633) | 212,310 |
| Net Change in Fund Balances | 381,970 | 24,248 | 611 | 3,535 | 4,708 | 25,684 | 27,261 | 468,017 |
| Fund Balances at Beginning of Year | 983,697 | 302,946 | 2,592 | 1,049 | 358,651 | 676,424 | 748,236 | 3,073,595 |
| Fund Balances at End of Year | \$ 1,365,667 | \$ 327,194 | \$ 3,203 | \$ 4,584 | \$ 363,359 | \$ 702,108 | \$ 775,497 | \$ 3,541,612 |

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, 2023
(Expressed in Thousands)

Net Change in Fund Balances - Governmental Funds **\$ 468,017**

Amounts reported for governmental activities in the Statement of Activities are different because:

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 | \$ | 343,943 | |
| Depreciation Expense | | (142,374) | |
| Excess of Capital Outlay Over Depreciation Expense | | | 201,569 |

The net effect of various miscellaneous transactions involving capital assets, including sales, donations, and trade-ins, is to decrease net position. (5,096)

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. (45,497)

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 | | 15,501 | |
| Note Principal Retirement | | 3,146 | |
| Lease Principal Retirement | | 6,729 | |
| Subscription IT Arrangement Principal Retirement | | 770 | |
| Total Long-Term Debt Repayment | | 26,146 | |

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. (6,303)

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. 27,711

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 | | (854) | |
| Bond Premium | | 432 | |
| Total Amounts Related to Bond Issuance | | (422) | |

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 | | (199) | |
| (Increase) Decrease in Compensated Absences | | (8,632) | |
| (Increase) Decrease in Net Pension Costs | | 10,512 | |
| (Increase) Decrease in Pollution Remediation | | (367) | |
| Total Additional Expenditures | | 1,314 | |

Change in Net Position of Governmental Activities **\$ 667,439**

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, 2023
(Expressed in Thousands)

| Assets | Business-type Activities - Enterprise Funds | | | | | Governmental Activities |
|---|---|-----------------------------|--------------------------------|-------------------|-------------------|-------------------------|
| | Major | | | | Total | Internal Service Funds |
| | Lottery | Clean Water State Revolving | Drinking Water State Revolving | Nonmajor | | |
| Current Assets: | | | | | | |
| Cash and Cash Equivalents | \$ 16,865 | \$ 92,634 | \$ 33,125 | \$ 342,136 | \$ 484,760 | \$ 77,519 |
| Receivables: | | | | | | |
| Interest and Dividends | 141 | 3,958 | 2,287 | 1,027 | 7,413 | 533 |
| Other Funds | | | | 643 | 643 | 11,216 |
| Component Units | | | | 35 | 35 | 689 |
| Other Governments | | 1,047 | 700 | 91 | 1,838 | 180 |
| Loans, Notes, and Leases, net | | 23,207 | 10,431 | 10,203 | 43,841 | |
| Other, net | 7,512 | | | 11,160 | 18,672 | 7,642 |
| Investments | | 84,596 | 45,814 | | 130,410 | |
| Inventory | | | | 1,570 | 1,570 | 731 |
| Other Assets | | | | 280 | 280 | 5,362 |
| Total Current Assets | 24,518 | 205,442 | 92,357 | 367,145 | 689,462 | 103,872 |
| Assets Held for Resale | | | | 321 | 321 | |
| Restricted Assets: | | | | | | |
| Restricted Cash | 34 | | | | 34 | |
| Restricted Investments | 342 | | | | 342 | |
| Net Pension Asset | 6 | 1 | 2 | 38 | 47 | 136 |
| Other | 712 | | | | 712 | |
| Investments | | 113,299 | 78,196 | | 191,495 | |
| Capital Assets: | | | | | | |
| Land and Other Non-depreciable Assets | | | | 295 | 295 | |
| Property, Plant, and Equipment | 1,426 | | | 11,598 | 13,024 | 112,453 |
| Right-to-use Leased Assets | 979 | | | 1,359 | 2,338 | 5,419 |
| Right-to-use Subscription IT Assets | | | | 1,300 | 1,300 | 3,346 |
| Accumulated Depreciation and Amortization | (1,579) | | | (6,885) | (8,464) | (80,523) |
| Construction in Progress | | | | 27,397 | 27,397 | 140 |
| Total Capital Assets | 826 | 0 | 0 | 35,064 | 35,890 | 40,835 |
| Other Noncurrent Assets | | 334,793 | 226,373 | 39,961 | 601,127 | |
| Total Assets | 26,438 | 653,535 | 396,928 | 442,529 | 1,519,430 | 144,843 |
| Deferred Outflows of Resources | | | | | | |
| Related to Pensions | 612 | 94 | 152 | 3,637 | 4,495 | 13,470 |
| Related to Debt Refunding | | 3,840 | 789 | | 4,629 | |
| Total Deferred Outflows of Resources | 612 | 3,934 | 941 | 3,637 | 9,124 | 13,470 |
| Liabilities | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable and Other Liabilities | 4,616 | 700 | 403 | 6,603 | 12,322 | 7,976 |
| Payable to: | | | | | | |
| Other Funds | 14,063 | 3 | 4 | 363 | 14,433 | 1,499 |
| Component Units | | | | | 0 | 58 |
| Other Governments | | | | 397 | 397 | |
| Escrow Payable | 182 | | | | 182 | |
| Bonds, Notes, Leases, and Subscription IT Payable | 116 | 19,978 | 6,964 | 619 | 27,677 | 5,038 |
| Claims, Judgments, and Compensated Absences | 172 | 13 | 33 | 871 | 1,089 | 27,003 |
| Accrued Interest Payable | 2 | 6,663 | 3,077 | 10 | 9,752 | 97 |
| Unearned Revenue | 277 | | | 1,723 | 2,000 | 1,306 |
| Total Current Liabilities | 19,428 | 27,357 | 10,481 | 10,586 | 67,852 | 42,977 |
| Noncurrent Liabilities: | | | | | | |
| Bonds, Notes, Leases, and Subscription IT Payable | 650 | 359,096 | 154,209 | 1,103 | 515,058 | 14,712 |
| Claims, Judgments, and Compensated Absences | 143 | 11 | 27 | 739 | 920 | 38,199 |
| Other Noncurrent Liabilities | | 202 | 639 | | 841 | 60 |
| Total Noncurrent Liabilities | 793 | 359,309 | 154,875 | 1,842 | 516,819 | 52,971 |
| Total Liabilities | 20,221 | 386,666 | 165,356 | 12,428 | 584,671 | 95,948 |
| Deferred Inflows of Resources | | | | | | |
| Related to Pensions | 360 | 54 | 89 | 2,124 | 2,627 | 7,920 |
| Related to Leases | | | | 1,085 | 1,085 | |
| Total Deferred Inflows of Resources | 360 | 54 | 89 | 3,209 | 3,712 | 7,920 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 59 | | | 33,330 | 33,389 | 20,989 |
| Restricted for: | | | | | | |
| Disaster Relief Fund | | | | 10,237 | 10,237 | |
| Pensions | 258 | 41 | 65 | 1,551 | 1,915 | 5,686 |
| Other | 712 | | | 1,639 | 2,351 | |
| Unrestricted | 5,440 | 270,708 | 232,359 | 383,772 | 892,279 | 27,770 |
| Total Net Position | \$ 6,469 | \$ 270,749 | \$ 232,424 | \$ 430,529 | \$ 940,171 | \$ 54,445 |

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, 2023
(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 |
| Operating Revenue: | | | | | | |
| Licenses, Permits, and Fees | \$ 1,590 | \$ | \$ | \$ 20,060 | \$ 21,650 | \$ |
| Use of Money and Property | | 6,493 | 4,655 | 1,214 | 12,362 | 9 |
| Sales and Services | 249,908 | 1,805 | 1,151 | 14,564 | 267,428 | 260,941 |
| Administering Programs | | | | 1,534 | 1,534 | |
| Assessments | | | | 43,302 | 43,302 | |
| Other Revenue | 23 | | | 3,241 | 3,264 | 11,157 |
| Total Operating Revenue | 251,521 | 8,298 | 5,806 | 83,915 | 349,540 | 272,107 |
| Operating Expenses: | | | | | | |
| Personal Services and Benefits | 2,098 | 342 | 546 | 13,667 | 16,653 | 47,169 |
| Travel | 165 | 8 | 8 | 971 | 1,152 | 897 |
| Contractual Services | 14,478 | 1,115 | 1,383 | 9,053 | 26,029 | 61,669 |
| Supplies and Materials | 604 | 6 | 6 | 8,824 | 9,440 | 14,779 |
| Grant and Other | 186 | 3,852 | 5,986 | 181 | 10,205 | 4 |
| Interest | | 12,017 | 5,628 | 39 | 17,684 | 487 |
| Provision for Loan Loss (Recovery) | | | | (83) | (83) | |
| Depreciation and Amortization | 172 | | | 842 | 1,014 | 7,560 |
| Lottery Prizes | 51,504 | | | | 51,504 | |
| Insurance Claims | | | | 29,092 | 29,092 | 150,597 |
| Total Operating Expenses | 69,207 | 17,340 | 13,557 | 62,586 | 162,690 | 283,162 |
| Operating Income (Loss) | 182,314 | (9,042) | (7,751) | 21,329 | 186,850 | (11,055) |
| Nonoperating Revenue (Expenses): | | | | | | |
| Gain on Disposal of Assets | | | | 1,505 | 1,505 | 355 |
| Loss on Disposal of Assets | (96) | | | (1) | (97) | (69) |
| Investment Income | 606 | 10,406 | 5,694 | 8,761 | 25,467 | 2,799 |
| Other Expense | (24) | (202) | (639) | (168) | (1,033) | (11) |
| Grant and Other Income | 17 | 2,015 | 9,910 | 135 | 12,077 | 42 |
| Total Nonoperating Revenue (Expenses) | 503 | 12,219 | 14,965 | 10,232 | 37,919 | 3,116 |
| Income (Loss) Before Capital Contributions and Transfers | 182,817 | 3,177 | 7,214 | 31,561 | 224,769 | (7,939) |
| Transfers: | | | | | | |
| Transfers In | | | | 17,658 | 17,658 | 1,643 |
| Transfers Out | (181,948) | (45) | (69) | (1,797) | (183,859) | (7) |
| Net Transfers | (181,948) | (45) | (69) | 15,861 | (166,201) | 1,636 |
| Change in Net Position | 869 | 3,132 | 7,145 | 47,422 | 58,568 | (6,303) |
| Net Position at Beginning of Year | 5,600 | 267,617 | 225,279 | 383,107 | 881,603 | 60,748 |
| Net Position at End of Year | \$ 6,469 | \$ 270,749 | \$ 232,424 | \$ 430,529 | \$ 940,171 | \$ 54,445 |

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, 2023
(Expressed in Thousands)

| | Business-type Activities - Enterprise Funds | | | | | Governmental |
|--|---|-----------------------------------|--------------------------------------|-------------------|-------------------|------------------|
| | Major | | | | Total | Internal |
| | Lottery | Clean Water State Revolving | Drinking Water State Revolving | Nonmajor | | Service Funds |
| Cash Flows from Operating Activities: | | | | | | |
| Receipts from Customers and Users | \$ 250,856 | \$ 2,116 | \$ 1,160 | \$ 73,944 | \$ 328,076 | \$ 91,879 |
| Receipts from Interfund Services Provided | | | | 8,392 | 8,392 | 166,964 |
| Receipts from Federal Agencies | | | | 833 | 833 | |
| Receipts from Loan Payments | | 43,627 | 18,804 | 8,273 | 70,704 | |
| Payments to Suppliers and for Benefits and Claims | (14,344) | (2,052) | (1,447) | (44,350) | (62,193) | (218,273) |
| Payments for Employee Services | (2,210) | (379) | (572) | (14,525) | (17,686) | (49,249) |
| Payments for Interfund Services Used | (835) | | | (1,911) | (2,746) | (9,579) |
| Payments for Lottery Prizes | (50,059) | | | | (50,059) | |
| Payments for Principal Forgiveness | | (1,896) | (5,252) | | (7,148) | |
| Payments for Loans Originated | | (42,856) | (27,404) | (23,574) | (93,834) | |
| Other Receipts (Payments) | (414) | (6) | (14) | 2,940 | 2,506 | 13,104 |
| Net Cash Provided (Used) by Operating Activities | 182,994 | (1,446) | (14,725) | 10,022 | 176,845 | (5,154) |
| Cash Flows from Capital and Related Financing Activities: | | | | | | |
| Activities: | | | | | | |
| Purchases of Capital Assets | | | | (183) | (183) | (2,112) |
| Construction in Progress | | | | (25,710) | (25,710) | |
| Sale or Disposition of Capital Assets | | | | 1,662 | 1,662 | 622 |
| Payments for Right-to-use Leased Assets | (136) | | | (222) | (358) | (771) |
| Payments for Right-to-use Subscription IT Assets | | | | (468) | (468) | (789) |
| Payments for Financed Purchase Assets | | | | | | (4,447) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (136) | 0 | 0 | (24,921) | (25,057) | (7,497) |
| Cash Flows from Noncapital Financing Activities: | | | | | | |
| Transfers In | | | | 17,657 | 17,657 | 1,643 |
| Transfers Out | (179,398) | (45) | (69) | (1,783) | (181,295) | (7) |
| Issuance of Bonds | | 80,056 | 85,757 | | 165,813 | |
| Principle Payments on Bonds and Notes | | (15,335) | (8,140) | | (23,475) | |
| Interest Payments on Bonds and Notes | | (13,612) | (4,462) | | (18,074) | |
| Contributions and Grants from the Federal Government | | 1,671 | 9,744 | | 11,415 | |
| Subsidies Provided to Others | | | | (159) | (159) | |
| Other Noncapital Financing Activities | | 589 | 287 | 151 | 1,027 | 42 |
| Net Cash Provided (Used) by Noncapital Financing Activities | (179,398) | 53,324 | 83,117 | 15,866 | (27,091) | 1,678 |
| Cash Flows from Investing Activities: | | | | | | |
| Arbitrage Payment | | (34) | (1,744) | | (1,778) | |
| Investment Income | 511 | 7,885 | 4,462 | 8,161 | 21,019 | 2,507 |
| Investment Expense | (3) | | | (22) | (25) | (11) |
| Purchase of Investment Securities | | (115,364) | (78,240) | (18) | (193,622) | |
| Proceeds from the Sale and Maturity of Investments | | 65,897 | 19,936 | | 85,833 | |
| Net Cash Provided (Used) by Investing Activities | 508 | (41,616) | (55,586) | 8,121 | (88,573) | 2,496 |
| Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year | 3,968 | 10,262 | 12,806 | 9,088 | 36,124 | (8,477) |
| Cash and Cash Equivalents at Beginning of Year | 12,931 | 82,372 | 20,319 | 333,048 | 448,670 | 85,996 |
| Cash and Cash Equivalents at End of Year | \$ 16,899 | \$ 92,634 | \$ 33,125 | \$ 342,136 | \$ 484,794 | \$ 77,519 |

Continued on next page

**STATE OF SOUTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | Business-type Activities - Enterprise Funds | | | | | Governmental |
|---|---|-----------------------------------|--------------------------------------|------------------|-------------------|-------------------|
| | Major | | | | | Internal |
| | Lottery | Clean Water State Revolving | Drinking Water State Revolving | Nonmajor | Total | Service Funds |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | | |
| Operating Income (Loss) | \$ 182,314 | \$ (9,042) | \$ (7,751) | \$ 21,329 | \$ 186,850 | \$ (11,055) |
| Adjustments to Reconcile Operating Income (Loss): | | | | | | |
| Depreciation and Amortization Expense | 172 | | | 841 | 1,013 | 7,614 |
| Bad Debt Expense | | | | 14 | 14 | |
| Interest Expense | | 12,016 | 5,629 | 1 | 17,646 | 486 |
| Bond Issuance | | 553 | 541 | | 1,094 | |
| Miscellaneous Nonoperating Items | 21 | | | | 21 | |
| Decrease (Increase) in Assets: | | | | | | |
| Accounts Receivable | (741) | | | 4,065 | 3,324 | (3,554) |
| Bonds and Notes Receivable | | (5,723) | (13,254) | (16,013) | (34,990) | |
| Due From Other Funds | | | | (35) | (35) | (1,754) |
| Due From Component Units | | | | 29 | 29 | 66 |
| Due From Other Governments | | 311 | 8 | (953) | (634) | (11) |
| Inventory | | | | 429 | 429 | (45) |
| Other Assets | | | | (22) | (22) | 351 |
| Other Restricted Assets | (73) | | | 245 | 172 | |
| Restricted Net Pension Asset | 503 | 83 | 139 | 2,659 | 3,384 | 11,052 |
| Decrease (Increase) in Deferred Outflows of Resources: | | | | | | |
| Deferred Outflows - Related to Pensions | 87 | 20 | 39 | 411 | 557 | 1,895 |
| Increase (Decrease) in Liabilities: | | | | | | |
| Accounts Payable | 68 | 467 | 128 | 496 | 1,159 | (103) |
| Accrued Liabilities | 23 | 8 | 13 | 1,003 | 1,047 | 546 |
| Compensated Absences Payable | 29 | (10) | 2 | 64 | 85 | 999 |
| Due To Other Funds | 1 | | | 82 | 83 | (34) |
| Due To Component Units | | | | (6) | (6) | (8) |
| Due To Other Governments | | | | | | 23 |
| Unearned Revenue | 39 | | | (269) | (230) | (542) |
| Escrow Payable | (34) | | | | (34) | |
| Bond and Note Payable | | | | (6) | (6) | |
| Policy Claim Liabilities | | | | (1) | (1) | 5,507 |
| Other Liabilities | 1,339 | | | 29 | 1,368 | |
| Increase (Decrease) in Deferred Inflows of Resources: | | | | | | |
| Deferred Inflows - Related to Pensions | (754) | (129) | (219) | (4,318) | (5,420) | (16,587) |
| Deferred Inflows - Related to Leases | | | | (52) | (52) | |
| Net Cash Provided (Used) by Operating | \$ 182,994 | \$ (1,446) | \$ (14,725) | \$ 10,022 | \$ 176,845 | \$ (5,154) |
| Noncash Investing, Capital, and Financing Activities: | | | | | | |
| Gain (Loss) on Disposal of Capital Assets | \$ (96) | \$ | \$ | \$ 1,504 | \$ 1,408 | \$ 286 |
| Right-to-use Lease Obligations Entered Into | 488 | | | 1,135 | 1,623 | 5,401 |
| Right-to-use Subscription IT Obligations Entered Into | | | | 833 | 833 | 2,234 |
| Other | | | | 25 | 25 | |

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, 2023
(Expressed in Thousands)**

| | South Dakota Retirement System Pension Trust Fund | Private Purpose Trust Funds | Custodial Funds |
|--|--|--|----------------------------|
| Assets | | | |
| Cash and Cash Equivalents | \$ 8,458 | \$ 976 | \$ 29,754 |
| Receivables: | | | |
| Employer | 3,638 | | |
| Employee | 3,731 | | |
| Benefits | 255 | | |
| Unsettled Investment Sales | 1,436 | | |
| Taxes Receivable, net | | | 62,607 |
| Due From Other Funds | | | 137 |
| Investment Income | 52,594 | 408 | |
| Other | | 7 | 1,270 |
| Total Receivables | 61,654 | 415 | 64,014 |
| Investments, at Fair Value: | | | |
| Fixed Income | 5,671,278 | | |
| Equities | 5,329,619 | | |
| Real Estate | 1,826,339 | | |
| Private Equity | 1,626,460 | | |
| Pooled Investment Funds | | 312,914 | |
| Total Investments | 14,453,696 | 312,914 | 0 |
| Properties, at Cost | 2,078 | 14,202 | |
| Accumulated Depreciation | (1,639) | | |
| Other Assets | 20 | 17 | |
| Total Assets | 14,524,267 | 328,524 | 93,768 |
| Liabilities | | | |
| Payables: | | | |
| Accounts Payable and Other Liabilities | 1,911 | 14 | 4,445 |
| Due To Other Funds | 67 | 34 | 119 |
| Due To Other Governments | | | 70,244 |
| Compensated Absences Payable | 466 | | |
| Due To Brokers - Futures Transactions | 20,993 | | |
| Unsettled Investment Purchases | 376 | | |
| Total Liabilities | 23,813 | 48 | 74,808 |
| Net Position | | | |
| Restricted for Pension Benefits | 14,500,454 | | |
| Restricted for Others | | 328,476 | 18,960 |
| Total Net Position | \$ 14,500,454 | \$ 328,476 | \$ 18,960 |

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, 2023
(Expressed in Thousands)

| | South Dakota Retirement System Pension Trust Fund | Private Purpose Trust Funds | Custodial Funds |
|--|--|--|----------------------------|
| Additions | | | |
| Contributions: | | | |
| Employee | \$ 153,799 | \$ | \$ |
| Employer | 154,762 | | |
| From Clients and Inmates | | 659 | |
| Other | | 7,525 | |
| Total Contributions | 308,561 | 8,184 | 0 |
| Investment Income: | | | |
| <i>From Investing Activities</i> | | | |
| Net Increase (Decrease) in Fair Value of Investments | 515,266 | 9,417 | |
| Interest | 178,592 | | |
| Dividends | 153,615 | | |
| Real Estate | 21,742 | 376 | |
| Pooled Interest and Dividends | | 7,948 | |
| Total Investment Activity Income | 869,215 | 17,741 | 0 |
| Less Investment Activity Expenses | (63,468) | | |
| Net Investment Income (Loss) | 805,747 | 17,741 | 0 |
| <i>From Security Lending Activities</i> | | | |
| Securities Lending Income | 449 | 3 | |
| Securities Lending Expenses | (135) | | |
| Tax and Fee Collections for Other Governments | | | 569,503 |
| Child Support Collections | | | 110,685 |
| Collections from Defendants and Inmates | | | 28,106 |
| Collections for Other Governments | | | 33,601 |
| Collections from Participants | | | 2,632 |
| Assessments | | | 14,459 |
| Escheated Property | | 44 | |
| Miscellaneous Income | | 31 | |
| Total Additions | 1,114,622 | 26,003 | 758,986 |
| Deductions | | | |
| Benefits | 707,072 | | |
| Refunds of Contributions | 28,008 | | |
| Distribution to School Districts | | 9,985 | |
| Tax and Fee Distributions to Other Governments | | | 569,503 |
| Child Support Distributions | | | 110,685 |
| Payments Made for Custodial or Trust Purposes | | 628 | 13,307 |
| Payments Made to Other Governments | | | 41,064 |
| Forfeiture Returns | | | 11,906 |
| Required Distributions | | | 9,562 |
| Administrative Expenses | 5,158 | 10 | |
| Total Deductions | 740,238 | 10,623 | 756,027 |
| Change in Net Position | 374,384 | 15,380 | 2,959 |
| Net Position at Beginning of Year | 14,126,070 | 313,096 | 16,001 |
| Net Position at End of Year | \$ 14,500,454 | \$ 328,476 | \$ 18,960 |

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



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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 December 31, 2016. The Trust Captive 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 six foundations that contribute financially to the six state public universities through fundraising. The foundations include Black Hills State University 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, 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 August 12, 2015, 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 September 14, 2015, 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 in 1972 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, 2023, there was \$31.4 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, 2023, totaled \$42.5 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 Funds: | |
| General Fund | \$ 15,743 |
| Transportation | 8,882 |
| COVID-19 Federal | 7,077 |
| Non-Major Funds: | |
| Non-Major Funds Total | 10,835 |
| Total | \$ 42,537 |

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 GASB Statement No. 72 – *Fair Value Measurement and Application*.

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 as of June 30, 2023. 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, 2023, the commodities inventory was reported in the amount of \$0.6 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 \$10.3 million, as of June 30, 2023. 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 2.94%. The State recognized \$0.2 million in lease revenue and \$69.6 thousand in interest revenue during the current fiscal year related to leases. As of June 30, 2023, 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 entities (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 GASB Statement 96 Subscription Based Information Technology Arrangement standards where the State is the lessee, 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 6-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 \$5.4 million was recognized as an outflow of resources for these variable payments for the year ended June 30, 2023.

The State, through the South Dakota Lottery, has 2 subscription-based IT arrangements with private vendors. One arrangement is for 5 years and the other is for 4 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, 2023.

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, 2023, the State received \$3.6 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, 2023, retail sales totaled \$5.6 million, and the universities received \$1.0 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. Lottery Security Deposits

State law requires video lottery operators to furnish security to the Lottery. Security may be in the form of a surety bond, deposit in cash, an irrevocable letter of credit, or a certificate of deposit issued by a South Dakota financial institution with the Lottery endorsed on it as a payee. As of June 30, 2023, the amount of certificate of deposits and deposits in cash being held by the Lottery was \$0.4 million and is included in restricted cash and investments on the balance sheet. The amount of \$8.7 million was in the form of surety bonds or irrevocable letters of credit and is not reported on the Statement of Net Position.

I. 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.

J. 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, 2023, the State implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement 91, Conduit Debt Obligations. This Statement establishes a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) note disclosures.

This statement had no effect on the State.

The South Dakota Housing Development Authority had early implemented GASB Statement 91.

GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

This Statement has effects on Note Disclosures but had no other effect on the State.

GASB Statement 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments.

This Statement changed how the State reports Subscription-Based Information Technology Arrangements in the basic Financial Statements and Note Disclosures but had no other effect on the State.

GASB Statement 99, Omnibus 2022. This Statement 1) clarifies financial reporting issues for GASB Statement 87, such as lease term determination, lease cancellation periods, classification of a lease liability and lease asset, and identification of lease incentives. 2) Clarifies financial reporting issues for GASB Statement 94, such as determination of a public-private and public-public partnership term, and recognition, measurement of installment payments, and transfer of an underlying PPP asset. 3) Clarifies financial reporting issues for GASB Statement 96, such as SBITA term determination, short-term SBITA determination, and recognition and measurement of a subscription liability.

The implemented provision of this Statement had no effect on the State.

Restatements – Component Units

The beginning net position balance reported for Higher Education, reported as a major discretely presented component unit, increased by \$28.2 million for errors in the reporting of cash, receivables, and other miscellaneous reporting errors in the prior fiscal year. This restatement will have the same effect on the Government-wide financial statements.

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 \$36.8 million for deficit cash balances that existed in various state funds at June 30, 2023, 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, 2023, the securities, for which cost at the time of acquisition is not readily available, have a fair value of \$1.0 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. The first category is the 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 14% 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 broken out separately for risk disclosure purposes. For risk disclosure purposes, their share of the Cash Flow Portfolio is included in the Primary Government. The second category is the Retirement Portfolio. This category represents the investments of the South Dakota Retirement System. The third category is the 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. The fourth category is 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. The Cash Flow Portfolio's certificates of deposit and other deposits in state financial institutions in excess of 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, 2023, the Cash Flow portfolio's certificates of deposit was exposed to custodial credit risk of \$11.6 thousand.

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 +5 calendar days basis. All portfolios as of June 30, 2023, 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 \$18.5 million.

The Trust Portfolios have 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 +5 calendar day basis. At June 30, 2023, 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 \$241.2 thousand.

The Other Funds use the same deposit policy specific to custodial credit risk as the rest of the State. At June 30, 2023, 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 \$16.3 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, 2023, the fair value of securities on loan was \$93.1 million, and the collateral held on the same date was \$96.6 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, 2023, the Cash Flow portfolio does not have custodial credit risk with regard to securities lending. The Other Funds do not have a policy for custodial credit risk. The Other Funds had custodial credit risk totaling \$332.9 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, 2023.

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 | \$ 7,364 | 0.56 | \$ 273,958 | 5.06 | \$ | | \$ 113,355 | 0.56 |
| U.S. Treasury Bills | 1,087,195 | 0.24 | 892,621 | 0.16 | | | | |
| U.S. Treasury STRIPS | 105,610 | 7.34 | 359,969 | 7.34 | 60,382 | 7.36 | | |
| U.S. Agencies | 333,122 | 1.44 | 30,332 | 3.89 | 5,080 | 3.89 | 75,005 | 0.65 |
| Federated Hermes U.S. Treasury Cash Reserves | | | | | | | 3,029 | |
| Investment Grade Corporates | 628,925 | 2.87 | 406,647 | 4.96 | 65,246 | 4.98 | | |
| High-yield Corporates | | | 456,577 | 3.95 | | | | |
| Agency Mortgage-backed Securities | 80,447 | 6.50 | 278,548 | 6.40 | 47,370 | 6.38 | | |
| Investment Agreements | | | | | | | 144,504 | 2.67 |
| Total | \$ 2,242,663 | | \$ 2,698,652 | | \$ 178,078 | | \$ 335,893 | |
| Portfolio Modified Duration | | 1.71 | | 3.67 | | 5.65 | | 1.48 |

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SDIC guidelines establish 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 Baa1 or Baa2, and 0.5% in Baa3-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 Baa-rated and 5% of the total portfolio or up to 10% with the Investment Officer's permission on downgraded securities below Baa. 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, 2023, 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 as rated by Moody's Investors Service (Expressed in Thousands):

| Moody's Rating | Cash Flow Portfolio Fair Value | Retirement Portfolios Fair Value | Trust Portfolios Fair Value | Other Funds Fair Value |
|------------------------|-----------------------------------|-------------------------------------|--------------------------------|---------------------------|
| Aaa | \$ 1,683,245 | \$ 2,780,395 | \$ 702,936 | \$ 91,290 |
| Aa | 68,318 | 88,549 | 14,675 | |
| A | 428,079 | 171,141 | 29,106 | |
| Baa | 96,313 | 132,714 | 19,045 | 144,505 |
| Ba | | 184,429 | | |
| B | | 243,865 | | |
| Caa, Ca, C and Unrated | | 28,283 | 110,291 | |
| Total | \$ 2,275,955 | \$ 3,629,376 | \$ 876,053 | \$ 235,795 |

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 at June 30, 2023, are as follows (Expressed in Thousands):

| Currency | Retirement Portfolio | | | Trust Portfolios | | |
|-------------------------|----------------------|------------------|---------------------|------------------|---------------|------------------|
| | Equities | Cash | Total | Equities | Cash | Total |
| | U.S. Dollar | U.S. Dollar | | U.S. Dollar | U.S. Dollar | |
| Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | | |
| Australian Dollar | \$ 15,969 | \$ 92 | \$ 16,061 | \$ 939 | \$ 66 | \$ 1,005 |
| British Pound | 165,957 | 863 | 166,820 | 12,459 | 17 | 12,476 |
| Canadian Dollar | 93,686 | 3,630 | 97,316 | 7,007 | 26 | 7,033 |
| Danish Krone | 5,986 | 9 | 5,995 | 392 | | 392 |
| Euro | 342,325 | 2,666 | 344,991 | 25,607 | | 25,607 |
| Hong Kong Dollar | 1,123 | | 1,123 | | | |
| Japanese Yen | 151,775 | 8,319 | 160,094 | 11,364 | 38 | 11,402 |
| South Korean Won | 90,428 | | 90,428 | 6,453 | | 6,453 |
| Norwegian Krone | 3,053 | 1,443 | 4,496 | 190 | | 190 |
| Singapore Dollar | 1,730 | | 1,730 | 58 | | 58 |
| Swedish Krona | 12,578 | 1,460 | 14,038 | 876 | 94 | 970 |
| Swiss Franc | 137,345 | 6 | 137,351 | 10,222 | | 10,222 |
| Thai Baht | 792 | | 792 | | | |
| Total Fair Value | \$ 1,022,747 | \$ 18,488 | \$ 1,041,235 | \$ 75,567 | \$ 241 | \$ 75,808 |

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 Trust Portfolios, the total fair value of investments in real estate and private equity limited partnerships as of June 30, 2023, was \$335.4 million. For the Retirement Portfolio, the total fair value of investments in real estate and private equity limited partnerships as of June 30, 2023, was \$3.5 billion. The total fair value of hedge funds investments managed by external managers was \$115.6 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 located 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, 2023.

Derivative Financial Instruments in Primary Government

Retirement Portfolio and Trust Portfolios. Derivatives 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 Trust Portfolios utilized no derivative instruments in SDIC’s internally managed portfolios, however they may be 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. During fiscal year 2023, no derivative instruments were utilized by the Cash Flow portfolio. All of SDRS’s derivatives are classified as investment derivatives.

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, 2023, S&P 500 futures and 10-year U.S. Treasury note futures were utilized. Upon entering into 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, 2023, was \$(238.4) million.

At June 30, 2023, futures contracts outstanding were as follows:

| | <u>Open Position</u> | <u>Contracts</u> | <u>Notional Contract size</u> | <u>Fair Value (Exposure)</u> |
|--|----------------------|------------------|--|------------------------------|
| U.S. Treasury Note Future Due September 2023 | Long | 2,250 | \$100,000 par value 6% 10-year U.S. Treasury note | \$ 252,597,656 |
| S&P 500 Index Future Due September 2023 | Short | 8,118 | \$50 x S&P 500 index | \$(1,821,780,675) |

Foreign Currency Forward Contracts. The SDIC enters into foreign exchange forward contracts to manage foreign currency exposure, as permitted by portfolio policies. The fair values of the contracts are presented in 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, 2023, the net change in fair value from foreign currency forward contracts was \$(5.0) million.

At June 30, 2023, the foreign currency forward contracts outstanding were as follows:

| <u>Description</u> | <u>Notional Amount</u> | | <u>Maturity Date</u> | <u>Fair Value (U.S. Dollars)</u> |
|--------------------|------------------------|-----|----------------------|----------------------------------|
| Forward Buy | \$ 236,000,000 | JPY | 08/17/2023 | \$ (123,085) |
| Forward Buy | \$ 7,182,000,000 | JPY | 08/17/2023 | \$ (3,484,369) |

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, 2023, 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 \$(3.6) million.

Fair Value Measurement

Investments are reported at fair value as of June 30, 2023 to the extent available. GASB Statement No. 72- *Fair Value Measurement and Application*, 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. 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, Retirement Portfolio, Trust Portfolios, and Other Funds investments within the fair value hierarchy as of June 30, 2023, (Expressed in Thousands):

Cash Flow Portfolio:

| | Cash Flow Fund Portfolio | | | |
|--|--------------------------|-------------|---------------------|-------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Investments by Fair Value Level | | | | |
| U.S. Treasuries | \$ 7,364 | \$ | \$ 7,364 | \$ |
| U.S. Treasury Bills | 1,087,195 | | 1,087,195 | |
| U.S. Treasury STRIPS | 105,610 | | 105,610 | |
| U.S. Agencies | 333,122 | | 333,122 | |
| Investment Grade Corporates | 628,925 | | 628,925 | |
| Agency Mortgage-Backed Securities | 80,447 | | 80,447 | |
| Total Fixed Income Securities | 2,242,663 | 0 | 2,242,663 | 0 |
| Total Investments by Fair Value Level | \$ 2,242,663 | \$ 0 | \$ 2,242,663 | \$ 0 |
| Investments Measured at the Net Asset Value (NAV) | | | | |
| Short-Term Investment Funds | \$ 1,307,043 | | | |
| Total Investments Measured at the NAV | 1,307,043 | | | |
| Total Investments Measured at the Fair Value | \$ 3,549,706 | | | |

Retirement Portfolio:

| | Retirement Portfolio | | | |
|--|----------------------|---------------------|---------------------|-------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Investments by Fair Value Level | | | | |
| Fixed Income Securities | | | | |
| U.S. Treasuries | \$ 273,958 | \$ | \$ 273,958 | \$ |
| U.S. Treasury Bills | 892,621 | | 892,621 | |
| U.S. Treasury STRIPS | 359,969 | | 359,969 | |
| U.S. Agencies | 30,332 | | 30,332 | |
| Investment Grade Corporates | 406,647 | | 406,647 | |
| High Yield Corporates | 456,577 | | 456,577 | |
| Agency Mortgage-Backed Securities | 278,548 | | 278,548 | |
| Total Fixed Income Securities | 2,698,652 | 0 | 2,698,652 | 0 |
| Equity Securities | | | | |
| Domestic Stock | 3,675,573 | 3,675,573 | | |
| Depository Receipts | 51,882 | 51,882 | | |
| ETF - Exchange Traded Funds | 796,713 | 796,713 | | |
| International Stock | 1,022,747 | 1,022,747 | | |
| Preferred Stock | 593 | | 593 | |
| Stock Warrants | 94 | 94 | | |
| Total Equity Securities | 5,547,602 | 5,547,009 | 593 | 0 |
| Total Investments by Fair Value Level | \$ 8,246,254 | \$ 5,547,009 | \$ 2,699,245 | \$ 0 |
| Investments Measured at the Net Asset Value (NAV) | | | | |
| Short-term Investment Funds | \$ 2,546,233 | | | |
| Multi Strategy Hedge Funds | 115,637 | | | |
| Alternative Investments | | | | |
| Real Estate Funds | 1,826,338 | | | |
| Private Equity Funds | 1,626,460 | | | |
| Total Alternative Investments | 3,452,798 | | | |
| Total Investments Measured at the NAV | 6,114,668 | | | |
| Total Investments Measured at the Fair Value | 14,360,922 | | | |
| Plus: Cash Held by Fund Managers | 114,158 | | | |
| Less: G/L on FX Transactions | (3,607) | | | |
| Less: Accrued Monthly Interest | (17,777) | | | |
| Total | \$ 14,453,696 | | | |
| Investment Derivative Instruments | | | | |
| Futures Contracts | \$ (20,993) | \$ (20,993) | \$ | |
| Foreign Exchange Forward Contracts (Liability) | (3,607) | | (3,607) | |
| Total Investment Derivative Instruments | \$ (24,600) | \$ (20,993) | \$ (3,607) | |

Trust Portfolios:

| | Trust Portfolios | | | |
|--|----------------------------|--------------------------|--------------------------|--------------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Investments by Fair Value Level | | | | |
| Fixed Income Securities | | | | |
| U.S. Treasury STRIPS | \$ 60,382 | \$ | \$ 60,382 | \$ |
| U.S. Agencies | 5,079 | | 5,079 | |
| Investment Grade Corporates | 65,246 | | 65,246 | |
| Agency Mortgage-Backed Securities | 47,370 | | 47,370 | |
| Total Fixed Income Securities | <u>178,077</u> | <u>0</u> | <u>178,077</u> | <u>0</u> |
| Equity Securities | | | | |
| Domestic Stock | 270,970 | 270,970 | | |
| Depository Receipts | 3,525 | 3,525 | | |
| ETF - Exchange Traded Funds | 54,741 | 54,741 | | |
| International Stock | 75,567 | 75,567 | | |
| Stock Warrants | 1 | 1 | | |
| Total Equity Securities | <u>404,804</u> | <u>404,804</u> | <u>0</u> | <u>0</u> |
| Total Investments by Fair Value Level | <u>\$ 582,881</u> | <u>\$ 404,804</u> | <u>\$ 178,077</u> | <u>\$ 0</u> |
| Investments Measured at the Net Asset Value (NAV) | | | | |
| Short-Term Investment Funds | \$ 663,245 | | | |
| High Yield Bond Mutual Funds | 114,718 | | | |
| Alternative Investments | | | | |
| Real Estate Funds | 185,837 | | | |
| Private Equity Funds | 149,562 | | | |
| Total Alternative Investments | <u>335,399</u> | | | |
| Total Investments Measured at the NAV | <u>1,113,362</u> | | | |
| Total Investments Measured at the Fair Value | <u>\$ 1,696,243</u> | | | |

Other Funds:

| | Other Funds | | | |
|--|--------------------------|--------------------|--------------------------|--------------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Investments by Fair Value Level | | | | |
| U.S. Treasuries | \$ 113,355 | \$ | \$ 113,355 | \$ |
| U.S. Agencies | 75,005 | | 75,005 | |
| Total Fixed Income Securities | <u>188,360</u> | <u>0</u> | <u>188,360</u> | <u>0</u> |
| Total Investments by Fair Value Level | <u>\$ 188,360</u> | <u>\$ 0</u> | <u>\$ 188,360</u> | <u>\$ 0</u> |
| Investments Measured at the Net Asset Value (NAV) | | | | |
| Short-Term Investment Funds | \$ 3,029 | | | |
| Total Investments Measured at the NAV | <u>3,029</u> | | | |
| Total Investments Measured at the Fair Value | <u>\$ 191,389</u> | | | |

Equity 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.

Debt 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 by the use of 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, 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. 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 FX rates for various settlement dates as of June 30, 2023.

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.

The following table summarizes the fair value, unfunded commitments, and redemption rules of those investments as of June 30, 2023, (Expressed in Thousands):

Investments Measured at the NAV

| | Cash Flow Fund Portfolio | | | |
|--|---------------------------------|-----------------------------|---|---------------------------------|
| | Fair Value | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
| Short-term Investment Funds | \$ 1,307,043 | \$ | Daily | 0 days |
| Investments Measured at the Net Asset Value (NAV) | \$ 1,307,043 | | | |

Investments Measured at the NAV

| | Trust Portfolios | | | |
|--|-------------------------|-----------------------------|---|---------------------------------|
| | Fair Value | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
| Short-term Investment Funds | \$ 663,245 | \$ | Daily | 0 days |
| High Yield Bond Mutual Funds | 114,718 | | Daily | 1 day |
| Alternative Investments | | | | |
| Real Estate Funds | 185,837 | 118,914 | | |
| Private Equity Funds | 149,562 | 46,676 | | |
| Total Alternative Investments | 335,399 | | | |
| Investments Measured at the Net Asset Value (NAV) | \$ 1,113,362 | | | |

Investments Measured at the NAV

| | Retirement Portfolio | | | |
|--|-----------------------------|-----------------------------|---|---------------------------------|
| | Fair Value | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
| Short-term Investment Funds | \$ 2,546,233 | \$ | Daily | 0 days |
| Multi Strategy Hedge Funds | 115,637 | | Monthly | 5-30 days |
| Alternative Investments | | | | |
| Real Estate Funds | 1,826,338 | 1,122,233 | | |
| Private Equity Funds | 1,626,460 | 505,630 | | |
| Total Alternative Investments | 3,452,798 | | | |
| Investments Measured at the Net Asset Value (NAV) | \$ 6,114,668 | | | |

| | Other Funds Portfolio | | | |
|--|------------------------------|-----------------------------|---|---------------------------------|
| | Fair Value | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
| Short-term Investment Funds | \$ 3,029 | \$ | Daily | 0 days |
| Investments Measured at the Net Asset Value (NAV) | \$ 3,029 | | | |

a. *Short Term Investment Funds.* This type includes investments in 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 14 (Trust Portfolios) and 33 (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 in order 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 in excess of 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, 2023, the component units had no deposits that were not 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, 2023, investments in the amount of \$8.5 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 highly 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, 2023, the Housing Development Authority and the Economic Development Finance Authority had investments maturing as follows (Expressed in Thousands):

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|-----------------------------|---------------------|----------------------------------|------------------|------------------|---------------------|
| | | Less than 1 | 1 to 5 | 6 to 10 | Greater than 10 |
| U.S. Government Obligations | \$ 79,986 | \$ 11,300 | \$ 41,074 | \$ 27,262 | \$ 350 |
| U.S. Agencies | 1,114,660 | 4,648 | 28,152 | 6,056 | 1,075,804 |
| Investment Grade Corporates | 2,696 | | 259 | 467 | 1,970 |
| Certificates of Deposit | 422 | 181 | 241 | | |
| Mutual Funds | 341,654 | 341,654 | | | |
| Municipal Bonds | 240 | | 240 | | |
| State Obligations | 10,273 | 1,759 | 5,034 | 808 | 2,672 |
| Total | \$ 1,549,931 | \$ 359,542 | \$ 75,000 | \$ 34,593 | \$ 1,080,796 |

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, 2023, the Economic Development Finance Authority investments had the following ratings:

| Moody's Rating | Fair Value |
|-------------------------|-------------------|
| Aaa | \$ 239,787 |
| Total Fair Value | \$ 239,787 |

As of June 30, 2023, the Housing Development Authority investments had the following ratings (Dollars Expressed in Thousands):

| Type/Provider | Moody's Credit Rating | Amount | % of Total |
|--------------------------------|-----------------------|---------------------|---------------|
| Money Market Funds | NR | \$ 341,654 | 22.0% |
| Certificates of Deposit | NR | 240 | 0.0% |
| Corporate-Backed Obligations | NR | 2,696 | 0.2% |
| U.S. Agencies | Aaa | 3,563 | 0.2% |
| U.S. Treasuries | Aaa | 79,986 | 5.2% |
| State and Municipal Securities | A1 to Aaa | 10,273 | 0.7% |
| Mortgage-backed Securities: | | | |
| GNMA | NR | 689,222 | 44.5% |
| FNMA | NR | 402,517 | 26.0% |
| FHLMC | NR | 19,358 | 1.2% |
| | | \$ 1,549,509 | 100.0% |

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, 2023, the Economic Development Finance Authority permits the maximum portfolio exposure to permitted investments:

| | Restricted Account Portfolio Exposure | | Unrestricted Account Portfolio Exposure | |
|-------------------------|--|------------|--|------------|
| | Total | Individual | Total | Individual |
| 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% |

Hedging Derivative Financial Instruments in Component Units

South Dakota Housing Development Authority

Swap Objectives. The Authority 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 the Authority’s goal of lending to low and moderate-income first-time home buyers at below market fixed interest rates.

Swap Terms. The terms, including the fair values and counterparty credit ratings of the outstanding swaps as of June 30, 2023, are contained in the table below. The initial notional amounts of the swaps match the principal amounts of the associated debt. The Authority has purchased the right to terminate the outstanding swap balances at par value on dates that are generally 10 years after the date of issuance of the related bonds (Dollars Expressed in Thousands):

| Bond Series | Notional Amount | Effective Date | Termination Date | Fixed Payable Rate | Variable Rate Received | Credit Rating* | Fair Value |
|--------------------------------|-----------------|----------------|------------------|--------------------|---------------------------|----------------|------------|
| Wells Fargo Bank | | | | | | | |
| 2015 E-1 | \$ 25,000 | 12/17/2015 | 11/01/2037 | 2.11% | 66.4% of LIBOR plus 0.22% | Aa1 | \$ 1,712 |
| 2016 E-1 | \$ 50,000 | 11/01/2016 | 05/01/2037 | 2.21% | 66.4% of LIBOR plus 0.23% | Aa1 | \$ 3,392 |
| 2020 D | \$ 33,000 | 05/01/2029 | 05/01/2043 | 0.928% | 100% SIFMA | Aa1 | \$ 6,888 |
| MPB 2020 A | \$ 14,270 | 09/29/2020 | 05/01/2060 | 1.31% | 100% SIFMA | Aa1 | \$ 2,539 |
| Bank of America, N.A. | | | | | | | |
| 2022 D | \$ 33,000 | 06/23/2022 | 11/01/2046 | 2.3490% | 70.0% of SOFR plus 0.08% | Aa1 | \$ 2,317 |
| Bank of New York Mellon | | | | | | | |
| 2020 B | \$ 33,000 | 02/12/2020 | 11/01/2041 | 1.6525% | 100% SIFMA | Aa1 | \$ 4,126 |
| 2022 F | \$ 17,000 | 10/13/2022 | 11/01/2046 | 4.3770% | 100% SOFR plus 0.15% | Aa1 | \$ 31 |
| 2023 C | \$ 23,000 | 02/15/2023 | 11/01/2047 | 3.9500% | 100% SOFR plus 0.15% | Aa1 | \$ 1,054 |

* Moody’s Investors Service

The fair values presented on the above table were estimated by the Housing Development Authority’s counterparty to the 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 by the Authority 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 calculating the present value of each predicted option outcome, whose interest rate prediction variance is determined by current market implied volatility. Together these calculations, along with consideration for non-performance risk, determine the current fair value of the Authority's swap contracts. The fair values in the previous table represent the termination payments that would have been due had the swaps been terminated as of June 30, 2023. A positive fair value represents money due to the Authority by the counterparty upon termination of the swap, while a negative fair value represents money payable by the Authority.

Swap Risks

Credit Risk. The terms of the swaps expose the Housing Development Authority to potential credit risk with the counterparty upon the occurrence of a termination event. The fair value of a swap represents the Authority's current credit exposure to the counterparty with which the swaps were executed. The Authority has credit risk exposure to its counterparties when the swap positions have a positive value. Several of the swap agreements require that, upon demand, a party post collateral to secure its obligation to make a termination payment to the extent the fair value exceeds a collateral threshold specified in the agreement.

The collateral thresholds are based on the prevailing ratings, as determined by Moody's and Standard & Poor's, of each counterparty, in the case of the counterparties, or hedged bonds, in the case of the Authority. These bilateral requirements are established to mitigate potential credit risk exposure. As of June 30, 2023, neither the Authority nor any counterparty had been required to post collateral.

Basis Risk. The Authority incurs the potential risk that the variable interest payments on its bonds will not equal the variable interest receipts from its swaps. This basis risk exists because the Authority pays the actual variable rate on its bonds; but, under the terms of its swaps, receives a variable rate based upon either the one-month taxable LIBOR rate or the SIFMA rate. Basis risk will vary over time due to inter-market conditions. For the year ended June 30, 2023, the weighted average interest rate on the Authority's variable rate debt associated with swaps was 1.15% per annum, while the weighted average interest rate on the swaps was 1.23% per annum. In order to reduce the cumulative effects of basis risk, the variable rate determination structure for interest receipts within the swap is based upon a regression analysis of the long-term relationship between variable tax-exempt rates and the applicable swap index.

Termination Risk. The Authority's swap contracts are based upon the International Swap Dealers Association Master Agreement, which includes standard termination events. The swap contracts may be terminated by either party if the other party fails to perform under the terms of the contract. Upon termination, a payment is due to one party irrespective of causality based upon the fair value of the swap. The potential termination risks to the Authority are the liability for a termination payment to the counterparty or the inability to replace the swap under favorable financial terms. To reduce the Authority's termination risk, the swap contracts limit the counterparty's ability to terminate due to the following Authority actions or events: payment default, other defaults that remain uncured for 30 days after notice, bankruptcy, and insolvency.

Amortization Risk. The Authority may incur amortization risk because prepayments from the mortgage loan portfolio may cause the outstanding amount of variable rate bonds to decline faster than the amortization of the swap. To ameliorate amortization risk, call options were structured within the swaps to enable the Authority to manage the outstanding balances of variable rate bonds and notional swap amounts. Additionally, the Authority may terminate the swaps at market value at any time.

Tax Risk. The structure of the variable interest rate payments the Authority receives from its swap contracts are based upon the historical long-term relationship between taxable and tax-exempt short-term interest rates. Tax risk represents a risk that may arise due to a change in the tax code that may fundamentally alter this relationship. The Authority has chosen to assume this risk because it was not economically feasible to transfer to the swap counterparty.

Concentration Risk. The total outstanding bonds associated with swaps will be limited to 30% of the total of all outstanding bonds under the related indenture at the time bonds associated with swaps are issued. The total outstanding notional amount of swaps with a single counterparty will not exceed \$150.0 million.

Swap Payments and Associated Debt. Variable-rate bond interest payments and net swap payments will vary during their term. Future debt service requirements of the variable-rate debt and net swap payments as of June 30, 2023, were as follows (Expressed in Thousands):

| Year-end June 30 | Variable-rate Bond | | Interest Rate Swap – Net | Total |
|---------------------|--------------------|-------------------|-----------------------------|-------------------|
| | Principal | Interest | | |
| 2024 | \$ 320 | \$ 9,856 | \$ (4,329) | \$ 5,847 |
| 2025 | 325 | 9,842 | (4,319) | 5,848 |
| 2026 | 340 | 9,828 | (4,311) | 5,857 |
| 2027 | 340 | 9,814 | (4,302) | 5,852 |
| 2028 | 1,750 | 9,794 | (4,290) | 7,254 |
| 2029-2033 | 46,235 | 45,383 | (19,099) | 72,519 |
| 2034-2038 | 72,265 | 31,654 | (12,768) | 91,151 |
| 2039-2043 | 65,340 | 17,456 | (6,175) | 76,621 |
| 2044-2048 | 37,480 | 4,855 | (1,678) | 40,657 |
| 2049-2053 | 1,225 | 768 | (436) | 1,557 |
| 2054-2058 | 1,350 | 495 | (281) | 1,564 |
| 2059-2063 | 1,300 | 115 | (65) | 1,350 |
| Total | \$ 228,270 | \$ 149,860 | \$ (62,053) | \$ 316,077 |

Rollover Risk. Rollover risk is the risk that a swap associated with a bond issue does not extend to the maturity of that debt. When the swap terminates, the associated debt will no longer have the benefit of the swap. The Authority did not have any rollover risk as of June 30, 2023.

Fair Value Measurement

Investments are reported at fair value as of June 30, 2023, to the extent available. GASB Statement No. 72- *Fair Value Measurement and Application*, 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, 2023, (Expressed in Thousands):

| | Total | Level 1 | Level 2 | Level 3 |
|--|---------------------|-------------------|---------------------|-------------|
| Investments by Fair Value Level | | | | |
| U.S. Treasuries | \$ 79,986 | \$ | \$ 79,986 | \$ |
| U.S. Agencies | 1,114,660 | | 1,114,660 | |
| Corporate-Backed Obligations | 2,696 | | 2,696 | |
| Money Market Mutual Funds | 341,654 | 341,654 | | |
| Municipal Bonds | 240 | | 240 | |
| Certificates of Deposit | 422 | | 422 | |
| State Obligations | 10,273 | | 10,273 | |
| Total Investments by Fair Value Level | \$ 1,549,931 | \$ 341,654 | \$ 1,208,277 | \$ 0 |
| Hedging Derivative Instruments | | | | |
| Interest Rate Swaps | \$ 22,059 | \$ | \$ 22,059 | \$ |
| Total Hedging Derivative Instruments | \$ 22,059 | \$ 0 | \$ 22,059 | \$ 0 |

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 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.

Continued on the 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 | \$ 286,039 | \$ 19,638 | \$ | \$ | \$ | \$ | \$ 2,657 | \$ | \$ 308,334 |
| Allowance | (16,431) | (28) | | | | | (1) | | (16,460) |
| Accounts Receivable | 17,324 | 1,084 | 11,591 | 1,461 | | | 23,060 | 7,642 | 62,162 |
| Allowance | (4,966) | (775) | | | | | (91) | | (5,832) |
| Due From Other Governments | 1,828 | 148,100 | 29,888 | 45,545 | | | 130,410 | 180 | 355,951 |
| Interest Receivable | 23,752 | 1,446 | | | 471 | 876 | 3,074 | 533 | 30,152 |
| Current Debt, Notes, and Leases Receivables | 14 | 367 | | 14 | | | 6,601 | | 6,996 |
| Current Settlements Receivables | | | | | | | 3,904 | | 3,904 |
| Non-current Debt, Notes, and Leases Receivables | 106 | 4,781 | | 157 | | | 48,613 | | 53,657 |
| Allowance | | | | | | | (560) | | (560) |
| Non-current Settlements Receivables | 499 | | | | | | 19,866 | | 20,365 |
| Due From Fiduciary Funds | 123 | | | | | | | 67 | 190 |
| Receivables, net | \$ 308,288 | \$ 174,613 | \$ 41,479 | \$ 47,177 | \$ 471 | \$ 876 | \$ 237,533 | \$ 8,422 | \$ 818,859 |

| | Business-type Activities | | | | | Total |
|---|--------------------------|---|--|----------------------------------|-------------------|-------|
| | Lottery Fund | Clean Water State Revolving Fund | Drinking Water State Revolving Fund | Non-major Enterprise Funds | | |
| Accounts Receivable | \$ 7,520 | \$ | \$ | \$ 15,013 | \$ 22,533 | |
| Allowance | (8) | | | (3,853) | (3,861) | |
| Due From Other Governments | | 1,047 | 700 | 91 | 1,838 | |
| Interest Receivable | 141 | 3,958 | 2,287 | 1,027 | 7,413 | |
| Current Debt, Notes, and Leases Receivables | | 23,207 | 10,431 | 10,206 | 43,844 | |
| Allowance | | | | (3) | (3) | |
| Non-current Accounts Receivables | | | | 17,281 | 17,281 | |
| Allowance | | | | (13,296) | (13,296) | |
| Non-current Debt, Notes, and Leases Receivables | | 334,793 | 226,373 | 36,970 | 598,136 | |
| Allowance | | | | (994) | (994) | |
| Due From Fiduciary Funds | | | | 30 | 30 | |
| Receivables, net | \$ 7,653 | \$ 363,005 | \$ 239,791 | \$ 62,472 | \$ 672,921 | |

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 | \$ 18,984 | \$ 7,213 | \$ 2,714 | \$ 275 | \$ 13,627 | \$ 3,457 | \$ 46,270 |
| Accounts Payable | 69,293 | 75,595 | 8,463 | 10,369 | 25,496 | 4,289 | 193,505 |
| Medicaid and CHIP Claims | 27,577 | | 32,513 | 4,910 | 23,515 | | 88,515 |
| Due to Other Governments | 3,361 | 7,901 | 216 | 60,823 | 34,899 | 171 | 107,371 |
| Bank Tax Refund | 17,262 | | | | | | 17,262 |
| Shared Revenue Distribution | 31,239 | | | | 37,195 | | 68,434 |
| Claims Payable | | | | | | 16,916 | 16,916 |
| Due to Fiduciary Funds | 119 | | | | | | 119 |
| Total | \$ 167,835 | \$ 90,709 | \$ 43,906 | \$ 76,377 | \$ 134,732 | \$ 24,833 | \$ 538,392 |

| | Business-type Activities | | | | | Total |
|--------------------------|--------------------------|---|--|----------------------------------|------------------|-------|
| | Lottery Fund | Clean Water State Revolving Fund | Drinking Water State Revolving Fund | Non-major Enterprise Funds | | |
| Payroll and Withholdings | \$ 160 | \$ 28 | \$ 45 | \$ 944 | \$ 1,177 | |
| Accounts Payable | 4,079 | 672 | 358 | 5,405 | 10,514 | |
| Due to Fiduciary Funds | | | | 18 | 18 | |
| Escrow Payable | 182 | | | | 182 | |
| Other Liabilities | 377 | | | 651 | 1,028 | |
| Total | \$ 4,798 | \$ 700 | \$ 403 | \$ 7,018 | \$ 12,919 | |

5. INTERFUND TRANSACTIONS

The composition of interfund balances at June 30, 2023, is as follows (Expressed in Thousands):

A. Interfund Receivables and Payables

| Due From | Due To | | | | | | | | Total |
|----------------------------------|------------------|---------------------|------------------------------|-----------------------|------------------------------|----------------------------|------------------------|-----------------|-------------------|
| | General Fund | Transportation Fund | Social Services Federal Fund | COVID-19 Federal Fund | Non-major Governmental Funds | Non-major Enterprise Funds | Internal Service Funds | Fiduciary Funds | |
| General Fund | \$ | \$ 3,020 | \$ | \$ 499 | \$ 377 | \$ 81 | \$ 3,622 | \$ 119 | \$ 7,718 |
| Transportation Fund | | | | | 316 | 52 | 1,220 | | 1,588 |
| Social Services Federal Fund | | | | | 441 | 3 | 1,061 | | 1,505 |
| COVID-19 Federal | 166 | | 47 | | 4 | | 234 | | 451 |
| Education Enhancement Trust Fund | 26,389 | | | | | | | | 26,389 |
| Non-major Governmental Funds | 47,012 | 2,009 | | | 8,629 | 427 | 3,720 | | 61,797 |
| Lottery Fund | 12,305 | 603 | | | 1,078 | | 77 | | 14,063 |
| Clean Water State Revolving | | | | | | | 3 | | 3 |
| Drinking Water State Revolving | | | | | | | 4 | | 4 |
| Non-major Enterprise Funds | 32 | | | | 120 | 1 | 192 | 18 | 363 |
| Internal Service Funds | 94 | 138 | | | 202 | 49 | 1,016 | | 1,499 |
| Fiduciary Funds | 123 | | | | | 30 | 67 | | 220 |
| Total | \$ 86,121 | \$ 5,770 | \$ 47 | \$ 499 | \$ 11,167 | \$ 643 | \$ 11,216 | \$ 137 | \$ 115,600 |

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 2023 include, \$5.3 million between non-major governmental funds for maintenance and repair and energy conservation projects and \$3.0 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 | COVID-19 Federal Fund | Education Enhancement Trust Fund | Non-major Governmental Funds | Non-major Enterprise Funds | Internal Services Funds | |
| General Fund | \$ | \$ 124 | \$ | \$ 326 | \$ | \$ 16,395 | \$ 17,584 | \$ 1,585 | \$ 36,014 |
| Transportation Fund | 3,589 | | | | | 3,865 | | | 7,454 |
| Social Services Federal Fund | | | | | | 112 | | | 112 |
| COVID-19 Federal | | | 36 | | | 494 | 7 | 58 | 595 |
| Dakota Cement Trust Fund | 14,369 | | | | | | | | 14,369 |
| Education Enhancement Trust Fund | 26,389 | | | | | | | | 26,389 |
| Non-major Governmental Funds | 86,841 | 4,379 | | | 11,986 | 7,879 | 67 | | 111,152 |
| Lottery Fund | 178,259 | 1,251 | | | | 2,438 | | | 181,948 |
| Clean Water State Revolving Fund | | | | | | 45 | | | 45 |
| Drinking Water State Revolving Fund | | | | | | 69 | | | 69 |
| Non-major Enterprise Funds | 516 | | | | | 1,281 | | | 1,797 |
| Internal Service Funds | 7 | | | | | | | | 7 |
| Total | \$ 309,970 | \$ 5,754 | \$ 36 | \$ 326 | \$ 11,986 | \$ 32,578 | \$ 17,658 | \$ 1,643 | \$ 379,951 |

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 2023 (Expressed in Thousands):

| Governmental Activities | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|-------------------|-------------------|---------------------|
| Capital Assets Not Being Depreciated or Amortized: | | | | |
| Land | \$ 127,054 | \$ 4,777 | \$ 1,038 | \$ 130,793 |
| Land Improvements | 11,988 | | | 11,988 |
| Land & Improvements - Roads | 645,218 | 1,627 | | 646,845 |
| Construction in Progress | 272,613 | 314,061 | 214,209 | 372,465 |
| Total Capital Assets Not Being Depreciated or Amortized | 1,056,873 | 320,465 | 215,247 | 1,162,091 |
| Capital Assets Being Depreciated or Amortized: | | | | |
| Land Improvements | 81,970 | 21,018 | 231 | 102,757 |
| Buildings | 834,999 | 9,038 | | 844,037 |
| Equipment | 282,768 | 26,499 | 6,848 | 302,419 |
| Intangible Assets - Software | 120,172 | 6,521 | 1,171 | 125,522 |
| Vehicles | 189,066 | 18,545 | 3,053 | 204,558 |
| Infrastructure | 4,662,465 | 117,507 | 14,246 | 4,765,726 |
| Right-to-use Leased Land | 28 | | 4 | 24 |
| Right-to-use Leased Buildings | 42,006 | 57,020 | 15,769 | 83,257 |
| Right-to-use Leased Equipment | 154 | 133 | | 287 |
| Right-to-use Subscription IT Assets | | 8,371 | | 8,371 |
| Total Capital Assets Being Depreciated or Amortized | 6,213,628 | 264,652 | 41,322 | 6,436,958 |
| Less Accumulated Depreciation or Amortization: | | | | |
| Land Improvements | 25,925 | 3,559 | 169 | 29,315 |
| Buildings | 318,624 | 20,503 | | 339,127 |
| Equipment | 179,620 | 19,004 | 6,180 | 192,444 |
| Intangible Assets - Software | 79,590 | 8,761 | 603 | 87,748 |
| Vehicles | 108,239 | 11,266 | 2,627 | 116,878 |
| Infrastructure | 1,864,503 | 77,213 | 11,320 | 1,930,396 |
| Right-to-use Leased Land | 6 | 6 | 4 | 8 |
| Right-to-use Leased Buildings | 6,281 | 7,701 | 3,103 | 10,879 |
| Right-to-use Leased Equipment | 37 | 81 | | 118 |
| Right-to-use Leased Subscription IT Assets | | 1,840 | | 1,840 |
| Total Accumulated Depreciation or Amortization | 2,582,825 | 149,934 | 24,006 | 2,708,753 |
| Total Capital Assets Being Depreciated or Amortized, Net | 3,630,803 | 114,718 | 17,316 | 3,728,205 |
| Total Governmental Activities, Net | \$ 4,687,676 | \$ 435,183 | \$ 232,563 | \$ 4,890,296 |

Continued on next page

| Business-type Activities | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| Capital Assets Not Being Depreciated or Amortized: | | | | |
| Land | \$ 295 | \$ | \$ | \$ 295 |
| Construction in Progress | 1,678 | 25,721 | 2 | 27,397 |
| Total Capital Assets Not Being Depreciated or Amortized | 1,973 | 25,721 | 2 | 27,692 |
| Capital Assets Being Depreciated or Amortized: | | | | |
| Land Improvements | 1,096 | | | 1,096 |
| Buildings | 7,819 | | | 7,819 |
| Equipment | 3,867 | 201 | 433 | 3,635 |
| Intangible Assets - Software | 749 | | 276 | 473 |
| Right-to-use Leased Buildings | 1,839 | | 73 | 2,338 |
| Right-to-use Subscription IT Assets | | 1,300 | | 1,300 |
| Total Capital Assets Being Depreciated or Amortized | 15,370 | 2,073 | 782 | 16,661 |
| Less Accumulated Depreciation or Amortization: | | | | |
| Land Improvements | 728 | 17 | | 745 |
| Buildings | 3,392 | 141 | | 3,533 |
| Equipment, as restated | 3,161 | 158 | 420 | 2,899 |
| Intangible Assets - Software | 464 | 193 | 183 | 474 |
| Right-to-use Leased Buildings | 381 | 408 | 73 | 716 |
| Right-to-use Subscription IT Assets | | 96 | | 96 |
| Total Accumulated Depreciation or Amortization | 8,126 | 1,013 | 676 | 8,463 |
| Total Capital Assets Being Depreciated or Amortized, Net | 7,244 | 1,060 | 106 | 8,198 |
| Total Business-type Activities, Net | \$ 9,217 | \$ 26,781 | \$ 108 | \$ 35,890 |

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

| Governmental Activities | <u>Amount</u> |
|---|----------------------|
| Unallocated | \$ 53 |
| General Government | 13,544 |
| Health, Human, and Social Services | 13,094 |
| Law, Justice, Public Protection, and Regulation | 14,139 |
| Agriculture and Natural Resources | 9,249 |
| Transportation | 95,065 |
| Education | 4,631 |
| Economic Resources | 159 |
| Total Governmental Activities | \$ 149,934 |
| | |
| Business-type Activities | |
| Enterprise Funds | \$ 1,014 |

B. Component Units

Capital Assets for Higher Education consisted of the following for fiscal year 2023 (Expressed in Thousands):

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--|------------------------------|--------------------------|--------------------------|---------------------------|
| Higher Education*: | | | | |
| Capital Assets Not Being Depreciated or Amortized: | | | | |
| Land | \$ 31,694 | \$ | \$ | \$ 31,694 |
| Construction in Progress, as restated | 75,307 | 117,255 | 101,347 | 91,215 |
| Works of Art and Historical Treasures | 10,109 | 9 | | 10,118 |
| Total Capital Assets Not Being Depreciated or Amortized, as restated | <u>117,110</u> | <u>117,264</u> | <u>101,347</u> | <u>133,027</u> |
| Capital Assets Being Depreciated or Amortized: | | | | |
| Land Improvements | 84,857 | 2,268 | 538 | 86,587 |
| Infrastructure | 110,227 | 4,097 | | 114,324 |
| Buildings, as restated | 1,714,010 | 82,271 | 2,540 | 1,793,741 |
| Equipment and Other Assets | 310,945 | 22,285 | 7,786 | 325,444 |
| Right-to-use Leased Buildings | 5,976 | 500 | 29 | 6,447 |
| Right-to-use Leased Subscription IT Assets, as restated | 5,086 | | | 5,086 |
| Total Capital Assets Being Depreciated or Amortized, as restated | <u>2,231,101</u> | <u>111,421</u> | <u>10,893</u> | <u>2,331,629</u> |
| Less Accumulated Depreciation or Amortization: | | | | |
| Land Improvements | 35,316 | 3,790 | 475 | 38,631 |
| Infrastructure | 43,281 | 3,671 | | 46,952 |
| Buildings, as restated | 594,404 | 46,923 | 2,109 | 639,218 |
| Equipment and Other Assets | 252,467 | 12,901 | 7,148 | 258,220 |
| Right-to-use Leased Buildings | 1,718 | 1,798 | 29 | 3,487 |
| Right-to-use Leased Subscription IT Assets, as restated | | 1,569 | | 1,569 |
| Total Accumulated Depreciation or Amortized, as restated | <u>927,186</u> | <u>70,652</u> | <u>9,761</u> | <u>988,077</u> |
| Total Capital Assets Being Depreciated or Amortized, Net, as restated | <u>1,303,915</u> | <u>40,769</u> | <u>1,132</u> | <u>1,343,552</u> |
| Total Higher Education Capital Assets, Net, as restated | <u>\$1,421,025</u> | <u>\$ 158,033</u> | <u>\$ 102,479</u> | <u>\$1,476,579</u> |

* 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.

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, 2023, are as follows (Expressed in Thousands):

| | <u>Amount</u> |
|---|--------------------------|
| Primary Government | |
| Governmental Activities | |
| Land Improvements | \$ 5,868 |
| Buildings and Structures | 32,815 |
| Equipment | 7,579 |
| Vehicles | 1,474 |
| Intangibles - Computer Software | 54,604 |
| Infrastructure | 269,566 |
| Right-to-use Subscription IT Assets | <u>559</u> |
| Total Governmental Activities | <u>372,465</u> |
| Business - Type Activities | |
| Buildings and Structures | 22,776 |
| Equipment | <u>4,621</u> |
| Total Business - Type Activities | <u>27,397</u> |
| Total Primary Government | <u>\$ 399,862</u> |
| | |
| Discretely Presented Component Units | |
| Higher Education* | |
| Land Improvements | \$ 17,318 |
| Buildings and Structures | 69,600 |
| Infrastructure | 3,066 |
| Intangibles - Computer Software | 1,039 |
| Equipment | <u>192</u> |
| Total Higher Education | <u>\$ 91,215</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.

Legislation enacted in 2017 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, 2023. 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 5.80% in 2023. 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, 2023, 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 2023 were \$31.9 million, during fiscal year 2022 were \$29.5 million, and during fiscal year 2021 were \$27.8 million. Contributions for the State’s component units during 2023 were \$21.2 million, during fiscal year 2022 were \$19.8 million, and during fiscal year 2021 were \$19.4 million.

State’s Proportionate Share of SDRS. For fiscal year 2023, the State and its component units used a July 1, 2021, to June 30, 2022, measurement date for reporting purposes.

The State’s proportionate share of SDRS’s collective net pension asset is 20.6% or \$1.9 million using a June 30, 2022, measurement date. This percentage was measured based on all employer contributions from July 1, 2021, through June 30, 2022. Pension expense (reduction of pension expense) for the State was \$16.5 million and contributions subsequent to the measurement date were \$31.9 million. The State’s proportionate share increased by 0.2% over the prior fiscal year’s proportionate share of 20.4%.

The State’s component unit’s proportionate share of SDRS’s collective net pension asset is 13.8% or \$1.3 million using a June 30, 2022, measurement date. This percentage was measured based on all employer contributions from July 1, 2021, through June 30, 2022. Pension expense (reduction of pension expense) for component units was \$14.1 million and contributions subsequent to the measurement date were \$21.2 million. The State’s component unit’s proportionate share decreased by 0.5% over the prior fiscal year’s proportionate share of 14.3%.

The components of the net pension asset of the System at June 30, 2022, were as follows (Dollars Expressed in Thousands):

| | State of South Dakota Proportionate Allocation 20.6% | Discretely Presented Component Units Proportionate Allocation 13.8% |
|--|--|--|
| Total Pension Liability | \$ 2,902,521 | \$ 1,949,318 |
| Plan Fiduciary Net Position | (2,904,466) | (1,950,623) |
| Net Pension (Asset) Liability | <u>\$ (1,945)</u> | <u>\$ (1,305)</u> |
| | | |
| Fiduciary Net Position as a Percentage of Net Pension Liability | 100.1% | 100.1% |

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2022, 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% FY23 and 1.91% FY24

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, 2022, 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, 2022, (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> |
|--------------------|--------------------------|---|
| Global Equity | 58% | 3.7% |
| Fixed Income | 30% | 1.1% |
| Real Estate | 10% | 2.6% |
| Cash | 2% | 0.4% |
| Total | 100% | |

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 \$1.9 million using a June 30, 2022, 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> |
|---|--------------------|------------------------------|--------------------|
| State’s Proportionate Share of SDRS’s Net Pension (Asset) Liability | \$ 403,476 | \$ (1,945) | \$ (333,284) |
| Discretely Presented Component units Proportionate Share of SDRS Net Pension (Asset) Liability | 270,973 | (1,305) | (223,832) |

Deferred Outflows and Inflows of Resources Related to Pensions. The Deferred Outflows and Inflows of Resources related to pensions at June 30, 2023, were as follows (Expressed in Thousands):

| State of South Dakota Deferred Outflows and Inflows of Resources Related to Pensions | | | | |
|--|--------------------------------------|-------------------------------------|---|-------------------------------------|
| 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 | \$ 36,989 | \$ 126 | \$ 24,842 | \$ 85 |
| Changes in Assumptions | 123,499 | 108,229 | 82,942 | 72,689 |
| Net Differences between Projected and Actual Earnings on Pension Plan Investments | | 4,656 | | 3,127 |
| Changes in Proportionate Share and Differences between Contributions and Proportionate Share of Contributions | 211 | 177 | 1,027 | 88 |
| Contributions Subsequent to the Measurement Date | 31,875 | | 21,181 | |
| Total | \$ 192,574 | \$ 113,188 | \$ 129,992 | \$ 75,989 |

The \$31.9 million and the \$21.2 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, 2022. 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 |
|------------------------|-----------------------|--|
| 2024 | \$ 12,914 | \$ 8,982 |
| 2025 | 26,946 | 18,385 |
| 2026 | (30,828) | (20,454) |
| 2027 | 38,479 | 25,909 |
| Total | \$ 47,511 | \$ 32,822 |

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, 2023, (Expressed in Thousands):

| | <u>General</u> | <u>Trans- portation</u> | <u>Social Services Federal</u> | <u>COVID-19 Federal</u> | <u>Dakota Cement Trust</u> | <u>Education Enhancement Trust</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|---|---------------------|-----------------------------|--|-----------------------------|------------------------------------|--|--|---------------------|
| Nonspendable | | | | | | | | |
| Inventory | \$ 2,982 | \$ 22,482 | \$ 17 | \$ 3,700 | \$ | \$ | \$ 4,037 | \$ 33,218 |
| Prepays | 3,502 | 272 | 1,698 | 708 | | | 4,360 | 10,540 |
| Permanent Fund Principal | | | | | | 443,646 | 209,146 | 652,792 |
| Total Nonspendable Fund Balances | 6,484 | 22,754 | 1,715 | 4,408 | 0 | 443,646 | 217,543 | 696,550 |
| Restricted | | | | | | | | |
| Education | | | | | 363,359 | 258,462 | 11,982 | 633,803 |
| Health and Public Assistance | | | | | | | 104,113 | 104,113 |
| Law , Justice, and Public Protection | | | | | | | 30,704 | 30,704 |
| Economic Development | | | | 176 | | | 100,739 | 100,915 |
| Transportation | | 304,440 | | | | | | 304,440 |
| Agriculture and Natural Resources | | | | | | | 104,416 | 104,416 |
| Energy Conservation or Development | | | | | | | 12,475 | 12,475 |
| Game and Fish | | | | | | | 208 | 208 |
| Parks and Recreation | | | | | | | 2,130 | 2,130 |
| Public Buildings | | | | | | | 1,380 | 1,380 |
| Public Broadcasting | | | | | | | 350 | 350 |
| Railroads | | | | | | | 78,125 | 78,125 |
| Debt Service | | | | | | | 35,084 | 35,084 |
| Capital Projects | | | | | | | 322 | 322 |
| Other | | | | | | | 10,129 | 10,129 |
| Total Restricted Fund Balances | 0 | 304,440 | 0 | 176 | 363,359 | 258,462 | 492,157 | 1,418,594 |
| Committed | | | | | | | | |
| Education | | | | | | | 327 | 327 |
| Health and Public Assistance | | | | | | | 4,776 | 4,776 |
| Law , Justice, and Public Protection | | | | | | | 18,890 | 18,890 |
| Agriculture and Natural Resources | | | | | | | 9,484 | 9,484 |
| Environmental Cleanup | | | | | | | 6,519 | 6,519 |
| Energy Conservation or Development | | | | | | | 824 | 824 |
| Public Buildings | | | | | | | 2,450 | 2,450 |
| Railroads | | | | | | | 420 | 420 |
| Other | | | | | | | 19,950 | 19,950 |
| Total Committed Fund Balances | 0 | 0 | 0 | 0 | 0 | 0 | 63,640 | 63,640 |
| Assigned | | | | | | | | |
| Education | 18,180 | | | | | | 471 | 18,651 |
| Higher Education | 103,760 | | | | | | | 103,760 |
| Health and Public Assistance | 62,556 | | 1,488 | | | | 6,277 | 70,321 |
| Law , Justice, and Public Protection | 418,259 | | | | | | 3,372 | 421,631 |
| Agriculture and Natural Resources | 5,439 | | | | | | 754 | 6,193 |
| Game and Fish | 4,079 | | | | | | | 4,079 |
| Tourism Promotion | 8,062 | | | | | | | 8,062 |
| Public Buildings | 30,048 | | | | | | 2,087 | 32,135 |
| Economic Development | 76,235 | | | | | | | 76,235 |
| School Districts | 8,788 | | | | | | | 8,788 |
| Transportation | 6,250 | | | | | | | 6,250 |
| Other | 140,860 | | | | | | 2,286 | 143,146 |
| Total Assigned Fund Balances | 882,516 | 0 | 1,488 | 0 | 0 | 0 | 15,247 | 899,251 |
| Unassigned Fund Balances * | 476,667 | | | | | | (13,090) | 463,577 |
| Total Fund Balances | \$ 1,365,667 | \$ 327,194 | \$ 3,203 | \$ 4,584 | \$ 363,359 | \$ 702,108 | \$ 775,497 | \$ 3,541,612 |

* This amount includes \$201.9 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, 2023, was \$201.9 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, 2023, 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, 2023, the following equity balances are included within the State's General Fund in accordance with GASB 54 (Expressed in Thousands):

| | |
|--|--------------------------|
| Fund Balance - June 30, 2023 as reported | \$ 1,365,667 |
| Less Statutorily Created Funds Combined with the General Fund: | |
| Incarceration Construction Fund - assigned for Law, Justice, and Public Protection | 365,565 |
| Tourism Promotion - assigned for Tourism Promotion | 8,062 |
| Investment Council Operating - assigned for Other | 2,048 |
| Private Activity Bond - assigned for Other | 160 |
| Proof of Concept - assigned for Economic Development | 23 |
| Fine Arts - assigned for Other | 1,251 |
| Economic Development - assigned for Economic Development | 44 |
| Local Infrastructure Improvement - assigned for Economic Development | 5,890 |
| Workforce Education - assigned for Education | 2,424 |
| Extraordinary Litigation Expense - assigned for Other | 1,793 |
| IT Modernization Fund - assigned for Other | 4,564 |
| Department of Labor and Regulation Other - unassigned | (19) |
| Legislative Contingency Fund - unassigned | 1,545 |
| Unclaimed Property - unassigned | 7 |
| Fund Balance - June 30, 2023 excluding GASB 54 combinations | <u>\$ 972,310</u> |

Net Position Restricted by Enabling Legislation

The Government-wide Statement of Net Position reports \$2.2 billion of restricted net position for the primary government of which \$279.0 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, 2023, 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, 2023, are summarized as follows (Expressed in Thousands):

| Fund | Expendable | Nonexpendable | Total Restriction |
|-----------------------------|-------------------|----------------------|--------------------------|
| Education Enhancement Trust | \$ 258,462 | \$ 443,646 | \$ 702,108 |
| Health Care Trust | 73,974 | 135,632 | 209,606 |
| Permanent | (1,769) | 73,514 | 71,745 |
| Total | \$ 330,667 | \$ 652,792 | \$ 983,459 |

Individual Fund Deficits

The following individual funds had deficit fund equity at June 30, 2023, (Expressed in Thousands):

| Fund Type/Fund | Deficit |
|--|----------------|
| Internal Service: | |
| State Worker's Compensation | \$ 26,913 |
| Special Revenue: | |
| State Fire Suppression | 5,500 |
| Parks and Recreation | 1,537 |
| Public Utilities Regulatory Assessment | 292 |
| Law Enforcement Revolving | 257 |
| Animal Damage Control | 149 |
| Public Utilities Commission Federal | 88 |

9. COMMITMENTS

At June 30, 2023, the Primary Government had operating commitments of \$2.6 billion, the State's discretely presented component units had operating commitments of \$268.7 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 \$1.8 billion. These commitments are broken down as follows:

Primary Government

Major Governmental Funds

General Fund: The General Fund had total operating commitments of \$251.4 million as broken down by departments as follows:

- Governor's Office of Economic Development has commitments totaling \$108.0 million for reinvestment payment program projects, Connect SD projects, local infrastructure improvement program grants, and service contracts.
- Department of Social Services has commitments totaling \$90.0 million for community mental health services, substance use disorder services, food services, janitorial services, other contractual agreements.
- Bureau of Administration has commitments totaling \$16.1 million for statewide maintenance and repair projects.
- Department of Education has commitments totaling \$15.1 million for grants, computer systems maintenance, various K-12 programs, construction projects, and other agreements.
- Bureau of Information and Telecommunications has commitments totaling \$5.9 million for service contracts relating to ERP System and Project Bison, state radio upgrades, and various purchase orders for supplies, building, hardware, software, and Ultra Terrain Vehicle.
- Department of Tourism has commitments totaling \$4.2 million for advertising and marketing services, and consulting contracts.
- Department of Corrections has commitments totaling \$3.6 million for contractual services to house offenders and sensor cables on security fences.
- Department of Human Services has commitments totaling \$2.9 million for various programs, systems, equipment purchases, and other agreements.
- Attorney General's Office has commitments totaling \$2.2 million for computerized criminal history online applications and maintenance agreements.
- Department of Public Safety has commitments totaling \$1.3 million for various equipment purchases and other agreements.
- Unified Judicial System has commitments totaling \$1.0 million for drug and DUI court programs and other agreements.
- South Dakota Investment Council has commitments totaling \$0.6 million for capital markets index data, London stock exchange data, and other contractual services.
- Department of Military has commitments totaling \$0.5 million for building renovation projects.

Transportation Fund: The Transportation Fund had total operating commitments of \$658.3 million as broken down as follows:

- Department of Transportation has commitments totaling \$656.2 million for highway projects, maintenance projects, bridge repairs, pavement markings, drainage projects, deer and debris pickup, snow plowing, street sweeping, and other agreements.
- Department of Public Safety has commitments totaling \$2.1 million for maintenance services, seminar trainings, vehicle and transport system purchase orders, and other agreements.

Social Services Federal Fund: Department of Social Services has commitments totaling \$109.5 million for contractual services and other agreements.

COVID-19 Federal Fund: The COVID-19 Federal Fund had total operating commitments of \$573.6 million as broken down as follows:

- Department of Agriculture and Natural Resources has commitments totaling \$461.8 million for American Rescue Plan Act (ARPA) contracts.
- Governor's Office of Economic Development has commitments totaling \$40.7 million for ARPA contracts.
- Department of Education has commitments totaling \$20.4 million for programs, K-5 stem education grants, and food services equipment grants.
- Department of Social Services has commitments totaling \$19.0 million for community mental health services, substance misuse prevention services, the water assistance program, and other agreements.
- Bureau of Administration has commitments totaling \$15.4 million for multiple ARPA contracts for sewer and water projects.
- Department of Health has commitments totaling \$9.2 million for contractual services.
- Bureau of Finance and Management has commitments totaling \$2.9 million for various service contracts.
- Department of Transportation has commitments totaling \$1.8 million for a service contract.
- Department of Tourism has commitments totaling \$1.4 million for advertising and marketing services, and public relations consulting contracts.
- Department of Labor and Regulation has commitments totaling \$1.0 million for consulting contracts.

Nonmajor Governmental Funds

Education Federal Fund: Department of Education has commitments totaling \$57.3 million for grants, programs, and other agreements.

Human Services Fund: Department of Human Services has commitments totaling \$0.7 million for furniture purchase orders, equipment, medical supplies order, systems updates, and programs.

Labor Fund: Department of Labor and Regulation has commitments totaling \$3.1 million for adult education programs, apprenticeship agreements, and other contractual services and agreements.

Health Federal Fund: Department of Health has commitments totaling \$2.7 million for various contractual services.

Governor's Office and State Development Federal Fund: Governor's Office of Economic Development has commitments totaling \$17.9 million for Community Development Block Grants and loan commitments.

Public Safety Emergency Management Fund: Department of Public Safety has commitments totaling \$40.0 million for grant payments, services contracts, clothing purchases, and other agreements.

Natural Resources Federal Fund: Department of Agriculture and Natural Resources has commitments totaling \$4.2 million in service contracts, Feeding South Dakota Local Food Purchase Assistance Program, and other contractual implementation projects.

Game, Fish, and Parks Federal Fund: Department of Game, Fish, and Parks has commitments totaling \$0.5 million for a construction contract.

Motor Vehicle Fund: Department of Public Safety has commitments totaling \$3.4 million for driver licenses and identification cards issuance services, service contracts, and other agreements. In addition, Department of Revenue has commitments totaling \$0.3 million for various contracts relating to motor vehicle programs.

Revenue Fund: Department of Revenue has commitments totaling \$17.3 million for the production and distribution of vehicle license plates, motor vehicle registration contracts, and self-service kiosks.

Future Fund: Governor's Office of Economic Development has commitments totaling \$29.3 million for future fund grants.

Maintenance and Repair Fund: Bureau of Administration has commitments totaling \$2.5 million for Capitol Complex maintenance and repair projects.

Water and Environment Fund: Department of Agriculture and Natural Resources has commitments totaling \$37.7 million in grants and loan commitments.

Military Federal Fund: Department of Military has commitments totaling \$1.2 million for building renovations and repair projects, cleaning service contracts, and other agreements.

Other Nonmajor Governmental Funds: The Other Nonmajor Governmental Funds had total operating commitments of \$113.0 million as broken down by agency as follows:

- Department of Public Safety has commitments totaling \$88.9 million for highway safety grant payments, emergency management grants, highway safety messages, vehicle and equipment purchases, and other service and consulting contracts.
- Department of Education has commitments totaling \$4.0 million for legal, curatorial, and consulting services, and other projects and agreements.
- Attorney General's Office has commitments totaling \$3.3 million for computerized criminal history online application, laboratory equipment and computer purchases, and alcohol monitoring system.
- Department of Health has commitments totaling \$2.2 million for consulting and contractual services.
- Unified Judicial System has commitments totaling \$1.3 million for court security grants and contractual services.
- Department of Social Services has commitments totaling \$1.1 million for substance use disorder services and other contractual commitments.
- Department of Revenue has commitments totaling \$0.9 million for software services.
- Department of Game, Fish, and Parks has commitments totaling \$0.8 million for a construction contract.
- 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 \$2.2 million for services to implement and administer the dairy promotion, research, and education programs.
- South Dakota Corn Council has commitments totaling \$1.6 million for the Regional Conversation Partnership Program and the operation and infrastructure of a bioprocessing center.
- South Dakota Wheat Utilization, Research and Market Development Commission has commitments totaling \$0.8 million for research, promotion, and other various activities aiming at enhancing producer awareness of wheat and wheat related issues.

Major Proprietary Funds

Clean Water State Revolving Fund: Department of Agriculture and Natural Resources has commitments totaling \$384.0 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 \$209.7 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 \$25.3 million for loan commitments that have been approved to borrowers but not disbursed.

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

Self-Insurance Fund: The Bureau of Human Resources has commitments totaling \$12.3 million for claims administration, health plan, and wellness services.

Information Services Fund: The Bureau of Information and Telecommunications has commitments totaling \$1.2 million for hardware, software, and multiple purchase orders.

Telecommunications Fund: The Bureau of Information and Telecommunications has commitments totaling \$0.7 million for hardware, software, and various contracts.

Accounting and Payroll Fund: The Bureau of Finance and Management has commitments totaling \$1.3 million for computer hardware, service contracts, and other agreements.

Fleet and Travel Management Fund: The Bureau of Administration has commitments totaling \$1.7 million for vehicle contracts.

Discretely Presented Component Units

Higher Education: Higher Education has commitments totaling \$140.1 million of construction, renovation projects, and coaching contracts.

South Dakota Housing Development Authority: South Dakota Housing Development Authority has commitments totaling \$125.9 million to fund the Homeownership Mortgage Program.

South Dakota Science and Technology Authority: South Dakota Science and Technology Authority has commitments totaling \$2.1 million for building maintenance and repair projects.

South Dakota Ellsworth Development Authority: South Dakota Ellsworth Development Authority has commitments totaling \$0.6 million to operate and maintain the wastewater treatment plant.

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 \$1.8 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, 2023, is broken down as follows (Expressed in Thousands):

| | Permanent | | Special Revenue | | | Fiduciary Component Unit | TOTAL |
|----------------------|------------------|---------------------|-----------------------------|-------------------|---|--------------------------|-------|
| | Permanent Fund | Dakota Cement Trust | Education Enhancement Trust | Health Care Trust | South Dakota Retirement System Pension Trust Fund | | |
| Real Estate Funds | \$ 27,394 | \$ 26,524 | \$ 51,380 | \$ 13,616 | \$ 1,122,233 | \$ 1,241,147 | |
| Private Equity Funds | 13,271 | 13,105 | 24,652 | 6,885 | 505,630 | 563,543 | |
| Total | \$ 40,665 | \$ 39,629 | \$ 76,032 | \$ 20,501 | \$ 1,627,863 | \$ 1,804,690 | |

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 \$26.9 million at June 30, 2023.

The Workers' Compensation Fund liability at June 30, 2023, and the changes to the liability during fiscal years ended June 30, 2023 and 2022 were as follows (Expressed in Thousands):

| | <u>FY2023</u> | <u>FY2022</u> |
|--|------------------|------------------|
| Unpaid claims and claim adjustment expenses at beginning of fiscal year | \$ 35,015 | \$ 33,930 |
| Incurred claims and claim adjustment expenses | | |
| Provision for insured events of current fiscal year | 6,835 | 6,290 |
| Changes in provision for insured events of prior fiscal years | (839) | 110 |
| Total incurred claims and claim adjustment expenses | <u>5,996</u> | <u>6,400</u> |
| Payments: | | |
| Claims and claim adjustment expenses attributable to insured events of current fiscal year | 1,109 | 1,124 |
| Claims and claim adjustment expenses attributable to insured events of prior fiscal year | 4,207 | 4,191 |
| Total payments | <u>5,316</u> | <u>5,315</u> |
| Unpaid claims and claim adjustment expenses at end of fiscal year | <u>\$ 35,695</u> | <u>\$ 35,015</u> |

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, 2023 and the changes to the liability during fiscal years ended June 30, 2023 and 2022 were as follows (Expressed in Thousands):

| | <u>FY2023</u> | <u>FY2022</u> |
|--|-------------------------|-------------------------|
| Unpaid claims and claim adjustment expenses at beginning of fiscal year | \$ 11,158 | \$ 16,574 |
| Incurred claims and claim adjustment expenses | <u>138,243</u> | <u>131,186</u> |
| Payments: | | |
| Claims and claim adjustment expenses attributable to insured events of current fiscal year | 122,251 | 120,028 |
| Claims and claim adjustment expenses attributable to insured events of prior fiscal years | <u>11,158</u> | <u>16,574</u> |
| Total payments | <u>133,409</u> | <u>136,602</u> |
| Unpaid claims and claim adjustment expenses at end of fiscal year | <u>\$ 15,992</u> | <u>\$ 11,158</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 2023, \$5.8 million of the net position balance in the PEPL Fund was designated for future catastrophic losses.

The PEPL Fund liability at June 30, 2023, and the changes to the liability during fiscal years ended June 30, 2023, and 2022 were as follows (Expressed in Thousands):

| | <u>FY2023</u> | <u>FY2022</u> |
|--|------------------------|------------------------|
| Unpaid claims and claim adjustment expenses at beginning of fiscal year | \$ 5,439 | \$ 4,401 |
| Incurred claims and claim adjustment expenses | | |
| Provision for insured events of current fiscal year | 2,078 | 2,129 |
| Changes in provision for insured events of prior fiscal years | <u>(490)</u> | <u>842</u> |
| Total incurred claims and claim adjustment expenses | <u>1,588</u> | <u>2,971</u> |
| Payments: | | |
| Claims and claim adjustment expenses attributable to insured events of current fiscal year | 536 | 272 |
| Claims and claim adjustment expenses attributable to insured events of prior fiscal year | <u>1,457</u> | <u>1,661</u> |
| Total payments | <u>1,993</u> | <u>1,933</u> |
| Unpaid claims and claim adjustment expenses at end of fiscal year | <u>\$ 5,034</u> | <u>\$ 5,439</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.

11. LONG-TERM LIABILITIES

Long-term obligations at June 30, 2023, and changes to long-term liabilities during the fiscal year then ended are as follows (Expressed in Thousands):

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--|------------------------------|-------------------|---------------------|---------------------------|--------------------------------|
| Governmental Activities * | | | | | |
| Revenue Bonds | \$ 102,843 | \$ | \$ (15,501) | \$ 87,342 | \$ 15,203 |
| Add Unamortized Premium | 5,404 | | (432) | 4,972 | 427 |
| Net Revenue Bonds | 108,247 | 0 | (15,933) | 92,314 | 15,630 |
| Compensated Absences | 70,265 | 59,083 | (49,567) | 79,781 | 43,245 |
| Policy Claims Liability | 5,439 | 1,588 | (1,993) | 5,034 | 1,678 |
| Workers Compensation | 35,021 | 5,996 | (5,317) | 35,700 | 4,313 |
| Leases Payable | 36,281 | 46,670 | (9,286) | 73,665 | 6,968 |
| Subscription IT Payable | | 8,381 | (1,949) | 6,432 | 1,879 |
| Notes Payable | 102,502 | 4,808 | (7,294) | 100,016 | 7,154 |
| Pollution Remediation Obligation | 12,535 | 367 | | 12,902 | 600 |
| Escheat Property | 62,036 | 27,628 | (28,953) | 60,711 | 44,329 |
| Other Long Term Liabilities | 116 | 56 | (56) | 116 | 59 |
| Total Governmental Activities | \$ 432,442 | \$ 154,577 | \$ (120,348) | \$ 466,671 | \$ 125,855 |
| Business-type Activities | | | | | |
| Revenue Bonds | \$ 341,415 | \$ 156,675 | \$ (23,475) | \$ 474,615 | \$ 22,835 |
| Add Unamortized Premium | 59,574 | 10,232 | (4,174) | 65,632 | 4,107 |
| Net Revenue Bonds | 400,989 | 166,907 | (27,649) | 540,247 | 26,942 |
| Leases Payable | 1,471 | 569 | (387) | 1,653 | 316 |
| Subscription IT Payable | | 1,301 | (467) | 834 | 419 |
| Compensated Absences | 1,924 | 1,303 | (1,217) | 2,010 | 1,089 |
| Other Noncurrent Liabilities | 1,778 | 841 | (1,778) | 841 | |
| Total Business-type Activities | \$ 406,162 | \$ 170,921 | \$ (31,498) | \$ 545,585 | \$ 28,766 |
| Component Units | | | | | |
| Revenue Bonds | \$ 1,637,296 | \$ 218,000 | \$ (98,579) | \$ 1,756,717 | \$ 88,889 |
| Less Unamortized Discount | (71) | | 4 | (67) | (4) |
| Add Unamortized Premium | 66,476 | 3,671 | (6,885) | 63,262 | 3,136 |
| Direct Placement Bonds | 69,439 | | (1,697) | 67,742 | 1,773 |
| Net Revenue Bonds | 1,773,140 | 221,671 | (107,157) | 1,887,654 | 93,794 |
| Compensated Absences | 48,642 | 23,763 | (20,362) | 52,043 | 17,026 |
| Leases Payable | 4,397 | 500 | (1,763) | 3,134 | 2,076 |
| Subscription IT Payable | | 5,086 | (1,636) | 3,450 | 1,934 |
| Notes Payable | 8,060 | 694 | (2,117) | 6,637 | 1,581 |
| Rural Development Loans | 1,134 | | (1,134) | | |
| Federal Contributions for Education Loan Programs | 28,671 | 402 | (3,414) | 25,659 | |
| Total Component Units | \$ 1,864,044 | \$ 252,116 | \$ (137,583) | \$ 1,978,577 | \$ 116,411 |

* 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, 2023, (Expressed in Thousands):

| <u>Bond Series</u> | <u>Maturity Through</u> | <u>Interest Rates</u> | <u>Amount</u> |
|--------------------|-------------------------|-----------------------|------------------|
| 2014A | 2024 | 5.000% | \$ 135 |
| 2014D | 2027 | 5.000% | 2,842 |
| 2014E | 2024 | 5.000% | 360 |
| 2017A | 2040 | 4.000%-5.000% | 37,085 |
| 2019B | 2038 | 2.062%-3.201% | 6,140 |
| 2020A | 2039 | 0.802%-2.619% | 8,895 |
| | Add Unamortized Premium | | 4,972 |
| Total | | | \$ 60,429 |

As of June 30, 2023, 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> |
|---------------------------|------------------|------------------|------------------|
| 2024 | \$ 4,218 | \$ 2,213 | \$ 6,431 |
| 2025 | 4,051 | 2,070 | 6,121 |
| 2026 | 4,187 | 1,927 | 6,114 |
| 2027 | 4,352 | 1,775 | 6,127 |
| 2028 | 3,639 | 1,633 | 5,272 |
| 2029-2033 | 15,469 | 6,298 | 21,767 |
| 2034-2038 | 14,899 | 3,344 | 18,243 |
| 2039-2040 | 4,642 | 308 | 4,950 |
| Total | \$ 55,457 | \$ 19,568 | \$ 75,025 |

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, 2023, (Expressed in Thousands):

| <u>Bond Series</u> | <u>Maturity Through</u> | <u>Interest Rates</u> | <u>Amount</u> |
|--------------------|-------------------------|-----------------------|------------------|
| 2021 | 2026 | 0.961-1.495% | \$ 31,885 |
| Total | | | \$ 31,885 |

As of June 30, 2023, debt service requirements for principal and interest for the EEFC were as follows (Expressed in Thousands):

| <u>Year Ended June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------|------------------|-----------------|------------------|
| 2024 | \$ 10,985 | \$ 391 | \$ 11,376 |
| 2025 | 10,780 | 286 | 11,066 |
| 2026 | 10,120 | 151 | 10,271 |
| Total | \$ 31,885 | \$ 828 | \$ 32,713 |

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 30 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, 2023, (Expressed in Thousands):

| <u>Bond Series</u> | <u>Maturity Through</u> | <u>Interest Rates</u> | <u>Amount</u> |
|--|-------------------------|-----------------------|-------------------|
| Clean Water State Revolving Fund | | | |
| 2010AB | 2030-2031 | 4.884%-5.646% | \$ 20,159 |
| 2012AB | 2027-2031 | 2.733%-5.000% | 13,860 |
| 2014B | 2035 | 5.000% | 31,555 |
| 2017B | 2030-2038 | 5.000% | 58,855 |
| 2018 | 2039 | 5.000% | 50,390 |
| 2020 | 2043 | 5.000% | 76,310 |
| 2022AB | 2029-2047 | 4.400%-5.000% | 73,705 |
| Add Unamortized Premium | | | 54,240 |
| Total | | | 379,074 |
| Drinking Water State Revolving Fund | | | |
| 2010AB | 2030-2031 | 4.884%-5.646% | 10,466 |
| 2012A | 2027 | 2.733%-3.183% | 6,315 |
| 2014B | 2035 | 5.000% | 4,215 |
| 2017B | 2030-2038 | 5.000% | 11,455 |
| 2018 | 2039 | 5.000% | 34,360 |
| 2022AB | 2029-2040 | 4.400%-5.360% | 82,970 |
| Add Unamortized Premium | | | 11,392 |
| Total | | | 161,173 |
| Total Revenue Bonds | | | \$ 540,247 |

As of June 30, 2023, debt service requirements for principal and interest for the CWSRF and the DWSRF were as follows (Expressed in Thousands):

| <u>Year Ended June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------------|-------------------|-------------------|
| Clean Water State Revolving Fund | | | |
| 2024 | \$ 16,520 | \$ 15,612 | \$ 32,132 |
| 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 |
| 2029-2033 | 89,651 | 46,120 | 135,771 |
| 2034-2038 | 72,560 | 26,221 | 98,781 |
| 2039-2043 | 48,160 | 11,086 | 59,246 |
| 2044-2048 | 21,185 | 2,751 | 23,936 |
| Total | 324,834 | 155,571 | 480,405 |
| Drinking Water State Revolving Fund | | | |
| 2024 | 6,315 | 7,257 | 13,572 |
| 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 |
| 2029-2033 | 36,239 | 22,794 | 59,033 |
| 2034-2038 | 30,880 | 15,104 | 45,984 |
| 2039-2043 | 20,600 | 8,298 | 28,898 |
| 2044-2048 | 22,620 | 3,054 | 25,674 |
| Total | 149,781 | 82,209 | 231,990 |
| Total | \$ 474,615 | \$ 237,780 | \$ 712,395 |

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, 2023, (Expressed in Thousands):

| | <u>Maturity Through</u> | <u>Interest Rates</u> | <u>Amount</u> |
|--|-----------------------------|---------------------------|----------------------------|
| Home-Ownership Mortgage Program Bonds | 2023-2054 | 0.250%-6.000% | |
| Serial Bonds | | | \$ 433,395 |
| Term Bonds | | | 861,445 |
| Term Direct Placement Bonds | | | 50,000 |
| Add Unamortized Premium | | | 31,867 |
| Total | | | <u>1,376,707</u> |
| Single Family Mortgage Bonds | 2023-2041 | 2.344%-3.500% | |
| Serial Bonds | | | 4,825 |
| Term Bonds | | | 9,375 |
| Add Unamortized Premium | | | 112 |
| Total | | | <u>14,312</u> |
| Multiple Purpose Bonds | 2023-2062 | 3.650%-4.260% | |
| Term Bonds | | | 20,180 |
| Total | | | <u>20,180</u> |
| Total Bonds | | | <u>\$ 1,411,199</u> |

As of June 30, 2023, debt service requirements for principal and interest for the HDA 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> | |
| 2024 | \$ 57,997 | \$ 41,397 | \$ | \$ 630 | \$ 100,024 |
| 2025 | 62,865 | 38,689 | | 630 | 102,184 |
| 2026 | 53,090 | 37,372 | | 630 | 91,092 |
| 2027 | 48,460 | 36,231 | | 630 | 85,321 |
| 2028 | 51,075 | 34,776 | | 630 | 86,481 |
| 2029-2033 | 230,365 | 151,317 | 24,405 | 2,620 | 408,707 |
| 2034-2038 | 179,960 | 123,567 | 25,595 | 715 | 329,837 |
| 2039-2043 | 194,675 | 100,973 | | | 295,648 |
| 2044-2048 | 281,164 | 63,735 | | | 344,899 |
| 2049-2053 | 163,735 | 18,309 | | | 182,044 |
| 2054-2058 | 4,535 | 117 | | | 4,652 |
| 2059-2063 | 1,300 | 4 | | | 1,304 |
| Total | <u>\$ 1,329,221</u> | <u>\$ 646,487</u> | <u>\$ 50,000</u> | <u>\$ 6,485</u> | <u>\$ 2,032,193</u> |

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, 2023 the balance in the Capital Reserve Account was \$5.0 million and the reserve requirement was \$780.6 thousand.

The following is a schedule of outstanding bonds as of June 30, 2023, (Expressed in Thousands):

| <u>Bond Series</u> | <u>Maturity Through</u> | <u>Interest Rates</u> | <u>Amount</u> |
|--------------------|-------------------------|-----------------------|-----------------|
| 2013A | 2033 | 4.650%-5.800% | \$ 6,245 |
| Total | | | \$ 6,245 |

As of June 30, 2023, debt service requirements for principal and interest for the EDFA were as follows (Expressed in Thousands):

| <u>Year Ended June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------|------------------|-----------------|-----------------|
| 2024 | \$ 480 | \$ 362 | \$ 842 |
| 2025 | 505 | 335 | 840 |
| 2026 | 535 | 305 | 840 |
| 2027 | 565 | 274 | 839 |
| 2028 | 600 | 241 | 841 |
| 2029-2033 | 3,560 | 643 | 4,203 |
| Total | \$ 6,245 | \$ 2,160 | \$ 8,405 |

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 2023 equaled \$32.8 million. Following are revenue bonds outstanding at June 30, 2023, (Expressed in Thousands):

| Bond Series | Maturity Through | Interest Rates | Amount |
|---------------------------------------|-----------------------------|---------------------------|-------------------|
| School of Mines and Technology | | | |
| 2008B Direct Placement | 2028 | 4.550% | \$ 1,445 |
| 2014A | 2039 | 4.000%-5.000% | 5,190 |
| 2014B | 2033 | 5.000% | 4,020 |
| 2017A | 2042 | 4.000%-5.000% | 14,080 |
| Add Unamortized Premium | | | 2,289 |
| University of South Dakota | | | |
| 2013A | 2028 | 3.000%-4.000% | 4,820 |
| 2015 | 2030 | 4.000%-5.000% | 5,445 |
| 2017A | 2039 | 4.000%-5.000% | 27,560 |
| Add Unamortized Premium | | | 4,447 |
| South Dakota State University | | | |
| 2006 Direct Placement | 2026 | 3.920% | 1,625 |
| 2014A | 2025 | 5.000% | 5,140 |
| 2015 | 2030 | 4.000%-5.000% | 1,085 |
| 2016 | 2041 | 4.000%-5.000% | 10,755 |
| 2017A | 2042 | 4.000%-5.000% | 31,655 |
| 2021 | 2036 | 3.000%-4.000% | 34,515 |
| Less Unamortized Discount | | | (68) |
| Add Unamortized Premium | | | 10,052 |
| Northern State University | | | |
| 2008B Direct Placement | 2028 | 4.550% | 385 |
| 2014B | 2029 | 5.000% | 1,795 |
| 2016 | 2041 | 4.000%-5.000% | 5,685 |
| 2017A | 2034 | 5.000% | 735 |
| 2019B | 2036 | 2.500%-3.350% | 4,000 |
| Add Unamortized Premium | | | 610 |
| Dakota State University | | | |
| 2007 Direct Placement | 2029 | 3.880% | 150 |
| 2008 Direct Placement | 2028 | 3.880% | 1,550 |
| 2014B | 2025 | 5.000% | 370 |
| 2015 | 2040 | 4.000%-5.000% | 9,020 |
| 2019A | 2044 | 3.000%-5.000% | 11,280 |
| Add Unamortized Premium | | | 2,077 |
| Black Hills State University | | | |
| 2006 Direct Placement | 2026 | 3.920% | 265 |
| 2007 Direct Placement | 2029 | 3.880% | 3,135 |
| 2014A | 2039 | 4.000%-5.000% | 6,010 |
| 2014B | 2026 | 5.000% | 545 |
| Add Unamortized Premium | | | 352 |
| Total | | | \$ 212,019 |

As of June 30, 2023, debt service requirements for principal and interest were as follows (Expressed in Thousands):

| Year Ended June 30 | Bonds | | Direct Placement Bonds | | Total |
|-----------------------|-------------------|------------------|------------------------|---------------|-------------------|
| | Principal | Interest | Principal | Interest | |
| 2024 | \$ 12,995 | \$ 8,025 | \$ 1,725 | \$ 335 | \$ 23,080 |
| 2025 | 13,580 | 7,437 | 1,795 | 266 | 23,078 |
| 2026 | 11,245 | 6,822 | 1,865 | 193 | 20,125 |
| 2027 | 11,720 | 6,303 | 1,255 | 117 | 19,395 |
| 2028 | 12,250 | 5,776 | 1,315 | 66 | 19,407 |
| 2029-2033 | 59,175 | 20,751 | 600 | 12 | 80,538 |
| 2034-2038 | 44,140 | 8,303 | | | 52,443 |
| 2039-2043 | 17,830 | 1,621 | | | 19,451 |
| 2044-2048 | 770 | 23 | | | 793 |
| Total | \$ 183,705 | \$ 65,061 | \$ 8,555 | \$ 989 | \$ 258,310 |

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. 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, 2023, (Expressed in Thousands):

| Bond Series | Maturity Through | Interest Rates | Amount |
|----------------------------|------------------|----------------|-------------------|
| Revenue Bonds | | | |
| 2014A | 2024 | 5.000% | \$ 1,150 |
| 2014B | 2025 | 5.000% | 1,635 |
| 2014D | 2026 | 5.000% | 568 |
| 2014E | 2024 | 5.000% | 1,885 |
| 2014F | 2024 | 3.700% | 510 |
| 2015B | 2025 | 5.000% | 690 |
| 2017A | 2042 | 4.000%-5.000% | 9,730 |
| 2018A | 2040 | 5.000% | 25,225 |
| 2019A | 2034 | 4.000%-5.000% | 10,795 |
| 2019B | 2038 | 2.062%-3.201% | 62,440 |
| 2020A | 2040 | 0.802%-2.619% | 66,026 |
| 2020B | 2029 | 0.676%-1.732% | 9,280 |
| 2020C | 2045 | 3.000%-4.000% | 22,865 |
| 2022A | 2046 | 4.000% | 8,920 |
| 2022B Direct Placement | 2035 | 2.170% | 9,187 |
| Add Unamortized Premium | | | 11,456 |
| Total Revenue Bonds | | | \$ 242,362 |

As of June 30, 2023, debt service requirements for principal and interest for the SDBA (Higher Ed portion) were as follows (Expressed in Thousands):

| Year Ended June 30 | Bonds | | Direct Placement Bonds | | Total |
|-----------------------|-------------------|------------------|------------------------|-----------------|-------------------|
| | Principal | Interest | Principal | Interest | |
| 2024 | \$ 16,227 | \$ 6,710 | \$ 48 | \$ 199 | \$ 23,184 |
| 2025 | 17,049 | 6,173 | 49 | 198 | 23,469 |
| 2026 | 16,973 | 5,764 | 50 | 197 | 22,984 |
| 2027 | 15,548 | 5,350 | 702 | 196 | 21,796 |
| 2028 | 14,151 | 4,980 | 970 | 181 | 20,282 |
| 2029-2033 | 67,722 | 19,244 | 5,155 | 580 | 92,701 |
| 2034-2038 | 52,411 | 9,847 | 2,213 | 73 | 64,544 |
| 2039-2043 | 17,353 | 2,490 | | | 19,843 |
| 2044-2048 | 4,285 | 293 | | | 4,578 |
| Total | \$ 221,719 | \$ 60,851 | \$ 9,187 | \$ 1,624 | \$ 293,381 |

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 waste water treatment plant.

Following is a schedule of bonds outstanding at June 30, 2023, (Expressed in Thousands):

| Bond Series | Maturity Through | Interest Rate | Amount |
|--------------|------------------|---------------|------------------|
| 2012A | 2036 | 2.390% | \$ 5,135 |
| 2012B | 2036 | 2.390% | 5,135 |
| 2013A | 2036 | 2.390% | 1,132 |
| 2013B | 2036 | 2.390% | 3,429 |
| 2013C | 2036 | 2.390% | 485 |
| 2013D | 2036 | 2.390% | 511 |
| Total | | | \$ 15,827 |

As of June 30, 2023, debt service requirements for principal and interest for the EDA were as follows (Expressed in Thousands):

| Year Ended June 30 | Principal | Interest | Total |
|-----------------------|------------------|-----------------|------------------|
| 2024 | \$ 1,190 | \$ 371 | \$ 1,561 |
| 2025 | 1,219 | 343 | 1,562 |
| 2026 | 1,248 | 313 | 1,561 |
| 2027 | 1,278 | 283 | 1,561 |
| 2028 | 1,309 | 253 | 1,562 |
| 2029-2033 | 7,031 | 775 | 7,806 |
| 2034-2036 | 2,552 | 68 | 2,620 |
| Total | \$ 15,827 | \$ 2,406 | \$ 18,233 |

Leases Payable

During the fiscal year the State had 306 lessee lease agreements for the use of land, buildings, and equipment. The terms of the leases range from 1 to 40 years. The leases have a weighted average interest rate of 3.56%.

The following schedule is a summary of the future minimum principal and interest lease payments as of June 30, 2023, (Expressed in Thousands):

| Year Ended June 30 | Primary Government | | Component Units | |
|-----------------------------|--------------------|------------------|-----------------|---------------|
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 7,284 | \$ 2,493 | \$ 2,076 | \$ 106 |
| 2025 | 6,672 | 2,265 | 379 | 48 |
| 2026 | 6,179 | 2,060 | 439 | 25 |
| 2027 | 5,619 | 1,867 | 220 | 8 |
| 2028 | 4,868 | 1,695 | 18 | 1 |
| 2029-2033 | 16,452 | 6,432 | 2 | |
| 2034-2038 | 8,978 | 4,295 | | |
| 2039-2043 | 8,209 | 2,693 | | |
| 2044-2048 | 5,683 | 1,478 | | |
| 2049-2053 | 5,198 | 404 | | |
| 2054-2058 | 167 | 14 | | |
| 2059-2063 | 9 | | | |
| Total Lease Payments | \$ 75,318 | \$ 25,696 | \$ 3,134 | \$ 188 |

Subscription IT Payable

During the year State had 47 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 3.56%. 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, 2023, (Expressed in Thousands):

| Year Ended June 30 | Primary Government | | Component Units | |
|-----------------------|--------------------|---------------|-----------------|---------------|
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 2,298 | \$ 285 | \$ 1,934 | \$ 169 |
| 2025 | 1,989 | 191 | 1,198 | 86 |
| 2026 | 751 | 109 | 272 | 15 |
| 2027 | 571 | 79 | 46 | 2 |
| 2028 | 370 | 54 | | |
| 2029-2033 | 1,287 | 88 | | |
| Total Payments | \$ 7,266 | \$ 806 | \$ 3,450 | \$ 272 |

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, 2023, (Expressed in Thousands):

| <u>Note Series</u> | <u>Maturity Through</u> | <u>Interest Rates</u> | <u>Amount</u> |
|--------------------|-------------------------|-----------------------|------------------|
| 2015A | 2039 | 3.750%-5.000% | \$ 20,190 |
| 2015B | 2036 | 5.000% | 11,935 |
| 2015C | 2036 | 3.000%-5.000% | 13,145 |
| 2021 | 2041 | 2.290% | 29,408 |
| 2022 | 2042 | 3.380% | 12,926 |
| Total | | | \$ 87,604 |

Following is a schedule of the installment purchases payable outstanding at June 30, 2023, (Expressed in Thousands):

| <u>Note Series</u> | <u>Maturity Through</u> | <u>Interest Rates</u> | <u>Amount</u> |
|--------------------|-------------------------|-----------------------|------------------|
| 2017B | 2024 | 3.900% | \$ 663 |
| 2018A | 2025 | 3.460% | 1,770 |
| 2019A | 2025 | 4.780% | 31 |
| 2019B | 2024 | 4.780% | 40 |
| 2020A | 2026 | 2.680% | 1,940 |
| 2020B | 2024 | 3.400% | 76 |
| 2020C | 2024 | 3.350% | 20 |
| 2021A | 2027 | 2.400% | 522 |
| 2021B | 2027 | 2.300% | 2,542 |
| 2023A | 2029 | 4.950% | 4,808 |
| Total | | | \$ 12,412 |

The State also enters into purchase agreements for various facilities and equipment. The following schedule is a summary of the future minimum payments under notes and installment purchases, together with the present value of the net minimum payments as of June 30, 2023, (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> |
| 2024 | \$ 7,154 | \$ 3,645 | \$ 1,686 | \$ 210 |
| 2025 | 6,973 | 3,455 | 1,295 | 173 |
| 2026 | 6,805 | 3,164 | 818 | 143 |
| 2027 | 6,238 | 2,911 | 320 | 118 |
| 2028 | 5,732 | 2,674 | 335 | 103 |
| 2029-2033 | 28,238 | 9,989 | 1,306 | 459 |
| 2034-2038 | 27,828 | 4,143 | 445 | 111 |
| 2039-2043 | 11,048 | 483 | 221 | 66 |
| 2044-2048 | | | 211 | 18 |
| Total | \$ 100,016 | \$ 30,464 | \$ 6,637 | \$ 1,401 |

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 an agreement 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, 2023, there were 105 Beginning Farmer Bond Program Series Revenue Bonds outstanding. The aggregate principal amount payable on June 30, 2023, could not be determined; however, the original issue amount totaled \$23.0 million.

As of June 30, 2023, there were 7 Agribusiness Bond Program Series Revenue Bonds outstanding. The aggregate principal amount payable on June 30, 2023, could not be determined; however, the original issue amount totaled \$18.6 million.

As of June 30, 2023, there were 23 Livestock Nutrient Management Bond Program Series Revenue Bonds outstanding. The aggregate principal amount payable on June 30, 2023, could not be determined; however, the original issue amount totaled \$61.9 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, 2023, the aggregate principal amount of conduit debt outstanding totaled \$9.7 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, 2023, are as follows (Expressed in Thousands):

| <u>Bond Issues</u> | <u>Year of Defeasance</u> | <u>Original Amount Defeased</u> |
|--------------------|-------------------------------|-------------------------------------|
| Series 2014A | 2020 | \$ 26,865 |
| Series 2014B | 2020 | 2,085 |
| Series 2014E | 2020 | 17,010 |
| Series 2014F | 2020 | 4,265 |
| Series 2015B | 2020 | 8,015 |
| Total | | <u>\$ 58,240</u> |

The Series 2012A bonds were called on September 1, 2022. The Series 2013B, 2013D and 2015A bonds were called on June 1, 2023. The Series 2014A, 2014E and 2014F bonds will be called on June 1, 2024. 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, 2023, the HDA issued Homeownership Mortgage Bonds Series 2023A in the aggregate principal amount of \$99.0 million of which \$40.0 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.

Pollution Remediation Obligations

The State has pollutions remediation obligation liabilities as of June 30, 2023 of \$12.9 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 10.0% 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, 2023 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 100.0% for site management and ongoing water treatment costs. The State cash balance on June 30, 2023 for those two funds was approximately \$19.3 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, 2023, PRCF was currently involved with 39 active cases, 18 active/monitoring cases, and 15 pending cases (spill report not yet filed), for a total of 72 cases. The estimated cost remaining for sites that have received at least one payment is \$416.0 thousand, the estimated cost for sites that haven’t received any payments is \$2.6 million and the estimated cost for the Abandoned Tank Removal Program is \$600.0 thousand. The total liability as of June 30, 2023 for this program is \$3.6 million. The cash balance in the PRCF on June 30, 2023 is \$6.0 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, 2023, as recommended by NACUBO (Expressed in Thousands):

| Function | Personal Services | Travel | Contractual | Supplies & Noncapitalized Equipment | Grants & Subsidies | Interest & Other Expenses | Depreciation & Amortization | Total |
|------------------------------|--------------------------|------------------|--------------------|--|-------------------------------|--------------------------------------|--|-------------------|
| Instruction | \$ 190,009 | \$ 4,250 | \$ 11,116 | \$ 9,213 | \$ 671 | \$ 387 | \$ 7,143 | \$ 222,789 |
| Research | 49,071 | 2,833 | 8,448 | 12,150 | 10,388 | 3 | 4,924 | 87,817 |
| Public Service | 35,276 | 2,020 | 9,364 | 7,450 | 1,211 | 183 | 552 | 56,056 |
| Academic Support | 48,721 | 937 | 11,166 | 5,393 | 43 | 1 | 1,543 | 67,804 |
| Student Services | 51,203 | 11,622 | 12,113 | 10,148 | 537 | 296 | 1,745 | 87,664 |
| Institutional Support | 53,197 | 805 | 21,259 | 3,484 | 2,300 | 931 | 4,771 | 86,747 |
| O&M of Plant | 29,794 | 301 | 20,488 | 10,142 | 1 | 13 | 44,934 | 105,673 |
| Scholarships and Fellowships | 1,035 | 10 | 162 | 387 | 25,603 | 524 | | 27,721 |
| Auxiliary Enterprises | 11,719 | 75 | 43,501 | 12,030 | 5 | 51 | 2,620 | 70,001 |
| Other | | | | | | 310 | 2,405 | 2,715 |
| | \$ 470,025 | \$ 22,853 | \$ 137,617 | \$ 70,397 | \$ 40,759 | \$ 2,699 | \$ 70,637 | \$ 814,987 |

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 2023, the State provided \$42 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 million, or equipment upgrade costs exceeding \$2 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 2023, the State abated \$21.6 million of sales and use tax as estimated reimbursement amounts for approved projects that have not met all the reimbursement criteria. The State reimbursed \$11.5 million of sales and use tax during fiscal year 2023, 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, 2023, SDCUC paid \$0.9 million to SDCGA for these services. The SDCUC also leases office space from SDCGA under a lease agreement that commenced July 1, 2011. The terms of the lease called for an advance payment of the eleven-year lease term, which was paid in 2011. The lease was extended for an additional six months set to expire June 30, 2023.

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 \$4.3 million for the year ended June 30, 2023.

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 \$289 million to support Higher Education universities.

Higher Education received \$3.7 million from the Governor's Office of Economic Development (GOED) to fund Research Centers at various universities around the state.

During fiscal year 2023, Northern State University was awarded a loan from GOED in the amount of \$1.7 million for a campus energy project. As of June 30, 2023, there was \$0.8 million disbursed to NSU. 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. As of June 30, 2023, there was \$0.2 million 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. As of June 30, 2023, there has been \$1.1 million paid on this commitment.

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 2023, the following transactions occurred between SDHDA and the GOED for the Housing Opportunity Program:

- GOED received a \$1.0 million General Fund Appropriation for the Housing Opportunity Program.
- GOED received \$1.5 million from SDHDA.
- GOED distributed \$0.3 million from private activity bond fees to the Housing Opportunity Program.
- GOED received \$0.1 million in private activity bond fees from SDHDA.
- GOED disbursed \$2.9 million of Housing Opportunity Program 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 for the amount of \$13 million from the state General Fund for purposes of expanding laboratory space at the Sanford Underground Research Facility.

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

The South Dakota Housing Development Authority, a discretely presented component unit of the State, issued Homeownership Mortgage Bonds of \$174.0 million in October and \$235.0 million in December of 2023.

South Dakota Board of Regents

In December 2023, the South Dakota Board of Regents, a discretely presented component unit of the State, issued \$14.0 million of Housing and Auxiliary Facilities System Revenue Bonds.

17. CONTINGENCIES AND LITIGATION

The State of South Dakota and its component units are defendants to various legal proceedings. Substantial litigation includes three 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
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | BUDGETED AMOUNTS | | Actual Amounts | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| RESOURCES (inflows) AVAILABLE FOR APPROPRIATION | | | | |
| ONGOING RESOURCES | | | | |
| Sales and Use Tax | \$ 1,331,552 | \$ 1,487,499 | \$ 1,480,582 | \$ (6,917) |
| Lottery | 170,540 | 179,396 | 176,664 | (2,732) |
| Contractor's Excise Tax | 152,237 | 188,221 | 189,408 | 1,187 |
| Insurance Company Tax | 101,685 | 109,757 | 112,141 | 2,384 |
| Unclaimed Property Receipts | 47,049 | 71,281 | 74,981 | 3,700 |
| Licenses, Permits, and Fees | 72,756 | 76,820 | 77,636 | 816 |
| Tobacco Taxes | 50,781 | 48,043 | 47,075 | (968) |
| Trust Funds | 46,398 | 46,540 | 46,259 | (281) |
| Net Transfers In | 22,655 | 24,355 | 25,752 | 1,397 |
| Alcohol Beverage Tax | 9,013 | 8,876 | 8,940 | 64 |
| Bank Franchise Tax | 17,008 | 19,110 | 20,425 | 1,315 |
| Charges for Goods and Services | 15,461 | 14,867 | 13,374 | (1,493) |
| Telecommunications Tax | 2,601 | 2,364 | 2,467 | 103 |
| Severance Taxes | 7,625 | 6,939 | 5,658 | (1,281) |
| Investment Income and Interest | 15,967 | 13,971 | 14,001 | 30 |
| Alcohol Beverage 2% Wholesale Tax | 2,817 | 3,090 | 2,937 | (153) |
| TOTAL ONGOING | 2,066,145 | 2,301,129 | 2,298,300 | (2,829) |
| ONE-TIME RESOURCES | | | | |
| Unexpended Carryovers and Specials | 0 | 8,364 | 17,709 | 9,345 |
| Bank Franchise Tax Prior Year Revenue | 0 | 692 | 699 | 7 |
| One-Time Unclaimed Property Receipts | 0 | 0 | 10,555 | 10,555 |
| Transfer from General Revenue Replacement Fund | 0 | 183,685 | 183,685 | 0 |
| Prior Year Carryover and Encumbered | 66,280 | 66,280 | 66,280 | 0 |
| TOTAL ONE-TIME RESOURCES | 66,280 | 259,021 | 278,928 | 19,907 |
| TOTAL RESOURCES AVAILABLE FOR APPROPRIATION | \$ 2,132,425 | \$ 2,560,150 | \$ 2,577,228 | \$ 17,078 |
| CHARGES TO APPROPRIATIONS (outflows) | | | | |
| OFFICE OF THE GOVERNOR | | | | |
| Personal Services | \$ 2,185 | \$ 2,185 | \$ 2,185 | \$ 0 |
| Operating Expenses | 491 | 509 | 509 | 0 |
| TOTAL | 2,676 | 2,694 | 2,694 | 0 |
| GOVERNOR'S CONTINGENCY FUND | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 75 | 75 | 74 | 1 |
| TOTAL | 75 | 75 | 74 | 1 |
| GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT | | | | |
| Personal Services | 2,949 | 2,949 | 2,567 | 382 |
| Operating Expenses | 86,091 | 86,097 | 16,744 | 69,353 |
| TOTAL | 89,040 | 89,046 | 19,311 | 69,735 |
| SD SCIENCE AND TECH AUTHORITY | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 0 | 13,000 | 13,000 | 0 |
| TOTAL | 0 | 13,000 | 13,000 | 0 |
| LOCAL INFRASTRUCTURE IMPROVEMENT | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 1,470 | 1,470 | 1,470 | 0 |
| TOTAL | 1,470 | 1,470 | 1,470 | 0 |
| SD HOUSING OPPORTUNITY | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 1,040 | 1,040 | 1,040 | 0 |
| TOTAL | 1,040 | 1,040 | 1,040 | 0 |
| WORKFORCE EDUCATION | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 490 | 490 | 490 | 0 |
| TOTAL | 490 | 490 | 490 | 0 |

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | BUDGETED AMOUNTS | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------------|----------------|-------------------------------|
| | Original | Final | | |
| LIEUTENANT GOVERNOR | | | | |
| Personal Services | \$ 25 | \$ 25 | \$ 25 | \$ 0 |
| Operating Expenses | 14 | 14 | 14 | 0 |
| TOTAL | 39 | 39 | 39 | 0 |
| BUREAU OF FINANCE AND MANAGEMENT | | | | |
| Personal Services | 981 | 10,561 | 978 | 9,583 |
| Operating Expenses | 319 | 60,739 | 308 | 60,431 |
| TOTAL | 1,300 | 71,300 | 1,286 | 70,014 |
| ADMINISTRATIVE SERVICES, BUREAU OF ADMINISTRATION | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 1 | 1 | 0 | 1 |
| TOTAL | 1 | 1 | 0 | 1 |
| CENTRAL SERVICES | | | | |
| Personal Services | 227 | 227 | 203 | 24 |
| Operating Expenses | 231 | 232 | 208 | 24 |
| TOTAL | 458 | 459 | 411 | 48 |
| STATEWIDE MAINTENANCE AND REPAIR | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 28,208 | 31,408 | 16,956 | 14,452 |
| TOTAL | 28,208 | 31,408 | 16,956 | 14,452 |
| OFFICE OF HEARING EXAMINERS | | | | |
| Personal Services | 315 | 315 | 311 | 4 |
| Operating Expenses | 82 | 82 | 64 | 18 |
| TOTAL | 397 | 397 | 375 | 22 |
| EXTRAORDINARY LITIGATION FUND | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 0 | 2,000 | 2,000 | 0 |
| TOTAL | 0 | 2,000 | 2,000 | 0 |
| SOUTH DAKOTA PUBLIC BROADCASTING | | | | |
| Personal Services | 3,411 | 3,411 | 3,411 | 0 |
| Operating Expenses | 1,436 | 1,632 | 1,632 | 0 |
| TOTAL | 4,847 | 5,043 | 5,043 | 0 |
| STATE RADIO ENGINEERING | | | | |
| Personal Services | 1,013 | 1,013 | 928 | 85 |
| Operating Expenses | 7,652 | 7,660 | 6,764 | 896 |
| TOTAL | 8,665 | 8,673 | 7,692 | 981 |
| PERSONNEL MANAGEMENT AND EMPLOYEE BENEFITS | | | | |
| Personal Services | 253 | 253 | 253 | 0 |
| Operating Expenses | 65 | 66 | 66 | 0 |
| TOTAL | 318 | 319 | 319 | 0 |
| DEPARTMENT TOTAL, EXECUTIVE MANAGEMENT | | | | |
| Personal Services | 11,359 | 20,939 | 10,861 | 10,078 |
| Operating Expenses | 127,665 | 206,515 | 61,339 | 145,176 |
| TOTAL | 139,024 | 227,454 | 72,200 | 155,254 |
| SECRETARIAT | | | | |
| Personal Services | 799 | 799 | 18 | 781 |
| Operating Expenses | 1,010 | 26,010 | 6 | 26,004 |
| TOTAL | 1,809 | 26,809 | 24 | 26,785 |

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | BUDGETED AMOUNTS | | Actual Amounts | Variance with Final Budget |
|---|------------------|---------------|----------------|-------------------------------|
| | Original | Final | | |
| MOTOR VEHICLES | | | | |
| Personal Services | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Operating Expenses | 28,000 | 28,000 | 11,333 | 16,667 |
| TOTAL | 28,000 | 28,000 | 11,333 | 16,667 |
| PROPERTY TAXES | | | | |
| Personal Services | 761 | 773 | 650 | 123 |
| Operating Expenses | 1,335 | 1,773 | 1,203 | 570 |
| TOTAL | 2,096 | 2,546 | 1,853 | 693 |
| DEPARTMENT TOTAL, REVENUE | | | | |
| Personal Services | 1,560 | 1,572 | 668 | 904 |
| Operating Expenses | 30,345 | 55,783 | 12,542 | 43,241 |
| TOTAL | 31,905 | 57,355 | 13,210 | 44,145 |
| ADMINISTRATION, SECRETARY OF AGRICULTURE & NATURAL RESOURCES | | | | |
| Personal Services | 1,078 | 1,078 | 1,078 | 0 |
| Operating Expenses | 488 | 499 | 499 | 0 |
| TOTAL | 1,566 | 1,577 | 1,577 | 0 |
| AGRICULTURAL AND ENVIRONMENTAL SERVICES | | | | |
| Personal Services | 3,213 | 2,957 | 2,956 | 1 |
| Operating Expenses | 656 | 831 | 831 | 0 |
| TOTAL | 3,869 | 3,788 | 3,787 | 1 |
| RESOURCE CONSERVATION AND FORESTRY | | | | |
| Personal Services | 1,641 | 2,066 | 1,604 | 462 |
| Operating Expenses | 3,402 | 3,938 | 457 | 3,481 |
| TOTAL | 5,043 | 6,004 | 2,061 | 3,943 |
| ANIMAL INDUSTRY BOARD | | | | |
| Personal Services | 2,152 | 2,152 | 2,152 | 0 |
| Operating Expenses | 432 | 437 | 437 | 0 |
| TOTAL | 2,584 | 2,589 | 2,589 | 0 |
| STATE FAIR | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 12,325 | 18,326 | 17,433 | 893 |
| TOTAL | 12,325 | 18,326 | 17,433 | 893 |
| FINANCIAL AND TECHNICAL ASSISTANCE | | | | |
| Personal Services | 1,850 | 1,643 | 1,643 | 0 |
| Operating Expenses | 1,095 | 1,311 | 1,302 | 9 |
| TOTAL | 2,945 | 2,954 | 2,945 | 9 |
| OFFICE OF WATER | | | | |
| Personal Services | 1,419 | 1,208 | 1,208 | 0 |
| Operating Expenses | 342 | 663 | 663 | 0 |
| TOTAL | 1,761 | 1,871 | 1,871 | 0 |
| DEPARTMENT TOTAL, AGRICULTURE & NATURAL RESOURCES | | | | |
| Personal Services | 11,353 | 11,104 | 10,641 | 463 |
| Operating Expenses | 18,740 | 26,005 | 21,622 | 4,383 |
| TOTAL | 30,093 | 37,109 | 32,263 | 4,846 |
| ARTS | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 106 | 106 | 91 | 15 |
| TOTAL | 106 | 106 | 91 | 15 |

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | BUDGETED AMOUNTS | | Actual Amounts | Variance with Final Budget |
|---|------------------|----------------|----------------|-------------------------------|
| | Original | Final | | |
| DEPARTMENT TOTAL, TOURISM | | | | |
| Personal Services | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Operating Expenses | 106 | 106 | 91 | 15 |
| TOTAL | 106 | 106 | 91 | 15 |
| ADMINISTRATION, SECRETARY OF GAME, FISH, AND PARKS | | | | |
| Personal Services | 169 | 169 | 169 | 0 |
| Operating Expenses | 6,300 | 6,300 | 2,887 | 3,413 |
| TOTAL | 6,469 | 6,469 | 3,056 | 3,413 |
| STATE PARKS AND RECREATION | | | | |
| Personal Services | 3,291 | 3,291 | 3,291 | 0 |
| Operating Expenses | 2,460 | 2,460 | 2,460 | 0 |
| TOTAL | 5,751 | 5,751 | 5,751 | 0 |
| DEVELOPMENT AND IMPROVEMENT, PARKS AND RECREATION | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 1,564 | 1,564 | 1,564 | 0 |
| TOTAL | 1,564 | 1,564 | 1,564 | 0 |
| DEPARTMENT TOTAL, GAME, FISH, & PARKS | | | | |
| Personal Services | 3,460 | 3,460 | 3,460 | 0 |
| Operating Expenses | 10,324 | 10,324 | 6,911 | 3,413 |
| TOTAL | 13,784 | 13,784 | 10,371 | 3,413 |
| OFFICE OF TRIBAL RELATIONS | | | | |
| Personal Services | 604 | 604 | 604 | 0 |
| Operating Expenses | 207 | 213 | 211 | 2 |
| TOTAL | 811 | 817 | 815 | 2 |
| DEPARTMENT TOTAL, TRIBAL RELATIONS | | | | |
| Personal Services | 604 | 604 | 604 | 0 |
| Operating Expenses | 207 | 213 | 211 | 2 |
| TOTAL | 811 | 817 | 815 | 2 |
| ADMINISTRATION, SECRETARY OF SOCIAL SERVICES | | | | |
| Personal Services | 6,161 | 6,234 | 6,234 | 0 |
| Operating Expenses | 6,161 | 6,197 | 6,197 | 0 |
| TOTAL | 12,322 | 12,431 | 12,431 | 0 |
| ECONOMIC ASSISTANCE | | | | |
| Personal Services | 10,010 | 10,533 | 10,328 | 205 |
| Operating Expenses | 21,378 | 21,744 | 18,878 | 2,866 |
| TOTAL | 31,388 | 32,277 | 29,206 | 3,071 |
| MEDICAL SERVICES | | | | |
| Personal Services | 1,640 | 2,184 | 1,587 | 597 |
| Operating Expenses | 302,343 | 266,531 | 236,445 | 30,086 |
| TOTAL | 303,983 | 268,715 | 238,032 | 30,683 |
| CHILDREN'S SERVICES | | | | |
| Personal Services | 14,793 | 14,837 | 14,837 | 0 |
| Operating Expenses | 42,818 | 40,165 | 36,185 | 3,980 |
| TOTAL | 57,611 | 55,002 | 51,022 | 3,980 |
| BEHAVIORAL HEALTH | | | | |
| Personal Services | 39,389 | 38,658 | 36,632 | 2,026 |
| Operating Expenses | 93,203 | 91,597 | 75,799 | 15,798 |
| TOTAL | 132,592 | 130,255 | 112,431 | 17,824 |

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | BUDGETED AMOUNTS | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------------|----------------|-------------------------------|
| | Original | Final | | |
| DEPARTMENT TOTAL, SOCIAL SERVICES | | | | |
| Personal Services | \$ 71,993 | \$ 72,446 | \$ 69,618 | \$ 2,828 |
| Operating Expenses | 465,903 | 426,234 | 373,504 | 52,730 |
| TOTAL | 537,896 | 498,680 | 443,122 | 55,558 |
| ADMINISTRATION, SECRETARY OF HEALTH | | | | |
| Personal Services | 938 | 938 | 938 | 0 |
| Operating Expenses | 256 | 258 | 258 | 0 |
| TOTAL | 1,194 | 1,196 | 1,196 | 0 |
| HEALTHCARE ACCESS AND QUALITY AND HEALTH PREVENTION | | | | |
| Personal Services | 2,981 | 2,831 | 2,831 | 0 |
| Operating Expenses | 4,438 | 5,687 | 3,115 | 2,572 |
| TOTAL | 7,419 | 8,518 | 5,946 | 2,572 |
| FAMILY AND COMMUNITY HEALTH | | | | |
| Personal Services | 2,881 | 2,981 | 2,981 | 0 |
| Operating Expenses | 3,713 | 5,688 | 3,061 | 2,627 |
| TOTAL | 6,594 | 8,669 | 6,042 | 2,627 |
| LABORATORY SERVICES | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 3 | 12,803 | 903 | 11,900 |
| TOTAL | 3 | 12,803 | 903 | 11,900 |
| EPIDEMIOLOGY, SURVEILLANCE AND INFORMATICS | | | | |
| Personal Services | 160 | 210 | 210 | 0 |
| Operating Expenses | 157 | 187 | 187 | 0 |
| TOTAL | 317 | 397 | 397 | 0 |
| DEPARTMENT TOTAL, HEALTH | | | | |
| Personal Services | 6,960 | 6,960 | 6,960 | 0 |
| Operating Expenses | 8,567 | 24,623 | 7,524 | 17,099 |
| TOTAL | 15,527 | 31,583 | 14,484 | 17,099 |
| ADMINISTRATION, SECRETARY OF LABOR | | | | |
| Personal Services | 65 | 65 | 65 | 0 |
| Operating Expenses | 1,463 | 1,463 | 1,450 | 13 |
| TOTAL | 1,528 | 1,528 | 1,515 | 13 |
| REEMPLOYMENT ASSISTANCE | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 1,499 | 1,499 | 9 | 1,490 |
| TOTAL | 1,499 | 1,499 | 9 | 1,490 |
| FIELD OPERATIONS | | | | |
| Personal Services | 644 | 644 | 644 | 0 |
| Operating Expenses | 188 | 189 | 189 | 0 |
| TOTAL | 832 | 833 | 833 | 0 |
| STATE LABOR LAW ADMINISTRATION | | | | |
| Personal Services | 728 | 728 | 728 | 0 |
| Operating Expenses | 110 | 111 | 111 | 0 |
| TOTAL | 838 | 839 | 839 | 0 |
| DEPARTMENT TOTAL, LABOR AND REGULATION | | | | |
| Personal Services | 1,437 | 1,437 | 1,437 | 0 |
| Operating Expenses | 3,260 | 3,262 | 1,759 | 1,503 |
| TOTAL | 4,697 | 4,699 | 3,196 | 1,503 |

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | BUDGETED AMOUNTS | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------------|----------------|-------------------------------|
| | Original | Final | | |
| GENERAL OPERATIONS | | | | |
| Personal Services | \$ 615 | \$ 599 | \$ 491 | \$ 108 |
| Operating Expenses | 26 | 43 | 43 | 0 |
| TOTAL | 641 | 642 | 534 | 108 |
| CONSTRUCTION CONTRACTS | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 0 | 6,250 | 0 | 6,250 |
| TOTAL | 0 | 6,250 | 0 | 6,250 |
| DEPARTMENT TOTAL, TRANSPORTATION | | | | |
| Personal Services | 615 | 599 | 491 | 108 |
| Operating Expenses | 26 | 6,293 | 43 | 6,250 |
| TOTAL | 641 | 6,892 | 534 | 6,358 |
| ADMINISTRATION, SECRETARY OF EDUCATION | | | | |
| Personal Services | 2,163 | 2,163 | 2,163 | 0 |
| Operating Expenses | 1,937 | 1,753 | 1,752 | 1 |
| TOTAL | 4,100 | 3,916 | 3,915 | 1 |
| STATE AID TO GENERAL EDUCATION | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 552,842 | 543,252 | 540,130 | 3,122 |
| TOTAL | 552,842 | 543,252 | 540,130 | 3,122 |
| STATE AID TO SPECIAL EDUCATION | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 84,500 | 84,500 | 73,917 | 10,583 |
| TOTAL | 84,500 | 84,500 | 73,917 | 10,583 |
| SPARSITY PAYMENTS | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 2,123 | 2,083 | 2,082 | 1 |
| TOTAL | 2,123 | 2,083 | 2,082 | 1 |
| NATIONAL BOARD CERTIFIED TEACHERS | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 88 | 88 | 52 | 36 |
| TOTAL | 88 | 88 | 52 | 36 |
| TECHNOLOGY AND INNOVATION IN SCHOOLS | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 13,788 | 13,820 | 13,820 | 0 |
| TOTAL | 13,788 | 13,820 | 13,820 | 0 |
| POSTSECONDARY VOCATIONAL EDUCATION | | | | |
| Personal Services | 247 | 247 | 243 | 4 |
| Operating Expenses | 48,227 | 47,816 | 38,884 | 8,932 |
| TOTAL | 48,474 | 48,063 | 39,127 | 8,936 |
| POSTSECONDARY VOCATIONAL EDUCATION TUITION ASSISTANCE | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 1,832 | 1,832 | 1,832 | 0 |
| TOTAL | 1,832 | 1,832 | 1,832 | 0 |
| POSTSECONDARY INSTRUCTOR SALARY ENHANCEMENTS | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 3,439 | 3,439 | 3,439 | 0 |
| TOTAL | 3,439 | 3,439 | 3,439 | 0 |

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | BUDGETED AMOUNTS | | Actual Amounts | Variance with Final Budget |
|---|------------------|----------------|----------------|-------------------------------|
| | Original | Final | | |
| EDUCATION RESOURCES | | | | |
| Personal Services | \$ 2,122 | \$ 2,122 | \$ 2,079 | \$ 43 |
| Operating Expenses | 10,652 | 15,448 | 10,205 | 5,243 |
| TOTAL | 12,774 | 17,570 | 12,284 | 5,286 |
| HISTORY | | | | |
| Personal Services | 1,139 | 1,191 | 1,191 | 0 |
| Operating Expenses | 10,321 | 10,510 | 2,418 | 8,092 |
| TOTAL | 11,460 | 11,701 | 3,609 | 8,092 |
| LIBRARY SERVICES | | | | |
| Personal Services | 1,237 | 1,185 | 1,110 | 75 |
| Operating Expenses | 988 | 989 | 989 | 0 |
| TOTAL | 2,225 | 2,174 | 2,099 | 75 |
| DEPARTMENT TOTAL, EDUCATION | | | | |
| Personal Services | 6,908 | 6,908 | 6,786 | 122 |
| Operating Expenses | 730,737 | 725,530 | 689,520 | 36,010 |
| TOTAL | 737,645 | 732,438 | 696,306 | 36,132 |
| ADMINISTRATION, SECRETARY OF PUBLIC SAFETY | | | | |
| Personal Services | 388 | 388 | 387 | 1 |
| Operating Expenses | 703 | 793 | 791 | 2 |
| TOTAL | 1,091 | 1,181 | 1,178 | 3 |
| HIGHWAY PATROL | | | | |
| Personal Services | 706 | 706 | 605 | 101 |
| Operating Expenses | 1,066 | 1,067 | 934 | 133 |
| TOTAL | 1,772 | 1,773 | 1,539 | 234 |
| EMERGENCY SERVICES | | | | |
| Personal Services | 2,449 | 2,374 | 2,371 | 3 |
| Operating Expenses | 8,285 | 15,940 | 8,019 | 7,921 |
| TOTAL | 10,734 | 18,314 | 10,390 | 7,924 |
| EMERGENCY DISASTER | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 0 | 4,988 | 4,988 | 0 |
| TOTAL | 0 | 4,988 | 4,988 | 0 |
| CRIMINAL JUSTICE SERVICES | | | | |
| Personal Services | 242 | 242 | 187 | 55 |
| Operating Expenses | 8,724 | 8,679 | 5,519 | 3,160 |
| TOTAL | 8,966 | 8,921 | 5,706 | 3,215 |
| DEPARTMENT TOTAL, PUBLIC SAFETY | | | | |
| Personal Services | 3,785 | 3,710 | 3,550 | 160 |
| Operating Expenses | 18,778 | 31,467 | 20,251 | 11,216 |
| TOTAL | 22,563 | 35,177 | 23,801 | 11,376 |
| REGENTS CENTRAL OFFICE | | | | |
| Personal Services | 5,296 | 5,296 | 5,296 | 0 |
| Operating Expenses | 39,049 | 62,711 | 46,053 | 16,658 |
| TOTAL | 44,345 | 68,007 | 51,349 | 16,658 |
| RESEARCH POOL | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 2,121 | 2,121 | 2,121 | 0 |
| TOTAL | 2,121 | 2,121 | 2,121 | 0 |

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | BUDGETED AMOUNTS | | Actual Amounts | Variance with Final Budget |
|--|------------------|---------------|----------------|-------------------------------|
| | Original | Final | | |
| SOUTH DAKOTA SCHOLARSHIPS | | | | |
| Personal Services | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Operating Expenses | 6,513 | 5,938 | 5,917 | 21 |
| TOTAL | 6,513 | 5,938 | 5,917 | 21 |
| UNIVERSITY OF SOUTH DAKOTA PROPER | | | | |
| Personal Services | 38,957 | 38,957 | 38,957 | 0 |
| Operating Expenses | 20,975 | 21,270 | 6,192 | 15,078 |
| TOTAL | 59,932 | 60,227 | 45,149 | 15,078 |
| UNIVERSITY OF SOUTH DAKOTA LAW SCHOOL | | | | |
| Personal Services | 1,930 | 1,930 | 1,930 | 0 |
| Operating Expenses | 206 | 206 | 206 | 0 |
| TOTAL | 2,136 | 2,136 | 2,136 | 0 |
| UNIVERSITY OF SOUTH DAKOTA SCHOOL OF MEDICINE | | | | |
| Personal Services | 23,164 | 23,164 | 23,164 | 0 |
| Operating Expenses | 3,724 | 3,724 | 3,724 | 0 |
| TOTAL | 26,888 | 26,888 | 26,888 | 0 |
| SOUTH DAKOTA STATE UNIVERSITY PROPER | | | | |
| Personal Services | 51,869 | 51,869 | 51,868 | 1 |
| Operating Expenses | 29,405 | 33,236 | 20,675 | 12,561 |
| TOTAL | 81,274 | 85,105 | 72,543 | 12,562 |
| SDSU EXTENSION | | | | |
| Personal Services | 9,330 | 9,330 | 9,330 | 0 |
| Operating Expenses | 355 | 355 | 305 | 50 |
| TOTAL | 9,685 | 9,685 | 9,635 | 50 |
| AGRICULTURAL EXPERIMENT STATION | | | | |
| Personal Services | 13,422 | 13,622 | 13,465 | 157 |
| Operating Expenses | 7,203 | 7,003 | 666 | 6,337 |
| TOTAL | 20,625 | 20,625 | 14,131 | 6,494 |
| SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY | | | | |
| Personal Services | 19,555 | 19,555 | 19,555 | 0 |
| Operating Expenses | 23,660 | 28,422 | 13,974 | 14,448 |
| TOTAL | 43,215 | 47,977 | 33,529 | 14,448 |
| NORTHERN STATE UNIVERSITY | | | | |
| Personal Services | 13,524 | 13,508 | 13,508 | 0 |
| Operating Expenses | 1,096 | 2,660 | 1,275 | 1,385 |
| TOTAL | 14,620 | 16,168 | 14,783 | 1,385 |
| NORTHERN STATE UNIVERSITY CENTER | | | | |
| Personal Services | 3,365 | 3,288 | 3,065 | 223 |
| Operating Expenses | 369 | 446 | 399 | 47 |
| TOTAL | 3,734 | 3,734 | 3,464 | 270 |
| BLACK HILLS STATE UNIVERSITY | | | | |
| Personal Services | 11,259 | 11,259 | 11,259 | 0 |
| Operating Expenses | 914 | 2,538 | 990 | 1,548 |
| TOTAL | 12,173 | 13,797 | 12,249 | 1,548 |
| DAKOTA STATE UNIVERSITY | | | | |
| Personal Services | 29,815 | 29,815 | 12,300 | 17,515 |
| Operating Expenses | 13,274 | 13,288 | 2,597 | 10,691 |
| TOTAL | 43,089 | 43,103 | 14,897 | 28,206 |

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | BUDGETED AMOUNTS | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------------|----------------|-------------------------------|
| | Original | Final | | |
| SOUTH DAKOTA SCHOOL FOR THE DEAF | | | | |
| Personal Services | \$ 2,099 | \$ 2,099 | \$ 2,020 | \$ 79 |
| Operating Expenses | 733 | 697 | 579 | 118 |
| TOTAL | 2,832 | 2,796 | 2,599 | 197 |
| SOUTH DAKOTA SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED | | | | |
| Personal Services | 2,905 | 2,905 | 2,638 | 267 |
| Operating Expenses | 617 | 609 | 436 | 173 |
| TOTAL | 3,522 | 3,514 | 3,074 | 440 |
| DEPARTMENT TOTAL, BOARD OF REGENTS | | | | |
| Personal Services | 226,490 | 226,597 | 208,355 | 18,242 |
| Operating Expenses | 150,214 | 185,224 | 106,109 | 79,115 |
| TOTAL | 376,704 | 411,821 | 314,464 | 97,357 |
| ADJUTANT GENERAL | | | | |
| Personal Services | 528 | 490 | 485 | 5 |
| Operating Expenses | 281 | 323 | 223 | 100 |
| TOTAL | 809 | 813 | 708 | 105 |
| ARMY GUARD | | | | |
| Personal Services | 487 | 487 | 482 | 5 |
| Operating Expenses | 11,024 | 11,777 | 4,091 | 7,686 |
| TOTAL | 11,511 | 12,264 | 4,573 | 7,691 |
| AIR GUARD | | | | |
| Personal Services | 268 | 268 | 267 | 1 |
| Operating Expenses | 299 | 638 | 638 | 0 |
| TOTAL | 567 | 906 | 905 | 1 |
| DEPARTMENT TOTAL, MILITARY | | | | |
| Personal Services | 1,283 | 1,245 | 1,234 | 11 |
| Operating Expenses | 11,604 | 12,738 | 4,952 | 7,786 |
| TOTAL | 12,887 | 13,983 | 6,186 | 7,797 |
| VETERANS' BENEFITS AND SERVICES | | | | |
| Personal Services | 1,470 | 1,470 | 1,467 | 3 |
| Operating Expenses | 1,498 | 1,505 | 625 | 880 |
| TOTAL | 2,968 | 2,975 | 2,092 | 883 |
| STATE VETERANS' HOME | | | | |
| Personal Services | 2,398 | 2,079 | 2,079 | 0 |
| Operating Expenses | 0 | 0 | 0 | 0 |
| TOTAL | 2,398 | 2,079 | 2,079 | 0 |
| STATE VETERANS' CEMETERY | | | | |
| Personal Services | 85 | 85 | 85 | 0 |
| Operating Expenses | 1,558 | 1,558 | 1,556 | 2 |
| TOTAL | 1,643 | 1,643 | 1,641 | 2 |
| DEPARTMENT TOTAL, VETERANS' AFFAIRS | | | | |
| Personal Services | 3,953 | 3,634 | 3,631 | 3 |
| Operating Expenses | 3,056 | 3,063 | 2,181 | 882 |
| TOTAL | 7,009 | 6,697 | 5,812 | 885 |
| ADMINISTRATION, CENTRAL OFFICE | | | | |
| Personal Services | 2,080 | 2,773 | 2,773 | 0 |
| Operating Expenses | 2,388 | 1,755 | 1,753 | 2 |
| TOTAL | 4,468 | 4,528 | 4,526 | 2 |

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | BUDGETED AMOUNTS | | Actual Amounts | Variance with Final Budget |
|---|------------------|----------------|----------------|-------------------------------|
| | Original | Final | | |
| MIKE DURFEE STATE PRISON | | | | |
| Personal Services | \$ 14,845 | \$ 16,125 | \$ 16,123 | \$ 2 |
| Operating Expenses | 10,041 | 10,196 | 10,170 | 26 |
| TOTAL | 24,886 | 26,321 | 26,293 | 28 |
| STATE PENITENTIARY | | | | |
| Personal Services | 23,120 | 23,773 | 23,771 | 2 |
| Operating Expenses | 10,262 | 36,004 | 10,641 | 25,363 |
| TOTAL | 33,382 | 59,777 | 34,412 | 25,365 |
| WOMEN'S PRISON | | | | |
| Personal Services | 5,272 | 5,499 | 5,498 | 1 |
| Operating Expenses | 5,746 | 7,768 | 5,513 | 2,255 |
| TOTAL | 11,018 | 13,267 | 11,011 | 2,256 |
| INMATE SERVICES | | | | |
| Personal Services | 3,529 | 3,500 | 3,499 | 1 |
| Operating Expenses | 33,953 | 34,450 | 34,448 | 2 |
| TOTAL | 37,482 | 37,950 | 37,947 | 3 |
| PAROLE SERVICES | | | | |
| Personal Services | 5,388 | 5,114 | 5,113 | 1 |
| Operating Expenses | 2,221 | 2,201 | 2,200 | 1 |
| TOTAL | 7,609 | 7,315 | 7,313 | 2 |
| JUVENILE COMMUNITY CORRECTIONS | | | | |
| Personal Services | 1,921 | 1,762 | 1,761 | 1 |
| Operating Expenses | 9,216 | 8,105 | 8,105 | 0 |
| TOTAL | 11,137 | 9,867 | 9,866 | 1 |
| DEPARTMENT TOTAL, CORRECTIONS | | | | |
| Personal Services | 56,155 | 58,546 | 58,538 | 8 |
| Operating Expenses | 73,827 | 100,479 | 72,830 | 27,649 |
| TOTAL | 129,982 | 159,025 | 131,368 | 27,657 |
| ADMINISTRATION, SECRETARY OF HUMAN SERVICES | | | | |
| Personal Services | 1,114 | 1,114 | 1,114 | 0 |
| Operating Expenses | 371 | 372 | 371 | 1 |
| TOTAL | 1,485 | 1,486 | 1,485 | 1 |
| DEVELOPMENTAL DISABILITIES | | | | |
| Personal Services | 1,058 | 1,058 | 1,001 | 57 |
| Operating Expenses | 100,146 | 95,254 | 80,314 | 14,940 |
| TOTAL | 101,204 | 96,312 | 81,315 | 14,997 |
| SOUTH DAKOTA DEVELOPMENTAL CENTER - REDFIELD | | | | |
| Personal Services | 8,445 | 6,736 | 6,163 | 573 |
| Operating Expenses | 2,409 | 2,108 | 2,037 | 71 |
| TOTAL | 10,854 | 8,844 | 8,200 | 644 |
| LONG-TERM SERVICES AND SUPPORT | | | | |
| Personal Services | 2,941 | 2,941 | 2,934 | 7 |
| Operating Expenses | 125,335 | 106,763 | 86,061 | 20,702 |
| TOTAL | 128,276 | 109,704 | 88,995 | 20,709 |
| REHABILITATION SERVICES | | | | |
| Personal Services | 1,037 | 1,037 | 924 | 113 |
| Operating Expenses | 4,766 | 4,423 | 4,245 | 178 |
| TOTAL | 5,803 | 5,460 | 5,169 | 291 |

STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

| | BUDGETED AMOUNTS | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------------|----------------|-------------------------------|
| | Original | Final | | |
| SERVICES TO THE BLIND AND VISUALLY IMPAIRED | | | | |
| Personal Services | \$ 594 | \$ 594 | \$ 509 | \$ 85 |
| Operating Expenses | 473 | 474 | 442 | 32 |
| TOTAL | 1,067 | 1,068 | 951 | 117 |
| DEPARTMENT TOTAL, HUMAN SERVICES | | | | |
| Personal Services | 15,189 | 13,480 | 12,645 | 835 |
| Operating Expenses | 233,500 | 209,394 | 173,470 | 35,924 |
| TOTAL | 248,689 | 222,874 | 186,115 | 36,759 |
| ADMINISTRATION, PUBLIC UTILITIES COMMISSION | | | | |
| Personal Services | 607 | 607 | 607 | 0 |
| Operating Expenses | 61 | 63 | 63 | 0 |
| TOTAL | 668 | 670 | 670 | 0 |
| DEPARTMENT TOTAL, PUBLIC UTILITIES COMMISSION | | | | |
| Personal Services | 607 | 607 | 607 | 0 |
| Operating Expenses | 61 | 63 | 63 | 0 |
| TOTAL | 668 | 670 | 670 | 0 |
| UNIFIED JUDICIAL SYSTEM | | | | |
| Personal Services | 48,938 | 48,938 | 47,713 | 1,225 |
| Operating Expenses | 6,286 | 5,870 | 5,157 | 713 |
| TOTAL | 55,224 | 54,808 | 52,870 | 1,938 |
| EQUAL ACCESS TO OUR COURTS | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 50 | 50 | 50 | 0 |
| TOTAL | 50 | 50 | 50 | 0 |
| DEPARTMENT TOTAL, UNIFIED JUDICIAL SYSTEM | | | | |
| Personal Services | 48,938 | 48,938 | 47,713 | 1,225 |
| Operating Expenses | 6,336 | 5,920 | 5,207 | 713 |
| TOTAL | 55,274 | 54,858 | 52,920 | 1,938 |
| LEGISLATIVE OPERATIONS | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operating Expenses | 0 | 0 | 0 | 0 |
| Appropriation | 8,044 | 8,076 | 7,958 | 118 |
| TOTAL | 8,044 | 8,076 | 7,958 | 118 |
| AUDITOR GENERAL | | | | |
| Personal Services | 4,098 | 4,098 | 3,633 | 465 |
| Operating Expenses | 452 | 665 | 647 | 18 |
| Appropriation | 0 | 0 | 0 | 0 |
| TOTAL | 4,550 | 4,763 | 4,280 | 483 |
| DEPARTMENT TOTAL, LEGISLATIVE DEPARTMENT | | | | |
| Personal Services | 4,098 | 4,098 | 3,633 | 465 |
| Operating Expenses | 452 | 665 | 647 | 18 |
| Appropriation | 8,044 | 8,076 | 7,958 | 118 |
| TOTAL | 12,594 | 12,839 | 12,238 | 601 |
| LEGAL SERVICES PROGRAM | | | | |
| Personal Services | 5,240 | 5,240 | 5,240 | 0 |
| Operating Expenses | 781 | 895 | 884 | 11 |
| TOTAL | 6,021 | 6,135 | 6,124 | 11 |
| CRIMINAL INVESTIGATION | | | | |
| Personal Services | 7,630 | 7,630 | 7,630 | 0 |
| Operating Expenses | 2,969 | 5,523 | 5,441 | 82 |
| TOTAL | 10,599 | 13,153 | 13,071 | 82 |

STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

| | BUDGETED AMOUNTS | | Actual Amounts | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| LAW ENFORCEMENT TRAINING | | | | |
| Personal Services | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Operating Expenses | 2,686 | 2,686 | 2,337 | 349 |
| TOTAL | 2,686 | 2,686 | 2,337 | 349 |
| DEPARTMENT TOTAL, ATTORNEY GENERAL | | | | |
| Personal Services | 12,870 | 12,870 | 12,870 | 0 |
| Operating Expenses | 6,436 | 9,104 | 8,662 | 442 |
| TOTAL | 19,306 | 21,974 | 21,532 | 442 |
| ADMINISTRATION OF SCHOOL AND PUBLIC LANDS | | | | |
| Personal Services | 586 | 507 | 506 | 1 |
| Operating Expenses | 10,522 | 10,604 | 1,139 | 9,465 |
| TOTAL | 11,108 | 11,111 | 1,645 | 9,466 |
| DEPARTMENT TOTAL, SCHOOL AND PUBLIC LANDS | | | | |
| Personal Services | 586 | 507 | 506 | 1 |
| Operating Expenses | 10,522 | 10,604 | 1,139 | 9,465 |
| TOTAL | 11,108 | 11,111 | 1,645 | 9,466 |
| SECRETARY OF STATE | | | | |
| Personal Services | 784 | 659 | 617 | 42 |
| Operating Expenses | 641 | 1,079 | 701 | 378 |
| TOTAL | 1,425 | 1,738 | 1,318 | 420 |
| DEPARTMENT TOTAL, SECRETARY OF STATE | | | | |
| Personal Services | 784 | 659 | 617 | 42 |
| Operating Expenses | 641 | 1,079 | 701 | 378 |
| TOTAL | 1,425 | 1,738 | 1,318 | 420 |
| TREASURY MANAGEMENT | | | | |
| Personal Services | 456 | 456 | 451 | 5 |
| Operating Expenses | 677 | 681 | 270 | 411 |
| TOTAL | 1,133 | 1,137 | 721 | 416 |
| DEPARTMENT TOTAL, STATE TREASURER | | | | |
| Personal Services | 456 | 456 | 451 | 5 |
| Operating Expenses | 677 | 681 | 270 | 411 |
| TOTAL | 1,133 | 1,137 | 721 | 416 |
| STATE AUDITOR | | | | |
| Personal Services | 1,318 | 1,318 | 1,296 | 22 |
| Operating Expenses | 216 | 225 | 194 | 31 |
| TOTAL | 1,534 | 1,543 | 1,490 | 53 |
| DEPARTMENT TOTAL, STATE AUDITOR | | | | |
| Personal Services | 1,318 | 1,318 | 1,296 | 22 |
| Operating Expenses | 216 | 225 | 194 | 31 |
| TOTAL | 1,534 | 1,543 | 1,490 | 53 |
| STATE TOTAL | | | | |
| Personal Services | 492,761 | 502,694 | 467,172 | 35,522 |
| Operating Expenses | 1,912,200 | 2,055,594 | 1,571,742 | 483,852 |
| Appropriation | 8,044 | 8,076 | 7,958 | 118 |
| TOTAL CHARGES TO APPROPRIATION | \$ 2,413,005 | \$ 2,566,364 | \$ 2,046,872 | \$ 519,492 |
| NON-BUDGETED OUTFLOWS | | | | |
| Transfer to Budget Reserve Fund | \$ 0 | \$ 0 | \$ 7,177 | \$ (7,177) |
| Transfer to General Revenue Replacement Fund | 0 | 0 | 113,634 | (113,634) |
| Non-budgeted Transfers Out | 0 | 0 | 353,174 | (353,174) |
| TOTAL NON-BUDGETED OUTFLOWS | \$ 0 | \$ 0 | \$ 473,985 | \$ (473,985) |
| CHANGE IN BUDGETARY FUND BALANCE | \$ (280,580) | \$ (6,214) | \$ 56,371 | \$ 62,585 |
| BUDGETARY FUND BALANCE JULY 1, 2022 | 462,486 | 462,486 | 462,486 | 0 |
| BUDGETARY FUND BALANCE JUNE 30, 2023 | \$ 181,906 | \$ 456,272 | \$ 518,857 | \$ 62,585 |

The notes to Required Supplementary Information are an integral part of this schedule.

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | <u>General Fund</u> |
|---|----------------------------|
| Inflows of Resources: | |
| Actual amounts (budgetary basis) "Amounts Available for Appropriation" from the budgetary comparison schedule | \$ 2,577,228 |
| Differences-budget to GAAP: | |
| Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes | (138,581) |
| To adjust revenues for accruals and other year-end entries such as the recording tax receivables, shared revenue receipts, and reclassification of lottery revenues | (73,372) |
| To adjust revenues for statutorily created funds that do not qualify as special revenue funds | 63,056 |
| Money from the General Revenue Replacement Fund are inflows of budgetary resources but are not revenues for financial reporting purposes | (183,685) |
| Prior year carryover and encumbered amounts are inflows of budgetary resources but are not revenues for financial reporting purposes | (66,280) |
| Unexpended carryovers, specials, and deferred maintenances are inflows of budgetary resources but are not revenues for financial reporting purposes | (17,709) |
| Sales of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes | (66) |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds | <u>\$ 2,160,591</u> |
| | <u>General Fund</u> |
| Uses/Outflows of Resources: | |
| Actual amounts (budgetary basis) "Total Charges to Appropriations" from the budgetary comparison schedule | \$ 2,046,872 |
| Differences-budget to GAAP: | |
| 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. | (68,865) |
| Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes | (23,950) |
| To adjust expenditures/expenses for accruals and other year-end entries such as the recording of food stamps and shared revenue distribution | 39,293 |
| To adjust expenditures/expenses for statutorily created funds that do not qualify as special revenue funds | 75,474 |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds | <u>\$ 2,068,824</u> |

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, 2023, 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, 2023, has also been included as Required Supplementary Information.

STATE OF SOUTH DAKOTA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
SOUTH DAKOTA RETIREMENT SYSTEM
July 1, 2021 to June 30, 2022 Measurement Date
Last Ten Fiscal Years *
(Dollars Expressed in Thousands)

| | Fiscal Year | | | | | | | | |
|---|-------------|--------------|------------|------------|------------|------------|------------|-------------|--------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| State's proportion of net pension liability (asset) | 20.56% | 20.45% | 20.65% | 20.73% | 21.05% | 21.58% | 22.27% | 22.45% | 22.07% |
| State's proportionate share of the net pension liability (asset) | \$ (1,945) | \$ (156,577) | \$ (898) | \$ (2,195) | \$ (489) | \$ (1,958) | \$ 75,220 | \$ (95,216) | \$ (158,996) |
| State's covered payroll | \$ 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 | (0.42%) | (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% | 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.

** Note: This schedule is intended to present information for the last 10 years. However, until a full 10-year trend is compiled, information is presented for the years in which information is available.*

STATE OF SOUTH DAKOTA
SCHEDULE OF CONTRIBUTIONS
SOUTH DAKOTA RETIREMENT SYSTEM
June 30, 2023
Last Ten Fiscal Years *
(Dollars Expressed in Thousands)

| | Fiscal Year | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Contractually required contribution | \$ 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 | (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> |
| State's covered payroll | \$ 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 | 6.40% | 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.

** Note: This schedule is intended to present information for the last 10 years. However, until a full 10-year trend is compiled, information is presented for the years in which information is available.*

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, 2022 Actuarial Valuation reflects changes in actuarial methods and assumptions described below. There were no substantive changes in plan provisions.

The details of the changes since the last valuation are as follows:

Changes of Benefit Terms:

During the 2022 Legislative Session no significant SDRS benefit changes were made and gaming enforcement agents became Class B Public Safety Members.

Changes of Assumptions:

As a result of an experience analysis covering the period from July 1, 2016 to June 30, 2021 and presented to the SDRS Board of Trustees in April and June, 2022, significant changes to the actuarial assumptions were recommended by the SDRS Senior Actuary and adopted by the Board of Trustees first effective for this June 30, 2022 actuarial valuation.

The changes to economic assumptions included increasing the price inflation to 2.50% and increasing the wage inflation to 3.15%. The current assumed investment return assumption of 6.50% was retained, lowering the assumed real investment return to 4.00%. The baseline COLA assumption of 2.25% was also retained. Salary increase assumptions were modified to reflect the increase in assumed wage inflation and recent experience. The assumed interest on accumulated contributions was decreased to 2.25%

The demographic assumptions were also reviewed and revised. The mortality assumption was changed to the Pub-2010 amount-weighted tables using separate tables for teachers, general, and public safety retirees, with assumptions for retirees adjusted based on credible experience. The mortality assumption for active and terminated vested members was changed to the unadjusted amount-weighted Pub-2010 tables, again by member classification and the assumption for beneficiaries was changed to the amount-weighted Pub-2010 general contingent survivor table. Adjustments based on experience were also made to the assumptions regarding retirement, termination, disability, age of spouses for married Foundation members, percentage of terminated vested members electing a refund, and benefit commencement age for terminated vested Public Safety members with 15 or more years of service.

The changes in the actuarial assumptions implemented as a result of the 2022 experience analysis and the method changes described below reduced the Actuarial Accrued Liability by \$204 million, excluding changes in the COLA assumption.

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% (0.5% prior to 2021) and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, 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%.

As of June 30, 2021, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was greater than 100% and the full 0% to 3.5% COLA range was payable. For the June 30, 2021 Actuarial Valuation, future COLAs were assumed to equal the baseline COLA assumption of 2.25%.

As of June 30, 2022, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is less than 100% and the July 2023 SDRS COLA is limited to a restricted maximum of 2.10%. The July 2023 SDRS COLA will equal inflation, between 0% and 2.10%. For this June 30, 2022 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 2.10%.

The changes in the actuarial assumption for future COLAs decreased the Actuarial Accrued Liability by \$215 million, or 1.5% of the Actuarial Accrued Liability based on the 2.25% baseline 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.

Changes of Actuarial Method:

Actuarial method changes with minor impact were implemented for this valuation after recommendation by Cavanaugh Macdonald Consulting as part of their reviews of prior valuations. As a result, liabilities and normal costs for refund benefits and the Generational Variable Retirement Account are now calculated using the entry age normal cost method with normal costs based on the expected value of these accounts rather than the actual balance. The impact of these actuarial method changes is included in the assumption change impact noted above.

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, 2023
(Expressed in Thousands)**

| Assets | Special Revenue | Debt Service | Capital Projects | Permanent | Total |
|--|----------------------------|-------------------------|-----------------------------|------------------|---------------------|
| Cash and Cash Equivalents | \$ 442,986 | \$ 4,106 | \$ | \$ 6 | \$ 447,098 |
| Restricted Cash | | 12,220 | | | 12,220 |
| Investments | 218,158 | 10,958 | | 75,036 | 304,152 |
| Restricted Other Assets | | 7,654 | | | 7,654 |
| Receivables from: | | | | | |
| Taxes, net | 2,656 | | | | 2,656 |
| Interest and Dividends | 2,961 | 15 | | 98 | 3,074 |
| Other Funds | 11,167 | | | | 11,167 |
| Component Units | 9 | | | | 9 |
| Other Governments | 130,279 | 131 | | | 130,410 |
| Loans and Notes, net | 54,204 | | | 450 | 54,654 |
| Other, net | 36,105 | 10,634 | | | 46,739 |
| Inventory | 4,593 | | | | 4,593 |
| Advances to Component Units | 1,010 | | | | 1,010 |
| Other Assets | 4,596 | 14 | | | 4,610 |
| Total Assets | \$ 908,724 | \$ 45,732 | \$ 0 | \$ 75,590 | \$ 1,030,046 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts Payable and Other Liabilities | \$ 62,638 | \$ | \$ | \$ | \$ 62,638 |
| Payable to: | | | | | |
| Other Funds | 57,952 | | | 3,845 | 61,797 |
| Component Units | 1,058 | | | | 1,058 |
| Other Governments | 72,094 | | | | 72,094 |
| Claims, Judgments, and Compensated Absences | 65 | | | | 65 |
| Unearned Revenue | 14,166 | | | | 14,166 |
| Total Liabilities | 207,973 | 0 | 0 | 3,845 | 211,818 |
| Deferred Inflows of Resources: | | | | | |
| Related to Leases | 1,291 | | | | 1,291 |
| Unavailable Revenue | 30,806 | 10,634 | | | 41,440 |
| Total Deferred Inflows of Resources | 32,097 | 10,634 | 0 | 0 | 42,731 |
| Fund Balances: | | | | | |
| Nonspendable | 144,015 | 14 | | 73,514 | 217,543 |
| Restricted | 457,073 | 35,084 | | | 492,157 |
| Committed | 63,640 | | | | 63,640 |
| Assigned | 15,247 | | | | 15,247 |
| Unassigned | (11,321) | | | (1,769) | (13,090) |
| Total Fund Balances | 668,654 | 35,098 | 0 | 71,745 | 775,497 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 908,724 | \$ 45,732 | \$ 0 | \$ 75,590 | \$ 1,030,046 |

**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, 2023
(Expressed in Thousands)**

| | Special Revenue | Debt Service | Capital Projects | Permanent | Total |
|--|--------------------|------------------|---------------------|------------------|-------------------|
| Revenue: | | | | | |
| Taxes | \$ 127,105 | \$ | \$ | \$ | \$ 127,105 |
| Licenses, Permits, and Fees | 327,492 | 5,944 | | | 333,436 |
| Fines, Forfeits, and Penalties | 25,655 | | | | 25,655 |
| Use of Money and Property | 27,747 | 1,129 | | 6,068 | 34,944 |
| Sales and Services | 24,001 | | | | 24,001 |
| Administering Programs | 754,099 | | | | 754,099 |
| Tobacco Settlement | | 23,691 | | | 23,691 |
| Other Revenue | 15,065 | | | | 15,065 |
| Total Revenue | 1,301,164 | 30,764 | 0 | 6,068 | 1,337,996 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General Government | 45,413 | 157 | | 2,422 | 47,992 |
| Education | 207,771 | | | | 207,771 |
| Health, Human, and Social Services | 433,134 | | | | 433,134 |
| Law, Justice, Public Protection, and Regulation | 157,207 | | | | 157,207 |
| Agriculture and Natural Resources | 183,291 | | | | 183,291 |
| Economic Resources | 9,094 | | | | 9,094 |
| Transportation | 1,931 | | | | 1,931 |
| State Shared Revenue Paid to Other Governments | 183,403 | | | | 183,403 |
| Debt Service: | | | | | |
| Principal | 3,589 | 18,647 | | | 22,236 |
| Interest | 947 | 6,096 | | | 7,043 |
| Total Expenditures | 1,225,780 | 24,900 | 0 | 2,422 | 1,253,102 |
| Excess of Revenue Over (Under) Expenditures | 75,384 | 5,864 | 0 | 3,646 | 84,894 |
| Other Financing Sources (Uses): | | | | | |
| Lease Issuance | 16,843 | | | | 16,843 |
| Subscriptions | 3,280 | | | | 3,280 |
| Proceeds from Sale of Capital Assets | 410 | | | | 410 |
| Insurance Proceeds | 408 | | | | 408 |
| Transfers In | 24,400 | 8,178 | | | 32,578 |
| Transfers Out | (98,559) | (12,029) | | (564) | (111,152) |
| Total Other Financing Sources (Uses) | (53,218) | (3,851) | 0 | (564) | (57,633) |
| Net Change in Fund Balances | 22,166 | 2,013 | 0 | 3,082 | 27,261 |
| Fund Balances at Beginning of Year | 646,488 | 33,085 | 0 | 68,663 | 748,236 |
| Fund Balances at End of Year | \$ 668,654 | \$ 35,098 | \$ 0 | \$ 71,745 | \$ 775,497 |

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023
(Expressed in Thousands)**

| Assets | Education Federal | Human Services | Labor | Health Federal | Governor's Office and State Development Federal |
|--|------------------------------|---------------------------|-----------------|---------------------------|--|
| Cash and Cash Equivalents | \$ 716 | \$ | \$ 5,411 | \$ 424 | \$ 6,476 |
| Investments | | | | | |
| Receivables from: | | | | | |
| Taxes, net | | | | | |
| Interest and Dividends | | 1 | 3 | | 3 |
| Other Funds | | 659 | 280 | 225 | |
| Component Units | | | | 2 | |
| Other Governments | 27,136 | 29,492 | 1,922 | 3,786 | 1,345 |
| Loans and Notes, net | | | | | 3,290 |
| Other, net | | | | 131 | 1 |
| Inventory | 555 | 136 | 31 | 3,696 | |
| Advances to Component Units | | | | | |
| Other Assets | 56 | | | | 3 |
| Total Assets | \$ 28,463 | \$ 30,288 | \$ 7,647 | \$ 8,264 | \$ 11,118 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts Payable and Other Liabilities | \$ 3,414 | \$ 26,756 | \$ 2,084 | \$ 2,609 | \$ 14 |
| Payable to: | | | | | |
| Other Funds | 186 | 1,009 | 264 | 292 | 90 |
| Component Units | 6 | 116 | | 173 | |
| Other Governments | 23,607 | 361 | 30 | 248 | 1,243 |
| Claims, Judgments, and Compensated Absences | 2 | 1 | 4 | 3 | |
| Unearned Revenue | 1,192 | | 143 | 1,214 | |
| Total Liabilities | 28,407 | 28,243 | 2,525 | 4,539 | 1,347 |
| Deferred Inflows of Resources: | | | | | |
| Related to Leases | | | | | |
| Unavailable Revenue | | | | | |
| Total Deferred Inflows of Resources | 0 | 0 | 0 | 0 | 0 |
| Fund Balances: | | | | | |
| Nonspendable | 56 | 136 | 31 | 3,696 | 3 |
| Restricted | | | 3,901 | 29 | 9,768 |
| Committed | | | | | |
| Assigned | | 1,909 | 1,190 | | |
| Unassigned | | | | | |
| Total Fund Balances | 56 | 2,045 | 5,122 | 3,725 | 9,771 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 28,463 | \$ 30,288 | \$ 7,647 | \$ 8,264 | \$ 11,118 |

| Public Safety Emergency Management | Natural Resources Federal | Game, Fish, and Parks Federal | Game and Fish | Parks and Recreation | Securities and Insurance | Health | Gaming Commission |
|--|---------------------------------|-------------------------------------|------------------|----------------------------|--------------------------------|------------------|----------------------|
| \$ | \$ | \$ | \$ 5,699 | \$ 4,645 | \$ 349 | \$ 4,164 | \$ 6,330 |
| | | | 54 | 31 | 73 | | 1,056 |
| 4,871 | | | 56 | 86 | | 90 | 15 |
| 16,319 | 2,479 | 5,269 | | 282 | | 5 | |
| 2,510 | | | | | | 413 | |
| 68 | | | 910 | 1,250 | | 5,355 | |
| | | | | | | 132 | |
| 22 | | | | | | | |
| \$ 23,790 | \$ 2,479 | \$ 5,269 | \$ 6,719 | \$ 6,294 | \$ 422 | \$ 10,159 | \$ 7,401 |
| \$ 1,095 | \$ 534 | \$ 1,403 | \$ 4,070 | \$ 4,013 | \$ 205 | \$ 625 | \$ 87 |
| 15,895 | 1,757 | 2,777 | 2,175 | 3,761 | 28 | 17 | 1,038 |
| 9 | 3 | 303 | 52 | 2 | | | |
| 4,431 | 184 | 785 | 210 | 54 | | 27 | 625 |
| 7 | 2 | 1 | 4 | 1 | | | |
| 55 | | | | | | | 4,997 |
| 21,492 | 2,480 | 5,269 | 6,511 | 7,831 | 233 | 669 | 6,747 |
| 0 | 0 | 0 | 0 | 0 | 0 | 3,992 | 0 |
| | | | | | | 3,992 | |
| 22 | | | | | | 132 | |
| 185 | | | 208 | 2,452 | | 4,407 | |
| | | | | | 188 | | 654 |
| 2,091 | | | | | 1 | 959 | |
| | (1) | | | (3,989) | | | |
| 2,298 | (1) | 0 | 208 | (1,537) | 189 | 5,498 | 654 |
| \$ 23,790 | \$ 2,479 | \$ 5,269 | \$ 6,719 | \$ 6,294 | \$ 422 | \$ 10,159 | \$ 7,401 |

Continued on next page

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (continued)
June 30, 2023
(Expressed in Thousands)**

| Assets | Motor Vehicle | Revenue | Future | Vocational Education | Petroleum Release Compensation |
|--|--------------------------|-----------------|------------------|---------------------------------|---|
| Cash and Cash Equivalents | \$ 26,688 | \$ 2,520 | \$ 80,924 | \$ 217 | \$ 6,310 |
| Investments | | | | | |
| Receivables from: | | | | | |
| Taxes, net | | | | | 286 |
| Interest and Dividends | 130 | 31 | 478 | | 43 |
| Other Funds | 4 | 81 | 15 | | |
| Component Units | | | | | |
| Other Governments | 17,216 | 507 | | | |
| Loans and Notes, net | | | | | |
| Other, net | 51 | | | | |
| Inventory | | | | | |
| Advances to Component Units | | | | | |
| Other Assets | 2 | | 3,451 | | |
| Total Assets | \$ 44,091 | \$ 3,139 | \$ 84,868 | \$ 217 | \$ 6,639 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts Payable and Other Liabilities | \$ 969 | \$ 904 | \$ 34 | \$ | \$ 117 |
| Payable to: | | | | | |
| Other Funds | 2,172 | 624 | 26 | | 3 |
| Component Units | | | | | |
| Other Governments | 32,926 | | | | |
| Claims, Judgments, and Compensated Absences | 8 | 1 | | | |
| Unearned Revenue | | | | | |
| Total Liabilities | 36,075 | 1,529 | 60 | 0 | 120 |
| Deferred Inflows of Resources: | | | | | |
| Related to Leases | | | | | |
| Unavailable Revenue | | | | | |
| Total Deferred Inflows of Resources | 0 | 0 | 0 | 0 | 0 |
| Fund Balances: | | | | | |
| Nonspendable | 2 | | 3,451 | | |
| Restricted | | | 81,357 | | |
| Committed | 8,014 | 2,580 | | | 6,519 |
| Assigned | | | | 217 | |
| Unassigned | | (970) | | | |
| Total Fund Balances | 8,016 | 1,610 | 84,808 | 217 | 6,519 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 44,091 | \$ 3,139 | \$ 84,868 | \$ 217 | \$ 6,639 |

| Maintenance and Repair | Water and Environment | Energy Conservation | Military Federal | Health Care Trust | Railroad Trust | Other | Total |
|------------------------|-----------------------|---------------------|------------------|-------------------|------------------|---------------------|-----------------------|
| \$ 3,848 | \$ 31,922 | \$ 8,680 | \$ | \$ 33 216,573 | \$ 51,369 | \$ 196,261 1,585 | \$ 442,986 218,158 |
| | 887 | 25 | | | | 402 | 2,656 |
| 14 | 225 | 114 | | 276 | 464 | 1,006 | 2,961 |
| 767 | 1,072 | 393 | | | | 2,568 | 11,167 |
| | | | | | | 2 | 9 |
| | 151 | | 12,264 | | | 11,698 | 130,279 |
| | 14,911 | 3,079 | | | 26,369 | 4,045 | 54,204 |
| | | | | | 259 | 28,080 | 36,105 |
| | | | | | | 43 | 4,593 |
| | | 1,010 | | | | | 1,010 |
| | | | | | | 1,062 | 4,596 |
| \$ 4,629 | \$ 49,168 | \$ 13,301 | \$ 12,264 | \$ 216,882 | \$ 78,461 | \$ 246,752 | \$ 908,724 |
| \$ 89 | \$ | \$ 2 | \$ 3,843 | \$ | \$ | \$ 9,771 | \$ 62,638 |
| 3 | | | 8,135 | 7,276 | | 10,424 | 57,952 |
| | | | | | 217 | 177 | 1,058 |
| | 1,964 | | 242 | | | 5,157 | 72,094 |
| | | | 2 | | | 29 | 65 |
| | | | | | | 6,565 | 14,166 |
| 92 | 1,964 | 2 | 12,222 | 7,276 | 217 | 32,123 | 207,973 |
| | | | | | | 1,291 | 1,291 |
| | 28 | | | | | 26,786 | 30,806 |
| 0 | 28 | 0 | 0 | 0 | 0 | 28,077 | 32,097 |
| | | | | 135,632 | | 854 | 144,015 |
| | 47,176 | 12,475 | | 73,974 | 77,824 | 143,317 | 457,073 |
| 2,450 | | 824 | | | 420 | 41,991 | 63,640 |
| 2,087 | | | 42 | | | 6,751 | 15,247 |
| | | | | | | (6,361) | (11,321) |
| 4,537 | 47,176 | 13,299 | 42 | 209,606 | 78,244 | 186,552 | 668,654 |
| \$ 4,629 | \$ 49,168 | \$ 13,301 | \$ 12,264 | \$ 216,882 | \$ 78,461 | \$ 246,752 | \$ 908,724 |

**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, 2023
(Expressed in Thousands)**

| | <u>Education Federal</u> | <u>Human Services</u> | <u>Labor</u> | <u>Health Federal</u> | <u>Governor's Office and State Development Federal</u> |
|--|------------------------------|---------------------------|-----------------|---------------------------|--|
| Revenue: | | | | | |
| Taxes | \$ | \$ | \$ 480 | \$ | \$ |
| Licenses, Permits, and Fees | | 129 | 1,007 | | |
| Fines, Forfeits, and Penalties | | | | 420 | |
| Use of Money and Property | | 37 | 14 | | 79 |
| Sales and Services | | 2,230 | | | 14 |
| Administering Programs | 204,620 | 296,471 | 25,126 | 62,717 | 4,243 |
| Other Revenue | 15 | 16 | 18 | 3 | 9 |
| Total Revenue | <u>204,635</u> | <u>298,883</u> | <u>26,645</u> | <u>63,140</u> | <u>4,345</u> |
| Expenditures: | | | | | |
| General Government | | | | | |
| Education | 204,580 | | | | |
| Health, Human, and Social Services | | 301,329 | 30,097 | 62,567 | |
| Law, Justice, Public Protection, and Regulation | | | 31 | | |
| Agriculture and Natural Resources | | | | | |
| Economic Resources | | | | | 4,243 |
| Transportation | | | | | |
| State Shared Revenue Paid to Other Governments | | | | | |
| Debt Service: | | | | | |
| Principal | 54 | 663 | 869 | 318 | |
| Interest | 1 | 158 | 166 | 40 | |
| Total Expenditures | <u>204,635</u> | <u>302,150</u> | <u>31,163</u> | <u>62,925</u> | <u>4,243</u> |
| Excess of Revenue Over (Under) Expenditures | 0 | (3,267) | (4,518) | 215 | 102 |
| Other Financing Sources (Uses): | | | | | |
| Lease Issuance | 15 | 3,421 | 1,723 | 568 | |
| Subscriptions | 95 | 68 | | | |
| Proceeds from Sale of Capital Assets | | | | | |
| Insurance Proceeds | | | | | |
| Transfers In | 22 | 789 | 2,652 | 482 | |
| Transfers Out | (96) | (656) | | | |
| Total Other Financing Sources (Uses) | <u>36</u> | <u>3,622</u> | <u>4,375</u> | <u>1,050</u> | <u>0</u> |
| Net Change in Fund Balances | 36 | 355 | (143) | 1,265 | 102 |
| Fund Balances at Beginning of Year | 20 | 1,690 | 5,265 | 2,460 | 9,669 |
| Fund Balances at End of Year | <u>\$ 56</u> | <u>\$ 2,045</u> | <u>\$ 5,122</u> | <u>\$ 3,725</u> | <u>\$ 9,771</u> |

| Public Safety Emergency Management | Natural Resources Federal | Game, Fish, and Parks Federal | Game and Fish | Parks and Recreation | Securities and Insurance | Health | Gaming Commission |
|---|--|--|--------------------------|-------------------------------------|---|-----------------|------------------------------|
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | | | 38,114 | 2,056 25,517 | 28,326 37,123 627 | 3,324 | 12,680 5,284 38 |
| 115 | | 320 | 363 | 3,526 | 330 | | 70 |
| | | | 90 | 119 | | 1,035 | |
| 51,090 | 11,164 | 20,576 | 31 | 55 | | | |
| 677 | | 17 | 758 | 1,913 | | 5,835 | |
| 51,882 | 11,164 | 20,913 | 39,356 | 33,186 | 66,406 | 10,194 | 18,072 |
| | | | | | | 15,642 | |
| 55,009 | | | | | 3,303 | | 1,664 |
| | 11,538 | 20,127 | 48,021 | 37,616 | | | |
| | | | | | | | 8,730 |
| 9 | 59 | | 21 | | 87 | 286 | 30 |
| 1 | 3 | | 1 | | 8 | 218 | |
| 55,019 | 11,600 | 20,127 | 48,043 | 37,616 | 3,398 | 16,146 | 10,424 |
| (3,137) | (436) | 786 | (8,687) | (4,430) | 63,008 | (5,952) | 7,648 |
| 18 | 57 | | 23 | | 11 | 5,984 | |
| 41 | | | 184 | 172 | | 7 | |
| | | | | 408 | | | |
| 2,525 | 378 | | 1,170 | 2,860 | | 66 | |
| | | (803) | (493) | (3,824) | (63,354) | (1,308) | (7,808) |
| 2,584 | 435 | (803) | 884 | (384) | (63,343) | 4,749 | (7,808) |
| (553) | (1) | (17) | (7,803) | (4,814) | (335) | (1,203) | (160) |
| 2,851 | 0 | 17 | 8,011 | 3,277 | 524 | 6,701 | 814 |
| \$ 2,298 | \$ (1) | \$ 0 | \$ 208 | \$ (1,537) | \$ 189 | \$ 5,498 | \$ 654 |

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, 2023
(Expressed in Thousands)**

| | Motor Vehicle | Revenue | Future | Vocational Education | Petroleum Release Compensation |
|--|--------------------------|-----------------|------------------|---------------------------------|---|
| Revenue: | | | | | |
| Taxes | \$ 4,031 | \$ 12,897 | \$ 24,388 | \$ | \$ 3,015 |
| Licenses, Permits, and Fees | 156,921 | 4,913 | | | |
| Fines, Forfeits, and Penalties | 2 | | | | |
| Use of Money and Property | 545 | 139 | 1,786 | | 201 |
| Sales and Services | 1,470 | | | | |
| Administering Programs | | | | | |
| Other Revenue | 54 | 4 | 29 | | |
| Total Revenue | 163,023 | 17,953 | 26,203 | 0 | 3,216 |
| Expenditures: | | | | | |
| General Government | 9,087 | 22,394 | | | |
| Education | | | | | |
| Health, Human, and Social Services | | | | | |
| Law, Justice, Public Protection, and Regulation | 11,547 | | | | |
| Agriculture and Natural Resources | | | | | 1,062 |
| Economic Resources | | | 3,406 | | |
| Transportation | | | | | |
| State Shared Revenue Paid to Other Governments | 142,703 | | | | |
| Debt Service: | | | | | |
| Principal | 244 | 194 | | | 6 |
| Interest | 68 | 70 | | | 1 |
| Total Expenditures | 163,649 | 22,658 | 3,406 | 0 | 1,069 |
| Excess of Revenue Over (Under) Expenditures | (626) | (4,705) | 22,797 | 0 | 2,147 |
| Other Financing Sources (Uses): | | | | | |
| Lease Issuance | 1,496 | 1,460 | | | 101 |
| Subscriptions | 15 | | | | |
| Proceeds from Sale of Capital Assets | | | | | |
| Insurance Proceeds | | | | | |
| Transfers In | 1,033 | | | | |
| Transfers Out | (2,316) | | (26) | | (2,466) |
| Total Other Financing Sources (Uses) | 228 | 1,460 | (26) | 0 | (2,365) |
| Net Change in Fund Balances | (398) | (3,245) | 22,771 | 0 | (218) |
| Fund Balances at Beginning of Year | 8,414 | 4,855 | 62,037 | 217 | 6,737 |
| Fund Balances at End of Year | \$ 8,016 | \$ 1,610 | \$ 84,808 | \$ 217 | \$ 6,519 |

| Maintenance and Repair | Water and Environment | Energy Conservation | Military Federal | Health Care Trust | Railroad Trust | Other | Total |
|------------------------|-----------------------|---------------------|------------------|-------------------|------------------|-------------------------------|---------------------------------|
| \$ | \$ 9,385 1,938 | \$ 266 | \$ | \$ | \$ 272 | \$ 29,581 52,950 24,568 | \$ 127,105 327,492 25,655 |
| 88 | 1,226 | 465 | 40 | 12,611 | 1,280 | 4,512 | 27,747 |
| 2,165 | | | | | 485 | 16,393 | 24,001 |
| 33 | | | 29,334 | | | 48,639 | 754,099 |
| 148 | | | 1 | | 30 | 5,538 | 15,065 |
| 2,434 | 12,549 | 731 | 29,375 | 12,611 | 2,067 | 182,181 | 1,301,164 |
| 4,471 | | | | 722 | | 8,739 3,191 | 45,413 207,771 |
| | | | 29,302 | | | 23,499 | 433,134 |
| | 18,526 | | | | | 56,351 | 157,207 |
| | | 37 | | | | 46,401 | 183,291 |
| | | | | | | 1,408 | 9,094 |
| | | | | | 628 | 1,303 | 1,931 |
| | | | | | | 31,970 | 183,403 |
| | | | 48 25 | | | 701 187 | 3,589 947 |
| 4,471 | 18,526 | 37 | 29,375 | 722 | 628 | 173,750 | 1,225,780 |
| (2,037) | (5,977) | 694 | 0 | 11,889 | 1,439 | 8,431 | 75,384 |
| | | | | | | 1,966 3,061 | 16,843 3,280 |
| | | | | | 4 | 43 | 410 |
| | | | | | | | 408 |
| 1,492 | 2,224 | | | | | 8,707 | 24,400 |
| | (600) | | | (7,276) | | (7,533) | (98,559) |
| 1,492 | 1,624 | 0 | 0 | (7,276) | 4 | 6,244 | (53,218) |
| (545) | (4,353) | 694 | 0 | 4,613 | 1,443 | 14,675 | 22,166 |
| 5,082 | 51,529 | 12,605 | 42 | 204,993 | 76,801 | 171,877 | 646,488 |
| \$ 4,537 | \$ 47,176 | \$ 13,299 | \$ 42 | \$ 209,606 | \$ 78,244 | \$ 186,552 | \$ 668,654 |

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
June 30, 2023
(Expressed in Thousands)**

| Assets | Vocational Educational Facilities | Building Authority | Tobacco Securitization | Total |
|--|--|-------------------------------|-----------------------------------|------------------|
| Cash and Cash Equivalents | \$ 3,029 | \$ 39 | \$ 1,038 | \$ 4,106 |
| Restricted Cash | | | 12,220 | 12,220 |
| Investments | 10,958 | | | 10,958 |
| Restricted Other Assets | 7,609 | | 45 | 7,654 |
| Receivables from: | | | | |
| Interest and Dividends | 11 | | 4 | 15 |
| Due from Other Governments | 131 | | | 131 |
| Other, net | | | 10,634 | 10,634 |
| Other Assets | | | 14 | 14 |
| Total Assets | \$ 21,738 | \$ 39 | \$ 23,955 | \$ 45,732 |
| Deferred Inflows of Resources: | | | | |
| Unavailable Revenue | \$ 0 | \$ 0 | \$ 10,634 | \$ 10,634 |
| Total Deferred Inflows of Resources | 0 | 0 | 10,634 | 10,634 |
| Fund Balances: | | | | |
| Nonspendable | | | 14 | 14 |
| Restricted | 21,738 | 39 | 13,307 | 35,084 |
| Total Fund Balances | 21,738 | 39 | 13,321 | 35,098 |
| Total Deferred Inflows of Resources and Fund Balances | \$ 21,738 | \$ 39 | \$ 23,955 | \$ 45,732 |

**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, 2023
(Expressed in Thousands)**

| | Vocational Educational Facilities | Building Authority | Tobacco Securitization | Total |
|--|--|-------------------------------|-----------------------------------|------------------|
| Revenue: | | | | |
| Use of Money and Property | \$ 621 | \$ | \$ 508 | \$ 1,129 |
| Tobacco Settlement | | | 23,691 | 23,691 |
| Licenses, Permits, and Fees | 5,944 | | | 5,944 |
| Total Revenue | 6,565 | 0 | 24,199 | 30,764 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 69 | | 88 | 157 |
| Debt Service: | | | | |
| Principal | 3,146 | 4,051 | 11,450 | 18,647 |
| Interest | 3,267 | 2,357 | 472 | 6,096 |
| Total Expenditures | 6,482 | 6,408 | 12,010 | 24,900 |
| Excess of Revenue Over (Under) Expenditures | 83 | (6,408) | 12,189 | 5,864 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 1,731 | 6,447 | | 8,178 |
| Transfers Out | | (43) | (11,986) | (12,029) |
| Total Other Financing Sources (Uses) | 1,731 | 6,404 | (11,986) | (3,851) |
| Net Change in Fund Balances | 1,814 | (4) | 203 | 2,013 |
| Fund Balances at Beginning of Year | 19,924 | 43 | 13,118 | 33,085 |
| Fund Balances at End of Year | \$ 21,738 | \$ 39 | \$ 13,321 | \$ 35,098 |

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2023
(Expressed in Thousands)

| Assets | Revolving Economic Development and Initiative | Unemployment Insurance | Second Injury | State Fair | Federal Surplus Property |
|---|--|---------------------------|------------------|------------------|--------------------------------|
| Current Assets: | | | | | |
| Cash and Cash Equivalents | \$ 89,853 | \$ 205,033 | \$ 745 | \$ 3,401 | \$ 642 |
| Receivables: | | | | | |
| Interest and Dividends | 728 | | 6 | 7 | 3 |
| Other Funds | | 46 | | | |
| Component Units | | | | | |
| Other Governments | | 60 | | | 15 |
| Loans, Notes, and Leases, net | 9,808 | | | | |
| Other, net | 37 | 11,018 | | | 26 |
| Inventory | | | | | 357 |
| Other Assets | | | | | |
| Total Current Assets | 100,426 | 216,157 | 751 | 3,408 | 1,043 |
| Assets Held for Resale | 321 | | | | |
| Restricted Assets: | | | | | |
| Net Pension Asset | 1 | | | 2 | 2 |
| Capital Assets: | | | | | |
| Land and Other Non-depreciable Assets | | | | 192 | 103 |
| Property, Plant, and Equipment | | | | 7,058 | 559 |
| Right-to-use Leased Assets | | | | | |
| Right-to-use Subscription IT Assets | 32 | | | | |
| Accumulated Depreciation and Amortization | (15) | | | (2,678) | (522) |
| Construction in Progress | | | | 22,776 | |
| Total Capital Assets | 17 | 0 | 0 | 27,348 | 140 |
| Other Noncurrent Assets | 32,065 | 3,985 | | | |
| Total Assets | 132,830 | 220,142 | 751 | 30,758 | 1,185 |
| Deferred Outflows of Resources | | | | | |
| Related to Pensions | 98 | | 4 | 179 | 165 |
| Total Deferred Outflows of Resources | 98 | 0 | 4 | 179 | 165 |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable and Other Liabilities | 39 | 47 | 1 | 217 | 52 |
| Payable to: | | | | | |
| Other Funds | 10 | 117 | | 43 | 5 |
| Other Governments | | 393 | | 4 | |
| Bonds, Notes, Leases, and Subscription IT Payable | 14 | | | | |
| Claims, Judgments, and Compensated Absences | 9 | | 1 | 39 | 66 |
| Accrued Interest Payable | | | | | |
| Unearned Revenue | | 115 | | 592 | 1 |
| Total Current Liabilities | 72 | 672 | 2 | 895 | 124 |
| Noncurrent Liabilities: | | | | | |
| Bonds, Notes, Leases, and Subscription IT Payable | | | | | |
| Claims, Judgments, and Compensated Absences | 8 | | 1 | 33 | 56 |
| Total Noncurrent Liabilities | 8 | 0 | 1 | 33 | 56 |
| Total Liabilities | 80 | 672 | 3 | 928 | 180 |
| Deferred Inflows of Resources | | | | | |
| Related to Pensions | 61 | | 2 | 104 | 98 |
| Related to Leases | | | | | |
| Total Deferred Inflows of Resources | 61 | 0 | 2 | 104 | 98 |
| Net Position | | | | | |
| Net Investment in Capital Assets | 3 | | | 27,347 | 139 |
| Restricted for: | | | | | |
| Disaster Relief Fund | 10,237 | | | | |
| Pensions | 38 | | 2 | 77 | 69 |
| Other | 1,639 | | | | |
| Unrestricted | 120,870 | 219,470 | 748 | 2,481 | 864 |
| Total Net Position | \$ 132,787 | \$ 219,470 | \$ 750 | \$ 29,905 | \$ 1,072 |

| Rural Rehabilitation | Prison Industries | S.D. Trust Company Captive Insurance Co. | Professional and Licensing | Banking and Insurance | Other | Total |
|-------------------------|----------------------|---|-------------------------------|--------------------------|-----------------|-------------------|
| \$ 5,968 | \$ 512 | \$ 2,044 | \$ 17,464 | \$ 12,757 | \$ 3,717 | \$ 342,136 |
| 56 | 6 | 6 | 111 | 81 | 23 | 1,027 |
| | 591 | | 6 | | | 643 |
| | 35 | | | | | 35 |
| | | | | | 16 | 91 |
| 272 | | | | | 123 | 10,203 |
| | 76 | | | | 3 | 11,160 |
| | 1,126 | | | | 87 | 1,570 |
| | 12 | | 9 | | 259 | 280 |
| <u>6,296</u> | <u>2,358</u> | <u>2,050</u> | <u>17,590</u> | <u>12,838</u> | <u>4,228</u> | <u>367,145</u> |
| | | | | | | 321 |
| | 3 | | 14 | 11 | 5 | 38 |
| | | | | | | 295 |
| 18 | 2,864 | | 56 | | 1,043 | 11,598 |
| | | | 884 | 466 | 9 | 1,359 |
| | | | 1,268 | | | 1,300 |
| (17) | (2,124) | | (456) | (160) | (913) | (6,885) |
| | | | | | 4,621 | 27,397 |
| <u>1</u> | <u>740</u> | <u>0</u> | <u>1,752</u> | <u>306</u> | <u>4,760</u> | <u>35,064</u> |
| <u>2,912</u> | | | | | <u>999</u> | <u>39,961</u> |
| <u>9,209</u> | <u>3,101</u> | <u>2,050</u> | <u>19,356</u> | <u>13,155</u> | <u>9,992</u> | <u>442,529</u> |
| | 317 | | 1,361 | 1,052 | 461 | 3,637 |
| <u>0</u> | <u>317</u> | <u>0</u> | <u>1,361</u> | <u>1,052</u> | <u>461</u> | <u>3,637</u> |
| | 359 | 12 | 1,384 | 4,172 | 320 | 6,603 |
| | 35 | | 103 | 22 | 28 | 363 |
| | | | 524 | 79 | 2 | 619 |
| | 61 | | 315 | 278 | 102 | 871 |
| | | | 9 | 1 | | 10 |
| | 5 | | 1,010 | | | 1,723 |
| <u>0</u> | <u>460</u> | <u>12</u> | <u>3,345</u> | <u>4,552</u> | <u>452</u> | <u>10,586</u> |
| | | | 865 | 235 | 3 | 1,103 |
| | 52 | | 267 | 235 | 87 | 739 |
| <u>0</u> | <u>52</u> | <u>0</u> | <u>1,132</u> | <u>470</u> | <u>90</u> | <u>1,842</u> |
| <u>0</u> | <u>512</u> | <u>12</u> | <u>4,477</u> | <u>5,022</u> | <u>542</u> | <u>12,428</u> |
| | 184 | | 791 | 614 | 270 | 2,124 |
| <u>0</u> | <u>184</u> | <u>0</u> | <u>791</u> | <u>614</u> | <u>1,085</u> | <u>3,209</u> |
| | | | | | | |
| 1 | 740 | | 353 | (8) | 4,755 | 33,330 |
| | | | | | | 10,237 |
| | 136 | | 584 | 449 | 196 | 1,551 |
| | | | | | | 1,639 |
| 9,208 | 1,846 | 2,038 | 14,512 | 8,130 | 3,605 | 383,772 |
| <u>\$ 9,209</u> | <u>\$ 2,722</u> | <u>\$ 2,038</u> | <u>\$ 15,449</u> | <u>\$ 8,571</u> | <u>\$ 8,556</u> | <u>\$ 430,529</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, 2023
(Expressed in Thousands)**

| | <u>Revolving Economic Development and Initiative</u> | <u>Unemployment Insurance</u> | <u>Second Injury</u> | <u>State Fair</u> | <u>Federal Surplus Property</u> |
|--|--|-----------------------------------|--------------------------|-----------------------|---|
| Operating Revenue: | | | | | |
| Licenses, Permits, and Fees | \$ | \$ | \$ | \$ 1,535 | \$ |
| Use of Money and Property | 572 | | | 524 | |
| Sales and Services | | | | 1,151 | 2,044 |
| Administering Programs | | 1,450 | | 20 | |
| Assessments | | 43,302 | | | |
| Other Revenue | 261 | | | 2,352 | 1 |
| Total Operating Revenue | <u>833</u> | <u>44,752</u> | <u>0</u> | <u>5,582</u> | <u>2,045</u> |
| Operating Expenses: | | | | | |
| Personal Services and Benefits | 134 | | 13 | 1,267 | 554 |
| Travel | 7 | | | 13 | 5 |
| Contractual Services | 298 | | | 510 | 615 |
| Supplies and Materials | 1 | | | 337 | 1,097 |
| Other | 31 | | | 139 | |
| Interest | 1 | | | | |
| Provision for Loan Loss (Recovery) | (83) | | | | |
| Depreciation and Amortization | 16 | | | 121 | 9 |
| Insurance Claims | | 28,631 | 461 | | |
| Total Operating Expenses | <u>405</u> | <u>28,631</u> | <u>474</u> | <u>2,387</u> | <u>2,280</u> |
| Operating Income (Loss) | 428 | 16,121 | (474) | 3,195 | (235) |
| Nonoperating Revenue (Expenses): | | | | | |
| Gain on Disposal of Assets | | | | 1,505 | |
| Loss on Disposal of Assets | | | | (1) | |
| Investment Income | 3,082 | 4,437 | 38 | 54 | 21 |
| Other Expense | (162) | | | | |
| Grant and Other Income | | | | | |
| Total Nonoperating Revenue (Expenses) | <u>2,920</u> | <u>4,437</u> | <u>38</u> | <u>1,558</u> | <u>21</u> |
| Income (Loss) Before Transfers | 3,348 | 20,558 | (436) | 4,753 | (214) |
| Transfers: | | | | | |
| Transfers In | | | | 17,542 | |
| Transfers Out | | (994) | (1) | | |
| Net Transfers | <u>0</u> | <u>(994)</u> | <u>(1)</u> | <u>17,542</u> | <u>0</u> |
| Change in Net Position | 3,348 | 19,564 | (437) | 22,295 | (214) |
| Net Position at Beginning of Year | 129,439 | 199,906 | 1,187 | 7,610 | 1,286 |
| Net Position at End of Year | <u>\$ 132,787</u> | <u>\$ 219,470</u> | <u>\$ 750</u> | <u>\$ 29,905</u> | <u>\$ 1,072</u> |

| Rural Rehabilitation | Prison Industries | S.D. Trust Company Captive Insurance Co. | Professional and Licensing | Banking and Insurance | Other | Total |
|---------------------------------|------------------------------|---|---------------------------------------|----------------------------------|-----------------|-------------------|
| \$ | \$ | \$ | \$ 11,160 | \$ 5,541 | \$ 1,824 | \$ 20,060 |
| 118 | | | | | | 1,214 |
| | 9,163 | 50 | 366 | 709 | 1,081 | 14,564 |
| | | | 64 | | | 1,534 |
| | | | | | | 43,302 |
| | | | 520 | 2 | 105 | 3,241 |
| 118 | 9,163 | 50 | 12,110 | 6,252 | 3,010 | 83,915 |
| 1 | 1,115 | | 5,138 | 3,616 | 1,829 | 13,667 |
| | 17 | | 546 | 180 | 203 | 971 |
| 4 | 366 | 28 | 4,497 | 1,960 | 775 | 9,053 |
| | 6,788 | | 320 | 49 | 232 | 8,824 |
| 8 | | | 3 | | | 181 |
| | | | 29 | 9 | | 39 |
| | | | | | | (83) |
| | 111 | | 271 | 95 | 219 | 842 |
| | | | | | | 29,092 |
| 13 | 8,397 | 28 | 10,804 | 5,909 | 3,258 | 62,586 |
| 105 | 766 | 22 | 1,306 | 343 | (248) | 21,329 |
| | | | | | | 1,505 |
| | | | | | | (1) |
| 166 | 19 | (16) | 491 | 348 | 121 | 8,761 |
| (1) | | | (3) | (2) | | (168) |
| 135 | | | | | | 135 |
| 300 | 19 | (16) | 488 | 346 | 121 | 10,232 |
| 405 | 785 | 6 | 1,794 | 689 | (127) | 31,561 |
| | | | | | 116 | 17,658 |
| | (516) | | (132) | (153) | (1) | (1,797) |
| 0 | (516) | 0 | (132) | (153) | 115 | 15,861 |
| 405 | 269 | 6 | 1,662 | 536 | (12) | 47,422 |
| 8,804 | 2,453 | 2,032 | 13,787 | 8,035 | 8,568 | 383,107 |
| \$ 9,209 | \$ 2,722 | \$ 2,038 | \$ 15,449 | \$ 8,571 | \$ 8,556 | \$ 430,529 |

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

| | Revolving Economic Development and Initiative | Unemployment Insurance | Second Injury | State Fair | Federal Surplus Property |
|---|--|---------------------------|------------------|-----------------|--------------------------------|
| Cash Flows from Operating Activities: | | | | | |
| Receipts from Customers and Users | \$ 261 | \$ 47,358 | \$ | \$ 2,880 | \$ 1,988 |
| Receipts from Interfund Services Provided | | | | 44 | 86 |
| Receipts from Federal Agencies | | 796 | | | 37 |
| Receipts from Loan Payments | 8,271 | | | | |
| Payments to Suppliers and for Benefits and Claims | (306) | (28,632) | (461) | (600) | (1,423) |
| Payments for Employee Services | (174) | | (14) | (1,293) | (592) |
| Payments for Interfund Services Used | | | | (285) | (81) |
| Payments for Loans Originated | (23,574) | | | | |
| Other Receipts (Payments) | (31) | | | 2,350 | 7 |
| Net Cash Provided (Used) by Operating Activities | (15,553) | 19,522 | (475) | 3,096 | 22 |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Activities: | | | | | |
| Purchases of Capital Assets | | | | | |
| Construction in Progress | | | | (21,089) | |
| Sale or Disposition of Capital Assets | | | | 1,505 | |
| Payments for Right-to-use Leased Assets | | | | | |
| Payments for Right-to-use Subscription IT Assets | (19) | | | | |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (19) | 0 | 0 | (19,584) | 0 |
| Cash Flows from Noncapital Financing Activities: | | | | | |
| Transfers In | | | | 17,541 | |
| Transfers Out | | (980) | (1) | | |
| Subsidies Provided to Others | (159) | | | | |
| Other Noncapital Financing Activities | | (19) | | | |
| Net Cash Provided (Used) by Noncapital Financing Activities | (159) | (999) | (1) | 17,541 | 0 |
| Cash Flows from Investing Activities: | | | | | |
| Investment Income | 2,679 | 4,436 | 36 | 54 | 19 |
| Investment Expense | (16) | | | | |
| Purchase of Investment Securities | | | | | |
| Net Cash Provided (Used) by Investing Activities | 2,663 | 4,436 | 36 | 54 | 19 |
| Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year | (13,068) | 22,959 | (440) | 1,107 | 41 |
| Cash and Cash Equivalents at Beginning of Year | 102,921 | 182,074 | 1,185 | 2,294 | 601 |
| Cash and Cash Equivalents at End of Year | \$ 89,853 | \$ 205,033 | \$ 745 | \$ 3,401 | \$ 642 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Operating Income (Loss) | \$ 428 | \$ 16,121 | \$ (474) | \$ 3,195 | \$ (235) |
| Adjustments to Reconcile Operating Income (Loss): | | | | | |
| Depreciation and Amortization Expense | 15 | | | 121 | 9 |
| Bad Debt Expense | | | | | |
| Interest Expense | 1 | | | | |
| Decrease (Increase) in Assets: | | | | | |
| Accounts Receivable | 56 | 4,062 | | | (14) |
| Bonds and Notes Receivable | (16,014) | | | | |
| Due From Other Funds | | (2) | | | |
| Due From Component Units | | | | | |
| Due From Other Governments | | (654) | | | 79 |
| Inventory | | | | | 226 |
| Other Assets | | | | | |
| Other Restricted Assets | | | | | |
| Restricted Net Pension Asset | 95 | | 3 | 140 | 147 |
| Decrease (Increase) in Deferred Outflows of Resources: | | | | | |
| Deferred Outflows - Related to Pensions | 31 | | | 17 | 38 |
| Increase (Decrease) in Liabilities: | | | | | |
| Accounts Payable | | | | 97 | (10) |
| Accrued Liabilities | 3 | | | 23 | 3 |
| Compensated Absences Payable | (20) | | 1 | | 7 |
| Due To Other Funds | | | | 17 | |
| Due To Other Component Units | | | | | |
| Unearned Revenue | | (4) | | (307) | 1 |
| Bond and Note Payable | | | | | |
| Policy Claim Liabilities | | (1) | | | |
| Other Liabilities | | | | | |
| Increase (Decrease) in Deferred Inflows of Resources: | | | | | |
| Deferred Inflows - Related to Pensions | (148) | | (5) | (207) | (229) |
| Deferred Inflows - Related to Leases | | | | | |
| Net Cash Provided (Used) by Operating Activities | \$ (15,553) | \$ 19,522 | \$ (475) | \$ 3,096 | \$ 22 |
| Noncash Investing, Capital, and Financing Activities: | | | | | |
| Gain (Loss) on Disposal of Capital Assets | \$ | \$ | \$ | \$ 1,504 | \$ |
| Right-to-use Lease Obligations Entered Into | | | | | |
| Right-to-use Subscription IT Obligations Entered Into | 14 | | | | |
| Other | | | | | |

| Rural Rehabilitation | Prison Industries | S.D. Trust Company Captive Insurance Co. | Professional and Licensing | Banking and Insurance | Other | Total |
|----------------------|-------------------|--|----------------------------|-----------------------|-----------------|-------------------|
| \$ 116 | \$ 750 | \$ 193 | \$ 11,516 | \$ 6,160 | \$ 2,722 | \$ 73,944 |
| | 7,889 | | 102 | 91 | 180 | 8,392 |
| | | | | | | 833 |
| 2 | | | | | | 8,273 |
| (10) | (6,750) | (148) | (3,640) | (1,383) | (997) | (44,350) |
| | (1,209) | (17) | (5,416) | (3,856) | (1,954) | (14,525) |
| (2) | (56) | | (878) | (413) | (196) | (1,911) |
| | | | | | | (23,574) |
| | | | 521 | 2 | 91 | 2,940 |
| 106 | 624 | 28 | 2,205 | 601 | (154) | 10,022 |
| | | | | | | (183) |
| 1 | (184) | | | | | (25,710) |
| | 157 | | | | (4,621) | 1,662 |
| | | | (180) | (40) | (2) | (222) |
| | | | (449) | | | (468) |
| 1 | (27) | 0 | (629) | (40) | (4,623) | (24,921) |
| | | | | | 116 | 17,657 |
| | (516) | | (132) | (153) | (1) | (1,783) |
| | | | | | | (159) |
| 160 | | | | | 10 | 151 |
| 160 | (516) | 0 | (132) | (153) | 125 | 15,866 |
| | | | | | | 8,161 |
| 141 | 15 | (17) | 420 | 295 | 83 | 8,161 |
| (1) | | | (3) | (2) | | (22) |
| | | | | (18) | | (18) |
| 140 | 15 | (17) | 417 | 275 | 83 | 8,121 |
| | | | | | | 9,088 |
| 407 | 96 | 11 | 1,861 | 683 | (4,569) | 9,088 |
| 5,561 | 416 | 2,033 | 15,603 | 12,074 | 8,286 | 333,048 |
| \$ 5,968 | \$ 512 | \$ 2,044 | \$ 17,464 | \$ 12,757 | \$ 3,717 | \$ 342,136 |
| \$ 105 | \$ 766 | \$ 22 | \$ 1,306 | \$ 343 | \$ (248) | \$ 21,329 |
| | 111 | | 271 | 95 | 219 | 841 |
| | | | 14 | | | 14 |
| | | | | | | 1 |
| | (38) | | | | (1) | 4,065 |
| 1 | | | | | | (16,013) |
| | (33) | | | | | (35) |
| | 29 | | | | | 29 |
| | (377) | | | | (1) | (953) |
| | 186 | | | | 17 | 429 |
| | (12) | | (9) | | (1) | (22) |
| | | | | | 245 | 245 |
| 12 | 233 | | 1,062 | 808 | 159 | 2,659 |
| 14 | 11 | | 124 | 81 | 95 | 411 |
| | 47 | 6 | (25) | 430 | (49) | 496 |
| | (4) | | 941 | 26 | 11 | 1,003 |
| | | | 59 | 27 | (10) | 64 |
| | 33 | | 3 | 22 | 7 | 82 |
| | | | (6) | | | (6) |
| | 5 | | 36 | | | (269) |
| | | | (6) | | | (6) |
| | | | | | 29 | (1) |
| | | | | | | 29 |
| (26) | (333) | | (1,565) | (1,179) | (626) | (4,318) |
| | | | | (52) | | (52) |
| \$ 106 | \$ 624 | \$ 28 | \$ 2,205 | \$ 601 | \$ (154) | \$ 10,022 |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | | | 1,054 | 79 | 2 | 1,504 |
| | | | 819 | | | 1,135 |
| | | | | | 25 | 833 |
| | | | | | | 25 |

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023
(Expressed in Thousands)

| Assets | Self- Insurance | Information Services | Tele- communi- cations | Accounting and Payroll | Buildings and Grounds | Central Mail |
|---|--------------------|-------------------------|------------------------------|------------------------------|-----------------------------|-----------------|
| Current Assets: | | | | | | |
| Cash and Cash Equivalents | \$ 40,044 | \$ 563 | \$ 2,293 | \$ 5,465 | \$ 241 | \$ 510 |
| Receivables: | | | | | | |
| Interest and Dividends | 292 | 15 | 11 | 36 | 1 | 4 |
| Other Funds | | 2,438 | 1,653 | 1,727 | 2,275 | 283 |
| Component Units | | 3 | 135 | 104 | | |
| Other Governments | | | | | | |
| Other, net | 7,518 | 2 | 14 | 1 | | 2 |
| Inventory | | | | | | 225 |
| Other Assets | 100 | 2,270 | 1,468 | 1,150 | | |
| Total Current Assets | 47,954 | 5,291 | 5,574 | 8,483 | 2,517 | 1,024 |
| Restricted Assets: | | | | | | |
| Net Pension Asset | 3 | 59 | 20 | 6 | 11 | 1 |
| Capital Assets: | | | | | | |
| Property, Plant, and Equipment | | 11,151 | 5,810 | 14,251 | 1,576 | 427 |
| Right-to-use Leased Assets | | 382 | 962 | | 1,777 | 776 |
| Right-to-use Subscription IT Assets | | 614 | 355 | 2,092 | | |
| Accumulated Depreciation and Amortization | | (9,801) | (4,487) | (13,917) | (1,364) | (360) |
| Construction in Progress | | | 62 | | | |
| Total Capital Assets | 0 | 2,346 | 2,702 | 2,426 | 1,989 | 843 |
| Total Assets | 47,957 | 7,696 | 8,296 | 10,915 | 4,517 | 1,868 |
| Deferred Outflows of Resources | | | | | | |
| Related to Pensions | 309 | 5,829 | 2,002 | 575 | 1,112 | 113 |
| Total Deferred Outflows of Resources | 309 | 5,829 | 2,002 | 575 | 1,112 | 113 |
| Liabilities | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable and Other Liabilities | 2,302 | 1,928 | 1,303 | 376 | 486 | 39 |
| Payable to: | | | | | | |
| Other Funds | 50 | 227 | 341 | 116 | 64 | 9 |
| Component Units | | | | | | |
| Bonds, Notes, Leases, and Subscription IT Payable | | 296 | 233 | 690 | 52 | 44 |
| Claims, Judgments, and Compensated Absences | 16,982 | 1,655 | 772 | 187 | 269 | 50 |
| Accrued Interest Payable | | 17 | 7 | 49 | 8 | 3 |
| Unearned Revenue | | 224 | 1,073 | | | |
| Total Current Liabilities | 19,334 | 4,347 | 3,729 | 1,418 | 879 | 145 |
| Noncurrent Liabilities: | | | | | | |
| Bonds, Notes, Leases, and Subscription IT Payable | | 525 | 812 | 684 | 1,712 | 710 |
| Claims, Judgments, and Compensated Absences | 56 | 1,403 | 654 | 158 | 221 | 43 |
| Other Noncurrent Liabilities | 60 | | | | | |
| Total Noncurrent Liabilities | 116 | 1,928 | 1,466 | 842 | 1,933 | 753 |
| Total Liabilities | 19,450 | 6,275 | 5,195 | 2,260 | 2,812 | 898 |
| Deferred Inflows of Resources | | | | | | |
| Related to Pensions | 185 | 3,429 | 1,179 | 340 | 648 | 66 |
| Total Deferred Inflows of Resources | 185 | 3,429 | 1,179 | 340 | 648 | 66 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | | 1,510 | 1,650 | 1,002 | 215 | 86 |
| Restricted for Pensions | 127 | 2,459 | 843 | 241 | 475 | 48 |
| Unrestricted | 28,504 | (148) | 1,431 | 7,647 | 1,479 | 883 |
| Total Net Position | \$ 28,631 | \$ 3,821 | \$ 3,924 | \$ 8,890 | \$ 2,169 | \$ 1,017 |

| Digital Dakota Network | Public Entity Pool for Liability | Fleet and Travel Management | Personnel | Workers Compensation | Other | Total |
|------------------------------|---|-----------------------------------|---------------|-------------------------|------------------|------------------|
| \$ 546 | \$ 11,034 | \$ 665 | \$ 803 | \$ 8,572 | \$ 6,783 | \$ 77,519 |
| 4 | 62 | | 5 | 55 | 48 | 533 |
| 80 | | 1,290 | 626 | | 844 | 11,216 |
| 126 | | 288 | | | 33 | 689 |
| | | | | | 180 | 180 |
| | 15 | 2 | | 11 | 77 | 7,642 |
| | | | | | 506 | 731 |
| 86 | | | 7 | 200 | 81 | 5,362 |
| 842 | 11,111 | 2,245 | 1,441 | 8,838 | 8,552 | 103,872 |
| 1 | 2 | 2 | 11 | 1 | 19 | 136 |
| 1,743 | | 66,744 | 378 | | 10,373 | 112,453 |
| | | | 93 | | 1,429 | 5,419 |
| | | | | | 285 | 3,346 |
| (1,715) | | (45,355) | (372) | | (3,152) | (80,523) |
| | | 78 | | | | 140 |
| 28 | 0 | 21,467 | 99 | 0 | 8,935 | 40,835 |
| 871 | 11,113 | 23,714 | 1,551 | 8,839 | 17,506 | 144,843 |
| 128 | 192 | 174 | 1,108 | 79 | 1,849 | 13,470 |
| 128 | 192 | 174 | 1,108 | 79 | 1,849 | 13,470 |
| 28 | 66 | 494 | 305 | 18 | 631 | 7,976 |
| 15 | 16 | 275 | 80 | 8 | 298 | 1,499 |
| | | 35 | 23 | | | 58 |
| | | 3,512 | 2 | | 209 | 5,038 |
| 46 | 1,760 | 45 | 327 | 4,346 | 564 | 27,003 |
| | | | | | 13 | 97 |
| | | | | | 9 | 1,306 |
| 89 | 1,842 | 4,361 | 737 | 4,372 | 1,724 | 42,977 |
| | | 8,732 | 88 | | 1,449 | 14,712 |
| 39 | 3,426 | 38 | 269 | 31,414 | 478 | 38,199 |
| | | | | | | 60 |
| 39 | 3,426 | 8,770 | 357 | 31,414 | 1,927 | 52,971 |
| 128 | 5,268 | 13,131 | 1,094 | 35,786 | 3,651 | 95,948 |
| 75 | 113 | 104 | 647 | 45 | 1,089 | 7,920 |
| 75 | 113 | 104 | 647 | 45 | 1,089 | 7,920 |
| 28 | | 9,223 | 9 | | 7,266 | 20,989 |
| 54 | 81 | 72 | 472 | 35 | 779 | 5,686 |
| 714 | 5,843 | 1,358 | 437 | (26,948) | 6,570 | 27,770 |
| \$ 796 | \$ 5,924 | \$ 10,653 | \$ 918 | \$ (26,913) | \$ 14,615 | \$ 54,445 |

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | Self- Insurance | Information Services | Tele- communi- cations | Accounting and Payroll | Buildings and Grounds | Central Mail |
|--|--------------------|-------------------------|------------------------------|------------------------------|-----------------------------|-----------------|
| Operating Revenue: | | | | | | |
| Use of Money and Property | \$ | \$ | \$ | \$ | \$ | \$ |
| Sales and Services | 157,477 | 24,438 | 19,746 | 5,844 | 8,276 | 3,174 |
| Other Revenue | 10,585 | 4 | 97 | 17 | 1 | |
| Total Operating Revenue | 168,062 | 24,442 | 19,843 | 5,861 | 8,277 | 3,174 |
| Operating Expenses: | | | | | | |
| Personal Services and Benefits | 940 | 19,538 | 7,016 | 1,895 | 4,193 | 443 |
| Travel | 23 | 120 | 180 | 19 | 10 | |
| Contractual Services | 30,962 | 7,124 | 10,818 | 2,593 | 2,763 | 152 |
| Supplies and Materials | 37 | 305 | 951 | 226 | 1,067 | 2,621 |
| Grant and Other | | | | | | |
| Interest | | 42 | 32 | 49 | 31 | 14 |
| Depreciation and Amortization | | 826 | 742 | 1,178 | 107 | 74 |
| Insurance Claims | 142,762 | | | | | |
| Total Operating Expenses | 174,724 | 27,955 | 19,739 | 5,960 | 8,171 | 3,304 |
| Operating Income (Loss) | (6,662) | (3,513) | 104 | (99) | 106 | (130) |
| Nonoperating Revenue (Expenses): | | | | | | |
| Gain on Disposal of Assets | | 31 | | | 24 | 8 |
| Loss on Disposal of Assets | | | | | | |
| Investment Income | 1,662 | 148 | 34 | 136 | 6 | 21 |
| Other Expense | (7) | | | (1) | | |
| Grant and Other Income | | | 42 | | | |
| Total Nonoperating Revenue (Expenses) | 1,655 | 179 | 76 | 135 | 30 | 29 |
| Income (Loss) Before Transfers | (5,007) | (3,334) | 180 | 36 | 136 | (101) |
| Transfers: | | | | | | |
| Transfers In | | | | 733 | | |
| Transfers Out | | | | | | |
| Net Transfers | 0 | 0 | 0 | 733 | 0 | 0 |
| Change in Net Position | (5,007) | (3,334) | 180 | 769 | 136 | (101) |
| Net Position at Beginning of Year | 33,638 | 7,155 | 3,744 | 8,121 | 2,033 | 1,118 |
| Net Position at End of Year | \$ 28,631 | \$ 3,821 | \$ 3,924 | \$ 8,890 | \$ 2,169 | \$ 1,017 |

| Digital Dakota Network | Public Entity Pool for Liability | Fleet and Travel Management | Personnel | Workers Compensation | Other | Total |
|------------------------------|---|-----------------------------------|---------------|-------------------------|------------------|------------------|
| \$ | \$ | \$ | \$ | \$ | \$ 9 | \$ 9 |
| 680 | 4,163 | 13,915 | 5,971 | 6,777 | 10,480 | 260,941 |
| | 91 | 40 | | 26 | 296 | 11,157 |
| 680 | 4,254 | 13,955 | 5,971 | 6,803 | 10,785 | 272,107 |
| 478 | 645 | 561 | 4,177 | 312 | 6,971 | 47,169 |
| 6 | 46 | 3 | 101 | 3 | 386 | 897 |
| 223 | 774 | 2,565 | 1,457 | 186 | 2,052 | 61,669 |
| 4 | 10 | 7,005 | 289 | 1 | 2,263 | 14,779 |
| | | | | | 4 | 4 |
| | | 280 | 2 | | 37 | 487 |
| 42 | | 3,926 | 7 | | 658 | 7,560 |
| | 1,588 | | | 5,996 | 251 | 150,597 |
| 753 | 3,063 | 14,340 | 6,033 | 6,498 | 12,622 | 283,162 |
| (73) | 1,191 | (385) | (62) | 305 | (1,837) | (11,055) |
| | | 269 | | | 23 | 355 |
| | | (69) | | | | (69) |
| 19 | 291 | 57 | 25 | 168 | 232 | 2,799 |
| | (1) | | | (1) | (1) | (11) |
| | | | | | | 42 |
| 19 | 290 | 257 | 25 | 167 | 254 | 3,116 |
| (54) | 1,481 | (128) | (37) | 472 | (1,583) | (7,939) |
| | | | 319 | | 591 | 1,643 |
| | | | | | (7) | (7) |
| 0 | 0 | 0 | 319 | 0 | 584 | 1,636 |
| (54) | 1,481 | (128) | 282 | 472 | (999) | (6,303) |
| 850 | 4,443 | 10,781 | 636 | (27,385) | 15,614 | 60,748 |
| \$ 796 | \$ 5,924 | \$ 10,653 | \$ 918 | \$ (26,913) | \$ 14,615 | \$ 54,445 |

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

| | Self- Insurance | Information Services | Tele- communi- cations | Accounting and Payroll | Buildings and Grounds | Central Mail |
|---|--------------------|-------------------------|------------------------------|------------------------------|-----------------------------|-----------------|
| Cash Flows from Operating Activities: | | | | | | |
| Receipts from Customers and Users | \$ 78,869 | \$ 471 | \$ 1,901 | \$ 442 | \$ 8 | \$ 211 |
| Receipts from Interfund Services Provided | 78,608 | 23,541 | 17,341 | 5,234 | 6,931 | 2,923 |
| Payments to Suppliers and for Benefits and Claims | (174,001) | (5,972) | (9,881) | (1,521) | (2,955) | (2,753) |
| Payments for Employee Services | (996) | (20,480) | (7,297) | (1,935) | (4,398) | (459) |
| Payments for Interfund Services Used | (779) | (1,356) | (1,565) | (1,113) | (839) | (92) |
| Other Receipts (Payments) | 12,675 | 4 | 34 | 15 | 1 | |
| Net Cash Provided (Used) by Operating Activities | (5,624) | (3,792) | 533 | 1,122 | (1,252) | (170) |
| Cash Flows from Capital and Related Financing Activities: | | | | | | |
| Activities: | | | | | | |
| Purchases of Capital Assets | | (474) | (752) | | (24) | (62) |
| Sale or Disposition of Capital Assets | | 153 | (14) | | 3 | |
| Payments for Right-to-use Leased Assets | | (241) | (272) | | (89) | (58) |
| Payments for Right-to-use Subscription IT Assets | | | | (717) | | |
| Payments for Financed Purchase Assets | | (381) | | | | |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 0 | (943) | (1,038) | (717) | (110) | (120) |
| Cash Flows from Noncapital Financing Activities: | | | | | | |
| Transfers In | | | | 733 | | |
| Transfers Out | | | | | | |
| Other Noncapital Financing Activities | | | 42 | | | |
| Net Cash Provided (Used) by Noncapital Financing Activities | 0 | 0 | 42 | 733 | 0 | 0 |
| Cash Flows from Investing Activities: | | | | | | |
| Investment Income | 1,519 | 147 | 25 | 110 | 6 | 19 |
| Investment Expense | (7) | | | (1) | | |
| Net Cash Provided (Used) by Investing Activities | 1,512 | 147 | 25 | 109 | 6 | 19 |
| Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year | (4,112) | (4,588) | (438) | 1,247 | (1,356) | (271) |
| Cash and Cash Equivalents at Beginning of Year | 44,156 | 5,151 | 2,731 | 4,218 | 1,597 | 781 |
| Cash and Cash Equivalents at End of Year | \$ 40,044 | \$ 563 | \$ 2,293 | \$ 5,465 | \$ 241 | \$ 510 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | | |
| Operating Income (Loss) | \$ (6,662) | \$ (3,513) | \$ 104 | \$ (99) | \$ 106 | \$ (130) |
| Adjustments to Reconcile Operating Income (Loss): | | | | | | |
| Depreciation and Amortization Expense | 51 | 826 | 743 | 1,178 | 107 | 74 |
| Interest Expense | | 42 | 31 | 49 | 30 | 14 |
| Decrease (Increase) in Assets: | | | | | | |
| Accounts Receivable | (3,609) | | 5 | | | 1 |
| Due From Other Funds | | (313) | (161) | (179) | (1,338) | (40) |
| Due From Component Units | | | 15 | 12 | | |
| Due From Other Governments | | | | | | |
| Inventory | | | 1 | | | (68) |
| Other Assets | | (195) | 345 | 72 | | |
| Restricted Net Pension Asset | 258 | 4,911 | 1,641 | 431 | 860 | 94 |
| Decrease (Increase) in Deferred Outflows of Resources: | | | | | | |
| Deferred Outflows - Related to Pensions | 50 | 975 | 281 | 33 | 93 | 17 |
| Increase (Decrease) in Liabilities: | | | | | | |
| Accounts Payable | (581) | 337 | 76 | 118 | 14 | (8) |
| Accrued Liabilities | 3 | 242 | 72 | 32 | 46 | 8 |
| Compensated Absences Payable | 20 | 388 | 185 | 81 | 56 | 7 |
| Due To Other Funds | 1 | 81 | 83 | 11 | 11 | 3 |
| Due To Component Units | | | | | | |
| Due To Other Governments | | | | | 23 | |
| Unearned Revenue | | (115) | (428) | | | |
| Policy Claim Liabilities | 5,232 | | | | | |
| Increase (Decrease) in Deferred Inflows of Resources: | | | | | | |
| Deferred Inflows - Related to Pensions | (387) | (7,458) | (2,460) | (617) | (1,260) | (142) |
| Net Cash Provided (Used) by Operating Activities | \$ (5,624) | \$ (3,792) | \$ 533 | \$ 1,122 | \$ (1,252) | \$ (170) |
| Noncash Investing, Capital, and Financing Activities: | | | | | | |
| Gain (Loss) on Disposal of Capital Assets | \$ | \$ 31 | \$ | \$ | \$ 24 | \$ 8 |
| Right-to-use Lease Obligations Entered Into | | 171 | 958 | | 1,838 | 816 |
| Right-to-use Subscription IT Obligations Entered Into | | | | 2,092 | | |

| Digital Dakota Network | Public Entity Pool for Liability | Fleet and Travel Management | Personnel | Workers Compensation | Other | Total |
|------------------------------|---|-----------------------------------|-----------------|-------------------------|-------------------|-------------------|
| \$ 465 | \$ 1,194 | \$ 2,802 | \$ 21 | \$ 1,178 | \$ 4,317 | \$ 91,879 |
| 298 | 2,970 | 11,397 | 5,947 | 5,600 | 6,174 | 166,964 |
| (147) | (2,635) | (8,528) | (1,063) | (5,464) | (3,353) | (218,273) |
| (481) | (619) | (581) | (4,429) | (335) | (7,239) | (49,249) |
| (100) | (136) | (1,420) | (593) | (43) | (1,543) | (9,579) |
| | 1 | 46 | | 32 | 296 | 13,104 |
| 35 | 775 | 3,716 | (117) | 968 | (1,348) | (5,154) |
| | | (636) | | | (164) | (2,112) |
| | | 473 | | | 7 | 622 |
| | | | (4) | | (107) | (771) |
| | | | | | (72) | (789) |
| | | (3,990) | | | (76) | (4,447) |
| 0 | 0 | (4,153) | (4) | 0 | (412) | (7,497) |
| | | | 319 | | 591 | 1,643 |
| | | | | | (7) | (7) |
| | | | | | | 42 |
| 0 | 0 | 0 | 319 | 0 | 584 | 1,678 |
| 16 | 253 | 65 | 21 | 124 | 202 | 2,507 |
| | (1) | | | (1) | (1) | (11) |
| 16 | 252 | 65 | 21 | 123 | 201 | 2,496 |
| 51 | 1,027 | (372) | 219 | 1,091 | (975) | (8,477) |
| 495 | 10,007 | 1,037 | 584 | 7,481 | 7,758 | 85,996 |
| \$ 546 | \$ 11,034 | \$ 665 | \$ 803 | \$ 8,572 | \$ 6,783 | \$ 77,519 |
| \$ (73) | \$ 1,191 | \$ (385) | \$ (62) | \$ 305 | \$ (1,837) | \$ (11,055) |
| 42 | | 3,926 | 8 | | 659 | 7,614 |
| | | 282 | 2 | | 36 | 486 |
| | (2) | 6 | | 1 | 44 | (3,554) |
| 34 | | 314 | (17) | | (54) | (1,754) |
| 45 | | (29) | | | 23 | 66 |
| | | | | | (11) | (11) |
| | | | | | 22 | (45) |
| (7) | | | 124 | | 12 | 351 |
| 126 | 152 | 156 | 848 | 65 | 1,510 | 11,052 |
| 42 | 18 | 41 | 82 | 11 | 252 | 1,895 |
| | 12 | (8) | 7 | | (70) | (103) |
| 7 | 8 | 10 | 32 | (3) | 89 | 546 |
| 25 | 24 | 15 | 50 | 4 | 144 | 999 |
| (3) | 2 | (348) | 29 | 5 | 91 | (34) |
| | (1) | (22) | 15 | | | (8) |
| | | | | | | 23 |
| | | | | | 1 | (542) |
| | (405) | | | 680 | | 5,507 |
| (203) | (224) | (242) | (1,235) | (100) | (2,259) | (16,587) |
| \$ 35 | \$ 775 | \$ 3,716 | \$ (117) | \$ 968 | \$ (1,348) | \$ (5,154) |
| \$ | \$ | \$ 200 | \$ | \$ | \$ 23 | \$ 286 |
| | | | 130 | | 1,488 | 5,401 |
| | | | | | 142 | 2,234 |

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2023
(Expressed in Thousands)**

| | Common School | Other | Total |
|---|--------------------------|---------------|-------------------|
| Assets | | | |
| Cash and Cash Equivalents | \$ 39 | \$ 937 | \$ 976 |
| Receivables: | | | |
| Investment Income | 406 | 2 | 408 |
| Other | 6 | 1 | 7 |
| Total Receivables | 412 | 3 | 415 |
| Investments, at Fair Value: | | | |
| Pooled Investment Funds | 312,914 | | 312,914 |
| Total Investments | 312,914 | 0 | 312,914 |
| Properties, at Cost | 14,162 | 40 | 14,202 |
| Other Assets | | 17 | 17 |
| Total Assets | 327,527 | 997 | 328,524 |
| Liabilities | | | |
| Payables: | | | |
| Accounts Payable and Other Liabilities | | 14 | 14 |
| Due To Other Funds | | 34 | 34 |
| Total Liabilities | 0 | 48 | 48 |
| Net Position - Restricted for Others | \$ 327,527 | \$ 949 | \$ 328,476 |

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| Additions | Common School | Other | Total |
|--|--------------------------|---------------|-------------------|
| Contributions: | | | |
| From Clients and Inmates | \$ | \$ 659 | \$ 659 |
| Other | 7,525 | | 7,525 |
| Total Contributions | 7,525 | 659 | 8,184 |
| Investment Income: | | | |
| <i>From Investing Activities</i> | | | |
| Net Increase (Decrease) in Fair Value of Investments | 9,417 | | 9,417 |
| Real Estate | 376 | | 376 |
| Pooled Interest and Dividends | 7,948 | | 7,948 |
| Net Investment Income (Loss) | 17,741 | 0 | 17,741 |
| <i>From Security Lending Activities</i> | | | |
| Securities Lending Income | 3 | | 3 |
| Escheated Property | 44 | | 44 |
| Miscellaneous Income | | 31 | 31 |
| Total Additions | 25,313 | 690 | 26,003 |
| Deductions | | | |
| Distribution to School Districts | 9,985 | | 9,985 |
| Payments Made for Trust Purposes | | 628 | 628 |
| Administrative Expenses | | 10 | 10 |
| Total Deductions | 9,985 | 638 | 10,623 |
| Change in Net Position | 15,328 | 52 | 15,380 |
| Net Position at Beginning of Year | 312,199 | 897 | 313,096 |
| Net Position at End of Year | \$ 327,527 | \$ 949 | \$ 328,476 |

STATE OF SOUTH DAKOTA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 June 30, 2023
 (Expressed in Thousands)

| | Department of Revenue Collections | Child Support Collections | Clerk of Courts | Soybean | Corrections | Other | Total |
|---|---|------------------------------|--------------------|--------------|-----------------|---------------|------------------|
| Assets | | | | | | | |
| Cash and Cash Equivalents | \$ 7,523 | \$ 2,694 | \$ 17,036 | \$ 462 | \$ 1,707 | \$ 332 | \$ 29,754 |
| Receivables: | | | | | | | |
| Taxes, net | 62,607 | | | | | | 62,607 |
| Due From Other Funds | | | | | 137 | | 137 |
| Other | 12 | | | 1,258 | | | 1,270 |
| Total Receivables | 62,619 | 0 | 0 | 1,258 | 137 | 0 | 64,014 |
| Total Assets | 70,142 | 2,694 | 17,036 | 1,720 | 1,844 | 332 | 93,768 |
| Liabilities | | | | | | | |
| Payables: | | | | | | | |
| Accounts Payable and Other Liabilities | | 2,694 | 31 | 1,720 | | | 4,445 |
| Due To Other Governments | 70,142 | | 84 | | | 18 | 70,244 |
| Due To Other Funds | | | | | 119 | | 119 |
| Total Liabilities | 70,142 | 2,694 | 115 | 1,720 | 119 | 18 | 74,808 |
| Net Position - Restricted for Others | \$ 0 | \$ 0 | \$ 16,921 | \$ 0 | \$ 1,725 | \$ 314 | \$ 18,960 |

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

| | Department of Revenue Collections | Child Support Collections | Clerk of Courts | Soybean | Corrections | Other | Total |
|--|--|--------------------------------------|----------------------------|----------------|--------------------|---------------|------------------|
| Additions | | | | | | | |
| Tax and Fee Collections for Other Governments | \$ 569,503 | \$ | \$ | \$ | \$ | \$ | \$ 569,503 |
| Child Support Collections | | 110,685 | | | | | 110,685 |
| Collections from Defendants and Inmates | | | 19,423 | | 8,129 | 554 | 28,106 |
| Collections for Other Governments | | | 978 | | | 32,623 | 33,601 |
| Collections from Participants | | | 18 | | | 2,614 | 2,632 |
| Assessments | | | | 14,459 | | | 14,459 |
| Total Additions | 569,503 | 110,685 | 20,419 | 14,459 | 8,129 | 35,791 | 758,986 |
| Deductions | | | | | | | |
| Tax and Fee Distributions to Other Governments | 569,503 | | | | | | 569,503 |
| Child Support Distributions | | 110,685 | | | | | 110,685 |
| Forfeiture Returns | | | 11,820 | | | 86 | 11,906 |
| Required Distributions | | | 2,181 | 7,035 | | 346 | 9,562 |
| Payments Made to Other Governments | | | 978 | 7,424 | | 32,662 | 41,064 |
| Payments Made for Custodial Purposes | | | 2,680 | | 8,053 | 2,574 | 13,307 |
| Total Deductions | 569,503 | 110,685 | 17,659 | 14,459 | 8,053 | 35,668 | 756,027 |
| Change in Net Position | 0 | 0 | 2,760 | 0 | 76 | 123 | 2,959 |
| Net Position at Beginning of Year | 0 | 0 | 14,161 | 0 | 1,649 | 191 | 16,001 |
| Net Position at End of Year | \$ 0 | \$ 0 | \$ 16,921 | \$ 0 | \$ 1,725 | \$ 314 | \$ 18,960 |

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2023
(Expressed in Thousands)**

| | Business-type Activities | | | | Total |
|---|--------------------------|----------------------------------|---------------------|------------------|---------------------|
| | Housing Authority | Science and Technology Authority | Higher Education | Nonmajor | |
| Assets | | | | | |
| Current Assets: | | | | | |
| Cash and Cash Equivalents | \$ 585,264 | \$ 28,287 | \$ 342,352 | \$ 18,197 | \$ 974,100 |
| Receivables: | | | | | |
| Interest and Dividends | 6,059 | 96 | 1,713 | 65 | 7,933 |
| Primary Government | | | 1,717 | | 1,717 |
| Other Governments | | | 28,992 | | 28,992 |
| Loans and Notes, net | 33,417 | | 4,391 | 577 | 38,385 |
| Other, net | 1,825 | 2,642 | 38,893 | 550 | 43,910 |
| Investments | 180,578 | | 11,090 | 181 | 191,849 |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents | | | | 6,205 | 6,205 |
| Inventory | 3,957 | 3,119 | 10,548 | | 17,624 |
| Other Assets | | 1,216 | 9,762 | 86 | 11,064 |
| Total Current Assets | 811,100 | 35,360 | 449,458 | 25,861 | 1,321,779 |
| Investments | 1,027,278 | | 666,778 | 240 | 1,694,296 |
| Assets Held for Resale | | | | 361 | 361 |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents | | | 23,125 | | 23,125 |
| Investments | | | 151,088 | | 151,088 |
| Net Pension Asset | 15 | 58 | 1,232 | | 1,305 |
| Other | | | 20,221 | | 20,221 |
| Capital Assets: | | | | | |
| Land and Other Non-depreciable Assets | 220 | 19,931 | 48,250 | 653 | 69,054 |
| Property, Plant, and Equipment | 10,879 | 94,387 | 2,358,158 | 36,349 | 2,499,773 |
| Right-to-use Leased Assets | | | 6,446 | | 6,446 |
| Right-to-use Subscription IT Assets | | | 5,086 | | 5,086 |
| Accumulated Depreciation and Amortization | (6,592) | (24,150) | (998,546) | (7,905) | (1,037,193) |
| Construction in Progress | | 6,192 | 91,215 | | 97,407 |
| Total Capital Assets | 4,507 | 96,360 | 1,510,609 | 29,097 | 1,640,573 |
| Other Noncurrent Assets, net | 299,639 | 8,688 | 87,274 | 6,282 | 401,883 |
| Total Assets | 2,142,539 | 140,466 | 2,909,785 | 61,841 | 5,254,631 |
| Deferred Outflows of Resources | | | | | |
| Related to Pensions | 1,528 | 5,765 | 122,699 | | 129,992 |
| Related to Asset Retirement Obligations | | 1,092 | | | 1,092 |
| Related to Debt Refunding | 2,048 | | 12,636 | | 14,684 |
| Total Deferred Outflows of Resources | 3,576 | 6,857 | 135,335 | 0 | 145,768 |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable and Other Liabilities | 1,418 | 1,613 | 69,654 | 303 | 72,988 |
| Payable to Primary Government | 70 | | 741 | | 811 |
| Escrow Payable | 1,375 | | | | 1,375 |
| Bonds, Notes, and Leases Payable | 57,997 | | 40,806 | 1,670 | 100,473 |
| Claims, Judgments, and Compensated Absences | 381 | 712 | 16,354 | | 17,447 |
| Accrued Interest Payable | 8,039 | | 2,806 | 138 | 10,983 |
| Unearned Revenue | 21,000 | | 68,298 | 275 | 89,573 |
| Other Current Liabilities | | | 18,853 | 1,630 | 20,483 |
| Total Current Liabilities | 90,280 | 2,325 | 217,512 | 4,016 | 314,133 |
| Noncurrent Liabilities: | | | | | |
| Bonds, Notes, and Leases Payable | 1,353,201 | 3,121 | 440,345 | 22,020 | 1,818,687 |
| Unearned Revenue | 51,808 | | | | 51,808 |
| Claims, Judgments, and Compensated Absences | 323 | 712 | 33,657 | | 34,692 |
| Federal Capital Contribution Refundable Advance | | | 25,659 | | 25,659 |
| Advances from Primary Government | | | 1,010 | | 1,010 |
| Other Noncurrent Liabilities | 1,199 | 1,197 | 9,519 | 1,640 | 13,555 |
| Total Noncurrent Liabilities | 1,406,531 | 5,030 | 510,190 | 23,660 | 1,945,411 |
| Total Liabilities | 1,496,811 | 7,355 | 727,702 | 27,676 | 2,259,544 |
| Deferred Inflows of Resources | | | | | |
| Related to Pensions | 902 | 3,448 | 71,639 | | 75,989 |
| Related to Gain on Debt Refunding | 9,111 | | 785 | | 9,896 |
| Related to Swaps | 22,059 | | | | 22,059 |
| Total Deferred Inflows of Resources | 32,072 | 3,448 | 72,424 | 0 | 107,944 |
| Net Position | | | | | |
| Net Investment in Capital Assets | (1,253) | 96,360 | 1,037,723 | 13,756 | 1,146,586 |
| Restricted for: | | | | | |
| Debt Service | 357,581 | | 3,222 | 5,000 | 365,803 |
| HOME, HTF, NSP, and HAF Program | 89,722 | | | | 89,722 |
| Higher Education - Expendable | | | 331,793 | | 331,793 |
| Higher Education - Nonexpendable | | | 624,130 | | 624,130 |
| Underground Expansion | | 13,114 | | | 13,114 |
| Experiments | | 621 | | | 621 |
| Mine Closure | | 1,595 | | | 1,595 |
| Sanford Center for Science Education | | 640 | | | 640 |
| Indemnification | | 7,800 | | | 7,800 |
| Pensions | 641 | 2,375 | 52,292 | | 55,308 |
| Other | 170,541 | | | | 170,541 |
| Unrestricted | | 14,015 | 195,834 | 15,409 | 225,258 |
| Total Net Position | \$ 617,232 | \$ 136,520 | \$ 2,244,994 | \$ 34,165 | \$ 3,032,911 |

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | Business-type Activities | | | | Total |
|---|--------------------------|----------------------------------|---------------------|------------------|---------------------|
| | Housing Authority | Science and Technology Authority | Higher Education | Nonmajor | |
| Operating Revenue: | | | | | |
| Tuition and Fees (net of discounts and allowances for scholarships of Higher Education of \$51,131) | \$ | \$ | \$ 231,275 | \$ | \$ 231,275 |
| Use of Money and Property | 18,058 | | | 405 | 18,463 |
| Sales and Services (net of discounts and allowances for scholarships of Higher Education of \$16,471) | | 520 | 133,108 | 5,939 | 139,567 |
| Administering Programs | 60,950 | 36,232 | 154,419 | 619 | 252,220 |
| Other Revenue | 6,788 | 298 | 114,669 | 84 | 121,839 |
| Total Operating Revenue | 85,796 | 37,050 | 633,471 | 7,047 | 763,364 |
| Operating Expenses: | | | | | |
| Personal Services and Benefits | 5,109 | 20,580 | 479,842 | | 505,531 |
| Travel | 333 | 296 | 24,102 | 12 | 24,743 |
| Contractual Services | 7,932 | 7,891 | 137,444 | 2,571 | 155,838 |
| Supplies and Materials | 3,573 | 3,734 | 73,888 | 337 | 81,532 |
| Grants and Subsidies | 51,138 | | 40,775 | 1,544 | 93,457 |
| Other | | | 4,045 | 3,272 | 7,317 |
| Interest | 35,156 | | 510 | 383 | 36,049 |
| Provisions for Loan Loss (Recovery) | 5,092 | | | (38) | 5,054 |
| Depreciation and Amortization | 417 | 2,767 | 72,081 | 1,178 | 76,443 |
| Total Operating Expenses | 108,750 | 35,268 | 832,687 | 9,259 | 985,964 |
| Operating Income (Loss) | (22,954) | 1,782 | (199,216) | (2,212) | (222,600) |
| Nonoperating Revenue (Expenses): | | | | | |
| Gain on Disposal of Assets | | 1,790 | | 724 | 2,514 |
| Loss on Disposal of Assets | | | (1,043) | | (1,043) |
| Investment Income | | 386 | (32,246) | 147 | (31,713) |
| Interest Expense | | | (14,685) | (396) | (15,081) |
| Other Expense | | (399) | (26,658) | (3) | (27,060) |
| State Aid from Primary Government | | | 289,029 | | 289,029 |
| Federal Appropriation | | | 7,121 | | 7,121 |
| Grant and Other Income | | 9 | 41,492 | | 41,501 |
| Total Nonoperating Revenue (Expenses) | 0 | 1,786 | 263,010 | 472 | 265,268 |
| Income (Loss) Before Capital Grants and Additions to Endowments | (22,954) | 3,568 | 63,794 | (1,740) | 42,668 |
| Capital Grants | | 13,000 | 30,080 | 2,718 | 45,798 |
| Additions to Endowments | | | 14,668 | | 14,668 |
| Change in Net Position | (22,954) | 16,568 | 108,542 | 978 | 103,134 |
| Net Position at Beginning of Year, as restated | 640,186 | 119,952 | 2,136,452 | 33,187 | 2,929,777 |
| Net Position at End of Year | \$ 617,232 | \$ 136,520 | \$ 2,244,994 | \$ 34,165 | \$ 3,032,911 |

**STATE OF SOUTH DAKOTA
STATEMENT OF CASH FLOWS
HIGHER EDUCATION
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)**

| | Higher Education |
|--|-----------------------------|
| Cash Flows from Operating Activities: | |
| Tuition and Fees | \$ 233,548 |
| Auxiliaries | 69,596 |
| Sales & Services - General | 65,711 |
| Federal Contracts & Grants | 97,635 |
| State Contracts & Grants | 9,789 |
| Private Contracts & Grants | 38,254 |
| Other Revenue and Additions | 67 |
| Loans Issued to Students | (2,318) |
| Loans Collected from Students | 4,435 |
| Student Loan Interest | 21 |
| Payments for Personal Services Expenditures | (470,536) |
| Payments for Travel Expenditures | (22,578) |
| Payments for Contractual Expenditures | (129,581) |
| Payments for Supply Expenditures and Non-Capitalized Equipment | (67,162) |
| Payments for Grant and Subsidy Expenditures | (39,008) |
| Payments for Other Expenditures | (139) |
| Foundation Activity | 36,849 |
| Net Cash Provided (Used) by Operating Activities | (175,417) |
| Cash Flows from Noncapital Financing Activities: | |
| General Fund Appropriations | 289,029 |
| School & Public Lands | 2,422 |
| Federal Fund Appropriations | 2,792 |
| Endo/Ecto Tax | 779 |
| Federal Capital Contribution - Student Loan | (2,452) |
| Other Revenues & Additions | 53,739 |
| Payments for Other Expenditures | (10,944) |
| Foundation Activity | 34,048 |
| Net Cash Provided (Used) by Noncapital Financing Activities | 369,413 |
| Cash Flows from Capital and Related Financing Activities: | |
| Capital Grants & Contracts | 31,519 |
| Proceeds from Capital Debt | 2,241 |
| Revenue Bond Discounts and Related Costs | 2,409 |
| Sale of Capital Asset | 12 |
| Principal Paid on Capital Debt and Leases | (35,619) |
| Interest Paid on Capital Debt and Leases | (16,738) |
| Purchase of Capital Assets | (158,495) |
| Foundation Activity | 13,208 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (161,463) |
| Cash Flows from Investing Activities: | |
| Investment Income | 5,050 |
| Foundation Activity | (47,312) |
| Net Cash Provided (Used) by Investing Activities | (42,262) |
| Net Increase (Decrease) in Cash and Cash Equivalents during the Fiscal Year | (9,729) |
| Cash and Cash Equivalents at Beginning of Year, as restated | 375,206 |
| Cash and Cash Equivalents at End of Year | \$ 365,477 |

Continued on next page

STATE OF SOUTH DAKOTA
STATEMENT OF CASH FLOWS
HIGHER EDUCATION
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

| | Higher Education |
|--|-----------------------------|
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) | |
| by Operating Activities | |
| Operating Income (Loss) | \$ (199,216) |
| Adjustments to Reconcile Operating Income (Loss): | |
| Depreciation Expense | 72,081 |
| Bad Debt Expense | 1,386 |
| Loan Cancellation Expense | 1,166 |
| Pension Adjustment | (6,559) |
| Foundation Activity | (56,852) |
| Decrease/(Increase) in Assets: | |
| Accounts Receivable Students | (320) |
| Accounts Receivable - Dept | 244 |
| Interest Receivable | 30 |
| Notes Receivable | 2,169 |
| Due From Federal Sources | (1,289) |
| Due From Primary Govt | (500) |
| Due from Component Unit | (1,082) |
| Prepaid Expense and Deferred Charges | (695) |
| Inventory | (2,749) |
| Construction in Progress | (196) |
| Increase/(Decrease) in Liabilities: | |
| Accounts Payable | 11,720 |
| Accrued Wages & Benefits | 1,873 |
| Due to Federal Sources | 593 |
| Due to Primary Government | (71) |
| Due To Component Unit | 1,047 |
| Student Deposits | (33) |
| Compensated Absences | 3,497 |
| Other Accrued Liabilities | (7) |
| Unearned Revenue | (1,094) |
| Federal Capital Contribution Refundable Advance | (560) |
| Net Cash Provided (Used) by Operating Activities | \$ (175,417) |
| Noncash Investing, Capital and Financing Activities: | |
| Transfers In (Out) of Capital Assets | \$ 4,578 |
| Gain or (Loss) on Disposal of Capital Assets | (1,043) |

STATE OF SOUTH DAKOTA
STATEMENT OF FIDUCIARY NET POSITION
HIGHER EDUCATION
June 30, 2023
(Expressed in Thousands)

| Assets | Custodial Funds |
|---|------------------------|
| Cash and Cash Equivalents | \$ 932 |
| Accounts Receivable | 33 |
| Total Assets | 965 |
| <hr/> | |
| Liabilities | |
| Accounts Payable and Other Liabilities | 28 |
| Total Liabilities | 28 |
| Restricted for Individuals, Organizations, and Other Governments | \$ 937 |

STATE OF SOUTH DAKOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
HIGHER EDUCATION
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

| Additions | Custodial Funds |
|--|------------------------|
| Sales and Services | \$ 656 |
| Total Additions | 656 |
| <hr/> | |
| Deductions | |
| Personal Services and Benefits | 2 |
| Travel | 253 |
| Contractual Services | 170 |
| Supplies and Materials | 330 |
| Grants and Subsidies | 24 |
| Total Deductions | 779 |
| Change in Net Position | (123) |
| Net Position at Beginning of Year, as restated | 1,060 |
| Net Position at End of Year | \$ 937 |

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
June 30, 2023
(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. | |
| Assets | | | | | |
| Current Assets: | | | | | |
| Cash and Cash Equivalents | \$ 2,924 | \$ 2,403 | \$ 5,666 | \$ 7,204 | \$ 18,197 |
| Receivables: | | | | | |
| Interest and Dividends | 33 | | 15 | 17 | 65 |
| Loans and Notes, net | 577 | | | | 577 |
| Other, net | | 549 | | 1 | 550 |
| Investments | 181 | | | | 181 |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents | 6,205 | | | 75 | 6,205 |
| Other Assets | | 11 | | | 86 |
| Total Current Assets | 9,920 | 2,963 | 5,681 | 7,297 | 25,861 |
| Investments | 240 | | | | 240 |
| Assets Held for Resale | | 361 | | | 361 |
| Capital Assets: | | | | | |
| Land and Other Non-depreciable Assets | | 653 | | | 653 |
| Property, Plant, and Equipment | | 36,349 | | | 36,349 |
| Accumulated Depreciation and Amortization | | (7,905) | | | (7,905) |
| Total Capital Assets | 0 | 29,097 | 0 | 0 | 29,097 |
| Other Noncurrent Assets, net | 6,161 | 121 | | | 6,282 |
| Total Assets | 16,321 | 32,542 | 5,681 | 7,297 | 61,841 |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable and Other Liabilities | | 263 | 18 | 22 | 303 |
| Bonds, Notes, and Leases Payable | 480 | 1,190 | | | 1,670 |
| Accrued Interest Payable | 91 | 47 | | | 138 |
| Unearned Revenue | | 275 | | | 275 |
| Other Current Liabilities | | | 190 | 1,440 | 1,630 |
| Total Current Liabilities | 571 | 1,775 | 208 | 1,462 | 4,016 |
| Noncurrent Liabilities: | | | | | |
| Bonds, Notes, and Leases Payable | 5,765 | 16,255 | | | 22,020 |
| Other Noncurrent Liabilities | 867 | | 516 | 257 | 1,640 |
| Total Noncurrent Liabilities | 6,632 | 16,255 | 516 | 257 | 23,660 |
| Total Liabilities | 7,203 | 18,030 | 724 | 1,719 | 27,676 |
| Net Position | | | | | |
| Net Investment in Capital Assets | | 13,756 | | | 13,756 |
| Restricted for: | | | | | |
| Debt Service | 5,000 | | | | 5,000 |
| Unrestricted | 4,118 | 756 | 4,957 | 5,578 | 15,409 |
| Total Net Position | \$ 9,118 | \$ 14,512 | \$ 4,957 | \$ 5,578 | \$ 34,165 |

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2023
(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. | |
| Operating Revenue: | | | | | |
| Use of Money and Property | \$ 405 | \$ | \$ | \$ | \$ 405 |
| Sales and Services | | 3,654 | 177 | 2,108 | 5,939 |
| Administering Programs | | 619 | | | 619 |
| Other Revenue | | 84 | | | 84 |
| Total Operating Revenue | 405 | 4,357 | 177 | 2,108 | 7,047 |
| Operating Expenses: | | | | | |
| Travel | | 12 | | | 12 |
| Contractual Services | 32 | 2,382 | 53 | 104 | 2,571 |
| Supplies and Materials | | 337 | | | 337 |
| Grants and Subsidies | 80 | 1,464 | | | 1,544 |
| Other | | | 139 | 3,133 | 3,272 |
| Interest | 383 | | | | 383 |
| Provisions for Loan Loss (Recovery) | (38) | | | | (38) |
| Depreciation and Amortization | | 1,178 | | | 1,178 |
| Total Operating Expenses | 457 | 5,373 | 192 | 3,237 | 9,259 |
| Operating Income (Loss) | (52) | (1,016) | (15) | (1,129) | (2,212) |
| Nonoperating Revenue (Expenses): | | | | | |
| Gain on Disposal of Assets | | 724 | | | 724 |
| Investment Income | 227 | 10 | (42) | (48) | 147 |
| Interest Expense | | (396) | | | (396) |
| Other Expense | | (1) | (1) | (1) | (3) |
| Total Nonoperating Revenue (Expenses) | 227 | 337 | (43) | (49) | 472 |
| Income (Loss) Before Capital Grants | 175 | (679) | (58) | (1,178) | (1,740) |
| Capital Grants | | 2,718 | | | 2,718 |
| Change in Net Position | 175 | 2,039 | (58) | (1,178) | 978 |
| Net Position at Beginning of Year | 8,943 | 12,473 | 5,015 | 6,756 | 33,187 |
| Net Position at End of Year | \$ 9,118 | \$ 14,512 | \$ 4,957 | \$ 5,578 | \$ 34,165 |



STATISTICAL SECTION



STATISTICAL SECTION

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 |

State of South Dakota
Net Position by Component
Last Ten Fiscal Years

(Accrual Basis of Accounting, Dollars Expressed in Thousands)

| | Fiscal Year | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Governmental Activities: | | | | | |
| Net Investment in Capital Assets | \$ 4,650,638 | \$ 4,485,267 | \$ 4,334,442 | \$ 4,259,851 | \$ 4,126,405 |
| Restricted | 2,181,086 | 2,051,879 | 1,982,162 | 1,726,738 | 1,755,692 |
| Unrestricted | 1,437,200 | 1,064,339 | 954,974 | 586,958 | 363,208 |
| Total Governmental Activities Net Position | \$ 8,268,924 | \$ 7,601,485 | \$ 7,271,578 | \$ 6,573,547 | \$ 6,245,305 |
| Business-type Activities: | | | | | |
| Net Investment in Capital Assets | \$ 33,389 | \$ 8,008 | \$ 6,649 | \$ 6,552 | \$ 6,650 |
| Restricted | 14,503 | 13,549 | 13,681 | 14,758 | 5,821 |
| Unrestricted | 892,279 | 860,046 | 831,660 | 782,424 | 739,281 |
| Total Business-type Activities Net Position | \$ 940,171 | \$ 881,603 | \$ 851,990 | \$ 803,734 | \$ 751,752 |
| Primary Government: | | | | | |
| Net Investment in Capital Assets | \$ 4,684,027 | \$ 4,493,275 | \$ 4,341,091 | \$ 4,266,403 | \$ 4,133,055 |
| Restricted | 2,195,589 | 2,065,428 | 1,995,843 | 1,741,496 | 1,761,513 |
| Unrestricted | 2,329,479 | 1,924,385 | 1,786,634 | 1,369,382 | 1,102,489 |
| Total Primary Government Net Position | \$ 9,209,095 | \$ 8,483,088 | \$ 8,123,568 | \$ 7,377,281 | \$ 6,997,057 |

| | Fiscal Year | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Governmental Activities: | | | | | |
| Net Investment in Capital Assets | \$ 4,051,612 | \$ 3,961,256 | \$ 3,804,409 | \$ 3,713,057 | \$ 3,673,267 |
| Restricted | 1,751,888 | 1,588,336 | 1,509,441 | 1,537,781 | 1,383,140 |
| Unrestricted | 283,343 | 267,296 | 254,579 | 264,916 | 246,555 |
| Total Governmental Activities Net Position | \$ 6,086,843 | \$ 5,816,888 | \$ 5,568,429 | \$ 5,515,754 | \$ 5,302,962 |
| Business-type Activities: | | | | | |
| Net Investment in Capital Assets | \$ 7,027 | \$ 7,060 | \$ 6,357 | \$ 2,810 | \$ 3,650 |
| Restricted | 6,782 | 5,085 | 5,481 | 6,155 | 912 |
| Unrestricted | 707,805 | 684,730 | 660,697 | 624,416 | 588,495 |
| Total Business-type Activities Net Position | \$ 721,614 | \$ 696,875 | \$ 672,535 | \$ 633,381 | \$ 593,057 |
| Primary Government: | | | | | |
| Net Investment in Capital Assets | \$ 4,058,639 | \$ 3,968,316 | \$ 3,810,766 | \$ 3,715,867 | \$ 3,676,917 |
| Restricted | 1,758,670 | 1,593,421 | 1,514,922 | 1,543,936 | 1,384,052 |
| Unrestricted | 991,148 | 952,026 | 915,276 | 889,332 | 835,050 |
| Total Primary Government Net Position | \$ 6,808,457 | \$ 6,513,763 | \$ 6,240,964 | \$ 6,149,135 | \$ 5,896,019 |

Source: South Dakota Annual Comprehensive Financial Reports (FY 2014-2023). Previous years' amounts are not restated.

State of South Dakota
Changes in Net Position
Last Ten Fiscal Years

(Accrual Basis of Accounting, Dollars Expressed in Thousands)

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 252,816 | \$ 248,754 | \$ 261,786 | \$ 209,723 | \$ 215,879 | \$ 217,355 | \$ 198,531 | \$ 198,079 | \$ 185,273 | \$ 180,221 |
| Education - Elementary, Secondary, and Vocational Schools | 460,567 | 379,799 | 245,784 | 223,524 | 228,729 | 213,449 | 223,668 | 210,777 | 210,271 | 206,939 |
| Education - State Support to Higher Education | 289,029 | 242,751 | 228,207 | 229,545 | 213,843 | 210,972 | 206,253 | 232,245 | 192,950 | 219,341 |
| Health, Human, and Social Services | 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 | 1,380,648 |
| Law, Justice, Public Protection, and Regulation | 398,854 | 301,083 | 283,780 | 313,534 | 301,008 | 258,727 | 294,852 | 269,583 | 279,097 | 321,186 |
| Agriculture and Natural Resources | 309,021 | 157,552 | 159,956 | 157,010 | 155,789 | 144,690 | 161,412 | 153,087 | 140,921 | 152,666 |
| Economic Resources | 82,816 | 200,463 | 41,343 | 45,920 | 71,819 | 43,560 | 52,771 | 56,138 | 74,004 | 40,121 |
| Transportation | 798,565 | 649,898 | 700,366 | 676,547 | 533,336 | 455,118 | 459,424 | 561,536 | 507,300 | 473,323 |
| Pandemic Response | | 329,736 | 1,274,185 | 116,299 | | | | | | |
| Intergovernmental - Payments to School Districts | 654,930 | 595,640 | 585,672 | 563,878 | 559,484 | 547,119 | 516,880 | 421,666 | 404,909 | 393,606 |
| Intergovernmental - Revenue | | | | | | | | | | |
| Sharing | 243,089 | 236,275 | 228,243 | 196,425 | 194,537 | 187,573 | 176,836 | 173,721 | 169,514 | 161,564 |
| Unallocated Interest Expense | 9,506 | 9,045 | 6,233 | 6,861 | 7,524 | 7,899 | 6,419 | 6,627 | 6,712 | 9,198 |
| Unallocated Depreciation | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 |
| Total Governmental Activities Expenses | 5,560,227 | 5,327,858 | 5,561,787 | 4,284,143 | 4,034,491 | 3,786,552 | 3,801,066 | 3,706,923 | 3,577,590 | 3,538,866 |
| Business-type Activities: | | | | | | | | | | |
| Lottery | 69,327 | 59,729 | 63,044 | 50,484 | 51,016 | 45,256 | 39,907 | 43,454 | 41,053 | 42,806 |
| Clean Water State Revolving | 17,542 | 15,008 | 18,077 | 13,516 | 11,662 | 12,345 | 9,638 | 8,290 | 9,673 | 9,879 |
| Drinking Water State Revolving | 14,196 | 11,024 | 10,652 | 9,349 | 8,222 | 10,314 | 7,511 | 9,031 | 8,651 | 9,352 |
| Unemployment Insurance | 28,631 | 22,686 | 152,331 | 241,343 | | | | | | |
| Other | 34,124 | 28,415 | 27,720 | 30,696 | 55,331 | 55,571 | 60,920 | 60,352 | 56,081 | 66,042 |
| Total Business-type Activities Expenses | 163,820 | 136,862 | 271,824 | 345,388 | 126,231 | 123,486 | 117,976 | 121,127 | 115,458 | 128,079 |
| Total Primary Government Expenses | \$ 5,724,047 | \$ 5,464,720 | \$ 5,833,611 | \$ 4,629,531 | \$ 4,160,722 | \$ 3,910,038 | \$ 3,919,042 | \$ 3,828,050 | \$ 3,693,048 | \$ 3,666,945 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$ 293,555 | \$ 278,558 | \$ 296,527 | \$ 272,984 | \$ 260,567 | \$ 258,406 | \$ 242,343 | \$ 236,003 | \$ 244,728 | \$ 227,851 |
| Education - Elementary, Secondary, and Vocational Schools | 7,219 | 8,094 | 9,215 | 8,750 | 10,442 | 10,112 | 11,136 | 10,016 | 8,489 | 7,687 |
| Health, Human, and Social Services | 61,782 | 39,311 | 38,034 | 34,115 | 39,525 | 31,807 | 39,584 | 41,741 | 39,058 | 36,597 |
| Law, Justice, Public Protection, and Regulation | 113,598 | 112,366 | 103,712 | 89,945 | 87,061 | 85,139 | 85,221 | 82,456 | 85,252 | 76,048 |
| Agriculture and Natural Resources | 95,332 | 95,757 | 100,123 | 84,795 | 82,993 | 86,130 | 85,226 | 82,891 | 76,994 | 77,514 |
| Economic Resources | 231 | 210 | 96 | 178 | 231 | 845 | 433 | 452 | 1,611 | 3,789 |
| Transportation | 16,941 | 16,496 | 17,854 | 16,519 | 15,279 | 14,723 | 15,927 | 14,755 | 9,007 | 6,979 |
| Pandemic Response | | | 257 | | | | | | | |
| Operating Grants and Contributions | 2,767,282 | 2,635,757 | 3,123,083 | 1,918,543 | 1,589,862 | 1,520,834 | 1,553,460 | 1,475,671 | 1,493,542 | 1,582,641 |
| Capital Grants and Contributions | 2,598 | 3,786 | 7,965 | 16,761 | 3,378 | 2,342 | 3,886 | 7,045 | 21,946 | 1,516 |
| Total Governmental Activities Program Revenues | 3,358,538 | 3,190,335 | 3,696,866 | 2,442,590 | 2,089,338 | 2,010,338 | 2,037,216 | 1,951,030 | 1,980,627 | 2,020,622 |
| Business-type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Lottery | 251,538 | 239,600 | 225,300 | 177,306 | 179,644 | 170,099 | 156,814 | 160,728 | 152,362 | 148,323 |
| Clean Water State Revolving | 8,298 | 8,090 | 7,673 | 7,401 | 7,250 | 7,213 | 6,963 | 6,899 | 6,856 | 6,019 |
| Drinking Water State Revolving | 5,806 | 5,264 | 4,855 | 5,033 | 4,587 | 4,740 | 4,519 | 4,333 | 4,197 | 4,327 |
| Unemployment Insurance | 43,302 | 40,876 | 36,605 | 30,105 | | | | | | |
| Other | 40,584 | 28,724 | 33,254 | 29,279 | 63,755 | 60,688 | 68,543 | 75,424 | 71,243 | 81,681 |
| Operating Grants and Contributions | 39,061 | 24,357 | 175,004 | 261,674 | 26,910 | 30,971 | 25,334 | 32,772 | 30,005 | 33,994 |
| Capital Grants and Contributions | | | | 19 | 200 | 84 | 426 | 727 | 2,810 | |
| Total Business-type Activities Program Revenues | 388,589 | 346,911 | 482,691 | 510,817 | 282,346 | 273,795 | 262,599 | 280,883 | 267,473 | 274,344 |
| Total Primary Government Program Revenues | \$ 3,747,127 | \$ 3,537,246 | \$ 4,179,557 | \$ 2,953,407 | \$ 2,371,684 | \$ 2,284,133 | \$ 2,299,815 | \$ 2,231,913 | \$ 2,248,100 | \$ 2,294,966 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (2,201,689) | \$ (2,137,523) | \$ (1,864,921) | \$ (1,841,553) | \$ (1,945,153) | \$ (1,776,214) | \$ (1,763,850) | \$ (1,755,893) | \$ (1,596,963) | \$ (1,518,244) |
| Business-type Activities | 224,769 | 210,049 | 210,867 | 165,429 | 156,115 | 150,309 | 144,623 | 159,756 | 152,015 | 146,265 |
| Total Primary Government Net (Expense)/Revenue | \$ (1,976,920) | \$ (1,927,474) | \$ (1,654,054) | \$ (1,676,124) | \$ (1,789,038) | \$ (1,625,905) | \$ (1,619,227) | \$ (1,596,137) | \$ (1,444,948) | \$ (1,371,979) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Sales Taxes | \$ 1,515,425 | \$ 1,376,152 | \$ 1,267,583 | \$ 1,149,732 | \$ 1,089,336 | \$ 1,025,111 | \$ 991,155 | \$ 905,475 | \$ 871,402 | \$ 858,001 |
| Motor Fuel Taxes | 193,534 | 199,880 | 193,053 | 184,949 | 184,027 | 183,441 | 183,795 | 184,105 | 151,901 | 136,395 |
| Contractors Excise Taxes | 193,935 | 147,888 | 147,507 | 132,043 | 118,873 | 112,518 | 106,834 | 104,979 | 101,678 | 93,746 |
| Bank Card and Franchise Taxes | 54,486 | 50,949 | 51,515 | 44,727 | 35,411 | 31,448 | 32,844 | 25,943 | 20,669 | 23,943 |
| Other Taxes | 490,081 | 466,058 | 438,941 | 385,180 | 376,813 | 382,375 | 371,864 | 360,917 | 331,649 | 311,397 |
| Investment Earnings | 142,740 | (59,783) | 215,767 | 91,816 | 96,270 | 72,379 | 109,684 | 14,997 | 47,130 | 142,003 |
| Gain on Sale of Capital Assets | 1,297 | 5,352 | 1,590 | 1,515 | 1,978 | 1,737 | 1,463 | 2,057 | 1,198 | 2,726 |
| Miscellaneous | 111,429 | 77,023 | 84,720 | 61,664 | 79,632 | 110,159 | 80,500 | 89,493 | 81,275 | 133,988 |
| Special Items | | (5,289) | | (3,636) | (4,702) | | | | | 17,619 |
| Transfers | 166,201 | 180,436 | 162,611 | 121,805 | 125,977 | 125,570 | 120,283 | 120,602 | 113,558 | 102,937 |
| Total Governmental Activities | 2,869,128 | 2,438,666 | 2,563,287 | 2,169,795 | 2,103,615 | 2,044,738 | 1,998,422 | 1,808,568 | 1,720,460 | 1,822,755 |
| Business-type Activities: | | | | | | | | | | |
| Transfers | (166,201) | (180,436) | (162,611) | (121,805) | (125,977) | (125,570) | (120,283) | (120,602) | (113,558) | (102,937) |
| Total Business-type Activities | (166,201) | (180,436) | (162,611) | (121,805) | (125,977) | (125,570) | (120,283) | (120,602) | (113,558) | (102,937) |
| Total Primary Government | \$ 2,702,927 | \$ 2,258,230 | \$ 2,400,676 | \$ 2,047,990 | \$ 1,977,638 | \$ 1,919,168 | \$ 1,878,139 | \$ 1,687,966 | \$ 1,606,902 | \$ 1,719,818 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 667,439 | \$ 301,143 | \$ 698,366 | \$ 328,242 | \$ 158,462 | \$ 268,524 | \$ 234,572 | \$ 52,675 | \$ 123,497 | \$ 304,511 |
| Business-type Activities | 58,568 | 29,613 | 48,256 | 43,624 | 30,138 | 24,739 | 24,340 | 39,154 | 38,457 | 43,328 |
| Total Primary Government | \$ 726,007 | \$ 330,756 | \$ 746,622 | \$ 371,866 | \$ 188,600 | \$ 293,263 | \$ 258,912 | \$ 91,829 | \$ 161,954 | \$ 347,839 |

Source: South Dakota Annual Comprehensive Financial Reports (FY 2014-2023). Previous years' amounts are not restated.

State of South Dakota
Fund Balance, Governmental Funds
Last Ten Fiscal Years

(Modified Accrual Basis of Accounting, Dollars Expressed in Thousands)

| | Fiscal Year | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| General Fund: | | | | | |
| Non-Spendable | \$ 6,484 | \$ 5,611 | \$ 6,353 | \$ 5,300 | \$ 5,503 |
| Restricted | | | 5,333 | 3,382 | 3,300 |
| Committed | | | | | |
| Assigned | 882,516 | 469,146 | 382,166 | 136,363 | 74,156 |
| Unassigned | 476,667 | 508,940 | 451,026 | 381,326 | 294,225 |
| Total General Fund | \$ 1,365,667 | \$ 983,697 | \$ 844,878 | \$ 526,371 | \$ 377,184 |
| Other Governmental Funds: | | | | | |
| Non-Spendable | \$ 690,066 | \$ 666,878 | \$ 653,767 | \$ 582,096 | \$ 571,644 |
| Restricted | 1,418,594 | 1,353,951 | 1,327,218 | 1,098,864 | 1,087,753 |
| Committed | 63,640 | 63,281 | 59,244 | 51,243 | 41,816 |
| Assigned | 16,735 | 18,669 | 19,188 | 25,593 | 22,430 |
| Unassigned | (13,090) | (12,881) | (8,606) | (8,359) | (4,036) |
| Total Other Governmental Funds | \$ 2,175,945 | \$ 2,089,898 | \$ 2,050,811 | \$ 1,749,437 | \$ 1,719,607 |

| | Fiscal Year | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| General Fund: | | | | | |
| Non-Spendable | \$ 6,097 | \$ 6,458 | \$ 4,193 | \$ 3,911 | \$ 3,629 |
| Restricted | 3,300 | 3,300 | 8,384 | 10,479 | 8,264 |
| Committed | | | | | |
| Assigned | 60,691 | 54,835 | 54,516 | 120,180 | 149,021 |
| Unassigned | 268,052 | 249,087 | 242,449 | 183,570 | 159,403 |
| Total General Fund | \$ 338,140 | \$ 313,680 | \$ 309,542 | \$ 318,140 | \$ 320,317 |
| Other Governmental Funds: | | | | | |
| Non-Spendable | \$ 563,385 | \$ 526,968 | \$ 512,525 | \$ 501,093 | \$ 493,227 |
| Restricted | 1,080,962 | 1,033,158 | 893,833 | 949,713 | 918,910 |
| Committed | 36,863 | 38,940 | 43,652 | 51,119 | 46,766 |
| Assigned | 17,514 | 29,404 | 27,022 | 27,633 | 34,339 |
| Unassigned | (11,758) | (5,742) | (5,048) | (3,624) | (5,040) |
| Total Other Governmental Funds | \$ 1,686,966 | \$ 1,622,728 | \$ 1,471,984 | \$ 1,525,934 | \$ 1,488,202 |

Source: South Dakota Annual Comprehensive Financial Reports (FY 2014-2023). Previous years' amounts are not restated.

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 | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|------------------|------------------|-------------------|--------------------|------------------|-------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Revenues: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Sales and Use | \$ 1,515,078 | \$ 1,393,235 | \$ 1,272,342 | \$ 1,129,007 | \$ 1,062,456 | \$ 1,025,607 | \$ 990,332 | \$ 905,203 | \$ 876,138 | \$ 857,559 |
| Insurance Company | 113,993 | 107,878 | 94,224 | 94,277 | 88,270 | 91,062 | 83,952 | 83,291 | 80,133 | 73,876 |
| Liquor | 21,352 | 22,250 | 21,387 | 19,231 | 19,919 | 17,135 | 15,994 | 17,580 | 16,356 | 15,988 |
| Cigarette | 40,321 | 42,784 | 46,331 | 45,885 | 45,501 | 49,729 | 52,149 | 52,081 | 52,776 | 51,616 |
| Bank Franchise | 53,085 | 51,237 | 50,146 | 44,693 | 34,706 | 31,462 | 32,800 | 25,412 | 20,669 | 23,943 |
| Contractor's Excise | 194,292 | 157,945 | 146,712 | 126,946 | 112,705 | 112,473 | 106,845 | 104,938 | 102,246 | 93,746 |
| Severance | 7,176 | 8,746 | 10,937 | 8,640 | 4,777 | 9,055 | 10,154 | 8,260 | 7,508 | 9,286 |
| Other Tobacco | 11,775 | 11,536 | 11,119 | 10,357 | 9,470 | 9,231 | 8,226 | 8,882 | 7,995 | 8,131 |
| Motor Fuel and Vehicle | 366,255 | 356,822 | 348,908 | 305,620 | 302,498 | 298,774 | 294,918 | 293,045 | 240,382 | 215,203 |
| Other | 122,823 | 116,972 | 99,087 | 86,123 | 90,396 | 90,854 | 90,251 | 81,993 | 78,434 | 73,688 |
| Licenses, Permits, and Fees | 360,405 | 352,057 | 344,090 | 312,714 | 307,301 | 304,754 | 301,216 | 302,156 | 281,742 | 267,628 |
| Fines, Forfeits, and Penalties | 26,455 | 22,836 | 25,875 | 18,697 | 15,070 | 13,347 | 14,400 | 12,647 | 14,516 | 10,781 |
| Use of Money and Property | 166,656 | (56,767) | 222,744 | 116,694 | 128,161 | 84,549 | 123,183 | 27,578 | 59,865 | 157,633 |
| Sales and Services | 48,962 | 45,100 | 47,043 | 41,564 | 53,192 | 44,973 | 44,916 | 39,797 | 42,531 | 39,712 |
| Administering Programs | 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 | 1,567,027 |
| Tobacco Settlement | 23,691 | 22,549 | 21,973 | 20,865 | 20,558 | 46,000 | 24,302 | 24,582 | 23,421 | 26,561 |
| Other Revenue | 123,511 | 90,879 | 98,604 | 78,640 | 95,092 | 106,339 | 80,380 | 87,874 | 77,614 | 129,147 |
| Total Revenues | 5,928,222 | 5,382,668 | 5,968,785 | 4,349,190 | 3,945,620 | 3,828,406 | 3,820,982 | 3,539,349 | 3,485,688 | 3,621,525 |
| Expenditures: | | | | | | | | | | |
| General Government | 151,624 | 127,079 | 106,808 | 104,375 | 104,963 | 102,803 | 94,658 | 99,874 | 87,785 | 87,409 |
| Education | 1,404,829 | 1,217,208 | 1,079,375 | 1,015,113 | 999,426 | 977,720 | 977,833 | 859,072 | 804,348 | 835,894 |
| Health, Human, and Social Services | 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 | 1,387,821 |
| Law, Justice, Public Protection, and Regulation | 410,793 | 317,724 | 290,727 | 304,836 | 282,912 | 272,661 | 283,053 | 268,818 | 281,688 | 320,080 |
| Agriculture and Natural Resources | 322,355 | 180,575 | 161,059 | 164,876 | 155,168 | 161,734 | 173,111 | 155,006 | 143,466 | 148,596 |
| Economic Resources | 83,846 | 200,559 | 41,172 | 45,258 | 71,505 | 43,978 | 52,432 | 56,202 | 74,182 | 40,062 |
| Transportation | 920,046 | 784,714 | 778,681 | 788,580 | 614,680 | 575,332 | 600,346 | 655,752 | 554,536 | 582,939 |
| Pandemic Response | | 329,736 | 1,274,185 | 116,299 | | | | | | |
| State Shared Revenue | 243,089 | 236,275 | 228,243 | 196,425 | 194,537 | 187,573 | 176,836 | 173,721 | 169,514 | 161,564 |
| Capital Outlay | | | | 13,912 | 28,163 | 8,162 | 1,023 | 1,017 | 2,038 | 2,541 |
| Debt Service: | | | | | | | | | | |
| Principal | 26,146 | 23,051 | 17,931 | 14,280 | 14,407 | 14,962 | 15,583 | 16,415 | 17,272 | 20,973 |
| Interest | 7,966 | 8,154 | 5,830 | 6,510 | 7,234 | 7,563 | 8,647 | 9,177 | 9,261 | 10,206 |
| Bond Issuance Costs | | 1,289 | 80 | 65 | | 67 | 322 | 6 | 346 | 83 |
| Payment to Refunded Bond Escrow Agent | | 7,319 | | | | | | | | 16,924 |
| Payment on Current Note Refunding | | 43,006 | | | | | | | | |
| Total Expenditures | 5,672,515 | 5,502,664 | 5,535,054 | 4,294,087 | 4,004,124 | 3,869,167 | 3,870,912 | 3,723,319 | 3,580,286 | 3,615,092 |
| Excess of Revenues Over (Under) Expenditures | 255,707 | (119,996) | 433,731 | 55,103 | (58,504) | (40,761) | (49,930) | (183,970) | (94,598) | 6,433 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Lease Issuance | 40,473 | 39,255 | | | | | | | | |
| Subscription | 5,024 | | | | | 1,322 | 32,048 | | 1,125 | 20,350 |
| Proceeds from Sale of Capital Assets | 1,822 | 4,298 | 25,067 | 2,895 | 5,663 | 2,627 | 2,253 | 2,136 | 2,099 | 4,459 |
| Insurance Proceeds | 426 | 2,415 | 36 | 15 | 33 | 13 | 80 | 85 | | 24 |
| Bonds Issued | | | | | | | 44,305 | | 13,410 | 4,500 |
| 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 | 360,650 | 381,854 | 391,819 | 289,409 | 283,840 | 298,786 | 261,279 | 274,598 | 271,301 | 262,172 |
| Transfers Out | (196,085) | (204,440) | (230,962) | (169,066) | (159,347) | (174,720) | (142,563) | (155,397) | (158,782) | (167,866) |
| Net Other Financing Sources (Uses) | 212,310 | 268,456 | 186,485 | 123,914 | 130,189 | 128,028 | 203,698 | 121,422 | 130,153 | 123,639 |
| Net Change in Fund Balances | \$ 468,017 | \$ 148,460 | \$ 620,216 | \$ 179,017 | \$ 71,685 | \$ 87,267 | \$ 153,768 | \$ (62,548) | \$ 35,555 | \$ 130,072 |
| Debt Service as a Percentage of Noncapital Expenditures | 0.64% | 1.58% | 0.45% | 0.52% | 0.57% | 0.62% | 0.69% | 0.73% | 0.79% | 1.42% |

Source: South Dakota Annual Comprehensive Financial Reports (FY 2014-2023). Previous years' amounts are not restated.

State of South Dakota
Sales Tax Revenue Payers by Industry
Last Ten Fiscal Years
(Dollars Expressed in Thousands)

| Fiscal Year 2023 | | | | |
|-------------------------------------|------------------|------------------|----------------------|------------------|
| | Number of Filers | Percent of Total | Taxable Sales | Percent of Total |
| Agriculture, Forestry, and Fishing | 3,685 | 3.46% | \$ 589,112 | 1.80% |
| Mining | 215 | 0.20% | 100,484 | 0.31% |
| Construction | 366 | 0.34% | 44,247 | 0.14% |
| Manufacturing | 6,065 | 5.69% | 2,019,810 | 6.18% |
| Transportation and Public Utilities | 3,032 | 2.84% | 3,095,440 | 9.48% |
| Wholesale Trade | 9,554 | 8.96% | 3,003,526 | 9.19% |
| Retail Trade | 46,733 | 43.83% | 17,433,451 | 53.36% |
| Finance, Insurance, and Real Estate | 2,050 | 1.92% | 642,793 | 1.97% |
| Services | 34,855 | 32.69% | 5,736,764 | 17.56% |
| Public Administration | 77 | 0.07% | 3,329 | 0.01% |
| Total | 106,632 | 100.00% | \$ 32,668,956 | 100.00% |

| Fiscal Year 2020 | | | | |
|-------------------------------------|------------------|------------------|----------------------|------------------|
| | Number of Filers | Percent of Total | Taxable Sales | Percent of Total |
| Agriculture, Forestry, and Fishing | 3,504 | 3.53% | \$ 414,827 | 1.74% |
| Mining | 206 | 0.21% | 74,930 | 0.31% |
| Construction | 368 | 0.37% | 30,204 | 0.13% |
| Manufacturing | 5,180 | 5.22% | 1,281,161 | 5.36% |
| Transportation and Public Utilities | 2,750 | 2.77% | 3,038,835 | 12.72% |
| Wholesale Trade | 8,440 | 8.50% | 1,773,771 | 7.43% |
| Retail Trade | 42,777 | 43.09% | 12,427,707 | 52.03% |
| Finance, Insurance, and Real Estate | 1,994 | 2.01% | 529,407 | 2.22% |
| Services | 33,983 | 34.23% | 4,311,839 | 18.05% |
| Public Administration | 73 | 0.07% | 3,169 | 0.01% |
| Total | 99,275 | 100.00% | \$ 23,885,850 | 100.00% |

| Fiscal Year 2017 | | | | |
|-------------------------------------|------------------|------------------|----------------------|------------------|
| | Number of Filers | Percent of Total | Taxable Sales | Percent of Total |
| Agriculture, Forestry, and Fishing | 3,237 | 3.64% | \$ 348,540 | 1.68% |
| Mining | 213 | 0.24% | 63,973 | 0.31% |
| Construction | 515 | 0.58% | 31,077 | 0.15% |
| Manufacturing | 4,370 | 4.91% | 958,294 | 4.61% |
| Transportation and Public Utilities | 2,546 | 2.86% | 2,833,338 | 13.63% |
| Wholesale Trade | 7,168 | 8.06% | 1,438,813 | 6.92% |
| Retail Trade | 35,687 | 40.10% | 10,789,651 | 51.89% |
| Finance, Insurance, and Real Estate | 2,122 | 2.38% | 451,550 | 2.17% |
| Services | 33,076 | 37.16% | 3,873,304 | 18.62% |
| Public Administration | 59 | 0.07% | 3,920 | 0.02% |
| Total | 88,993 | 100.00% | \$ 20,792,460 | 100.00% |

| Fiscal Year 2014 | | | | |
|-------------------------------------|------------------|------------------|----------------------|------------------|
| | Number of Filers | Percent of Total | Taxable Sales | Percent of Total |
| Agriculture, Forestry, and Fishing | 3,411 | 4.04% | \$ 287,680 | 1.44% |
| Mining | 237 | 0.28% | 118,587 | 0.59% |
| Construction | 525 | 0.62% | 31,241 | 0.16% |
| Manufacturing | 3,820 | 4.53% | 902,791 | 4.52% |
| Transportation and Public Utilities | 2,728 | 3.23% | 2,769,521 | 13.86% |
| Wholesale Trade | 6,908 | 8.19% | 1,514,416 | 7.58% |
| Retail Trade | 31,494 | 37.34% | 10,571,228 | 52.92% |
| Finance, Insurance, and Real Estate | 2,172 | 2.58% | 384,474 | 1.92% |
| Services | 33,007 | 39.12% | 3,396,424 | 17.00% |
| Public Administration | 56 | 0.07% | 2,029 | 0.01% |
| Total | 84,358 | 100.00% | \$ 19,978,391 | 100.00% |

| 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 | 53.99% |
| 2,036 | 1.96% | 687,007 | 2.31% |
| 34,462 | 33.13% | 5,375,240 | 18.07% |
| 76 | 0.07% | 10,079 | 0.03% |
| 104,026 | 100.00% | \$ 29,740,752 | 100.00% |

| Fiscal Year 2021 | | | |
|------------------|------------------|----------------------|------------------|
| Number of Filers | Percent of Total | Taxable Sales | Percent of Total |
| 3,516 | 3.49% | \$ 453,836 | 1.70% |
| 216 | 0.21% | 69,146 | 0.26% |
| 371 | 0.37% | 32,700 | 0.12% |
| 5,394 | 5.35% | 1,703,602 | 6.39% |
| 2,774 | 2.75% | 2,762,543 | 10.36% |
| 8,788 | 8.71% | 2,389,599 | 8.96% |
| 43,666 | 43.29% | 13,986,926 | 52.46% |
| 2,020 | 2.00% | 609,282 | 2.29% |
| 34,048 | 33.76% | 4,652,257 | 17.45% |
| 75 | 0.07% | 4,126 | 0.02% |
| 100,868 | 100.00% | \$ 26,664,017 | 100.00% |

| 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% |
| 96,823 | 100.00% | \$ 22,772,310 | 100.00% |

| Fiscal Year 2018 | | | |
|------------------|------------------|----------------------|------------------|
| Number of Filers | Percent of Total | Taxable Sales | Percent of Total |
| 3,313 | 3.53% | \$ 367,891 | 1.70% |
| 216 | 0.23% | 68,101 | 0.31% |
| 534 | 0.57% | 32,765 | 0.15% |
| 4,522 | 4.82% | 1,065,841 | 4.91% |
| 2,684 | 2.86% | 2,938,739 | 13.54% |
| 7,417 | 7.90% | 1,523,330 | 7.02% |
| 39,386 | 41.96% | 11,100,575 | 51.15% |
| 2,298 | 2.45% | 476,306 | 2.20% |
| 33,417 | 35.61% | 4,125,512 | 19.01% |
| 65 | 0.07% | 2,547 | 0.01% |
| 93,852 | 100.00% | \$ 21,701,607 | 100.00% |

| 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% |
| 84,968 | 100.00% | \$ 21,147,803 | 100.00% |

| Fiscal Year 2015 | | | |
|------------------|------------------|----------------------|------------------|
| Number of Filers | Percent of Total | Taxable Sales | Percent of Total |
| 3,162 | 3.76% | \$ 297,936 | 1.45% |
| 231 | 0.28% | 105,773 | 0.51% |
| 527 | 0.63% | 27,123 | 0.13% |
| 3,939 | 4.69% | 873,909 | 4.24% |
| 2,697 | 3.21% | 2,765,194 | 13.43% |
| 6,940 | 8.26% | 1,617,613 | 7.85% |
| 31,642 | 37.65% | 10,864,164 | 52.74% |
| 2,136 | 2.54% | 394,780 | 1.92% |
| 32,706 | 38.91% | 3,650,026 | 17.72% |
| 56 | 0.07% | 2,390 | 0.01% |
| 84,036 | 100.00% | \$ 20,598,908 | 100.00% |

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.
- (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) Whenever there are fewer than 3 licenses in any one classification, the information is combined into the "Nonclassifiable Establishments" category.
- (d) 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. Beginning June 1, 2016, all items subject to the state sales tax will be taxed at 4.5% to conform to the HB 1182 passed during the 2016 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.
- (e) 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 | | | | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Taxable Sales by Industry | | | | | |
| Agriculture, Forestry, and Fishing | \$ 589,112 | \$ 516,217 | \$ 453,836 | \$ 414,827 | \$ 405,756 |
| Mining | 100,484 | 90,504 | 69,146 | 74,930 | 70,449 |
| Construction | 44,247 | 38,061 | 32,700 | 30,204 | 27,292 |
| Manufacturing | 2,019,810 | 1,416,531 | 1,703,602 | 1,281,161 | 1,144,740 |
| Transportation and Public Utilities | 3,095,440 | 3,025,158 | 2,762,543 | 3,038,835 | 3,008,229 |
| Wholesale Trade | 3,003,526 | 2,523,657 | 2,389,599 | 1,773,771 | 1,696,169 |
| Retail Trade | 17,433,451 | 16,058,298 | 13,986,926 | 12,427,707 | 11,646,177 |
| Finance, Insurance, and Real Estate | 642,793 | 687,007 | 609,282 | 529,407 | 496,573 |
| Services | 5,736,764 | 5,375,240 | 4,652,257 | 4,311,839 | 4,271,983 |
| Public Administration | 3,329 | 10,079 | 4,126 | 3,169 | 4,942 |
| Totals | \$ 32,668,956 | \$ 29,740,752 | \$ 26,664,017 | \$ 23,885,850 | \$ 22,772,310 |
| Direct Sales Tax Rate | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% |

| | Fiscal Year | | | | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Taxable Sales by Industry | | | | | |
| Agriculture, Forestry, and Fishing | \$ 367,891 | \$ 348,540 | \$ 338,993 | \$ 297,936 | \$ 287,680 |
| Mining | 68,101 | 63,973 | 71,002 | 105,773 | 118,587 |
| Construction | 32,765 | 31,077 | 26,495 | 27,123 | 31,241 |
| Manufacturing | 1,065,841 | 958,294 | 917,873 | 873,909 | 902,791 |
| Transportation and Public Utilities | 2,938,739 | 2,833,338 | 2,767,864 | 2,765,194 | 2,769,521 |
| Wholesale Trade | 1,523,330 | 1,438,813 | 1,618,465 | 1,617,613 | 1,514,416 |
| Retail Trade | 11,100,575 | 10,789,651 | 11,137,027 | 10,864,164 | 10,571,228 |
| Finance, Insurance, and Real Estate | 476,306 | 451,550 | 432,211 | 394,780 | 384,474 |
| Services | 4,125,512 | 3,873,304 | 3,835,074 | 3,650,026 | 3,396,424 |
| Public Administration | 2,547 | 3,920 | 2,799 | 2,390 | 2,029 |
| Totals | \$ 21,701,607 | \$ 20,792,460 | \$ 21,147,803 | \$ 20,598,908 | \$ 19,978,391 |
| Direct Sales Tax Rate | 4.50% | 4.50% | 4.50% | 4.00% | 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.
- (b) Taxable sales: This is the amount of sales and use taxable sales on 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) Whenever there are fewer than 3 licenses in any one classification, the information is combined into the "Nonclassifiable Establishments" category.
- (d) 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. Beginning June 1, 2016, all items subject to the state sales tax will be taxed at 4.5% to conform to the HB 1182 passed during the 2016 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.
- (e) 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 | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Governmental Activities: | | | | | |
| Revenue Bonds | \$ 92,314 | \$ 108,247 | \$ 128,869 | \$ 146,764 | \$ 160,839 |
| Trust Certificates | | | | | |
| Leases Payable | 73,666 | 36,281 | | | |
| Subscription IT Payable | 6,432 | | | | |
| Notes Payable | 100,016 | 102,502 | 108,922 | 133,352 | 136,417 |
| Total Governmental Activities | <u>272,428</u> | <u>247,030</u> | <u>237,791</u> | <u>280,116</u> | <u>297,256</u> |
| Business-type Activities: | | | | | |
| Revenue Bonds | 540,247 | 400,989 | 427,310 | 351,302 | 375,803 |
| Leases Payable | 1,653 | 1,471 | | | |
| Subscription IT Payable | 834 | | | | |
| Total Business-type Activities | <u>542,734</u> | <u>402,460</u> | <u>427,310</u> | <u>351,302</u> | <u>375,803</u> |
| Total Primary Government | <u>\$ 815,162</u> | <u>\$ 649,490</u> | <u>\$ 665,101</u> | <u>\$ 631,418</u> | <u>\$ 673,059</u> |
| South Dakota Total Personal Income (r) | \$ 64,219,800 | \$ 62,028,300 | \$ 58,627,900 | \$ 52,793,300 | \$ 48,031,400 |
| Debt as a Percentage of Personal Income | 1.3% | 1.0% | 1.1% | 1.2% | 1.4% |
| South Dakota Population (in thousands) (r) | 923 | 910 | 896 | 888 | 883 |
| Long-Term Debt per Capita | \$ 883.17 | \$ 713.73 | \$ 742.30 | \$ 711.06 | \$ 762.24 |

| | Fiscal Year | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Governmental Activities: | | | | | |
| Revenue Bonds | \$ 176,322 | \$ 192,360 | \$ 157,847 | \$ 174,764 | \$ 177,303 |
| Trust Certificates | | | 280 | 570 | 880 |
| Leases Payable | | | | | |
| Subscription IT Payables | | | | | |
| Notes Payable | 139,181 | 145,681 | 116,289 | 116,352 | 100,727 |
| Total Governmental Activities | <u>315,503</u> | <u>338,041</u> | <u>274,416</u> | <u>291,686</u> | <u>278,910</u> |
| Business-type Activities: | | | | | |
| Revenue Bonds | 287,206 | 230,912 | 247,852 | 263,818 | 207,448 |
| Leases Payable | | | | | |
| Subscription IT Payables | | | | | |
| Total Business-type Activities | <u>287,206</u> | <u>230,912</u> | <u>247,852</u> | <u>263,818</u> | <u>207,448</u> |
| Total Primary Government | <u>\$ 602,709</u> | <u>\$ 568,953</u> | <u>\$ 522,268</u> | <u>\$ 555,504</u> | <u>\$ 486,358</u> |
| South Dakota Total Personal Income (r) | \$ 45,144,000 | \$ 42,989,300 | \$ 41,551,500 | \$ 41,160,100 | \$ 39,607,100 |
| Debt as a Percentage of Personal Income | 1.3% | 1.3% | 1.3% | 1.3% | 1.2% |
| South Dakota Population (in thousands) (r) | 875 | 870 | 861 | 852 | 848 |
| Long-Term Debt per Capita | \$ 688.81 | \$ 653.97 | \$ 606.58 | \$ 652.00 | \$ 573.54 |

Source: Debt information obtained from the South Dakota Annual Comprehensive Financial Reports (FY 2014-2023)
Total Personal Income and Population data: US Bureau of Economic Analysis

- Note:**
- (a) South Dakota Total Personal Income figure for 2023 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 2014 through 2022.
Data for South Dakota Population has been revised for fiscal years 2020 through 2022.

State of South Dakota
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Dollars Expressed in Thousands)

| | Fiscal Year | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Revenue Bonds and Trust Certificates | | | | | | | | | | |
| - Building Authority | | | | | | | | | | |
| Revenue - Lease Payments | \$ 6,447 | \$ 6,450 | \$ 10,485 | \$ 6,966 | \$ 6,968 | \$ 7,019 | \$ 8,071 | \$ 8,607 | \$ 8,898 | \$ 12,654 |
| Less: Operating Expenses | | | | | | | | | | |
| Net Available Revenue | \$ 6,447 | \$ 6,450 | \$ 10,485 | \$ 6,966 | \$ 6,968 | \$ 7,019 | \$ 8,071 | \$ 8,607 | \$ 8,898 | \$ 12,654 |
| Debt Service | | | | | | | | | | |
| Principal | \$ 4,051 | \$ 3,913 | \$ 7,632 | \$ 3,680 | \$ 3,507 | \$ 3,462 | \$ 3,648 | \$ 2,321 | \$ 4,047 | \$ 6,978 |
| Interest | 2,357 | 2,494 | 2,807 | 3,112 | 3,451 | 3,532 | 4,388 | 6,283 | 4,377 | 5,478 |
| Total | \$ 6,408 | \$ 6,407 | \$ 10,439 | \$ 6,792 | \$ 6,958 | \$ 6,994 | \$ 8,036 | \$ 8,604 | \$ 8,424 | \$ 12,456 |
| Coverage | 1.01 | 1.01 | 1.00 | 1.03 | 1.00 | 1.00 | 1.00 | 1.00 | 1.06 | 1.02 |
| Revenue Bonds | | | | | | | | | | |
| -Educational Enhancement Funding Corp. | | | | | | | | | | |
| Revenue: | | | | | | | | | | |
| Tobacco Settlement | \$ 23,371 | \$ 23,329 | \$ 21,949 | \$ 20,832 | \$ 20,024 | \$ 46,015 | \$ 22,815 | \$ 25,156 | \$ 23,306 | \$ 26,326 |
| Investment Earnings | 508 | | 13 | 341 | 462 | 257 | 102 | 68 | 13 | 7 |
| Less: Operating Expenses | | | | | | | | | | |
| Net Available Revenue | \$ 23,879 | \$ 23,329 | \$ 21,962 | \$ 21,173 | \$ 20,486 | \$ 46,272 | \$ 22,917 | \$ 25,224 | \$ 23,319 | \$ 26,333 |
| Debt Service | | | | | | | | | | |
| Principal | \$ 11,450 | \$ 11,035 | \$ 10,300 | \$ 10,600 | \$ 10,900 | \$ 11,500 | \$ 11,935 | \$ 12,535 | \$ 13,225 | \$ 13,995 |
| Interest | 1,187 | 784 | 2,770 | 3,145 | 3,530 | 3,789 | 4,018 | 4,215 | 4,376 | 4,498 |
| Total | \$ 12,637 | \$ 11,819 | \$ 13,070 | \$ 13,745 | \$ 14,430 | \$ 15,289 | \$ 15,953 | \$ 16,750 | \$ 17,601 | \$ 18,493 |
| Coverage | 1.89 | 1.97 | 1.68 | 1.54 | 1.42 | 3.03 | 1.44 | 1.51 | 1.32 | 1.42 |
| Revenue Bonds | | | | | | | | | | |
| -Clean Water State Revolving Fund | | | | | | | | | | |
| Revenue: | | | | | | | | | | |
| Loan Repayments | \$ 43,738 | \$ 44,686 | \$ 42,248 | \$ 36,697 | \$ 30,004 | \$ 27,944 | \$ 28,764 | \$ 28,998 | \$ 26,637 | \$ 25,502 |
| Investment Income | 8,379 | 5,197 | 5,619 | 5,752 | 6,637 | 4,605 | 4,181 | 4,192 | 3,900 | 3,988 |
| Other Income | 1,561 | 2,596 | 2,216 | 1,701 | 1,597 | 1,528 | 1,428 | 1,410 | 1,442 | 1,332 |
| Less: Operating Expenses | 2,947 | 3,519 | 2,090 | 1,698 | 2,288 | 3,737 | 2,348 | 982 | 1,294 | 1,080 |
| Net Available Revenue | \$ 50,731 | \$ 48,960 | \$ 47,993 | \$ 42,452 | \$ 35,950 | \$ 30,340 | \$ 32,025 | \$ 33,618 | \$ 30,685 | \$ 29,742 |
| Debt Service | | | | | | | | | | |
| Principal | \$ 15,335 | \$ 14,685 | \$ 13,115 | \$ 13,130 | \$ 12,505 | \$ 10,125 | \$ 9,875 | \$ 9,290 | \$ 7,580 | \$ 7,415 |
| Interest | 14,866 | 13,028 | 13,601 | 10,304 | 9,293 | 7,862 | 6,821 | 7,088 | 6,663 | 5,361 |
| Total | \$ 30,201 | \$ 27,713 | \$ 26,716 | \$ 23,434 | \$ 21,798 | \$ 17,987 | \$ 16,696 | \$ 16,378 | \$ 14,243 | \$ 12,776 |
| Coverage | 1.68 | 1.77 | 1.80 | 1.81 | 1.65 | 1.69 | 1.92 | 2.05 | 2.15 | 2.33 |
| Revenue Bonds | | | | | | | | | | |
| -Drinking Water State Revolving Fund | | | | | | | | | | |
| Revenue: | | | | | | | | | | |
| Loan Repayments | \$ 18,876 | \$ 14,918 | \$ 28,421 | \$ 15,449 | \$ 20,165 | \$ 21,007 | \$ 17,634 | \$ 23,042 | \$ 25,234 | \$ 19,597 |
| Investment Income | 4,615 | 3,044 | 3,140 | 3,727 | 4,230 | 3,233 | 2,930 | 3,104 | 2,639 | 3,148 |
| Other Income | 943 | 1,366 | 1,056 | 1,050 | 921 | 955 | 916 | 899 | 885 | 909 |
| Less: Operating Expenses | 2,245 | 2,276 | 1,465 | 1,476 | 1,282 | 1,076 | 695 | 105 | 123 | 142 |
| Net Available Revenue | \$ 22,189 | \$ 17,052 | \$ 31,152 | \$ 18,750 | \$ 24,034 | \$ 24,119 | \$ 20,785 | \$ 26,940 | \$ 28,635 | \$ 23,512 |
| Debt Service | | | | | | | | | | |
| Principal | \$ 8,140 | \$ 7,740 | \$ 7,515 | \$ 8,575 | \$ 8,085 | \$ 6,075 | \$ 5,925 | \$ 5,535 | \$ 4,475 | \$ 4,380 |
| Interest | 6,071 | 3,543 | 3,803 | 4,073 | 3,315 | 2,409 | 2,116 | 2,255 | 2,276 | 2,155 |
| Total | \$ 14,211 | \$ 11,283 | \$ 11,318 | \$ 12,648 | \$ 11,400 | \$ 8,484 | \$ 8,041 | \$ 7,790 | \$ 6,751 | \$ 6,535 |
| Coverage | 1.56 | 1.51 | 2.75 | 1.48 | 2.11 | 2.84 | 2.58 | 3.46 | 4.24 | 3.60 |

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)*

| YEAR | UNITED STATES | PERCENT CHANGE | PLAINS* | PERCENT CHANGE | SOUTH DAKOTA | PERCENT CHANGE |
|-------------|----------------------|-----------------------|----------------|-----------------------|---------------------|-----------------------|
| 2022 | 333,288 | 0.4 % | 21,690 | 0.2 % | 910 | 1.6 % |
| 2021r | 332,032 | 0.2 % | 21,655 | 0.2 % | 896 | 0.9 % |
| 2020r | 331,512 | 0.4 % | 21,622 | 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 % |
| 2013 | 316,735 | 0.8 % | 20,920 | 0.6 % | 841 | 1.0 % |

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 states include Iowa, Kansas, Minnesota, Missouri, Nebraska, N. Dakota and S. Dakota

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2023.

TOTAL PERSONAL INCOME *(Dollars Expressed in Millions)*

| YEAR | UNITED STATES | PERCENT CHANGE | PLAINS* | PERCENT CHANGE | SOUTH DAKOTA | PERCENT CHANGE |
|-------------|----------------------|-----------------------|----------------|-----------------------|---------------------|-----------------------|
| 2022 | \$ 21,820,248 | 2.0 % | \$ 1,364,311 | 3.5 % | \$ 62,028 | 5.8 % |
| 2021r | 21,392,812 | 9.1 % | 1,318,413 | 8.8 % | 58,628 | 11.1 % |
| 2020r | 19,609,985 | 6.9 % | 1,211,726 | 6.9 % | 52,793 | 9.9 % |
| 2019r | 18,343,601 | 4.7 % | 1,133,999 | 3.7 % | 48,031 | 6.4 % |
| 2018r | 17,514,402 | 5.1 % | 1,093,520 | 4.8 % | 45,144 | 5.0 % |
| 2017r | 16,658,962 | 4.9 % | 1,043,303 | 3.2 % | 42,989 | 3.5 % |
| 2016r | 15,884,741 | 2.7 % | 1,010,852 | 1.4 % | 41,552 | 1.0 % |
| 2015r | 15,467,113 | 4.7 % | 997,298 | 3.2 % | 41,160 | 3.9 % |
| 2014r | 14,778,160 | 5.1 % | 966,354 | 4.0 % | 39,607 | 4.7 % |
| 2013r | 14,063,283 | 1.1 % | 929,356 | 0.9 % | 37,840 | 1.0 % |

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 2013 through 2021.

r = Revised Estimates from Prior Year ACFR

* The Plains states include Iowa, Kansas, Minnesota, Missouri, Nebraska, N. Dakota and S. Dakota

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2023.

UNEMPLOYMENT RATE

| YEAR | SOUTH DAKOTA | UNITED STATES |
|-------------|---------------------|----------------------|
| 2022 | 2.1% | 3.6% |
| 2021r | 2.6% | 5.3% |
| 2020r | 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% |
| 2013 | 3.7% | 7.4% |

Note:

r = Revised Estimates from Prior Year ACFR

Source: SD Department of Labor and Regulation, Labor Market Information

PER CAPITA PERSONAL INCOME

| YEAR | UNITED STATES | PERCENT CHANGE | PLAINS* | PERCENT CHANGE | SOUTH DAKOTA | PERCENT CHANGE |
|-------------|----------------------|-----------------------|----------------|-----------------------|---------------------|-----------------------|
| 2022 | \$ 65,470 | 1.6 % | \$ 62,901 | 3.3 % | \$ 68,176 | 4.2 % |
| 2021r | 64,430 | 8.9 % | 60,884 | 8.6 % | 65,421 | 10.0 % |
| 2020r | 59,153 | 6.5 % | 56,041 | 6.6 % | 59,465 | 9.3 % |
| 2019r | 55,547 | 4.2 % | 52,593 | 3.3 % | 54,426 | 5.5 % |
| 2018r | 53,309 | 4.5 % | 50,923 | 4.4 % | 51,575 | 4.4 % |
| 2017r | 51,004 | 4.2 % | 48,797 | 2.7 % | 49,404 | 2.3 % |
| 2016r | 48,971 | 1.9 % | 47,518 | 0.8 % | 48,279 | (0.0)% |
| 2015r | 48,060 | 3.8 % | 47,121 | 2.6 % | 48,302 | 3.4 % |
| 2014r | 46,287 | 4.2 % | 45,910 | 3.3 % | 46,727 | 3.9 % |
| 2013r | 44,401 | 0.4 % | 44,424 | 0.3 % | 44,983 | (0.0)% |

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 states include Iowa, Kansas, Minnesota, Missouri, Nebraska, N. Dakota and S. Dakota

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2023.

NONFARM WAGE AND SALARY EMPLOYMENT BY INDUSTRY¹
(Expressed in Thousands)

| | 2023p | 2022r | 2021r | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Natural Resources/Mining/Construction | 27.4 | 27.1 | 26.2 | 25.4 | 24.6 | 24.0 | 23.4 | 23.7 | 23.1 | 22.2 |
| Manufacturing | 45.9 | 45.1 | 43.9 | 43.2 | 45.0 | 44.4 | 43.1 | 42.2 | 42.6 | 42.3 |
| Trade/Transportation/Utilities | 92.2 | 89.3 | 86.9 | 84.0 | 85.9 | 86.5 | 87.0 | 88.0 | 87.3 | 85.6 |
| <i>Wholesale Trade</i> | 23.1 | 22.0 | 21.4 | 20.9 | 21.1 | 20.8 | 20.8 | 21.0 | 21.0 | 20.6 |
| <i>Retail Trade</i> | 54.6 | 53.0 | 51.6 | 49.7 | 51.2 | 52.3 | 53.0 | 53.7 | 52.9 | 51.9 |
| <i>Transportation/Warehousing/Utility</i> | 14.5 | 14.3 | 13.9 | 13.4 | 13.5 | 13.5 | 13.3 | 13.3 | 13.4 | 13.1 |
| Information | 5.2 | 5.3 | 5.1 | 5.1 | 5.5 | 5.6 | 5.7 | 5.8 | 5.9 | 6.0 |
| Financial Activities | 27.8 | 28.0 | 28.2 | 28.3 | 29.0 | 29.2 | 29.3 | 29.3 | 29.7 | 29.7 |
| Professional/Business Services | 37.7 | 36.7 | 34.6 | 32.8 | 33.2 | 32.3 | 31.5 | 31.4 | 30.8 | 30.5 |
| Educational/Health Services | 76.8 | 75.3 | 74.2 | 73.0 | 73.2 | 72.2 | 71.2 | 70.0 | 68.8 | 67.9 |
| Leisure and Hospitality | 49.7 | 48.3 | 45.6 | 41.0 | 47.4 | 47.3 | 47.0 | 46.7 | 46.2 | 45.4 |
| Other Services (Except Public Administration) | 17.8 | 17.7 | 17.0 | 16.6 | 16.8 | 16.7 | 16.7 | 16.6 | 16.3 | 16.1 |
| Government | 80.6 | 79.7 | 78.9 | 77.0 | 80.0 | 79.5 | 79.1 | 78.4 | 77.8 | 77.8 |
| TOTAL | 553.3 | 541.8 | 527.5 | 510.4 | 526.4 | 524.3 | 521.1 | 520.1 | 515.8 | 509.1 |
| % Change in Nonfarm Employment | 2.1% | 2.7% | 3.4% | -3.0% | 0.4% | 0.6% | 0.2% | 0.8% | 1.3% | 1.6% |

Note: Numbers may not add due to rounding. Data not seasonally adjusted.

¹ 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)

| | EXPANSIONS | | NEW | | TOTAL | |
|--------|-------------------|-------------------------------|---------------|-------------------------------|---------------|-------------------------------|
| | NUMBER | NEW CAPITAL INVESTMENT | NUMBER | NEW CAPITAL INVESTMENT | NUMBER | NEW CAPITAL INVESTMENT |
| 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 |
| 2013** | 283 | 278.6 | 8 | 204.7 | 291 | 483.3 |

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
2023 as Compared to 2014**

| June 2023 Rank | Industry | South Dakota Employees | Percentage of Industry Types |
|---------------------------------|--|-----------------------------------|---|
| 1 | Government | 82,400 | 17.5% |
| 2 | Health Care and Social Assistance | 68,800 | 14.6% |
| 3 | Retail Trade | 55,700 | 11.9% |
| 4 | Leisure and Hospitality | 52,500 | 11.1% |
| 5 | Manufacturing | 45,800 | 9.7% |
| 6 | Professional and Business Services | 38,200 | 8.1% |
| 7 | Mining, Logging, and Construction | 30,800 | 6.5% |
| 8 | Financial Activities | 28,100 | 6.0% |
| 9 | Wholesale Trade | 23,800 | 5.1% |
| 10 | Other Services | 17,900 | 3.8% |
| 11 | Transportation, Warehousing, and Utilities | 14,600 | 3.1% |
| 12 | Educational Services | 7,200 | 1.5% |
| 13 | Information | 5,300 | 1.1% |
| Total Nonfarm Employment | | 471,100 | 100.0% |

Sources: June, 2023 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: 11/14/2023

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.

| June 2014 Rank | Industry | South Dakota Employees | Percentage of Industry Types |
|---------------------------------|--|-----------------------------------|---|
| 1 | Government | 78,500 | 18.2% |
| 2 | Health Care and Social Assistance | 61,400 | 14.2% |
| 3 | Retail Trade | 52,600 | 12.2% |
| 4 | Leisure and Hospitality | 48,900 | 11.3% |
| 5 | Manufacturing | 42,500 | 9.8% |
| 6 | Professional and Business Services | 31,300 | 7.2% |
| 7 | Financial Activities | 30,000 | 6.9% |
| 8 | Mining, Logging, and Construction | 24,700 | 5.7% |
| 9 | Wholesale Trade | 21,000 | 4.9% |
| 10 | Other Services | 16,500 | 3.8% |
| 11 | Transportation, Warehousing, and Utilities | 13,200 | 3.1% |
| 12 | Information | 6,200 | 1.4% |
| 13 | Educational Services | 5,500 | 1.3% |
| Total Nonfarm Employment | | 432,300 | 100.0% |

Sources: June, 2014 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: 11/14/2023

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 | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| General Government | 1,022 | 1,019 | 1,033 | 1,024 | 1,020 |
| Health, Human, and Social Services | 2,809 | 2,803 | 2,874 | 2,905 | 2,913 |
| Law, Justice, Public Protection, and Regulation | 2,105 | 2,142 | 2,169 | 2,137 | 2,143 |
| Agriculture and Natural Resources | 882 | 865 | 891 | 927 | 944 |
| Transportation | 993 | 999 | 990 | 991 | 997 |
| Education | 176 | 178 | 182 | 178 | 178 |
| Economic Resources | 72 | 67 | 69 | 71 | 125 |
| State Total | 8,059 | 8,073 | 8,208 | 8,233 | 8,320 |

| Function of State Government: | Fiscal Year | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| General Government | 1,028 | 1,020 | 1,018 | 998 | 983 |
| Health, Human, and Social Services | 2,958 | 2,991 | 2,936 | 3,007 | 2,999 |
| Law, Justice, Public Protection, and Regulation | 2,129 | 2,130 | 2,186 | 2,215 | 2,223 |
| Agriculture and Natural Resources | 944 | 948 | 939 | 943 | 929 |
| Transportation | 1,000 | 998 | 976 | 977 | 980 |
| Education | 177 | 180 | 176 | 178 | 128 |
| Economic Resources | 125 | 124 | 156 | 158 | 198 |
| State Total | 8,361 | 8,391 | 8,387 | 8,476 | 8,440 |

Source: State's Budget System RB16 - June 30, 2023 *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 | | | |
|--|----------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2021 | 2020 |
| General Government | | | | |
| Vehicles | 2,772 | 2,712 | 2,861 | 2,897 |
| Land (Acres) | 762,538 | 762,538 | 762,538 | 762,538 |
| Equipment | 1,022 | 1,373 | 1,433 | 1,359 |
| Buildings | 34 | 33 | 56 | 24 |
| Infrastructure | 0 | 0 | 0 | 0 |
| Health, Human, and Social Services | | | | |
| Vehicles | 14 | 8 | 8 | 7 |
| Land (Acres) | 656 | 656 | 642 | 642 |
| Equipment | 739 | 769 | 786 | 653 |
| Buildings | 82 | 82 | 83 | 81 |
| Infrastructure | 0 | 0 | 0 | 0 |
| Law, Justice, Public Protection, and Regulation | | | | |
| Vehicles | 376 | 336 | 394 | 297 |
| Land (Acres) | 1,400 | 1,394 | 1,373 | 1,413 |
| Equipment | 1,340 | 1,494 | 1,516 | 1,246 |
| Buildings | 155 | 144 | 155 | 137 |
| Infrastructure | 0 | 0 | 0 | 0 |
| Agriculture and Natural Resources | | | | |
| Vehicles | 349 | 357 | 379 | 353 |
| Land (Acres) | 363,627 | 363,607 | 363,435 | 363,285 |
| Equipment | 1,803 | 1,747 | 1,877 | 1,667 |
| Buildings | 176 | 160 | 172 | 129 |
| Infrastructure | 0 | 0 | 0 | 0 |
| Transportation | | | | |
| Vehicles | 1,370 | 1,212 | 1,328 | 1,197 |
| Land (Acres) | 3,522 | 3,489 | 3,489 | 3,199 |
| Land, ROW Roads | \$ 117,831,013 | \$ 116,203,883 | \$ 110,124,754 | \$ 108,226,917 |
| Land Improvements, Roads | \$ 529,014,507 | \$ 529,014,507 | \$ 529,014,507 | \$ 529,014,507 |
| Equipment | 4,604 | 4,233 | 4,500 | 4,109 |
| Buildings | 221 | 217 | 217 | 209 |
| Infrastructure | | | | |
| -Roads: Lane Miles | 8,843 | 8,842 | 8,849 | 8,847 |
| -Bridges: Number of | 1,819 | 1,819 | 1,811 | 1,802 |
| -Railroads: Track Miles | 173 | 173 | 173 | 530 |
| Education | | | | |
| Vehicles | 0 | 0 | 0 | 0 |
| Land (Acres) | 187 | 187 | 187 | 187 |
| Equipment | 50 | 73 | 78 | 76 |
| Buildings | 32 | 32 | 35 | 32 |
| Infrastructure | 0 | 0 | 0 | 0 |
| Economic Resources | | | | |
| Vehicles | 0 | 0 | 0 | 0 |
| Land (Acres) | 6 | 6 | 6 | 6 |
| Equipment | 2 | 2 | 2 | 1 |
| 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

| 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 3,012 | 2,948 | 2,908 | 2,987 | 2,904 | 2,929 |
| 761,475 | 761,465 | 760,743 | 760,806 | 760,806 | 760,806 |
| 1,406 | 1,382 | 1,386 | 1,427 | 1,406 | 1,367 |
| 24 | 22 | 22 | 23 | 22 | 19 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | 7 | 7 | 7 | 7 | 7 |
| 644 | 584 | 710 | 763 | 799 | 799 |
| 689 | 665 | 650 | 667 | 651 | 604 |
| 81 | 84 | 89 | 89 | 92 | 93 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 358 | 361 | 361 | 332 | 317 | 320 |
| 1,413 | 1,512 | 1,504 | 1,504 | 1,510 | 1,510 |
| 1,263 | 1,196 | 1,180 | 1,090 | 1,047 | 940 |
| 137 | 135 | 157 | 156 | 159 | 156 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 366 | 369 | 378 | 389 | 392 | 373 |
| 363,221 | 363,222 | 362,876 | 361,821 | 360,938 | 360,323 |
| 1,715 | 1,668 | 1,647 | 1,617 | 1,576 | 1,509 |
| 128 | 120 | 96 | 76 | 73 | 65 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 1,295 | 1,301 | 1,281 | 1,287 | 1,279 | 1,250 |
| 3,182 | 3,177 | 3,199 | 3,213 | 3,217 | 3,206 |
| \$ 107,257,048 | \$ 103,939,192 | \$ 97,004,207 | \$ 95,308,778 | \$ 93,472,606 | \$ 92,796,015 |
| \$ 529,014,507 | \$ 527,033,832 | \$ 527,033,832 | \$ 523,392,571 | \$ 520,147,538 | \$ 514,620,856 |
| 4,257 | 4,066 | 3,917 | 3,806 | 3,661 | 3,415 |
| 207 | 203 | 199 | 193 | 183 | 175 |
| 8,847 | 8,850 | 8,850 | 8,861 | 8,862 | 8,850 |
| 1,795 | 1,796 | 1,796 | 1,795 | 1,799 | 1,796 |
| 530 | 530 | 530 | 530 | 530 | 530 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 187 | 284 | 284 | 284 | 184 | 77 |
| 81 | 81 | 86 | 78 | 25 | 24 |
| 32 | 32 | 34 | 27 | 27 | 27 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | 6 | 0 | 0 | 0 | 0 |
| 1 | 1 | 3 | 3 | 47 | 49 |
| 0 | 0 | 0 | 0 | 1 | 1 |
| 0 | 0 | 0 | 0 | 0 | 0 |

**State of South Dakota
Operating Indicators by Function
Last Ten Fiscal Years**

| | Fiscal Year | | |
|---|-----------------|-----------------|-----------------|
| | 2023 | 2022 | 2021 |
| General Government | | | |
| Executive Management | | | |
| Bureau of Finance and Management | | | |
| Complete Governors Budget Book | Annual | Annual | Annual |
| Finalize State Operating Budget | Annual | Annual | Annual |
| Bureau of Information and Telecommunications | | | |
| SDPB Local Production (Hours) | 3,145 | 3,215 | 3,150 |
| Radio Calls through Digital Network | 29,759,859 | 26,745,228 | 27,376,199 |
| Bureau of Human Resources | | | |
| Health: Employees, COBRA, Retirees/Dependents | 11,943 / 13,668 | 12,050 / 13,794 | 12,669 / 14,228 |
| Bureau of Administration | | | |
| Pieces of Mail Handled/Year | 6,188,495 | 6,216,662 | 6,852,597 |
| Total Miles Driven | 27,583,403 | 33,549,427 | 28,984,851 |
| Revenue | | | |
| Total Active Business Licenses | 102,017 | 98,532 | 94,925 |
| Vehicles Registered | 1,635,157 | 1,602,358 | 1,639,437 |
| Misc. Special Tax Licenses | 6,359 | 6,204 | 6,004 |
| Lottery | | | |
| Licensed Lottery Retailers--Instant Only | 11 | 11 | 9 |
| Licensed Lottery Retailers--On-line | 624 | 623 | 625 |
| Legislature | | | |
| Auditor General | | | |
| Audits Performed | 51 | 55 | 54 |
| Audits Reviewed (IPA reports) | 383 | 358 | 351 |
| School and Public Lands | | | |
| Apportion Common School Interest Fund and Income to School Districts (Thousands) | 10,000 | \$ 9,840 | \$ 12,823 |
| Apportion Endowed Income and Interest Fund to Ten Endowed Institutions (Thousands) | 2,900 | \$ 2,900 | \$ 3,000 |
| Secretary of State | | | |
| Business and Secured Transaction Filings | 145,612 | 136,563 | 133,507 |
| State Treasurer | | | |
| Cash Receipts (Thousands) | 7,362,410 | \$ 7,957,896 | \$ 6,304,280 |
| Unclaimed Property - Claims Paid | 5,979 | 9,022 | 11,272 |
| State Auditor | | | |
| Vouchers Audited | 268,473 | 276,987 | 262,463 |
| Warrants Written | 198,474 | 226,742 | 234,696 |
| Health, Human, and Social Services | | | |
| Social Services | | | |
| Medicaid Enrolled/Month | 145,350 | 140,791 | 128,654 |
| Long Term Care Services - Clients Served | 3,159 | 3,272 | 3,294 |
| Health | | | |
| Public Health Investigations | 18,172 | 13,112 | 9,287 |
| Labor | | | |
| State Labor Force | 475,065 | 468,015 | 467,427 |
| Unemployment Rate | 2.10% | 3.10% | 3.60% |
| South Dakota Retirement System | | | |
| Budget Compared to Assets | 0.040% | 0.040% | 0.040% |
| Budget Compared to Benefits | 0.740% | 0.800% | 0.810% |
| Veterans Benefits and Services | | | |
| South Dakota Veteran Population | 63,322 | 63,950 | 65,014 |
| State Veterans' Home | | | |
| Average Daily Census | 74 | 84 | 95 |
| Human Services | | | |
| People with Developmental Disabilities Served | 2,893 | 2,938 | 3,070 |
| People with Mental Illness Served | 17,077 | 17,548 | 17,156 |
| People with Substance Abuse Issues Served | 11,552 | 11,260 | 11,189 |
| People Receiving Vocational Rehabilitation Services | 4,513 | 4,440 | 4,378 |

| Fiscal Year | | | | | | |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Annual Annual | Annual Annual | Annual Annual | Annual Annual | Annual Annual | Annual Annual | Annual Annual |
| 3,068 | 3,237 | 3,239 | 3,110 | 3,271 | 3,760 | 3,735 |
| 27,376,199 | 25,879,566 | 27,038,877 | 24,549,762 | 29,858,306 | 27,888,987 | 26,319,746 |
| 12,897 / 14,204 | 13,073 / 14,311 | 13,240 / 14,179 | 13,264 / 13,730 | 13,242 / 13,418 | 13,328 / 13,360 | 13,413 / 13,426 |
| 6,594,534 | 6,783,673 | 7,254,250 | 7,448,095 | 7,536,209 | 7,720,306 | 7,719,049 |
| 32,786,517 | 37,538,989 | 37,677,337 | 38,898,000 | 38,344,195 | 38,848,323 | 38,241,658 |
| 91,793 | 89,842 | 85,147 | 84,242 | 82,640 | 80,779 | 80,236 |
| 1,509,538 | 1,527,593 | 1,533,549 | 1,484,111 | 1,519,080 | 1,425,379 | 1,258,147 |
| 5,878 | 6,059 | 6,757 | 6,663 | 6,612 | 5,228 | 5,372 |
| 13 | 13 | 13 | 13 | 13 | 12 | 12 |
| 614 | 616 | 636 | 632 | 610 | 608 | 600 |
| 57 | 56 | 53 | 54 | 54 | 46 | 56 |
| 352 | 345 | 316 | 351 | 333 | 326 | 322 |
| \$ 12,695 | \$ 12,112 | \$ 11,282 | \$ 10,196 | \$ 10,227 | \$ 9,969 | \$ 8,774 |
| \$ 3,412 | \$ 2,813 | \$ 2,642 | \$ 2,410 | \$ 2,267 | \$ 2,104 | \$ 1,500 |
| 127,036 | 122,122 | 125,600 | 112,454 | 121,302 | 120,807 | 151,658 |
| \$ 6,971,719 | \$ 5,432,711 | \$ 5,205,064 | \$ 5,197,293 | \$ 4,955,107 | \$ 4,917,575 | \$ 4,883,829 |
| 6,467 | 4,624 | 5,822 | 3,162 | 5,127 | 4,500 | 10,024 |
| 257,420 | 285,516 | 281,596 | 279,250 | 288,653 | 290,861 | 297,649 |
| 236,466 | 239,860 | 250,707 | 257,678 | 270,702 | 298,293 | 306,344 |
| 115,731 | 116,709 | 118,338 | 119,619 | 118,674 | 117,346 | 115,328 |
| 3,487 | 3,694 | 3,723 | 3,702 | 3,867 | 3,977 | 4,051 |
| 11,716 | 28,087 | 21,187 | 16,999 | 13,224 | 13,750 | 13,875 |
| 463,278 | 460,531 | 457,941 | 455,617 | 453,175 | 450,900 | 450,660 |
| 4.10% | 2.90% | 3.00% | 3.10% | 2.80% | 3.50% | 3.70% |
| 0.040% | 0.040% | 0.040% | 0.040% | 0.040% | 0.040% | 0.040% |
| 0.860% | 0.840% | 0.860% | 0.860% | 0.860% | 0.870% | 0.890% |
| 67,119 | 65,893 | 66,811 | 72,000 | 72,000 | 75,000 | 75,000 |
| 98 | 96 | 94 | 94 | 96 | 121 | 113 |
| 3,093 | 3,031 | 3,105 | 3,092 | 3,103 | 3,104 | 3,078 |
| 18,047 | 18,189 | 17,866 | 17,169 | 17,194 | 16,653 | 16,142 |
| 11,693 | 11,361 | 12,351 | 12,003 | 12,297 | 11,525 | 11,579 |
| 4,697 | 5,174 | 5,581 | 5,608 | 5,484 | 5,299 | 5,798 |

State of South Dakota
Operating Indicators by Function
Last Ten Fiscal Years (continued)

| | Fiscal Year | | |
|--|-----------------|-----------------|-----------------|
| | 2023 | 2022 | 2021 |
| Law, Justice, Public Protection, and Regulation | | | |
| Corrections | | | |
| Adult System ADP (Average Daily Population) | 3,452 | 3,317 | 3,318 |
| Avg. Daily Population on Supervision | 3,064 | 3,264 | 3,325 |
| Juvenile Institutional and Placement ADP | 188 | 185 | 200 |
| Unified Judicial System | | | |
| Felony Offenses Filings | 12,304 | 12,560 | 13,305 |
| Class One Misdemeanor Filings | 18,249 | 18,238 | 19,002 |
| Class Two Misdemeanor Filings | 93,857 | 101,299 | 97,035 |
| Attorney General | | | |
| New Cases Opened/Closed/Pending (Thousands) | 1.0 / 0.8 / 2.0 | 1.2 / 0.9 / 1.7 | 0.8 / 1.6 / 1.7 |
| Investigations Conducted by DCI | 1,483 | 1,511 | 1,418 |
| Public Safety | | | |
| Patrol of Public Highways (Percentage) | 60% | 60% | 61% |
| Driver Licenses Issued | 212,667 | 214,813 | 214,420 |
| Wildfires Suppressed (Fires/Acres) | 77 / 5,655 | 217 / 17,059 | 241 / 39,771 |
| Military and Veterans Affairs | | | |
| Assigned Strength of the Army Guard | 2,924 | 3,118 | 3,113 |
| Assigned Strength of the Air Guard | 1,063 | 1,055 | 1,055 |
| Appraiser Program | | | |
| New / Renewed Licenses | 40 / 447 | 52 / 415 | 44 / 398 |
| Revenue Financial Services | | | |
| Banking Institutions Examined | N/A | N/A | N/A |
| Dealer, Broker & Investment Advisor | | | |
| Agents Licensed | 137,151 | 125,738 | 114,553 |
| Renewed & Issued Insurance | | | |
| Appointments/Licenses | 455,969 | 475,286 | 458,624 |
| Revenue Boards and Commissions | | | |
| New & Renewed Licenses Issued | 6,264 | 6,443 | 6,126 |
| Public Utilities Commission | | | |
| Dockets Opened | 122 | 156 | 160 |
| Agriculture and Natural Resources | | | |
| Agriculture | | | |
| Dairy Inspections | N/A | N/A | 395 |
| Marketing Consultations | N/A | N/A | N/A |
| Insect & Disease Individual Assists | N/A | N/A | N/A |
| Game, Fish and Parks | | | |
| Total Park Visitations | 9,435,657 | 9,304,995 | 9,892,484 |
| Acres of Walk-In Areas | 1,407,005 | 1,389,000 | 1,389,000 |
| Natural Resources | | | |
| Dollars Awarded/Number of Grants and Loans | N/A | N/A | 115.6 M / 88 |
| Total Number of Regulated Facilities | N/A | N/A | N/A |
| Petroleum Release Compensation | | | |
| Petroleum Release Cases Initiated | N/A | N/A | 20 |
| Abandoned Tank Site Cases Initiated | N/A | N/A | 32 |
| Transportation | | | |
| Transportation | | | |
| Percent of Non-interstate State Highway System | | | |
| Main Lane Pavement Mileage Rated Good or Better on Condition Index | 90 | 90 | 91 |
| Percent of Interstate Pavement in Excellent | | | |
| Condition Based on Condition Index | 46 | 56 | 52 |
| Education | | | |
| Student K-12 Public School Fall Enrollment | 138,387 | 137,685 | 136,115 |
| Economic Resources | | | |
| Tourism and State Development | | | |
| 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) | \$ 3.31 | \$ 2.84 | \$ 2.57 |

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 | | | | | | | | | | | | | |
|-----------------|---------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|---------------|-----------------|--------------|
| 2020 | | 2019 | | 2018 | | 2017 | | 2016 | | 2015 | | 2014 | |
| | 3,772 | | 3,902 | | 3,949 | | 3,844 | | 3,613 | | 3,610 | | 3,645 |
| | 3,393 | | 2,951 | | 2,573 | | 2,480 | | 2,345 | | 2,315 | | 2,297 |
| | 188 | | 197 | | 231 | | 316 | | 482 | | 650 | | 649 |
| | 13,284 | | 12,527 | | 12,259 | | 11,512 | | 10,800 | | 10,392 | | 9,413 |
| | 19,640 | | 20,828 | | 22,144 | | 21,884 | | 22,055 | | 20,979 | | 20,518 |
| | 92,599 | | 104,426 | | 115,784 | | 114,231 | | 114,445 | | 112,323 | | 105,213 |
| 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 | | 2.2 / 2.9 / 1.5 | |
| | 1,277 | | 819 | | 935 | | 963 | | 1,063 | | 1,062 | | 1,077 |
| | 63% | | 60% | | 59% | | 55% | | 59% | | 54% | | 60% |
| | 169,997 | | 163,658 | | 196,733 | | 196,780 | | 203,012 | | 198,279 | | 156,731 |
| | 324 / 3,404 | | 259 / 4,413 | | 731 / 65,659 | | 748 / 74,228 | | 614 / 17,359 | | 642 / 53,145 | | 451 / 11,421 |
| | 3,072 | | 3,141 | | 3,148 | | 3,163 | | 3,130 | | 3,165 | | 3,204 |
| | 1,055 | | 1,055 | | 1,051 | | 1,037 | | 1,040 | | 1,050 | | 1,044 |
| | 23 / 402 | | 14 / 410 | | 14 / 387 | | 19 / 378 | | 36 / 410 | | 11 / 380 | | 10 / 368 |
| N/A | | N/A | | N/A | | N/A | | N/A | | N/A | | N/A | 542 |
| | 107,764 | | 104,188 | | 100,956 | | 96,156 | | 96,262 | | 91,545 | | 86,131 |
| | 403,025 | | 366,307 | | 360,232 | | 326,870 | | 295,526 | | 282,241 | | 269,568 |
| | 6,591 | | 6,396 | | 6,939 | | 6,688 | | 7,161 | | 6,708 | | 7,102 |
| | 128 | | 180 | | 183 | | 152 | | 154 | | 193 | | 240 |
| | 378 | | 458 | | 434 | | 635 | | 604 | | 500 | | 520 |
| N/A | | N/A | | N/A | | N/A | | N/A | | N/A | | N/A | N/A |
| | 1,599 | | 1,072 | | 412 | | 317 | | 305 | | 279 | | 288 |
| | 11,255,067 | | 7,298,423 | | 7,646,131 | | 7,729,787 | | 7,509,840 | | 7,605,595 | | 8,115,000 |
| | 1,200,000 | | 1,270,000 | | 1,355,000 | | 1,331,000 | | 1,392,000 | | 1,389,734 | | 1,270,000 |
| | 189.6 M / 112 | | 155.0 M / 70 | | 66.1 M / 66 | | 121.6 M / 91 | | 77.5 M / 106 | | 118.3 M / 113 | | 78.9M / 95 |
| | N/A | | 29,463 | | 29,225 | | 29,108 | | 29,186 | | 28,359 | | 28,740 |
| | 36 | | 34 | | 30 | | 42 | | 55 | | 60 | | 45 |
| | 35 | | 36 | | 39 | | 45 | | 57 | | 62 | | 100 |
| | 87 | | 88 | | 86 | | 83 | | 82 | | 90 | | 89 |
| | 50 | | 56 | | 50 | | 50 | | 45 | | 53 | | 46 |
| | 136,119 | | 135,317 | | 133,861 | | 132,520 | | 130,936 | | 129,772 | | 128,924 |
| | N/A | | N/A | | \$ 400.9 | | \$ 257.2 | | \$ 400.0 | | \$ 475.0 | | \$ 300.0 |
| | N/A | | N/A | | 1,138 | | 163 | | 3,000 | | 3,300 | | 4,000 |
| \$ | 2.75 | \$ | 2.65 | \$ | 2.64 | \$ | 2.46 | \$ | 2.36 | \$ | 1.99 | \$ | 1.98 |





***SCHEDULE OF
EXPENDITURES OF
FEDERAL AWARDS***



***SCHEDULE OF
EXPENDITURES OF
FEDERAL AWARDS***



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

RUSSELL A. OLSON
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Kristi Noem
Governor of South Dakota

and

Members of the Legislature
State of South Dakota

We have audited the accompanying 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 as of and for the year ended June 30, 2023, which collectively comprise the State's basic financial statements as listed in the table of contents and have issued our report thereon dated December 29, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the State of South Dakota's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 29, 2023. Our opinion expressed therein, insofar as it relates to entities' financial statements that were audited by other auditors, was based solely on the reports of the other auditors. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied by us and other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole in accordance with the cash basis of accounting described in Note 2C to the Schedule of Expenditures of Federal Awards.

The State's basic financial statements include the operations of the South Dakota Housing Development Authority and the South Dakota Ellsworth Development Authority (discretely presented component units), which expended \$67,417,045 and \$1,896,065, respectively, in federal awards during the fiscal year ended June 30, 2023, which are not included on the accompanying Schedule of Expenditures of Federal Awards. Included in the amount expended by the South Dakota Ellsworth Development Authority is \$270,000 of Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing Number 21.027) expenditures passed through from the State of South Dakota. The State has reported this amount in Coronavirus State and Local Fiscal Recovery Funds as passed through to subrecipients on the accompanying Schedule of

Expenditures of Federal Awards, as described in Note 3Q to the Schedule. Our audit, described above, did not include the operations of the South Dakota Housing Development Authority and South Dakota Ellsworth Development Authority because the component units have separately issued audits in accordance with the audit requirements of the Uniform Guidance.

Basis of Accounting

Except for the Unemployment Insurance program (Assistance Listing Number 17.225) which is reported on the accrual basis of accounting, the accompanying schedule is prepared on the cash basis of accounting, as described in Note 2C of the Notes to the Schedule of Expenditures of Federal Awards, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Russell A. Olson
Auditor General

May 20, 2024

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency Number | Federal Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|-----------------------|--|-------------------------|---|
| 10 | U.S. Department of Agriculture | \$ 290,892,559 | \$ 74,491,854 |
| 11 | U.S. Department of Commerce | 1,640,462 | |
| 12 | U.S. Department of Defense | 34,472,535 | 2,042,804 |
| 14 | U.S. Department of Housing and Urban Development | 5,221,053 | 5,031,722 |
| 15 | U.S. Department of Interior | 23,946,827 | 2,394,791 |
| 16 | U.S. Department of Justice | 10,543,613 | 6,163,925 |
| 17 | U.S. Department of Labor | 54,379,479 | 83,701 |
| 20 | U.S. Department of Transportation | 484,710,150 | 15,623,317 |
| 21 | U.S. Department of Treasury | 136,610,791 | 100,242,438 |
| 30 | U.S. Equal Employment Opportunity Commission | 30,885 | |
| 39 | General Services Administration | 1,036,625 | 663,918 |
| 43 | National Aeronautics and Space Administration | 2,515,050 | 102,314 |
| 45 | National Endowment for the Arts | 1,282,454 | 1,123,418 |
| 45 | National Endowment for the Humanities | 248,582 | 7,800 |
| 45 | Institute of Museum and Library Services | 1,688,235 | 362,791 |
| 47 | National Science Foundation | 17,012,719 | 1,994,504 |
| 59 | U.S. Small Business Administration | 1,909,491 | |
| 64 | U.S. Department of Veterans Affairs | 6,361,174 | |
| 66 | U.S. Environmental Protection Agency | 35,221,547 | 26,592,864 |
| 81 | U.S. Department of Energy | 42,833,376 | 3,089,480 |
| 84 | U.S. Department of Education | 523,348,852 | 318,317,550 |
| 90 | U.S. Election Assistance Commission | 250,451 | 250,451 |
| 93 | U.S. Department of Health and Human Services | 1,196,849,244 | 34,517,008 |
| 94 | Corporation for National and Community Service | 8,513 | |
| 95 | Executive Office of the President | 1,149,643 | 413,950 |
| 96 | Social Security Administration | 5,687,733 | |
| 97 | U.S. Department of Homeland Security | 46,913,537 | 38,711,579 |
| | Total Expenditures of Federal Awards | \$ 2,926,765,580 | \$ 632,222,179 |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023**

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|--------|--|---|---|--------------------|---|
| U.S. Department of Agriculture | | | | | | |
| <i>SNAP Cluster</i> | | | | | | |
| Supplemental Nutrition Assistance Program (Note 3E) | 10.551 | | | Social Services | \$ 161,762,479 | \$ |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | | | Social Services | 11,226,426 | 107,228 |
| COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | | | Social Services | 458,241 | |
| <i>Total SNAP Cluster</i> | | | | | <u>173,447,146</u> | <u>107,228</u> |
| <i>Child Nutrition Cluster</i> | | | | | | |
| School Breakfast Program | 10.553 | | | Education | 8,551,138 | 8,551,138 |
| National School Lunch Program (Note 3A) | 10.555 | | | Education | 44,243,589 | 44,243,589 |
| Special Milk Program for Children | 10.556 | | | Education | 14,081 | 14,081 |
| Summer Food Service Program for Children (Note 3A) | 10.559 | | | Education | 1,398,280 | 1,254,899 |
| Fresh Fruit and Vegetable Program - Administrative Review and Training Method II | 10.582 | | | Education | 2,600,436 | 2,559,956 |
| <i>Total Child Nutrition Cluster</i> | | | | | <u>56,807,524</u> | <u>56,623,663</u> |
| <i>Food Distribution Cluster</i> | | | | | | |
| Commodity Supplemental Food Program | 10.565 | | | Education | 422,091 | 389,739 |
| Emergency Food Assistance Program (Administrative Costs) | 10.568 | | | Education | 219,093 | 107,354 |
| COVID-19 Emergency Food Assistance Program (Administrative Costs) | 10.568 | CRRSA and CARES | | Education | 45,075 | 45,075 |
| Emergency Food Assistance Program (Food Commodities) (Note 3A) | 10.569 | | | Education | 2,663,456 | 2,663,456 |
| COVID-19 Emergency Food Assistance Program (Food Commodities) (Note 3A) | 10.569 | CARES; CRRSA; BBB; FFCRA | | Education | 251,006 | 251,006 |
| <i>Total Food Distribution Cluster</i> | | | | | <u>3,600,721</u> | <u>3,456,630</u> |
| <i>Forest Service Schools and Roads Cluster</i> | | | | | | |
| Schools and Roads - Grants to States | 10.665 | | | State Auditor | 1,233,941 | 1,233,941 |
| <i>Total Forest Service Schools and Roads Cluster</i> | | | | | <u>1,233,941</u> | <u>1,233,941</u> |
| <i>Community Facilities Loans and Grants Cluster</i> | | | | | | |
| Community Facilities Loans and Grants | 10.766 | | Grant dated 10/18/22; Grant dated 09/29/2020 | SDSMT | 47,422 | |
| <i>Total Community Facilities Loans and Grants Cluster</i> | | | | | <u>47,422</u> | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 15,183,453 | 2,686,229 |
| <i>Plant and Animal Disease, Pest Control, and Animal Care</i> | | | | | | |
| Plant and Animal Disease, Pest Control, and Animal Care | 10.025 | AP21VSD; B000C098; AP20VSD; B000C035; AP21VSSP0000C060 AP23VSSPRS00C118; AP22VSSPRS00C080 AP23VSSPRS00C121; AP22VSSPRS00C081 AP22VSSPRS00C109 | | Agriculture and Natural Resources/Game, Fish and Parks/SDSU | 327,044 | |
| Plant and Animal Disease, Pest Control, and Animal Care - Animal Disease Traceability (ADT) | | | | Animal Industry Board | 81,196 | |
| Plant and Animal Disease, Pest Control, and Animal Care - National Surveillance and Response for Animal Health Activities (Umbrella) | | | | Animal Industry Board | 102,846 | |
| Plant and Animal Disease, Pest Control, and Animal Care - Highly Pathogenic Avian Influenza (HPAI) | | | | Animal Industry Board | 29,946 | |
| Plant and Animal Disease, Pest Control, and Animal Care - Farmed Cervid CWD Management and Response Activities | | AP22VSSPRS00C143 | | Animal Industry Board | 3,182 | |
| Plant and Animal Disease, Pest Control, and Animal Care - US Swine Health Improvement Plan | | AP23VSSP0000C020 | | Animal Industry Board | 18,109 | |
| <i>Total ALN 10.025</i> | | | | | <u>562,323</u> | |
| Conservation Reserve Program | 10.069 | NR226740XXXXC006; NR196740XXXXG009 | | SDSU | 47,217 | 2,542 |
| Market News | 10.153 | | | Agriculture and Natural Resources | 84,374 | |
| Specialty Crop Block Grant Program - Farm Bill - SDDA Dakota Flavor Marketplace | 10.170 | | | Agriculture and Natural Resources | 485,236 | 318,610 |

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|---|--|-----------------------------------|--------------------|---|
| U.S. Department of Agriculture (continued) | | | | | | |
| Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments | 10.182 | | | Agriculture and Natural Resources | 254,629 | 244,326 |
| The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds | 10.187 | | | Education | 22,155 | 22,155 |
| <i>Sustainable Agriculture Research and Education</i> | 10.215 | | | | | |
| Sustainable Agriculture Research and Education | | 20203864031522 | North Central Region Sustainable Agriculture Research and Education (SARE) | SDSU | 9,564 | |
| Sustainable Agriculture Research and Education | | 2019-38640-29879 | University of Minnesota | SDSU | 58,198 | |
| Sustainable Agriculture Research and Education | | 2022-38640-37486; | | | | |
| Sustainable Agriculture Research and Education | | 20203864031522; | Regents of the University of Minnesota | SDSU | 6,769 | |
| Sustainable Agriculture Research and Education | | 2019-38640-29879 | | | | |
| <i>Total ALN 10.215</i> | | | | | <u>74,531</u> | |
| Higher Education - Institution Challenge Grants Program | 10.217 | 2023-70003-38772 | | SDSU | 4,257 | |
| Food and Agriculture Defense Initiative (FADI) | 10.304 | 2022-37624-38238; 2021-37624-35452 | | SDSU | 248,387 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2022-67037-36254; 2021-68018-34619 | | SDSU | 140,404 | 94,588 |
| Beginning Farmer and Rancher Development Program | 10.311 | 2020-7017-32421 | | SDSU | 193,767 | 50,125 |
| Food Safety Outreach Program | 10.328 | 2021-70020-35732 | Iowa State University | SDSU | 5,544 | |
| Crop Protection and Pest Management Competitive Grants Program | 10.329 | 2021-70006-35474; 2017-70006-27206 | | SDSU | 395,023 | |
| Gus Schumacher Nutrition Incentive Program | 10.331 | 2018-70025-28153 | | SDSU | 2,807 | |
| Veterinary Services Grant Program | 10.336 | 20207002432376 | University of Minnesota | SDSU | 4,236 | |
| State Mediation Grants | 10.435 | | | Agriculture and Natural Resources | 94,415 | |
| Cooperative Agreements with States for Intrastate Meat and Poultry Inspection | 10.475 | BASE23; CIS23 | | Animal Industry Board | 1,076,116 | |
| <i>Cooperative Extension Service</i> | 10.500 | | | | | |
| Cooperative Extension Service | | 2019-48540-30098 | University of Missouri | SDSU | 13,058 | 3,656 |
| Cooperative Extension Service | | 2021-70027-34694; 20187002728586 | The Nebraska Board of Regents University of Nebraska | SDSU | 36,167 | |
| Cooperative Extension Service | | 2022-41590-38123; 2022-41580-37936; 20194152029987; 20184159028723 | | SDSU | 3,505,337 | 121,080 |
| <i>Total ALN 10.500</i> | | | | | <u>3,554,562</u> | <u>124,736</u> |
| Agriculture Risk Management Education Partnerships Competitive Grants Program | 10.520 | 2021-70027-34694 | The Nebraska Board of Regents University of Nebraska | SDSU | 4,822 | |
| <i>Farm and Ranch Stress Assistance Network Competitive Grants Program</i> | 10.525 | | | | | |
| Farm and Ranch Stress Assistance Network Competitive Grants Program | | | | Agriculture and Natural Resources | 177,587 | 74,910 |
| Farm and Ranch Stress Assistance Network Competitive Grants Program | | 2020-70028-32728 | The Board of Trustees of the University of Illinois | SDSU | 157,344 | |
| <i>Total ALN 10.525</i> | | | | | <u>334,931</u> | <u>74,910</u> |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|--|--|--|--------------------|---|
| U.S. Department of Agriculture (continued) | | | | | | |
| New Beginning for Tribal Students | 10.527 | 2021-70411-35208; 2020-70411-32783 | | SDSU | 176,467 | 123,109 |
| SNAP Fraud Framework Implementation Grant | 10.535 | | | Social Services | 104,170 | |
| Child Nutrition-Technology Innovation Grant | 10.541 | | | Education | 247,342 | |
| COVID-19 Pandemic EBT Food Benefits (Note 3E) | 10.542 | | | Social Services | 1,941,018 | |
| <i>WIC Special Supplemental Nutrition Program for Women, Infants, and Children</i> | 10.557 | | | | | |
| WIC Special Supplemental Nutrition Program for Women, Infants, and Children (Note 3I) | | 208NE000W5414 223SD708W1003; 223SD708W1006; 233SD708W1003; 233SD708W1006; 213SD808W5003 | Gretchen Swanson Center for Nutrition | Health | 205,614 | |
| WIC Special Supplemental Nutrition Program for Women, Infants, and Children (Note 3I) | | | | Health/USD | 17,091,899 | 845,111 |
| <i>Total ALN 10.557</i> | | | | | <u>17,297,513</u> | <u>845,111</u> |
| Child and Adult Care Food Program | 10.558 | | | Education | 7,649,158 | 7,542,420 |
| State Administrative Expenses for Child Nutrition | 10.560 | | | Education | 1,441,675 | |
| Farm to School Grant Program | 10.575 | | | Agriculture and Natural Resources/Education | 64,712 | 40,738 |
| WIC Grants to States (WGS) | 10.578 | 203SD542W5412; 213SD542W5412; 223SD542W5412 | | Health | 677,503 | |
| <i>Child Nutrition Discretionary Grants Limited Availability</i> | 10.579 | | | | | |
| Child Nutrition Discretionary Grants Limited Availability - NSLP Equipment | | | | Education | 30,219 | 30,219 |
| COVID-19 Child Nutrition Discretionary Grants Limited Availability - NSLP Equipment | | | | Education | 75,815 | 75,815 |
| <i>Total ALN 10.579</i> | | | | | <u>106,034</u> | <u>106,034</u> |
| Child Nutrition Direct Certification Performance Awards | 10.589 | | | Education | 51,780 | |
| COVID-19 Pandemic EBT Administrative Costs | 10.649 | | | Social Services | 34,192 | |
| Forestry Research - Forest Inventory Analysis | 10.652 | | | Agriculture and Natural Resources | 41,215 | 25,104 |
| Cooperative Forestry Assistance | 10.664 | | | Agriculture and Natural Resources | 543,820 | 62,042 |
| Forest Legacy Program | 10.676 | | | Agriculture and Natural Resources | 5,606 | |
| Forest Stewardship Program | 10.678 | | | Agriculture and Natural Resources | 5,397 | 4,170 |
| Forest Health Protection - Western Bark Beetle | 10.680 | | | Agriculture and Natural Resources | 23,895 | |
| State & Private Forestry Hazardous Fuel Reduction Program | 10.697 | | | Public Safety | 375,102 | 2,655 |
| State & Private Forestry Cooperative Fire Assistance | 10.698 | | | Public Safety | 2,077,748 | 694,857 |
| Infrastructure Investment and Jobs Act Community Wildfire Defense Grants | 10.720 | | | Public Safety | 3,545 | |
| Soil and Water Conservation | 10.902 | NR196740XXXXG009 | | SDSU | 10,435 | 847 |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|------------|---|---------------------|---|---------------------------|---|
| U.S. Department of Agriculture (continued) | | | | | | |
| <i>Environmental Quality Incentives Program</i> | 10.912 | | | | | |
| Environmental Quality Incentives Program - Agro-Forestry | | | | Agriculture and Natural Resources | 8,108 | |
| Environmental Quality Incentives Program - Thinning | | | | Agriculture and Natural Resources | 7,438 | |
| Environmental Quality Incentives Program | | NR196740XXXXG009; NR186740XXXXG003 | | SDSU | 34,138 | 1,695 |
| <i>Total ALN 10.912</i> | | | | | <u>49,684</u> | <u>1,695</u> |
| Conservation Stewardship Program | 10.924 | NR196740XXXXG009 | | SDSU | 10,435 | 847 |
| Agricultural Conservation Easement Program | 10.931 | NR196740XXXXG009 | | SDSU | 31,306 | 2,542 |
| Challenge Cost-Share Supplemental for Long Term Archival Services for Black Hills National Forest Historical Collection | 10.UNKNOWN | 20-CS-11020300-020 | | BHSU | 12,864 | |
| Total U.S. Department of Agriculture | | | | | <u>290,892,559</u> | <u>74,491,854</u> |
| U.S. Department of Commerce | | | | | | |
| <i>Economic Development Cluster</i> | | | | | | |
| COVID-19 Economic Adjustment Assistance | 11.307 | ED22DEN3070010 | | Governor's Office of Economic Development | 65,813 | |
| <i>Total Economic Development Cluster</i> | | | | | <u>65,813</u> | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 626,728 | |
| Build to Scale - Northern Innovation and Startup Center | 11.024 | ED22HDQ0240150 | | NSU | 54,431 | |
| State Digital Equity Planning and Capacity Grant | 11.032 | 46-30-DP334 | | Governor's Office of Economic Development | 26,809 | |
| Broadband Equity, Access, and Deployment Program | 11.035 | 46-20-B122 | | Governor's Office of Economic Development | 67,849 | |
| Office for Coastal Management | 11.473 | 0318.18.062467 | Rutgers University | SDSU | 4,268 | |
| Manufacturing Extension Partnership | 11.611 | 70NANB18H013N; 70NANB18H013 | | USD | 489,053 | |
| Economic Development Technical Assistance | 11.UNKNOWN | ED20HDQ0200015 | | USD | 305,511 | |
| Total U.S. Department of Commerce | | | | | <u>1,640,462</u> | |
| U.S. Department of Defense | | | | | | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 6,903,016 | 493,960 |
| Procurement Technical Assistance For Business Firms | 12.002 | SP4800-21-2-2183; SP4800-22-2-2283 | | USD | 209,698 | |
| Payments to States in Lieu of Real Estate Taxes | 12.112 | | | State Treasurer | 9,481 | 9,481 |
| State Memorandum of Agreement Program for the Reimbursement of Technical Services - Defense Environmental Restoration Program | 12.113 | | | Agriculture and Natural Resources | 85,582 | |
| <i>Military Construction, National Guard</i> | 12.400 | | | | | |
| Military Construction, National Guard - Sioux Falls Readiness Center | | W912MM-22-2-2001 | | Military | 2,527,126 | |
| Military Construction, National Guard - Transient Training Officer Quarters | | W912MM-21-2-2001 | | Military | 3,676,028 | |
| <i>Total ALN 12.400</i> | | | | | <u>6,203,154</u> | |

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STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|------------|--|---------------------|--|--------------------------|---|
| U.S. Department of Defense (continued) | | | | | | |
| National Guard Military Operations and Maintenance (O&M) Projects | 12.401 | | | | | |
| National Guard Military Operations and Maintenance (O&M) Projects | | W5BM2T-87001-001 | | Military | 71,660 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Interservice Support Agreement: Aberdeen Armed Forces Reserve Center | | W912MM-22-2-1021 | | Military | 1,664,206 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ANG Facilities Operations and Maintenance Activities | | W912MM-22-2-1024 | | Military | 2,748,693 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ANG Fire Protection Activities | | W912MM-22-2-1023 | | Military | 1,352,633 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ANG Security Guard Activities | | W912MM-23-2-1010; W912MM-22-2-1010 | | Military | 99,174 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Anti-Terrorism Program Coordinator Activities | | W912MM-23-2-1040; W912MM-22-2-1040 | | Military | 168,243 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Distance Learning | | W912MM-23-2-1004; W912MM-22-2-1004 | | Military | 261,683 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Electronic Security | | W912MM-23-2-1002; W912MM-22-2-1002 | | Military | 573,044 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Environmental Resource Management | | W912MM-22-2-1001 | | Military | 5,414,335 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Real Property Operations and Maintenance | | W912MM-23-2-1003; W912MM-22-2-1003; | | Military | 907,720 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Security Guard Activities | | W912MM-21-2-1003; W912MM-23-2-1005; W912MM-22-2-1005 | | Military | 421,233 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Telecommunications | | W912MM-23-2-1014 | | Military | 91,690 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Administrative Services | | W912MM-22-2-1022 | | Military | 57,394 | |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ANG Environmental Program Management | | W912MM-23-2-1001; W912MM-21-2-1001 | | Military | 5,504,194 | |
| <i>Total ALN 12.401</i> | | | | | <u>19,335,902</u> | |
| National Guard ChalleNGe Program (STARBASE) | 12.404 | W912MM-22-2-4002 | | Military | 1,539,363 | 1,539,363 |
| <i>ALN UNKNOWN - U.S. Department of Defense</i> | | | | | | |
| Cultural Resources Management Plans | 12.UNKNOWN | W9218-F-08-A-0025 | | Education | 8,845 | |
| Cultural Assessment | | W9128F-12-C-0087 | | Education | 5,265 | |
| Archeological Services | | W9128F17D0048 | | Education | 172,229 | |
| <i>Total ALN UNKNOWN - U.S. Department of Defense</i> | | | | | <u>186,339</u> | |
| Total U.S. Department of Defense | | | | | <u>34,472,535</u> | <u>2,042,804</u> |
| U.S. Department of Housing and Urban Development | | | | | | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 26,966 | |
| Manufactured Housing | 14.171 | | | Public Safety | 5,298 | |
| <i>Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii</i> | | | | | | |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | 14.228 | | | Governor's Office of Economic Development | 3,701,294 | 3,544,227 |
| COVID-19 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | | | | Governor's Office of Economic Development | 1,487,495 | 1,487,495 |
| <i>Total ALN 14.228</i> | | | | | <u>5,188,789</u> | <u>5,031,722</u> |
| Total U.S. Department of Housing and Urban Development | | | | | <u>5,221,053</u> | <u>5,031,722</u> |

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The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|--------|---|----------------------------|----------------------|--------------------|---|
| U.S. Department of Interior | | | | | | |
| <i>Fish and Wildlife Cluster</i> | | | | | | |
| Sport Fish Restoration | 15.605 | | | Game, Fish and Parks | 4,837,769 | 147,920 |
| Wildlife Restoration and Basic Hunter Education and Safety | 15.611 | | | Game, Fish and Parks | 13,323,294 | 231,774 |
| <i>Total Fish and Wildlife Cluster</i> | | | | | <u>18,161,063</u> | <u>379,694</u> |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 1,541,714 | 87,320 |
| Consolidated Tribal Government | 15.021 | A16AV00143 | Cheyenne River Sioux Tribe | SDSU | 19 | |
| Cultural and Paleontological Resources Management | 15.224 | | | Education | 4,590 | |
| Distribution of Receipts to State and Local Governments - Mineral Leasing and Taylor Grazing | 15.227 | | | Education | 608,618 | 608,618 |
| BLM Fuels Management and Community Fire Assistance Program Activities | 15.228 | | | Public Safety | 62,685 | |
| Water Recycling and Desalination Construction Programs | 15.504 | | | Game, Fish and Parks | 718,601 | |
| Fish and Wildlife Management Assistance - Quagga and Zebra Mussel Action Plan (QZAP) | 15.608 | | | Game, Fish and Parks | 190,478 | |
| National Land Remote Sensing Education Outreach and Research | 15.815 | G18AP00077 | AmericaView Inc | SDSU | 29,455 | |
| Historic Preservation Fund Grants-In-Aid | 15.904 | | | Education | 815,119 | 84,811 |
| Outdoor Recreation Acquisition, Development and Planning | 15.916 | | | Game, Fish and Parks | 1,814,485 | 1,234,348 |
| Total U.S. Department of Interior | | | | | <u>23,946,827</u> | <u>2,394,791</u> |
| U.S. Department of Justice | | | | | | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 439,861 | 91,296 |
| Sexual Assault Services Formula Program | 16.017 | | | Public Safety | 242,079 | 226,774 |
| COVID-19 Coronavirus Emergency Supplemental Funding Program | 16.034 | | | Public Safety | 256,914 | 56,366 |
| Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus | 16.525 | 15JOVW-21-GG-01065-CAMP | | USD | 88,384 | |
| Juvenile Justice and Delinquency Prevention - Allocation to States | 16.540 | | | Corrections | 529,734 | 398,959 |
| Missing Children's Assistance - SD Internet Crimes Against Children | 16.543 | 2019-MC-FX-K018 | | Attorney General | 447,015 | |
| National Criminal History Improvement Program (NCHIP) | 16.554 | 2019-RU-BX-K027; 2020-RU-BX-0021 | | Attorney General | 129,670 | |
| Crime Victim Assistance | 16.575 | | | Public Safety | 5,097,672 | 4,306,874 |
| Crime Victim Compensation | 16.576 | | | Public Safety | 114,803 | 113,153 |
| Violence Against Women Formula Grant | 16.588 | | | Public Safety | 665,424 | 629,037 |
| Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program | 16.589 | 15JOVW-21-GG-00844-RURA | | USD | 185,397 | 1,923 |
| Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program | 16.590 | 2016-WE-AX-0003 | | Attorney General | 286,589 | 286,589 |
| State Criminal Alien Assistance Program | 16.606 | | | Corrections | 259,987 | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | | | Public Safety | 384,910 | 21,630 |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|------------|---|-------------------------------------|-----------------------------------|--------------------------|---|
| U.S. Department of Justice (continued) | | | | | | |
| DNA Backlog Reduction Program | 16.741 | 2018-DN-BX-0135; 2019-DN-BX-0041; 2020-DN-BX-0082 | | Attorney General | 437,681 | |
| Paul Coverdell Forensic Sciences Improvement Grant Program | 16.742 | 2019-CD-BX-0031; 2020-CD-BX-0021 | | Attorney General | 265,009 | |
| Support for Adam Walsh Act Implementation Grant Program | 16.750 | 2020-AW-BX-0012; 2019-AW-BX-0022; 2018-AW-BX-0002 | | Attorney General | 222,556 | |
| Harold Rogers Prescription Drug Monitoring Program | 16.754 | 2022-PM-BX-0016 | | Health | 1,644 | |
| John R. Justice Prosecutors and Defenders Incentive Act | 16.816 | 2020-RJ-BX-0015 | | Attorney General | 34,497 | 31,324 |
| STOP School Violence | 16.839 | | | Public Safety | 397,160 | |
| Equitable Sharing Program | 16.922 | | | Attorney General/Public Safety | 16,921 | |
| <i>ALN UNKNOWN - U.S. Department of Justice</i> | 16.UNKNOWN | | | | | |
| Technical Assistance Grant | | SJI-17-P-198 | National Center for State Courts | Unified Judicial System | 14,706 | |
| Technical Assistance Grant | | SJI-22-T-047 | | Unified Judicial System | 25,000 | |
| <i>Total ALN UNKNOWN - U.S. Department of Justice</i> | | | | | <u>39,706</u> | |
| 200 Total U.S. Department of Justice | | | | | <u>10,543,613</u> | <u>6,163,925</u> |
| U.S. Department of Labor | | | | | | |
| <i>Employment Service Cluster</i> | | | | | | |
| Employment Service/Wagner-Peyser Funded Activities | 17.207 | | | Labor | 5,356,418 | |
| Jobs for Veterans State Grants | 17.801 | | | Labor | 264,339 | |
| <i>Total Employment Service Cluster</i> | | | | | <u>5,620,757</u> | |
| <i>WIOA Cluster</i> | | | | | | |
| WIOA Adult Program | 17.258 | | | Labor | 3,338,310 | 83,701 |
| WIOA Youth Activities | 17.259 | | | Labor | 3,664,834 | |
| WIOA Dislocated Worker Formula Grants | 17.278 | | | Labor | 983,878 | |
| <i>Total WIOA Cluster</i> | | | | | <u>7,987,022</u> | <u>83,701</u> |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | | |
| Labor Force Statistics | 17.002 | | | Labor | 532,229 | |
| <i>Unemployment Insurance</i> | | | | | | |
| Unemployment Insurance (Note 3K) | 17.225 | | | Labor | 34,480,682 | |
| COVID-19 Unemployment Insurance (Note 3K) | | | | Labor | 1,807,815 | |
| <i>Total ALN 17.225</i> | | | | | <u>36,288,497</u> | |
| Senior Community Service Employment Program | 17.235 | | | Labor | 355,602 | |
| Trade Adjustment Assistance | 17.245 | | | Labor | 417,212 | |
| H-1B Job Training Grants | 17.268 | FOA-ETA-22-16 | | USD | 4,248 | |
| Reentry Employment Opportunities | 17.270 | | | Labor | 17,814 | |
| Work Opportunity Tax Credit Program (WOTC) | 17.271 | | | Labor | 229,187 | |
| Temporary Labor Certification for Foreign Workers | 17.273 | | | Labor | 182,679 | |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|------------|---|--|----------------------|--------------------|---|
| U.S. Department of Labor (continued) | | | | | | |
| COVID-19 WIOA National Dislocated Worker Grants / WIA National Emergency Grants | 17.277 | | | Labor | 716,404 | |
| Registered Apprenticeship | 17.285 | | | Labor | 792,349 | |
| Consultation Agreements | 17.504 | CS OSHA-21D-2023-001; CS OSHA-21D-2022-001 | | SDSU | 576,403 | |
| Local Veterans' Employment Representative Program | 17.804 | | | Labor | 411,857 | |
| Employment and Training Administration Evaluations | 17.UNKNOWN | A21-0058-001 | West River Area Health Educational Center | USD | 79,972 | |
| Total U.S. Department of Labor | | | | | 54,379,479 | 83,701 |
| U.S. Department of Transportation | | | | | | |
| <i>FMCSA Cluster</i> | | | | | | |
| Motor Carrier Safety Assistance | 20.218 | | | Public Safety | 2,226,157 | |
| Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements | 20.237 | IT064601G00000 | | Transportation | 819,138 | |
| <i>Total FMCSA Cluster</i> | | | | | <u>3,045,295</u> | |
| <i>Transit Services Programs Cluster</i> | | | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | | | Transportation | 430,208 | 362,409 |
| COVID-19 Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | | | Transportation | 94,269 | 94,269 |
| <i>Total Transit Services Programs Cluster</i> | | | | | <u>524,477</u> | <u>456,678</u> |
| <i>Federal Transit Cluster</i> | | | | | | |
| Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs | 20.526 | | | Transportation | 2,503,698 | 2,503,698 |
| <i>Total Federal Transit Cluster</i> | | | | | <u>2,503,698</u> | <u>2,503,698</u> |
| <i>Highway Safety Cluster</i> | | | | | | |
| State and Community Highway Safety | 20.600 | | | Public Safety | 2,879,194 | 845,857 |
| National Priority Safety Programs | 20.616 | | | Public Safety | 770,203 | 33,870 |
| <i>Total Highway Safety Cluster</i> | | | | | <u>3,649,397</u> | <u>879,727</u> |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | | |
| | | | | | 727,649 | 107,439 |
| <i>Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs</i> | | | | | | |
| Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs (Note 3J) | 20.106 | 510692 | | Transportation | 281,985 | |
| COVID-19 Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs (Note 3J) | | | | Transportation | 1,488 | |
| <i>Total ALN 20.106</i> | | | | | <u>283,473</u> | |
| <i>Highway Planning and Construction</i> | | | | | | |
| Highway Planning and Construction | 20.205 | | | Transportation | 415,018,238 | 1,638,891 |
| COVID-19 Highway Planning and Construction | | | | Transportation | 207,645 | |
| <i>Total ALN 20.205</i> | | | | | <u>415,225,883</u> | <u>1,638,891</u> |
| Highway Training and Education | 20.215 | 693JJ32250018 | North Dakota State University | SDSU | 37,934 | |
| Recreational Trails Program | 20.219 | | | Game, Fish and Parks | 1,197,826 | 400,878 |
| Commercial Driver's License Program Implementation Grant | 20.232 | | | Public Safety | 1,295 | |
| Consolidated Rail Infrastructure and Safety Improvements | 20.325 | | | Transportation | 2,625,524 | |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | 20.505 | | | Transportation | 47,534 | 47,534 |

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The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|---|---------------------|-----------------------------|---------------------------|---|
| U.S. Department of Transportation (continued) | | | | | | |
| Formula Grants for Rural Areas and Tribal Transit Program | 20.509 | | | | | |
| Formula Grants for Rural Areas and Tribal Transit Program | | | | Transportation | 8,861,219 | 8,493,566 |
| COVID-19 Formula Grants for Rural Areas and Tribal Transit Program | | | | Transportation | 856,267 | 856,225 |
| <i>Total ALN 20.509</i> | | | | | <u>9,717,486</u> | <u>9,349,791</u> |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | | | Public Safety | 1,657,684 | 54,966 |
| National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements - State Support of the Fatal Accident Reporting System (FARS) | 20.614 | DTNH2217H00143 | | Public Safety | 46,499 | |
| Pipeline Safety Program State Base Grant | 20.700 | 693JK31930039PGSB | | Public Utilities Commission | 202,055 | |
| Interagency Hazardous Materials Public Sector Training and Planning Grants | 20.703 | | | Public Safety | 203,691 | 183,715 |
| National Infrastructure Investments | 20.933 | | | Transportation | 13,525,099 | |
| Nationally Significant Freight and Highway Projects | 20.934 | | | Transportation | 29,487,651 | |
| Total U.S. Department of Transportation | | | | | <u>484,710,150</u> | <u>15,623,317</u> |
| U.S. Department of Treasury | | | | | | |
| Low Income Taxpayer Clinics | 21.008 | 23-LITC0585-02-00; 22-LITC0585-01-02 | | USD | 69,542 | |
| Equitable Sharing | 21.016 | | | Attorney General | 277 | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | | | State of South Dakota | 136,540,972 | 100,242,438 |
| Total U.S. Department of Treasury | | | | | <u>136,610,791</u> | <u>100,242,438</u> |
| U.S. Equal Employment Opportunity Commission | | | | | | |
| Employment Discrimination_State and Local Fair Employment Practices Agency Contracts | 30.002 | | | Labor | 30,885 | |
| Total U.S. Equal Employment Opportunity Commission | | | | | <u>30,885</u> | |
| General Services Administration | | | | | | |
| Donation of Federal Surplus Personal Property (Note 3B) | 39.003 | | | Bureau of Administration | 723,536 | 663,918 |
| Election Reform Payments - Help America Vote Act | 39.011 | | | Secretary of State | 313,089 | |
| Total General Services Administration | | | | | <u>1,036,625</u> | <u>663,918</u> |
| National Aeronautics and Space Administration | | | | | | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 2,515,050 | 102,314 |
| Total National Aeronautics and Space Administration | | | | | <u>2,515,050</u> | <u>102,314</u> |
| National Endowment for the Arts | | | | | | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 33,387 | |

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STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|------------|---|--|--------------|--------------------------|---|
| National Endowment for the Arts (continued) | | | | | | |
| Promotion of the Arts Grants to Organizations and Individuals | 45.024 | 1854217-55-19 | | SDSU | 11,283 | |
| Promotion of the Arts Grants to Organizations and Individuals | | | Stuart Pimsler Dance and Theater (SPDT) | | | |
| Promotion of the Arts Grants to Organizations and Individuals | | 13404464 | | USD | 1,093 | |
| <i>Total ALN 45.024</i> | | | | | <u>12,376</u> | |
| Promotion of the Arts Partnership Agreements | | | | | | |
| Promotion of the Arts Partnership Agreements | 45.025 | | | Tourism | 862,650 | 757,991 |
| COVID-19 Promotion of the Arts Partnership Agreements | | | | Tourism | 374,041 | 365,427 |
| <i>Total ALN 45.025</i> | | | | | <u>1,236,691</u> | <u>1,123,418</u> |
| Total National Endowment for the Arts | | | | | <u>1,282,454</u> | <u>1,123,418</u> |
| National Endowment for the Humanities | | | | | | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 3,863 | |
| Promotion of the Humanities Federal/State Partnership | | | | | | |
| Promotion of the Humanities Federal/State Partnership | 45.129 | 2611; 2610; 3518; 3696; 2795 | South Dakota Humanities Council | SDSU/USD | 33,599 | |
| COVID-19 Promotion of the Humanities Federal/State Partnership | | ZSO28315621; | South Dakota Humanities Council | BHSU/SDSU | 30,097 | |
| COVID-19 Promotion of the Humanities Federal/State Partnership - ARPA Funding to State and Jurisdictional Humanities Councils - Williams Library at Northern State University | | ZSO-283156-21; 2021300 | South Dakota Humanities Council | | | |
| <i>Total ALN 45.129</i> | | 2021364 | | NSU | <u>7,367</u> | |
| | | | | | <u>71,063</u> | |
| Promotion of the Humanities Research | | | | | | |
| Promotion of the Humanities Research | 45.161 | RZ-279861-21 | South Dakota Humanities Council | USD | 49,512 | |
| COVID-19 Promotion of the Humanities Research | | 2021327; 2021320 | South Dakota Humanities Council | USD | 11,034 | |
| COVID-19 Promotion of the Humanities Research - American Rescue Plan | | 2021352 | South Dakota Humanities Council | USD | 11,998 | 7,800 |
| <i>Total ALN 45.161</i> | | | | | <u>72,544</u> | <u>7,800</u> |
| COVID-19 Promotion of the Humanities Teaching and Learning Resources and Curriculum Development | 45.162 | ZED-283457-22 | | BHSU | 97,336 | |
| COVID-19 Promotion of the Humanities Federal/State Partnership | 45.UNKNOWN | 2021363 | | DSU | 3,776 | |
| Total National Endowment for the Humanities | | | | | <u>248,582</u> | <u>7,800</u> |
| Institute of Museum and Library Services | | | | | | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 27,343 | |
| Grants to States | | | | | | |
| Grants to States | 45.310 | | | Education | 1,157,594 | |
| COVID-19 Grants to States | | | | Education | 503,298 | 362,791 |
| <i>Total ALN 45.310</i> | | | | | <u>1,660,892</u> | <u>362,791</u> |
| Total Institute of Museum and Library Services | | | | | <u>1,688,235</u> | <u>362,791</u> |
| National Science Foundation | | | | | | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 17,012,719 | 1,994,504 |
| Total National Science Foundation | | | | | <u>17,012,719</u> | <u>1,994,504</u> |
| U.S. Small Business Administration | | | | | | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 650,263 | |

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The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023**

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|--------|---|---------------------|-----------------------------------|-------------------------|---|
| U.S. Small Business Administration (continued) | | | | | | |
| <i>Small Business Development Centers</i> | | | | | | |
| | 59.037 | | | | | |
| Small Business Development Centers | | SBAOEDSB230035; | | USD | 735,062 | |
| COVID-19 Small Business Development Centers | | SBAHQ22B0023; 2020279 | | USD | 141,747 | |
| <i>Total ALN 59.037</i> | | SBAHQ20C0044 | | | <u>876,809</u> | |
| <i>Women's Business Ownership Assistance</i> | | | | | | |
| | 59.043 | | | | | |
| Women's Business Ownership Assistance - Initial Phase | | SBAHQ21W0007 | | BHSU | 218,976 | |
| Women's Business Ownership Assistance - New Renewal (Base Year) | | SBAHQ20W0046 | | BHSU | 160,817 | |
| <i>Total ALN 59.043</i> | | | | | <u>379,793</u> | |
| COVID-19 Community Navigator Pilot Program | 59.077 | CNP-2021-01 | Startup Sioux Falls | USD | 2,626 | |
| Total U.S. Small Business Administration | | | | | <u>1,909,491</u> | |
| U.S. Department of Veterans Affairs | | | | | | |
| COVID-19 Grants to States for Construction of State Home Facilities - SD Veterans Home COVID Construction | 64.005 | | | Veterans Affairs | 69,118 | |
| Veterans State Domiciliary Care (Note 3C) | 64.014 | | | Veterans Affairs | 254,305 | |
| Veterans State Nursing Home Care (Note 3C) | 64.015 | | | Veterans Affairs | 5,745,322 | |
| Payments to States for Programs to Promote the Hiring and Retention of Nurses at State Veterans Homes - SD Veterans Home Nurse Recruitment and Retention | 64.053 | | | Veterans Affairs | 12,949 | |
| Vocational and Educational Counseling for Servicemembers and Veterans | 64.125 | V101 (223C) P-5181 | | Veterans Affairs | 201,098 | |
| Veterans Cemetery Grants Program | 64.203 | 36C78619D0057 | | BHSU | 25,625 | |
| Veterans Legacy Grants Program | 64.204 | 36C78621C0072 | | BHSU | 52,757 | |
| Total U.S. Department of Veterans Affairs | | | | | <u>6,361,174</u> | |
| U.S. Environmental Protection Agency | | | | | | |
| <i>Clean Water State Revolving Fund (CWSRF) Cluster</i> | | | | | | |
| Clean Water State Revolving Fund (Note 3G) | 66.458 | | | Agriculture and Natural Resources | 7,425,280 | 6,948,215 |
| <i>Total Clean Water State Revolving Fund (CWSRF) Cluster</i> | | | | | <u>7,425,280</u> | <u>6,948,215</u> |
| <i>Drinking Water State Revolving Fund (DWSRF) Cluster</i> | | | | | | |
| Drinking Water State Revolving Fund (Note 3G) | 66.468 | | | Agriculture and Natural Resources | 18,356,928 | 17,353,273 |
| <i>Total Drinking Water State Revolving Fund (DWSRF) Cluster</i> | | | | | <u>18,356,928</u> | <u>17,353,273</u> |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | | |
| Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act | 66.034 | | | Agriculture and Natural Resources | 260,391 | |
| Diesel Emissions Reduction Act (DERA) State Grants | 66.040 | | | Agriculture and Natural Resources | 424,000 | 398,132 |
| Water Pollution Control State, Interstate, and Tribal Program Support | 66.419 | | | Agriculture and Natural Resources | 381,795 | |

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STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|------------|---|---|---|--------------------|---|
| U.S. Environmental Protection Agency (continued) | | | | | | |
| Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d)) | 66.444 | | | Agriculture and Natural Resources | 97,812 | |
| Sewer Overflow and Stormwater Reuse Municipal Grant Program | 66.447 | | | Agriculture and Natural Resources | 336,600 | 336,600 |
| Water Quality Management Planning | 66.454 | | | Agriculture and Natural Resources | 127,939 | 32,569 |
| Nonpoint Source Implementation Grants | 66.460 | | | Agriculture and Natural Resources | 2,227,930 | 1,462,386 |
| Performance Partnership Grants | 66.605 | | | Agriculture and Natural Resources | 3,922,052 | 60,630 |
| Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies | 66.716 | 83698001 | Extension Foundation | SDSU | 15,696 | |
| Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements | 66.802 | | | Agriculture and Natural Resources | 115,994 | |
| Underground Storage Tank (UST) Prevention, Detection and Compliance Program | 66.804 | | | Agriculture and Natural Resources | 330,379 | 1,059 |
| Leaking Underground Storage Tank Trust Fund Corrective Action Program | 66.805 | | | Agriculture and Natural Resources | 438,472 | |
| Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements | 66.814 | A00-0223-S035; A00-0392-S015; A22-0207-S008 | Kansas State University | SDSU | 42,448 | |
| State and Tribal Response Program Grants | 66.817 | | | Agriculture and Natural Resources | 696,280 | |
| Total U.S. Environmental Protection Agency | | | | | 35,221,547 | 26,592,864 |
| U.S. Department of Energy | | | | | | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 2,889,490 | 90,980 |
| State Energy Program | 81.041 | EE0010100; EE0010048 | | Governor's Office of Economic Development | 218,900 | |
| Weatherization Assistance for Low-Income Persons | 81.042 | | | Social Services | 3,051,901 | 2,998,500 |
| Office of Science Financial Assistance Program | 81.049 | DE-SC0022857; DE-SC0020216 | | Science and Technology Authority | 31,542,298 | |
| <i>ALN UNKNOWN - U.S. Department of Energy</i> | 81.UNKNOWN | | | | | |
| Fermi National Accelerator Laboratory Contract | | 674969; 671265 | Fermi National Accelerator Laboratory Contract | Science and Technology Authority | 5,000,888 | |
| Fermi National Accelerator Laboratory Contract | | 4000193681 | Oak Ridge National Laboratory Contract | Science and Technology Authority | 8,042 | |
| Fermi National Accelerator Laboratory Contract | | 7650068; 7525117; 7371823 | Lawrence Berkeley National Laboratory Contract | Science and Technology Authority | 121,441 | |
| Fermi National Accelerator Laboratory Contract | | 03506A | RESPEC, Inc. Small Business Innovation Research Rock Melt Project | Science and Technology Authority | 416 | |
| <i>Total ALN UNKNOWN - U.S. Department of Energy</i> | | | | | 5,130,787 | |
| Total U.S. Department of Energy | | | | | 42,833,376 | 3,089,480 |

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The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023**

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|---------|---|---------------------|----------------|--------------------|---|
| U.S. Department of Education | | | | | | |
| <i>Special Education Cluster (IDEA)</i> | | | | | | |
| Special Education Grants to States (IDEA, Part B) | 84.027 | | | Education | 42,540,155 | 37,586,232 |
| COVID-19 Special Education Grants to States (IDEA, Part B) | 84.027X | | | Education | 465,953 | 465,953 |
| Special Education Preschool Grants (IDEA Preschool) | 84.173 | | | Education | 1,655,785 | 1,205,530 |
| COVID-19 Special Education Preschool Grants (IDEA Preschool) | 84.173X | | | Education | 220,781 | 220,781 |
| <i>Total Special Education Cluster (IDEA)</i> | | | | | <u>44,882,674</u> | <u>39,478,496</u> |
| <i>TRIO Cluster</i> | | | | | | |
| TRIO Student Support Services | 84.042 | P042A200602; P042A170790; P042A200408 | | BHSU/SDSU/USD | 894,477 | |
| TRIO Student Support Services | 84.042A | P042A201186 P044A220099; | | NSU | 326,362 | |
| TRIO Talent Search | 84.044 | P044A170241 | | USD | 485,120 | |
| TRIO Talent Search - Services to South Dakota Schools with Outstanding Need Sioux Falls | 84.044 | P044A210096 P047A220100; P047A170328; | | USD | 261,390 | |
| TRIO Upward Bound | 84.047 | P047A180585 P047A171174; | | SDSU/USD | 850,569 | |
| TRIO Upward Bound | 84.047A | P047A220211 | | NSU | 368,590 | |
| <i>Total TRIO Cluster</i> | | | | | <u>3,186,508</u> | |
| <i>Student Financial Assistance (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 160,496,881 | |
| Adult Education - Basic Grants to States | 84.002 | | | Labor | 1,084,633 | 811,051 |
| Title I Grants to Local Educational Agencies | 84.010 | | | Education | 53,777,151 | 51,899,742 |
| Migrant Education State Grant Program | 84.011 | | | Education | 840,184 | 840,184 |
| Higher Education Institutional Aid - Title III Part A Programs - Strengthening Institutions | 84.031A | P031A210139 | | BHSU | 457,540 | |
| Career and Technical Education - Basic Grants to States | 84.048 | | | Education | 5,411,167 | 4,681,115 |
| Fund for the Improvement of Postsecondary Education | 84.116W | P116W220054 | | USD | 166,805 | |
| Rehabilitation Services Vocational Rehabilitation Grants to States | 84.126 | | | Human Services | 11,083,967 | 584,321 |
| Rehabilitation Long-Term Training | 84.129 | H129B190001 | | SDSU | 134,474 | |
| Migrant Education Coordination Program | 84.144 | | | Education | 144,970 | |
| Rehabilitation Services Independent Living Services for Older Individuals Who are Blind | 84.177 | | | Human Services | 252,467 | |
| <i>Special Education - Grants for Infants and Families</i> | | | | | | |
| Special Education - Grants for Infants and Families | 84.181 | | | Education | 2,030,696 | |
| COVID-19 Special Education - Grants for Infants and Families | 84.181X | | | Education | 335,258 | |
| <i>Total ALN 84.181</i> | | | | | <u>2,365,954</u> | |
| School Safety National Activities | 84.184 | S184X230121 | | USD | 14,893 | |
| Supported Employment Services for Individuals with the Most Significant Disabilities | 84.187 | | | Human Services | 83,443 | |
| Education for Homeless Children and Youth | 84.196 | | | Education | 426,032 | 349,406 |
| Twenty-First Century Community Learning Centers | 84.287 | | | Education | 6,217,402 | 5,879,641 |
| Special Education - State Personnel Development | 84.323 | | | Education | 369,459 | 124,617 |

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|---------|---|---------------------|---------------------------|---------------------------|---|
| U.S. Department of Education (continued) | | | | | | |
| Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities | 84.326 | H326T180053 | | USD | 110,244 | |
| Rural Education | 84.358 | | | Education | 283,475 | 283,475 |
| English Language Acquisition State Grants | 84.365 | | | Education | 1,066,912 | 912,245 |
| Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) | 84.367 | | | Education | 9,872,174 | 9,379,179 |
| Grants for State Assessments and Related Activities | 84.369 | | | Education | 4,630,158 | |
| <i>Student Support and Academic Enrichment Program</i> | | | | | | |
| Student Support and Academic Enrichment Program | 84.424 | | | Education | 5,212,046 | 5,083,747 |
| Student Support and Academic Enrichment Program | 84.424F | | | Education | 4,950 | |
| <i>Total ALN 84.424</i> | | | | | <u>5,216,996</u> | <u>5,083,747</u> |
| <i>COVID-19 Education Stabilization Fund</i> | | | | | | |
| COVID-19 Education Stabilization Fund - Discretionary Grants: Rethink K-12 Education Models Grants | 84.425B | | | Education | 1,030,044 | |
| COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief Fund | 84.425C | CARES | | Education | 4,559,559 | 3,190,633 |
| COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund | 84.425D | CARES and CRRSA | | Education | 90,607,264 | 90,009,770 |
| COVID-19 Education Stabilization Fund - Higher Education Emergency Relief Fund (HEERF) Institutional Portion | 84.425F | P425F201807; P425F201010; P425F200885 | | BHSU/DSU/NSU/SDSU/ USD | 3,949,212 | |
| COVID-19 Education Stabilization Fund - Higher Education Emergency Relief Fund (HEERF) Strengthening Institutions Program | 84.425M | P425M200220 | | DSU/NSU | 70,575 | |
| COVID-19 Education Stabilization Fund - Emergency Assistance for Non-Public Schools | 84.425R | CRRSA | | Education | 223,582 | |
| COVID-19 Education Stabilization Fund - ARP - Elementary and Secondary School Emergency Relief Fund | 84.425U | ARP | | Education | 109,237,973 | 104,450,986 |
| COVID-19 Education Stabilization Fund - ARP - Emergency Assistance to Non-Public Schools | 84.425V | ARP | | Education | 568,866 | |
| COVID-19 Education Stabilization Fund - ARP - Homeless Children and Youth | 84.425W | ARP | | Education | 437,120 | 358,942 |
| <i>Total ALN 84.425</i> | | | | | <u>210,684,195</u> | <u>198,010,331</u> |
| National Assessment of Educational Progress (NAEP) | 84.902 | | | Education | 88,094 | |
| Total U.S. Department of Education | | | | | <u>523,348,852</u> | <u>318,317,550</u> |
| U.S. Election Assistance Commission | | | | | | |
| Help America Vote Act Requirements Payments | 90.401 | | | Secretary of State | 250,451 | 250,451 |
| Total U.S. Election Assistance Commission | | | | | <u>250,451</u> | <u>250,451</u> |
| U.S. Department of Health and Human Services | | | | | | |
| <i>Aging Cluster</i> | | | | | | |
| Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers | 93.044 | | | Human Services | 2,109,232 | 348,417 |
| COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers | 93.044 | | | Human Services | 170,694 | 164,473 |
| Special Programs for the Aging, Title III, Part C, Nutrition Services | 93.045 | | | Human Services | 5,462,859 | 5,074,638 |
| COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services | 93.045 | | | Human Services | 53,077 | 42,127 |
| Nutrition Services Incentive Program | 93.053 | | | Human Services | 1,229,188 | 1,229,188 |
| <i>Total Aging Cluster</i> | | | | | <u>9,025,050</u> | <u>6,858,843</u> |

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STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|---|---------------------|------------------|--------------------|---|
| U.S. Department of Health and Human Services (continued) | | | | | | |
| <i>CCDF Cluster</i> | | | | | | |
| Child Care and Development Block Grant | 93.575 | | | Social Services | 14,002,882 | 2,705,087 |
| COVID-19 Child Care and Development Block Grant | 93.575 | | | Social Services | 40,191,890 | 1,859,670 |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | | | Social Services | 4,278,239 | |
| COVID-19 Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | | | Social Services | 1,998,230 | |
| <i>Total CCDF Cluster</i> | | | | | <u>60,471,241</u> | <u>4,564,757</u> |
| <i>Head Start Cluster</i> | | | | | | |
| Head Start | 93.600 | 08CH010864 | | Education/USD | 3,124,890 | |
| COVID-19 Head Start | 93.600 | 08HE000884; 08CH010864 | | USD | 248,465 | |
| <i>Total Head Start Cluster</i> | | | | | <u>3,373,355</u> | |
| <i>Medicaid Cluster</i> | | | | | | |
| State Medicaid Fraud Control Units | 93.775 | 2001SD5050; 2101SD5050 | | Attorney General | 392,303 | |
| | | 05-2205-SD-5000; | | | | |
| | | 05-2305-SD-5000; | | | | |
| | | 05-2205-SD-IMPACT; | | | | |
| State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare | 93.777 | 05-2305-SD-IMPACT | | Health | 1,781,366 | |
| | | 05-2205-SD-5000; | | | | |
| COVID-19 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare | 93.777 | | | Health | 6,604 | |
| Medical Assistance Program | 93.778 | | | Social Services | 790,629,713 | |
| COVID-19 Medical Assistance Program - 6.2% FFCRA increase | 93.778 | | | Social Services | 58,029,826 | |
| <i>Total Medicaid Cluster</i> | | | | | <u>850,839,812</u> | |
| <i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 14,456,868 | 1,801,459 |
| <i>Student Financial Assistance (Individual Federal Awards Reported at bottom of Schedule)</i> | | | | | 13,753,010 | |
| Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation | 93.041 | | | Human Services | 30,467 | |
| <i>Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals</i> | | | | | | |
| Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals | 93.042 | | | Human Services | 97,223 | |
| COVID-19 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals | | | | Human Services | 35,677 | |
| <i>Total ALN 93.042</i> | | | | | <u>132,900</u> | |
| Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services | 93.043 | | | Human Services | 132,047 | 19,112 |
| <i>Special Programs for the Aging, Title IV, and Title II, Discretionary Projects</i> | | | | | | |
| Special Programs for the Aging, Title IV, and Title II, Discretionary Projects | 93.048 | | | Human Services | 353,137 | 198,652 |
| COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects | | | | Human Services | 94,946 | 94,946 |
| <i>Total ALN 93.048</i> | | | | | <u>448,083</u> | <u>293,598</u> |
| National Family Caregiver Support, Title III, Part E | 93.052 | | | Human Services | 847,215 | 190,445 |
| Sexual Risk Avoidance Education - (Title V State SRAE) Program | 93.060 | 90SR0123 | | Health | 304,509 | 183,881 |
| Public Health Emergency Preparedness | 93.069 | NU90TP922021 | | Health | 4,736,177 | 2,422 |
| Medicare Enrollment Assistance Program | 93.071 | | | Human Services | 151,825 | 107,628 |
| Lifespan Respite Care Program | 93.072 | | | Human Services | 13,842 | |
| Cooperative Agreements to Promote Adolescent Health Through School-Based HIV/STD Prevention and School-Based Surveillance | 93.079 | NU87PS004310 | | Health | 46,285 | |

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**STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023**

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|--------|---|--|---------------------|--------------------|---|
| U.S. Department of Health and Human Services (continued) | | | | | | |
| Guardianship Assistance | 93.090 | | | | | |
| Guardianship Assistance | | | | Social Services | 181,132 | |
| COVID-19 Guardianship Assistance - 6.2% FFCRA increase | | | | Social Services | 15,833 | |
| <i>Total ALN 93.090</i> | | | | | <u>196,965</u> | |
| Affordable Care Act (ACA) Personal Responsibility Education Program | 93.092 | 2001SDPREP; 2101SDPREP | | Health | 247,722 | 194,489 |
| Food and Drug Administration Research | 93.103 | U2FFD007358 | National Environmental Health Association | Health | 4,056 | |
| Area Health Education Centers - Point of Service Maintenance and Enhancement Awards | 93.107 | U77HP26850 | | USD | 578,251 | 487,724 |
| <i>Maternal and Child Health Federal Consolidated Programs</i> | 93.110 | | | | | |
| Maternal and Child Health Federal Consolidated Programs | | RS20201119-02 | University of Oklahoma | USD | 6,303 | |
| Maternal and Child Health Federal Consolidated Programs | | T73MC00037; U7E42170 | | USD | 968,971 | |
| Maternal and Child Health Federal Consolidated Programs - SD State Systems Development Initiative and Children's Oral Healthcare Access Program | | H1800046 | | Health | 89,759 | |
| <i>Total ALN 93.110</i> | | | | | <u>1,065,033</u> | |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | 93.116 | NU52PS910204 | | Health | 209,313 | |
| Emergency Medical Services for Children | 93.127 | H33MC06693 | | USD | 113,387 | |
| Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices | 93.130 | U6811439 | | Health | 141,531 | |
| Injury Prevention and Control Research and State and Community Based Programs - Sexual Violence Prevention and Education | 93.136 | NUF2CE002491; NU17CE010164; NU17CE924994; NU17CE924922 | | Health | 3,092,878 | 160,000 |
| Projects for Assistance in Transition from Homelessness (PATH) | 93.150 | | | Social Services | 253,096 | 238,489 |
| COVID-19 Rural Health Research Centers - SHIP | 93.155 | H3L42215 | | Health | 3,292,438 | 3,292,438 |
| Graduate Psychology Education | 93.191 | D4045684 | | USD | 361,213 | 64,797 |
| Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children | 93.197 | NUE2EH001423 | | Health | 229,004 | |
| Family Planning Services | 93.217 | FPHPA006547 | | Health | 819,073 | 392,489 |
| Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program | 93.235 | 2201SDSRAE | | Health | 158,072 | 126,807 |
| State Rural Hospital Flexibility Program | 93.241 | U2WRH33329 | | Health | 835,889 | |
| <i>Substance Abuse and Mental Health Services Projects of Regional and National Significance</i> | 93.243 | | | | | |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | | H79SM081688 | Southeastern Behavioral HealthCare | SDSU | 219,177 | |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | | H79TI082565 | | Social Services/USD | 799,966 | 63,561 |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance - Project AWARE | | | | Education | 736,353 | 552,999 |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance - Strategic Prevention Framework State Incentive Grant | | | | Social Services | 523,726 | 79,400 |
| COVID-19 Substance Abuse and Mental Health Services Projects of Regional and National Significance | | | | Social Services | 250,000 | |
| <i>Total ALN 93.243</i> | | | | | <u>2,529,222</u> | <u>695,960</u> |
| Early Hearing Detection and Intervention | 93.251 | H61MC33906 | | USD | 287,219 | |

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|---|---|-----------------|--------------------|---|
| U.S. Department of Health and Human Services (continued) | | | | | | |
| <i>Immunization Cooperative Agreements</i> | 93.268 | | | | | |
| Immunization Cooperative Agreements | | NH23IP922581 | | Health | 14,336,035 | 32,768 |
| COVID-19 Immunization Cooperative Agreements | | NH23IP922581 | | Health | 1,760,516 | 2,963 |
| <i>Total ALN 93.268</i> | | | | | <u>16,096,551</u> | <u>35,731</u> |
| Centers for Disease Control and Prevention Investigations and Technical Assistance | 93.283 | 283-02-9026 | | Social Services | 30,892 | |
| Small Rural Hospital Improvement Grant Program | 93.301 | H3HRH00021; H3H00021 | | Health | 634,768 | 634,768 |
| Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas | 93.319 | NU58DP006571 | | SDSU | 607,362 | |
| <i>Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</i> | 93.323 | | | | | |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | | NU50CK000512 | | Health | 1,294,596 | |
| COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | | NU50CK000512 | | Health | 15,657,296 | |
| <i>Total ALN 93.323</i> | | | | | <u>16,951,892</u> | |
| State Health Insurance Assistance Program | 93.324 | | | Human Services | 229,952 | 138,801 |
| <i>Behavioral Risk Factor Surveillance System</i> | 93.336 | | | | | |
| Behavioral Risk Factor Surveillance System | | NU58DP006858; | | Health | 312,968 | |
| COVID-19 Behavioral Risk Factor Surveillance System | | NU58DP006585 | | Health | 11,479 | |
| <i>Total ALN 93.336</i> | | | | | <u>324,447</u> | |
| COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | NU90TP922169 | | Health | 1,274,058 | 312,277 |
| <i>Nurse Education, Practice Quality and Retention Grants</i> | 93.359 | | | | | |
| Nurse Education, Practice Quality and Retention Grants | | T1Q47315 | Montana State University | SDSU | 6,085 | |
| Nurse Education, Practice Quality and Retention Grants | | 1 US6HP47221-01 | Avera Health | SDSU | 59,870 | |
| Nurse Education, Practice Quality and Retention Grants | | US647230; UK1HP31729 | | SDSU/USD | 527,085 | |
| <i>Total ALN 93.359</i> | | | | | <u>593,040</u> | |
| ACL Independent Living State Grants | 93.369 | | | Human Services | 344,641 | 320,928 |
| National and State Tobacco Control Program | 93.387 | NU58DP006819 | | Health | 1,124,155 | |
| COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises | 93.391 | NH75OT000041 | | Health | 10,199,011 | |
| The State Flexibility to Stabilize the Market Grant Program | 93.413 | | | Labor | 32,890 | |
| <i>Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health</i> | 93.421 | | | | | |
| Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health | | NU38OT000297 | Council of State and Territorial Epidemiologists (CSTE) | Health | 25,932 | |
| Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health | | NU38OT000290 | Territorial Health Organizations (ASTHO) | Health | 54,018 | |
| <i>Total ALN 93.421</i> | | | | | <u>79,950</u> | |
| The National Cardiovascular Health Program | 93.426 | NU58DP006526 | | Health | 2,093,214 | |
| ACL National Institute on Disability, Independent Living, and Rehabilitation Research | 93.433 | SGU-USD-2018-01 | | USD | 158,136 | |
| CDC Undergraduate Public Health Scholars Program (CUPS): A Public Health Experience to Expose Undergraduates Interested in Minority Health to Public Health and the Public Health Professions | 93.456 | 113196-0922-03B; 113196-0923-03B | Kennedy Krieger Children's Hospital | USD | 40,887 | |
| ACL Assistive Technology | 93.464 | | | Human Services | 453,850 | 453,850 |

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|---|---------------------------------|-------------------------|--------------------|---|
| U.S. Department of Health and Human Services (continued) | | | | | | |
| COVID-19 Family Violence Prevention and Services/Sexual Assault/Rape Crisis Services and Supports | 93.497 | 2202SDFSC6 | | Public Safety | 4,159 | |
| MaryLee Allen Promoting Safe and Stable Families Program | 93.556 | | | Social Services | 1,061,445 | |
| Temporary Assistance for Needy Families | 93.558 | | | Social Services | 21,682,244 | 64,392 |
| Child Support Services (Note 3N) | 93.563 | | | Social Services | 6,658,488 | |
| Refugee and Entrant Assistance State/Replacement Designee Administered Programs | 93.566 | | | Social Services | 348,828 | |
| <i>Low-Income Home Energy Assistance</i> | 93.568 | | | | | |
| Low-Income Home Energy Assistance | | | | Social Services | 25,270,009 | 1,385,096 |
| COVID-19 Low Income Home Energy Assistance | | | | Social Services | 19,350,348 | 987,607 |
| <i>Total ALN 93.568</i> | | | | | <u>44,620,357</u> | <u>2,372,703</u> |
| <i>Community Services Block Grant</i> | 93.569 | | | | | |
| Community Services Block Grant | | | | Social Services | 4,637,144 | 4,521,422 |
| COVID-19 Community Services Block Grant | | | | Social Services | 1,738,522 | 1,738,522 |
| <i>Total ALN 93.569</i> | | | | | <u>6,375,666</u> | <u>6,259,944</u> |
| <i>State Court Improvement Program</i> | 93.586 | | | | | |
| State Court Improvement Program | | 2201SDSCIP | | Unified Judicial System | 218,515 | 98,562 |
| State Court Improvement Program - Data Sharing | | 2101SDSCID | | Unified Judicial System | 19,864 | |
| State Court Improvement Program - Training | | 2101SDSCIT | | Unified Judicial System | 25,237 | 6,598 |
| <i>Total ALN 93.586</i> | | | | | <u>263,616</u> | <u>105,160</u> |
| <i>Community-Based Child Abuse Prevention Grants</i> | 93.590 | | | | | |
| Community-Based Child Abuse Prevention Grants - Child Abuse Prevention and Treatment | | | | Social Services | 126,148 | |
| COVID-19 Community-Based Child Abuse Prevention Grants | | | | Social Services | 9,472 | |
| <i>Total ALN 93.590</i> | | | | | <u>135,620</u> | |
| Grants to States for Access and Visitation Programs | 93.597 | | | Public Safety | 96,918 | 96,918 |
| <i>Chafee Education and Training Vouchers Program (ETV)</i> | 93.599 | | | | | |
| Chafee Education and Training Vouchers Program (ETV) | | | | Social Services | 124,729 | |
| COVID-19 Chafee Education and Training Vouchers Program (ETV) | | | | Social Services | 73,214 | |
| <i>Total ALN 93.599</i> | | | | | <u>197,943</u> | |
| Adoption and Legal Guardianship Incentive Payments | 93.603 | | | Social Services | 334,092 | |
| Community Health Access and Rural Transformation (CHART) Model | 93.624 | | | Social Services | 6,583 | |
| <i>Developmental Disabilities Basic Support and Advocacy Grants</i> | 93.630 | | | | | |
| Developmental Disabilities Basic Support and Advocacy Grants | | | | Human Services | 726,898 | 570,922 |
| Developmental Disabilities Basic Support and Advocacy Grants | | 577308 | University of Arizona | USD | 16,865 | |
| COVID-19 Developmental Disabilities Basic Support and Advocacy Grants | | | | Human Services | 38,629 | 26,695 |
| <i>Total ALN 93.630</i> | | | | | <u>782,392</u> | <u>597,617</u> |
| University Centers for Excellence in Developmental Disabilities Education, Research, and Service | 93.632 | 90DDUC0024; 90DDC50017-01; 90UCPH0005 | | USD | 601,701 | |
| Children's Justice Grants to States | 93.643 | | | Social Services | 80,077 | |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | | | Social Services | 530,437 | |
| Child Welfare Research Training or Demonstration | 93.648 | 16-92159 | Research Foundation for SUNY | USD | 88,650 | |

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STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|---|---------------------|-----------------|--------------------|---|
| U.S. Department of Health and Human Services (continued) | | | | | | |
| <i>Foster Care Title IV-E</i> | 93.658 | | | | | |
| Foster Care Title IV-E | | | | Social Services | 8,067,030 | |
| COVID-19 Foster Care Title IV-E - 6.2% FFCRA increase | | | | Social Services | 369,353 | |
| <i>Total ALN 93.658</i> | | | | | <u>8,436,383</u> | |
| <i>Adoption Assistance</i> | 93.659 | | | | | |
| Adoption Assistance | | | | Social Services | 8,544,719 | |
| COVID-19 Adoption Assistance - 6.2% FFCRA increase | | | | Social Services | 781,558 | |
| <i>Total ALN 96.659</i> | | | | | <u>9,326,277</u> | |
| COVID-19 Emergency Grants to Address Mental and Substance Use Disorders During COVID-19 | 93.665 | | | Social Services | 1,518,267 | 33,340 |
| Social Services Block Grant | 93.667 | | | Social Services | 4,325,047 | |
| Child Abuse and Neglect State Grants | 93.669 | | | Social Services | 169,984 | |
| <i>Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services</i> | 93.671 | | | | | |
| Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services | | | | Public Safety | 922,073 | 876,417 |
| COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services | | | | Public Safety | 73,058 | 70,349 |
| <i>Total ALN 93.671</i> | | | | | <u>995,131</u> | <u>946,766</u> |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood | 93.674 | | | Social Services | 591,632 | |
| Empowering Older Adults and Adults with Disabilities Through Chronic Disease Self-Management Education Programs - Financed by Prevention and Public Health Funds (PPHF) | 93.734 | 90CSSG0028 | | SDSU | 309,733 | |
| <i>COVID-19 Elder Abuse Prevention Interventions Program</i> | 93.747 | | | | | |
| COVID-19 Elder Abuse Prevention Interventions Program | | | | Human Services | 226,242 | |
| COVID-19 Elder Abuse Prevention Interventions Program - CRRSA Act, 2021 Supplemental Funding for APS under SSA Title XX Section 2042(b) 93.747 | | | | Human Services | 10,732 | 10,732 |
| <i>Total ALN 93.747</i> | | | | | <u>236,974</u> | <u>10,732</u> |
| Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF) | 93.761 | 90FPSG0022 | | SDSU | 336 | |
| <i>Children's Health Insurance Program</i> | 93.767 | | | | | |
| Children's Health Insurance Program | | | | Social Services | 29,284,539 | |
| COVID-19 Children's Health Insurance Program - 4.34% FFCRA increase | | | | Social Services | 1,717,907 | |
| <i>Total ALN 93.767</i> | | | | | <u>31,002,446</u> | |
| Opioid STR | 93.788 | | | Social Services | 4,029,156 | 395,712 |
| <i>Money Follows the Person Rebalancing Demonstration</i> | 93.791 | | | | | |
| Money Follows the Person Rebalancing Demonstration | | | | Social Services | 1,995,468 | |
| COVID-19 Money Follows the Person Rebalancing Demonstration - 3.1% FFCRA increase | | | | Social Services | 69,519 | |
| <i>Total ALN 93.791</i> | | | | | <u>2,064,987</u> | |
| State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid | 93.796 | 05-2205-SD-5001; 05-2305-SD-5001 | | Health | 1,105,838 | |
| Organized Approaches to Increase Colorectal Cancer Screening | 93.800 | NU58DP006763 | | Health | 349,893 | 107,750 |
| <i>Maternal, Infant and Early Childhood Home Visiting Grant</i> | 93.870 | | | | | |
| Maternal, Infant and Early Childhood Home Visiting Grant | | X10MC39715; X1043609 | | Health | 624,774 | 60,350 |
| COVID-19 Maternal, Infant and Early Childhood Home Visiting Grant | | X1141903 | | Health | 91,319 | 35,333 |
| <i>Total ALN 93.870</i> | | | | | <u>716,093</u> | <u>95,683</u> |
| National Bioterrorism Hospital Preparedness Program | 93.889 | U3REP190559 | | Health | 857,444 | 462,219 |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations | 93.898 | NU58DP006293; NU58DP007120 | | Health | 1,748,052 | |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|---|----------------------------------|-----------------|-----------------------------|---|
| U.S. Department of Health and Human Services (continued) | | | | | | |
| <i>Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement</i> | 93.912 | | | | | |
| Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement | | 6 D06RH375230102 | Avera Sacred Heart Hospital | SDSU | 116,078 | |
| Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement | | GA1RH39598; TR145930; H7N42565 | | DSU/SDSU | 698,259 | |
| <i>Total ALN 93.912</i> | | | | | <u>814,337</u> | |
| Grants to States for Operation of State Offices of Rural Health | 93.913 | H9500127 | | Health | 195,732 | |
| HIV Care Formula Grants - Ryan White Care Act Title II | 93.917 | X0700010; X090218 | | Health | 1,697,341 | 656,518 |
| Demonstration Projects for Indian Health | 93.933 | 2021-USD-01 | South Dakota Urban Indian Health | USD | 2,031 | |
| HIV Prevention Activities Health Department Based | 93.940 | NU62PS924534 | | Health | 1,067,571 | 301,326 |
| Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs | 93.946 | U01DP006618 | | Health | 150,755 | |
| <i>Block Grants for Community Mental Health Services</i> | 93.958 | | | | | |
| Block Grants for Community Mental Health Services | | | | Social Services | 1,780,783 | |
| COVID-19 Block Grants for Community Mental Health Services | | | | Social Services | 1,572,259 | 170,127 |
| <i>Total ALN 93.958</i> | | | | | <u>3,353,042</u> | <u>170,127</u> |
| <i>Block Grants for Prevention and Treatment of Substance Abuse</i> | 93.959 | | | | | |
| Block Grants for Prevention and Treatment of Substance Abuse | | | | Social Services | 6,681,508 | |
| COVID-19 Block Grants for Prevention and Treatment of Substance Abuse | | | | Social Services | 2,252,635 | 229,403 |
| <i>Total ALN 93.959</i> | | | | | <u>8,934,143</u> | <u>229,403</u> |
| <i>Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health</i> | 93.967 | | | | | |
| Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health | | NE11OE000033 | | Health | 68,436 | |
| COVID-19 Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health | | NE11OE000033 | | Health | 36,512 | |
| <i>Total ALN 93.967</i> | | | | | <u>104,948</u> | |
| Health Professions Recruitment Program for Indians | 93.970 | NU11IHS0065 | | SDSU | 279,395 | |
| <i>Sexually Transmitted Diseases (STD) Prevention and Control Grants</i> | 93.977 | | | | | |
| Sexually Transmitted Diseases (STD) Prevention and Control Grants | | NH25PS005161 | | Health | 109,814 | |
| COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants | | NH25PS005161 | | Health | 949,019 | |
| <i>Total ALN 93.977</i> | | | | | <u>1,058,833</u> | |
| Mental Health Disaster Assistance and Emergency Mental Health | 93.982 | | | Social Services | 558,885 | |
| Preventive Health and Health Services Block Grant | 93.991 | NB01OT009464 | | Health | 342,983 | |
| Maternal and Child Health Services Block Grant to the States | 93.994 | B0445244; B0447446 | | Health | 2,189,615 | 39,005 |
| Total U.S. Department of Health and Human Services | | | | | <u>1,196,849,244</u> | <u>34,517,008</u> |
| Corporation for National and Community Service | | | | | | |
| AmeriCorps State and National 94.006 | 94.006 | | | SDSMT | 8,513 | |
| Total Corporation for National and Community Service | | | | | <u>8,513</u> | |

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The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|---|---------------------|--------------------------------------|-------------------------|---|
| Executive Office of the President | | | | | | |
| High Intensity Drug Trafficking Areas Program | 95.001 | G19MW0004A; G20MW0004A | | Attorney General | 1,149,643 | 413,950 |
| Total Executive Office of the President | | | | | 1,149,643 | 413,950 |
| Social Security Administration | | | | | | |
| <i>Disability Insurance/SSI Cluster</i> | | | | | | |
| Social Security Disability Insurance | 96.001 | 04-0804SDDI00 | | Human Services | 5,687,733 | |
| <i>Total Disability Insurance/SSI Cluster</i> | | | | | <u>5,687,733</u> | |
| Total Social Security Administration | | | | | 5,687,733 | |
| U.S. Department of Homeland Security | | | | | | |
| Non-Profit Security Program | 97.008 | | | Public Safety | 786,659 | 773,065 |
| Boating Safety Financial Assistance | 97.012 | | | Game, Fish and Parks | 610,476 | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) (Note 30) | 97.036 | | | Public Safety | 33,111,367 | 30,883,487 |
| Hazard Mitigation Grant | 97.039 | | | Public Safety | 2,051,011 | 1,386,177 |
| National Dam Safety Program | 97.041 | | | Agriculture and Natural Resources | 176,085 | |
| <i>Emergency Management Performance Grants</i> | 97.042 | | | | | |
| Emergency Management Performance Grants | | | | Public Safety | 3,668,078 | 1,318,223 |
| COVID-19 Emergency Management Performance Grants | | | | Public Safety | 523,018 | |
| <i>Total ALN 97.042</i> | | | | | <u>4,191,096</u> | <u>1,318,223</u> |
| Fire Management Assistance Grant | 97.046 | | | Public Safety | 635,186 | |
| BRIC: Building Resilient Infrastructure and Communities | 97.047 | | | Public Safety | 531,208 | 522,552 |
| Homeland Security Grant Program | 97.067 | | | Public Safety | 4,820,449 | 3,828,075 |
| Total U.S. Department of Homeland Security | | | | | 46,913,537 | 38,711,579 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | | \$ 2,926,765,580 | \$ 632,222,179 |
| Research and Development Cluster | | | | | | |
| <i>U.S. Department of Agriculture</i> | | | | | | |
| Agricultural Research Basic and Applied Research | 10.001 | 58-3060-0-025 | | SDSU | \$ 837 | \$ |
| Agricultural Research Basic and Applied Research | 10.001 | 59-0210-8-184 | CRDF Global | SDSU | 1,109 | |
| Agricultural Research Basic and Applied Research | 10.001 | 59-0206-2-090 | | SDSU | 6,755 | |
| Agricultural Research Basic and Applied Research | 10.001 | 59-0206-2-137 | | SDSU | 9,748 | |
| Agricultural Research Basic and Applied Research | 10.001 | 58-8042-0-074 | | SDSU | 14,284 | |
| Agricultural Research Basic and Applied Research | 10.001 | 59-0206-2-143 | | SDSU | 19,374 | |
| Agricultural Research Basic and Applied Research | 10.001 | 58-3060-9-048 | | SDSU | 19,585 | |
| Agricultural Research Basic and Applied Research | 10.001 | 59-0206-2-091 | | SDSU | 20,103 | |
| Agricultural Research Basic and Applied Research | 10.001 | 59-0206-2-153 | | SDSU | 27,247 | |
| Agricultural Research Basic and Applied Research | 10.001 | 59-0206-0-115 | | SDSU | 33,087 | |
| Agricultural Research Basic and Applied Research | 10.001 | 59-0206-0-116 | | SDSU | 47,265 | |
| Agricultural Research Basic and Applied Research | 10.001 | 58-3080-2-003 | | SDSU | 54,269 | |
| Agricultural Research Basic and Applied Research | 10.001 | 58-3060-9-049 | | SDSU | 72,359 | |
| Agricultural Research Basic and Applied Research | 10.001 | 59-0206-2-118 | | SDSU | 84,164 | |
| Agricultural Research Basic and Applied Research | 10.001 | 58-0206-0-200 | | SDSU | 86,186 | |
| Agricultural Research Basic and Applied Research | 10.001 | 58-3060-2-043 | | SDSU | 90,631 | |
| Agricultural Research Basic and Applied Research | 10.001 | 59-0206-0-117 | | SDSU | 181,935 | |
| Plant and Animal Disease, Pest Control, and Animal Care | 10.025 | AP21VSSP0000C049 | | SDSU | 45,634 | |
| Plant and Animal Disease, Pest Control, and Animal Care | 10.025 | AP22VSSP0000C062 | | SDSU | 54,942 | |

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|---|--|--------------|--------------------|---|
| Research and Development Cluster (continued) | | | | | | |
| Plant and Animal Disease, Pest Control, and Animal Care | 10.025 | AP22VSSP0000C057 | | SDSU | 101,367 | |
| Plant and Animal Disease, Pest Control, and Animal Care | 10.025 | AP22VSD; B000C066 | | SDSU | 50,289 | 48,493 |
| Plant and Animal Disease, Pest Control, and Animal Care | 10.025 | AP21VSD; B000C023 | | SDSU | 92,742 | 63,171 |
| Conservation Reserve Program | 10.069 | 2501.20.066948 | National Fish and Wildlife Foundation | SDSU | 84,761 | |
| Conservation Reserve Program | 10.069 | NR186740XXXG005 | | SDSU | 35,777 | |
| Wetlands Reserve Program | 10.072 | NR213A750009C001 | University of Arkansas, Fayetteville Campus | SDSU | 20,029 | |
| Specialty Crop Block Grant Program - Farm Bill | 10.170 | 21SCBPSD1080 | CAW Industries Inc | SDSU | 8,701 | |
| Sheep Production and Marketing Grant Program | 10.173 | AM190100XXXG078 | National Sheep Industry Improvement Center | SDSU | 5,366 | |
| Regional Food System Partnerships | 10.177 | AM22RFSPSD1056 | Dakota Rural Action | SDSU | 3,571 | |
| Grants for Agricultural Research, Special Research Grants | 10.200 | 20203862432471 | North Dakota State University | SDSU | 3,765 | |
| Grants for Agricultural Research, Special Research Grants | 10.200 | 630496 | Board of Trustees of Michigan State University | SDSU | 120,924 | |
| Cooperative Forestry Research | 10.202 | | | SDSU | 332,168 | |
| Payments to Agricultural Experiment Stations Under the Hatch Act | 10.203 | | | SDSU | 826,438 | |
| Payments to Agricultural Experiment Stations Under the Hatch Act | 10.203 | 415-49-02 | | SDSU | 2,807,784 | |
| Animal Health and Disease Research | 10.207 | | | SDSU | 13,217 | |
| Sustainable Agriculture Research and Education | 10.215 | 2019-38640-29879 | Regents of the University of Minnesota | SDSU | 111 | |
| Sustainable Agriculture Research and Education | 10.215 | 2018-38640-28416 | University of Minnesota | SDSU | 32,905 | |
| Sustainable Agriculture Research and Education | 10.215 | 2022-38640-37486 | Regents of the University of Minnesota | SDSU | 37,454 | 1,195 |
| Sustainable Agriculture Research and Education | 10.215 | 2021-38640-34714 | Regents of the University of Minnesota | SDSU | 42,381 | 4,552 |
| Higher Education - Institution Challenge Grants Program | 10.217 | 2020-70003-32308 | | SDSU | 76,695 | 12,770 |
| Higher Education - Institution Challenge Grants Program | 10.217 | 2020-70003-30933 | | SDSU | 122,419 | 13,383 |
| Biotechnology Risk Assessment Research | 10.219 | 2021-33522-35486 | | SDSU | 63,665 | |
| Biotechnology Risk Assessment Research | 10.219 | 2018-33522-28795 | | SDSU | 101,799 | |
| 1994 Institutions Research Grants | 10.227 | 2019-38424-29292 | Fort Berthold Community College | SDSU | 28,385 | |
| Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations | 10.250 | 58-3000-1-0088 | | SDSU | 12,130 | |
| Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations | 10.250 | 58-4000-2-0096 | | SDSU | 28,024 | |
| Integrated Programs | 10.303 | 2022-51106-37925 | | SDSU | 38,337 | |
| Food and Agriculture Defense Initiative (FADI) | 10.304 | 2021-37621-35790 | Kansas State University | SDSU | 14,870 | |
| Food and Agriculture Defense Initiative (FADI) | 10.304 | 2022-37621-3826 | Kansas State University | SDSU | 26,487 | |
| Organic Agriculture Research and Extension Initiative | 10.307 | 2020-51300-32379 | Cornell University | SDSU | 56,516 | |
| Specialty Crop Research Initiative | 10.309 | 2022-51181-38240 | University of Minnesota | SDSU | 13,532 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2022-67021-38911 | Florida Institute of Technology | SDSU | 4,516 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2022-67016-36201 | State of Oklahoma | SDSU | 5,600 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 67012022336144 | The Nebraska Board of Regents University of Nebraska | SDSU | 8,936 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2022-68013-36439 | University of California/Davis | SDSU | 23,661 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 20216701534419 | North Dakota State University | SDSU | 31,069 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2023-67013-39540 | | SDSU | 493 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2021-67022-34344 | | SDSU | 1,102 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2023-67014-39618 | | SDSU | 2,034 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2023-67022-39594 | | SDSU | 3,891 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2022-67021-36518 | | SDSU | 5,123 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2019-67016-29444 | | SDSU | 8,250 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2022-67021-37601 | | SDSU | 26,073 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 20216701634829 | | SDSU | 34,814 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2022-67022-37023 | | SDSU | 52,803 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 20216701634460 | | SDSU | 68,644 | |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|--------|---|---|--------------|--------------------|---|
| Research and Development Cluster (continued) | | | | | | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2018-67032-27712 | | SDSU | 72,143 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2022-69014-36670 | | SDSU | 73,782 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2019-67032-29308 | | SDSU | 85,674 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2020-68018-30656 | | SDSU | 95,237 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2021-67016-33497 | | SDSU | 99,876 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2021-67014-33945 | | SDSU | 100,835 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2019-67014-29238 | | SDSU | 107,539 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2018-67020-27809 | | SDSU | 112,158 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2018-67020-27885 | | SDSU | 121,532 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 20216702034246 | | SDSU | 123,724 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2019-67022-29695 | | SDSU | 144,047 | |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2021-69008-34111 | | SDSU | 77,692 | 20,525 |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2022-69015-36283 | | SDSU | 87,791 | 55,866 |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2021-68008-34100 | | SDSU | 105,281 | 35,390 |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2021-67022-33469 | | SDSU | 143,766 | 865 |
| Agriculture and Food Research Initiative (AFRI) | 10.310 | 2017-67014-26530 | | SDSU | 160,223 | 130,922 |
| Sun Grant Program | 10.320 | 2019-38502-30120 | | SDSU | 810,695 | 754,129 |
| Sun Grant Program | 10.320 | 2020-38502-32916 | | SDSU | 1,492,220 | 1,348,864 |
| Alfalfa Seed and Alfalfa Forage Systems Program | 10.330 | 20227000538225 | North Dakota State University | SDSU | 3,582 | |
| Alfalfa Seed and Alfalfa Forage Systems Program | 10.330 | 20197000530239 | North Dakota State University | SDSU | 139,461 | 127,902 |
| Gus Schumacher Nutrition Incentive Program | 10.331 | 2022-70424-38498 | | SDSMT | 22,739 | |
| Agricultural Genome to Phenome Initiative | 10.332 | 2021-70412-35233 | Iowa State University | SDSU | 55,151 | |
| Cooperative Extension Service | 10.500 | | | SDSU | 4,000 | |
| Rural Health and Safety Education Competitive Grants Program | 10.516 | 2020-46100-32816 | | SDSU | 76,018 | 41,631 |
| Research Joint Venture and Cost Reimbursable Agreements | 10.707 | 19-JV-11221635-090 | | SDSU | 8,715 | |
| Research Joint Venture and Cost Reimbursable Agreements | 10.707 | 22-JV-11221632-040 | | SDSU | 10,349 | |
| Rural Cooperative Development Grants | 10.771 | GLSX0002672643 | South Dakota Value-Added Agriculture Development Center | SDSU | 6,010 | |
| Norman E. Borlaug International Agricultural Science and Technology Fellowship | 10.777 | FX21BF-10777R025 | | SDSU | 34,996 | |
| Soil and Water Conservation | 10.902 | NR226740XXXXC005 | South Dakota Grassland Coalition | SDSU | 30,892 | |
| Soil and Water Conservation | 10.902 | NR186740XXXXG007 | | SDSU | 471 | |
| Soil and Water Conservation | 10.902 | NR196740XXXXG005 | | SDSU | 9,174 | |
| Soil and Water Conservation | 10.902 | NR196740XXXXG012 | | SDSU | 14,357 | |
| Soil and Water Conservation | 10.902 | NR183A750023C001 | | SDSU | 15,075 | |
| Soil and Water Conservation | 10.902 | NR186740XXXXG006 | | SDSU | 17,036 | |
| Soil and Water Conservation | 10.902 | NR186740XXXXG005 | | SDSU | 47,702 | |
| Soil and Water Conservation | 10.902 | NR206740XXXXG002 | | SDSU | 204,439 | 21,982 |
| Soil Survey | 10.903 | NR203A750025C008 | | SDSU | 86,891 | |
| Environmental Quality Incentives Program | 10.912 | NR216740XXXXC003 | | SDSMT | 77,418 | |
| Environmental Quality Incentives Program | 10.912 | 69-3A75-17-282 | North Dakota State University | SDSU | 20,204 | |
| Environmental Quality Incentives Program | 10.912 | NR186740XXXXG007 | | SDSU | 236 | |
| Environmental Quality Incentives Program | 10.912 | NR216740XXXXG008 | | SDSU | 5,848 | |
| Environmental Quality Incentives Program | 10.912 | NR216740XXXXG005 | | SDSU | 21,500 | |
| Environmental Quality Incentives Program | 10.912 | NR196740XXXXG012 | | SDSU | 21,536 | |
| Environmental Quality Incentives Program | 10.912 | NR186740XXXXG005 | | SDSU | 23,851 | |
| Environmental Quality Incentives Program | 10.912 | NR206740XXXXG003 | | SDSU | 24,995 | |
| Environmental Quality Incentives Program | 10.912 | 69-3A75-17-285 | | SDSU | 69,194 | |
| Environmental Quality Incentives Program | 10.912 | NR196740XXXXG005 | | SDSU | 73,391 | |
| Environmental Quality Incentives Program | 10.912 | NR216740XXXXG002 | | SDSU | 79,432 | |
| Environmental Quality Incentives Program | 10.912 | NR223A750013G033 | | SDSU | 80,361 | |
| Environmental Quality Incentives Program | 10.912 | NR216740XXXXG007 | | SDSU | 144,598 | 4,589 |
| Conservation Stewardship Program | 10.924 | NR186740XXXXG007 | | SDSU | 1,649 | |
| Conservation Stewardship Program | 10.924 | NR196740XXXXG005 | | SDSU | 9,174 | |
| Conservation Stewardship Program | 10.924 | NR186740XXXXG005 | | SDSU | 11,926 | |
| Conservation Stewardship Program | 10.924 | NR186740XXXXG006 | | SDSU | 39,750 | |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|------------|---|-------------------------------------|--------------|--------------------|---|
| Research and Development Cluster (continued) | | | | | | |
| Conservation Stewardship Program | 10.924 | NR196740XXXXG012 | | SDSU | 107,681 | |
| Conservation Stewardship Program | 10.924 | NR216740XXXXC001 | | SDSU | 124,502 | |
| Agricultural Conservation Easement Program | 10.931 | NR186740XXXXC001 | | SDSU | 6,927 | |
| Partnerships for Climate-Smart Commodities | 10.937 | ADV FUND | Gevo, Inc | SDSU | 229,446 | |
| Partnerships for Climate-Smart Commodities | 10.937 | NR233A750004G018 | | SDSU | 2,857,762 | |
| Value Differences in Feed Cattle Auction Reporting | 10.UNKNOWN | PO0409018488 | State of Oklahoma | SDSU | 1,667 | |
| <i>Total U.S. Department of Agriculture</i> | | | | | 15,183,453 | 2,686,229 |
| <i>U.S. Department of Commerce</i> | | | | | | |
| Economic Development Technical Assistance | 11.303 | ED18DEN3030025 | | SDSU | 156,168 | |
| Economic Adjustment Assistance | 11.307 | 05-79-06192; URI 119700 | | SDSU | 41,300 | |
| COVID-19 Economic Adjustment Assistance | 11.307 | ED20DEN3070060 | | SDSU | 79,167 | |
| Cooperative Institute (Inter-Agency Funded Activities) | 11.405 | NA22NES4050020D | State of Maryland | SDSU | 11,520 | |
| National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes | 11.432 | NA19NES4320002 | State of Maryland | SDSU | 190,578 | |
| Special Oceanic and Atmospheric Projects | 11.460 | NA20OAR4600290 | | SDSU | 64,819 | |
| Measurement and Engineering Research and Standards | 11.609 | 70NANB22H020 | | SDSMT | 83,176 | |
| <i>Total U.S. Department of Commerce</i> | | | | | 626,728 | |
| <i>U.S. Department of Defense</i> | | | | | | |
| Collaborative Research and Development | 12.114 | GR12211 | Desert Research Institute | USD | 29,871 | |
| Commercial Technologies for Maintenance Activities Program - Improved Hardware Sustainment | 12.225 | HQ0034-20-2-0007 | VRC Metal Systems | SDSMT | 51,934 | |
| Through Solid State Additive Manufacturing Development | 12.300 | N00174-22-1-0019 | | SDSMT | 300,273 | |
| Basic and Applied Scientific Research | 12.300 | N00174-19-1-0027 | | SDSMT | 8,619 | |
| Basic and Applied Scientific Research | 12.300 | N00174-20-1-0021 | | SDSMT | 17,066 | |
| Basic and Applied Scientific Research | 12.300 | N00174-20-1-0007 | | SDSMT | 24,419 | |
| Basic and Applied Scientific Research | 12.300 | N00174-22-1-0029 | | SDSMT | 109,863 | |
| Basic and Applied Scientific Research | 12.300 | W9126G-18-2-0061 | | SDSU | 5,457 | |
| Scientific Research - Combating Weapons of Mass Destruction | 12.351 | HDTRA12020001 | | SDSMT | 148,117 | |
| Pest Management and Vector Control Research | 12.355 | W911QY1910013 | | USD | 124,251 | |
| Military Medical Research and Development | 12.420 | W81XWH2020034 | | SDSU | 10,381 | |
| Military Medical Research and Development | 12.420 | W81XWH2020025 | | SDSU | 52,268 | |
| Military Medical Research and Development | 12.420 | W81XWH2110089 | | USD | 78,417 | |
| Basic Scientific Research | 12.431 | FA9550-22-1-0363 | University of Nevada Reno | SDSMT | 548 | |
| Basic Scientific Research | 12.431 | W911NF2220005 | VRC Metal Systems | SDSMT | 358,489 | |
| Basic Scientific Research | 12.431 | W911NF2120054 | | SDSMT | 14,091 | |
| Basic Scientific Research | 12.431 | W911NF1920329 | | SDSMT | 6,772 | |
| Basic, Applied, and Advanced Research in Science and Engineering | 12.630 | Site Agreement dated 12.15.21 | | SDSMT | 2,000 | |
| Air Force Defense Research Sciences Program | 12.800 | FA9550-19-1-0289 | | SDSMT | 164,033 | |
| Air Force Defense Research Sciences Program | 12.800 | FA9550-22-1-0183 | | SDSU | 343,490 | |
| Information Security Grants | 12.902 | | | DSU | 195,291 | |
| Information Security Grants - NCAEC Fac Dev Workshop Travel | 12.902 | | | DSU | 41,309 | |
| Information Security Grants - NSA Cyber Scholarship Program at DSU | 12.902 | | | DSU | 52,839 | |
| GenCyber Grants Program | 12.903 | | | DSU | 361,723 | |
| CyberSecurity Core Curriculum | 12.905 | | Moraine Valley Community College | DSU | 1,980 | |
| CyberSecurity Core Curriculum - Cyber Curriculum & Research | 12.905 | | | DSU | 431,028 | |
| CyberSecurity Core Curriculum - Machine Learning Assisted Cloud-Based Continuous Learning Approach for IoT Device Identification | 12.905 | | | DSU | 102,053 | |
| CyberSecurity Core Curriculum - NCAE-C Research | 12.905 | | | DSU | 33,673 | |
| CyberSecurity Core Curriculum - NCAE-CHI CityU | 12.905 | | | DSU | 1,771 | |
| CyberSecurity Core Curriculum - NCAE-C Faculty Development | 12.905 | | | DSU | 898,517 | 493,960 |
| Research and Technology Development | 12.910 | 140D0423C0021 | Battelle Memorial Institute | SDSMT | 9,920 | |
| AFCEC – CTN | 12.UNKNOWN | FA890322C0031 | | SDSMT | 27,769 | |
| Basic and Applied Scientific Research | 12.UNKNOWN | W9128F19F0341 | | SDSMT | 28,084 | |
| Basic and Applied Scientific Research | 12.UNKNOWN | N0018920FZ545 | | USD | 500 | |
| Basic and Applied Scientific Research | 12.UNKNOWN | W912HQ19C0067 | | SDSMT | 42,305 | |
| Basic Scientific Research | 12.UNKNOWN | W9128F21P0094 | | SDSMT | 25,574 | |

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STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|------------|---|---|----------------------|--------------------|---|
| Research and Development Cluster (continued) | | | | | | |
| MIL Corporation | 12.UNKNOWN | SA-DAKSTE-1917.1029-DAITA | | DSU | 439,829 | |
| NSA IPA | 12.UNKNOWN | PO 975018 | | DSU | 705 | |
| Pilot-Scale, Portable Water Treatment Train for Remediation of PFAS Contamination | 12.UNKNOWN | FA890321C0010 | | SDSMT | 115,642 | |
| Rapid Sustainment Office | 12.UNKNOWN | FA868423CB003 | | SDSMT | 439 | |
| | | | Rocky Mountain Scientific Laboratory | | | |
| Research and Development | 12.UNKNOWN | W52P1J093032 | | SDSMT | 81,189 | |
| Research and Development | 12.UNKNOWN | W913E521C0007 | | SDSMT | 1,800,118 | |
| Small Business Innovation Research | 12.UNKNOWN | SP4701-22-P--0056 | Perpetual Resources Idaho | SDSMT | 28,999 | |
| Small Business Innovation Research | 12.UNKNOWN | FA864922-P-0988 | Bioenno | SDSMT | 120,380 | |
| Small Business Innovation Research | 12.UNKNOWN | FA864922P0749 | H.F. Webster | SDSMT | 146,034 | |
| Small Business Innovation Research | 12.UNKNOWN | N6833521C0330 | VRC Metal Systems | SDSMT | 16,305 | |
| Small Business Technology Transfer | 12.UNKNOWN | Reverse Contract 22-08 | Nalas Engineering Services | SDSMT | 3,077 | |
| Small Business Technology Transfer | 12.UNKNOWN | Reverse Contract 22-07 | Nalas Engineering Services | SDSMT | 3,713 | |
| Small Business Technology Transfer Program | 12.UNKNOWN | N68936-22-C-0017 | Lynntech | SDSMT | 29,000 | |
| Small Business Technology Transfer Program | 12.UNKNOWN | N68936-22-C-0017 | Lynntech | SDSMT | 5,479 | |
| Supercritical Fluid Extraction of IMX Material | 12.UNKNOWN | W52P1J-09-G-0001 | American Ordnance LLC | SDSMT | 7,412 | |
| <i>Total U.S. Department of Defense</i> | | | | | <u>6,903,016</u> | <u>493,960</u> |
| <i>U.S. Department of Housing and Urban Development</i> | | | | | | |
| National Disaster Resilience Competition | 14.272 | B-13-DS-34-0002 | Rutgers University | SDSU | 4,386 | |
| Lead Technical Studies Grants | 14.902 | SDHHU0074-22 | | USD | 11,290 | |
| Healthy Homes Technical Studies Grants | 14.906 | SDHHU0074-22 | | USD | 11,290 | |
| <i>Total U.S. Department of Housing and Urban Development</i> | | | | | <u>26,966</u> | |
| <i>U.S. Department of Interior</i> | | | | | | |
| Aquatics Resources Management | 15.244 | L21AC10400-00 | | SDSMT | 79,399 | |
| Plant Conservation and Restoration Management | 15.245 | L22AC00429 | | SDSU | 24,830 | |
| Plant Conservation and Restoration Management | 15.245 | L21AC10524-00 | | SDSU | 35,470 | |
| Threatened and Endangered Species | 15.246 | L22AC00615 | | SDSU | 28,117 | |
| Wildlife Resource Management | 15.247 | L22AC00525 | | SDSU | 473 | |
| Cultural Resources Management | 15.511 | R21AC10453-00 | | SDSMT | 5,815 | |
| | | | Nebraska Department of Game Fish and Parks | | | |
| Wildlife Restoration and Basic Hunter Education and Safety | 15.611 | F17AF01167 (W-136-R-1) | | SDSU | 10,391 | |
| Multistate Conservation Grant | 15.628 | F23AP00411 | | SDSU | 41,372 | |
| State Wildlife Grants | 15.634 | | | Game, Fish and Parks | 361,396 | 64,886 |
| | | | Nebraska Community Foundation | | | |
| Migratory Bird Joint Ventures | 15.637 | F15AC01071 | | SDSU | 41,299 | |
| Migratory Bird Joint Ventures | 15.637 | F21AC02848-00 | | SDSU | 17,136 | |
| Migratory Bird Joint Ventures | 15.637 | | | Game, Fish and Parks | 3,963 | |
| Endangered Species Recovery Implementation | 15.657 | F22AC00780 | | USD | 77,212 | |
| Fish and Wildlife Coordination and Assistance | 15.664 | F22AC00327-00 | | SDSU | 28,607 | |
| Cooperative Ecosystem Studies Units | 15.678 | F17AC01252 | | SDSU | 4,825 | |
| Cooperative Ecosystem Studies Units | 15.678 | F20AC11253-00 | | SDSU | 39,670 | |
| Assistance to State Water Resources Research Institutes | 15.805 | G16AP00083 | | SDSU | 2,277 | |
| Assistance to State Water Resources Research Institutes | 15.805 | G21AP10599-00 | | SDSU | 121,059 | |
| U.S. Geological Survey Research and Data Collection | 15.808 | G18AC00207 | | SDSMT | 40,163 | |
| U.S. Geological Survey Research and Data Collection | 15.808 | G19AC00177 | | SDSU | 402,080 | |
| U.S. Geological Survey Research and Data Collection - Development of a Portable Field Assay to Detect Environmental DNA of the Endangered Hine's Emerald Dragonfly and Devil Crayfish at a Landscape Level | 15.808 | G21AC10519 | | USD | 40,897 | |
| U.S. Geological Survey Research and Data Collection - Dragonfly Mercury Project | 15.808 | | | USD | 7,869 | |
| Cooperative Research Units | 15.812 | G22AC00460 | | SDSU | 16,810 | |
| Cooperative Research Units | 15.812 | G22AC00508 | | SDSU | 4,848 | |
| | | | University of Colorado/Boulder | | | |
| National and Regional Climate Adaptation Science Centers | 15.820 | G18AC00325 | | SDSU | 49,243 | |
| | | | The Regents of the University of Colorado | | | |
| National and Regional Climate Adaptation Science Centers | 15.820 | G22AC00386 | | SDSU | 52,582 | 22,434 |
| Cooperative Research and Training Programs - Resources of the National Park System | 15.945 | P18AC00403; P1800478 | | SDSU | 594 | |

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STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|--------|---|---|--------------|--------------------|---|
| Research and Development Cluster (continued) | | | | | | |
| Cooperative Research and Training Programs - Resources of the National Park System - Expand Missouri River Intern Program | 15.945 | P20AC00365 | | USD | 3,317 | |
| <i>Total U.S. Department of Interior</i> | | | | | <u>1,541,714</u> | <u>87,320</u> |
| <i>U.S. Department of Justice</i> | | | | | | |
| OVW Research and Evaluation Program - Healing Among Rural and Indigenous Women Victims of Domestic Violence: A Mixed-Methodological Analysis | 16.026 | 2020-SI-AX-0008 | | USD | 113,721 | 50,136 |
| OVW Research and Evaluation Program - Indigenous-Led Research on Sex Trafficking Among Native Americans in Western South Dakota | 16.026 | 15JOVW-21-GG-02482-MUMU | | USD | 92,616 | 20,971 |
| National Institute of Justice Research, Evaluation, and Development Project Grants | 16.560 | 2019-DU-BX-4011 | The University of Central Florida Board of Trustees | SDSU | 40,042 | |
| National Institute of Justice Research, Evaluation, and Development Project Grants - Addressing Violence Towards Youth and Young Adults in Indigenous Communities | 16.560 | 15PNJU-21-GG-02808-RESS | | USD | 59,735 | 20,189 |
| National Institute of Justice Research, Evaluation, and Development Project Grants - Identifying the Feasibility and Acceptability of Conducting Longitudinal Outcome Evaluation Research with Adult Survivors of Sex Trafficking and their Perceptions of a Comprehensive Service Model | 16.560 | 25-1714-0278-002 | University of Nebraska | USD | 4,327 | |
| National Institute of Justice Research, Evaluation, and Development Project Grants - Indigenous-Led Research on Sex Trafficking Among Native Americans in the Northern Great Plains | 16.560 | 25-1714-0270-002 | University of Nebraska | USD | 14,095 | |
| Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program | 16.589 | 2019-MU-GX-K014-B | Avera Rural Health | USD | 47,851 | |
| Byrne Criminal Justice Innovation Program | 16.817 | 2019-BJ-BX-0002 | City of Rapid City | USD | 26,446 | |
| National Sexual Assault Kit Initiative | 16.833 | 2019-AK-BX-0033 | The Network | USD | 10,151 | |
| Comprehensive Opioid, Stimulant, and other Substances Use Program - Minnehaha County - COSSAP Grant | 16.838 | Minnehaha_USD 1000 | Minnehaha County | USD | 30,877 | |
| <i>Total U.S. Department of Justice</i> | | | | | <u>439,861</u> | <u>91,296</u> |
| <i>U.S. Department of Labor</i> | | | | | | |
| Occupational Safety and Health Susan Harwood Training Grants | 17.502 | SH-39176-22-60-F-46 | | SDSMT | 14,354 | |
| Mine Health and Safety Grants | 17.600 | MS-35246-20-55-R-46 | | SDSMT | 5,946 | |
| Mine Health and Safety Grants | 17.600 | MS-39242-22-55-R-46 | | SDSMT | 47,515 | |
| Mine Health and Safety Grants | 17.600 | MS-36836-21-55-R-46 | | SDSMT | 50,215 | |
| Brookwood-Sago Grant | 17.603 | BS-39233-22-60-R-46 | | SDSMT | 10,601 | |
| Brookwood-Sago Grant | 17.603 | BS-37046-21-60-R-46 | | SDSMT | 38,616 | |
| <i>Total U.S. Department of Labor</i> | | | | | <u>167,247</u> | |
| <i>U.S. Department of Transportation</i> | | | | | | |
| Highway Research and Development Program | 20.200 | DTFH61-13-H-00024 | | SDSMT | 123,297 | 107,439 |
| | | 25233049; HFHWY00301; 4000(219) | State of Alaska | SDSU | 19,509 | |
| Highway Planning and Construction | 20.205 | 69A3551947137 | Washington State University | SDSU | 90,902 | |
| University Transportation Centers Program | 20.701 | 69A3551747108 | North Dakota State University | SDSU | 493,941 | |
| <i>Total U.S. Department of Transportation</i> | | | | | <u>727,649</u> | <u>107,439</u> |
| <i>National Aeronautics and Space Administration</i> | | | | | | |
| Science | 43.001 | 80NSSC21K0293 | | SDSMT | 56,183 | |
| Science | 43.001 | 80NSSC23K0249 | | SDSU | 56,838 | |
| Science | 43.001 | 80NSSC21K1157 | | SDSU | 74,817 | |
| Science | 43.001 | 80NSSC21K1142 | | SDSU | 313,309 | |
| Science | 43.001 | 80NSSC20K1337 | | SDSU | 175,226 | 14,682 |
| Science | 43.001 | 80NSSC21K1962 | | SDSU | 201,509 | 46,003 |
| Science - Interdependent Dynamics of Food, Energy and Water in Kazakhstan and Mongolia: Connecting LULCC to the Transitional SocioEcological Systems | 43.001 | RC111029A | Michigan State University | USD | 35,574 | |
| Office of Stem Engagement (OSTEM) | 43.008 | 80NSSC21M0147 | | SDSMT | 56,474 | |
| Office of Stem Engagement (OSTEM) | 43.008 | 80NSSC21M0326 | | SDSMT | 347,514 | |
| Office of Stem Engagement (OSTEM) | 43.008 | 80NDDC20M0040 | South Dakota Space Grant Consortium | SDSU | 2,908 | |
| Office of Stem Engagement (OSTEM) - Education | 43.008 | 80NSSC21P0113 | | SDSMT | 909 | |
| Office of Stem Engagement (OSTEM) - Education | 43.008 | 80NSSC20M0156 | | SDSMT | 7,515 | |
| Office of Stem Engagement (OSTEM) - Education | 43.008 | 80NSSC18M0022 | | SDSMT | 42,364 | |
| Office of Stem Engagement (OSTEM) - Education | 43.008 | 80NSSC22M0045 | | SDSMT | 55,123 | |

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STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|------------|---|--|--------------|--------------------|---|
| Research and Development Cluster (continued) | | | | | | |
| Office of Stem Engagement (OSTEM) - Education | 43.008 | 80NSSC19M0063 | | SDSMT | 87,099 | |
| Office of Stem Engagement (OSTEM) - Education | 43.008 | 80NSSC20M0040 | | SDSMT | 858,168 | 41,629 |
| Space Technology | 43.012 | 80NSSC21K1297 | | SDSMT | 32,313 | |
| Space Technology | 43.012 | 80NSSC21K1900 | Wichita State University | SDSU | 33,357 | |
| NASA Marshall Space Flight Center – Central Shipping and Receiving | 43.UNKNOWN | 80NSSC22PB377 | | SDSMT | 64,992 | |
| NASA Marshall Space Flight Center – FY22 Center Innovation Fund (CIF) | 43.UNKNOWN | 80NSSC22PB373 | | SDSMT | 12,858 | |
| <i>Total National Aeronautics and Space Administration</i> | | | | | <u>2,515,050</u> | <u>102,314</u> |
| <i>National Endowment for the Arts</i> | | | | | | |
| Promotion of the Arts Grants to Organizations and Individuals | 45.024 | 1891800-38-22 | | SDSU | 33,387 | |
| <i>Total National Endowment for the Arts</i> | | | | | <u>33,387</u> | |
| <i>National Endowment for the Humanities</i> | | | | | | |
| Promotion of the Humanities Federal/State Partnership | 45.129 | SO-253172-17 | South Dakota Humanities Council | SDSU | 194 | |
| Promotion of the Humanities Federal/State Partnership | 45.129 | SO-268667-20 | South Dakota Humanities Council | SDSU | 842 | |
| Promotion of the Humanities Federal/State Partnership | 45.129 | 3637 | South Dakota Humanities Council | SDSU | 1,500 | |
| Promotion of the Humanities Teaching and Learning Resources and Curriculum Development | 45.162 | ASA-292244-23 | | SDSU | 1,327 | |
| <i>Total National Endowment for the Humanities</i> | | | | | <u>3,863</u> | |
| <i>Institute of Museum and Library Services</i> | | | | | | |
| Museums for America | 45.301 | MA-251772-OMS-22 | | SDSMT | 27,343 | |
| <i>Total Institute of Museum and Library Services</i> | | | | | <u>27,343</u> | |
| <i>National Science Foundation</i> | | | | | | |
| Engineering | 47.041 | 1663646 | | SDSMT | 3,514 | |
| Engineering | 47.041 | 2212643 | | SDSMT | 19,396 | |
| Engineering | 47.041 | 2125851 | | SDSMT | 27,305 | |
| Engineering | 47.041 | 2037874 | | SDSMT | 35,837 | |
| Engineering | 47.041 | 2010696 | | SDSMT | 43,514 | |
| Engineering | 47.041 | 1826314 | | SDSMT | 43,564 | |
| Engineering | 47.041 | 2144240 | | SDSMT | 56,477 | |
| Engineering | 47.041 | 1711946 | | SDSMT | 60,549 | |
| Engineering | 47.041 | 1852336 | | SDSMT | 70,000 | |
| Engineering | 47.041 | 2143972 | | SDSMT | 90,814 | |
| Engineering | 47.041 | 1652958 | | SDSMT | 93,806 | |
| Engineering | 47.041 | 2033577 | | SDSMT | 96,554 | |
| Engineering | 47.041 | 2052631 | | SDSMT | 136,240 | |
| Engineering | 47.041 | CNS-2202706 | Virginia Polytechnic Institute and State University | SDSU | 96,920 | |
| Engineering | 47.041 | 2046627 | | SDSU | 1,730 | |
| Engineering | 47.041 | 2038082 | | SDSU | 3,947 | |
| Engineering | 47.041 | 2039482 | | SDSU | 11,325 | |
| Engineering | 47.041 | 2138647 | | SDSU | 15,539 | |
| Engineering | 47.041 | 2210277 | | SDSU | 23,470 | |
| Engineering | 47.041 | 1852177 | | SDSU | 27,370 | |
| Engineering | 47.041 | 2033522 | | SDSU | 141,300 | |
| Engineering | 47.041 | EEC-1852306 | | USD | 29,822 | |
| Engineering - The Role of Cellular Mechanical Oscillations in Triggering Cell Migration | 47.041 | CMMI-2127031 | | USD | 18,901 | |
| Mathematical and Physical Sciences | 47.049 | 1913607 | University of Wisconsin | SDSMT | 6,075 | |
| Mathematical and Physical Sciences | 47.049 | 1913746 | University of Notre Dame | SDSMT | 23,417 | |
| Mathematical and Physical Sciences | 47.049 | UDR0000261 | University of Delaware | SDSMT | 27,343 | |
| Mathematical and Physical Sciences | 47.049 | 1806826 | | SDSMT | 13,233 | |
| Mathematical and Physical Sciences | 47.049 | 1948838 | | SDSMT | 30,974 | |
| Mathematical and Physical Sciences | 47.049 | 2150356 | | SDSMT | 112,393 | |
| Mathematical and Physical Sciences | 47.049 | 2139349 | | SDSU | 7,562 | |
| Mathematical and Physical Sciences | 47.049 | 2003856 | | SDSU | 35,374 | |

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The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|---|---------------------------------|--------------|--------------------|---|
| Research and Development Cluster (continued) | | | | | | |
| Mathematical and Physical Sciences | 47.049 | MOU 10-19-21; LTR 2-23-22 | University of Notre Dame | BHSU | 1,329 | |
| Mathematical and Physical Sciences | 47.049 | PHY-1852575 | | BHSU | 189 | |
| Mathematical and Physical Sciences | 47.049 | PHY-2150517 | | BHSU | 68,354 | |
| Mathematical and Physical Sciences | 47.049 | CHE-1800354 | | USD | 125,359 | |
| Mathematical and Physical Sciences - CAREER: Understanding Structure-Function Relationships of Polyoxovanadate-Alkoxide Clusters from a Bottom-Up Perspective | 47.049 | 2145657 | | USD | 26,816 | |
| Mathematical and Physical Sciences - Germanium-Based Neutrinoless DoubleBeta Decay Searches | 47.049 | PHY-2111140 | | USD | 114,764 | |
| Mathematical and Physical Sciences - MRI-Acquisition: Sputtering System for Developing Novel Germanium Detectors and Materials | 47.049 | PHY-2117774 | | USD | 140,725 | |
| Mathematical and Physical Sciences - NSF Center for Sustainable Polymers | 47.049 | A008060106 | University of Minnesota | USD | 169,218 | |
| Mathematical and Physical Sciences - REU Site: Molecules Meet Materials | 47.049 | CHE-2150083 | | USD | 109,487 | |
| Geosciences | 47.050 | ICER-2026916 | Columbia University | SDSMT | 3,200 | |
| Geosciences | 47.050 | 1946396 | | SDSMT | 44,589 | |
| Geosciences | 47.050 | 2218919 | | SDSMT | 2,092 | |
| Geosciences | 47.050 | 2148990 | | SDSMT | 17,199 | |
| Geosciences | 47.050 | 2138293 | | SDSMT | 15,827 | |
| Geosciences | 47.050 | 2136809 | | SDSMT | 56,606 | |
| Geosciences | 47.050 | 2135828 | | SDSMT | 99,888 | |
| Geosciences | 47.050 | 2143456 | | SDSMT | 122,815 | |
| Geosciences | 47.050 | 2049293 | | SDSU | 39,353 | |
| Geosciences | 47.050 | 1904142 | | SDSU | 52,800 | |
| Geosciences - RUI: Collaborative Research: Dust in the Critical Zone from the Great Basin to the Rocky Mountains | 47.050 | 10055640-01 | University of Utah | USD | 11,522 | |
| Computer and Information Science and Engineering | 47.070 | 2139232 | | SDSMT | 39,826 | |
| Computer and Information Science and Engineering | 47.070 | 1626579 | | SDSMT | 122,952 | |
| Computer and Information Science and Engineering | 47.070 | 2007367 | | SDSMT | 105,636 | |
| Computer and Information Science and Engineering | 47.070 | 1949921 | Florida Atlantic University | SDSU | 4,515 | |
| Computer and Information Science and Engineering | 47.070 | 1925681 | University of Missouri/Columbia | SDSU | 44,664 | |
| Computer and Information Science and Engineering | 47.070 | 1950448 | | SDSU | 124,373 | |
| Computer and Information Science and Engineering | 47.070 | CNS 1738855 | | BHSU | 93,568 | |
| Computer and Information Science and Engineering | 47.070 | | | DSU | 114,774 | |
| Computer and Information Science and Engineering | 47.070 | 2227656 | | SDSU | 49,242 | 32,815 |
| Computer and Information Science and Engineering - Computing Innovation Fellows 2021 Project | 47.070 | 2021CIF-USouthDakota-26 | Computing Research Association | USD | 135,781 | |
| Computer and Information Science and Engineering - Great Plains Regional Cyber Team | 47.070 | C00066283-5 | University of Missouri | USD | 25,599 | |
| Biological Sciences | 47.074 | 2240028 | | SDSU | 26,637 | |
| Biological Sciences | 47.074 | 2120633 | | SDSU | 43,853 | |
| Biological Sciences | 47.074 | 1950503 | | SDSU | 98,357 | |
| Biological Sciences | 47.074 | 1922542 | | SDSU | 198,274 | |
| Biological Sciences | 47.074 | 1555725 | | BHSU | 1,266 | |
| Biological Sciences | 47.074 | 1546869 | Saint Louis University | SDSU | 63,087 | 9,676 |
| Biological Sciences - Career: Mechanisms and Drivers Underlying Thermal Specialization Patterns in Elastic Recoil and Muscle Powered Movements | 47.074 | IOS-2144252 | | USD | 69,570 | |
| Biological Sciences - Collaborative Research: Costs and Trade-offs of Phenotypically Flexible Responses to Winter Temperature Variability in Birds | 47.074 | IOS-2224554 | | USD | 19,263 | |
| Biological Sciences - NSF 20-506 Macrosystems Biology and NEON-Enabled Science | 47.074 | DEB-2106067 | | USD | 109,375 | |
| Social, Behavioral, and Economic Sciences | 47.075 | 2200523 | | SDSU | 59,077 | |
| Social, Behavioral, and Economic Sciences - Long-Term Human Responses to Ecological Instability | 47.075 | BCS-1916770 | | USD | 8,534 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 1642050 | | SDSMT | 2,392 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 2140744 | | SDSMT | 45,993 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 2120156 | | SDSMT | 73,294 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 1564837 | | SDSMT | 82,652 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 2021135 | | SDSMT | 86,763 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 2028340 | | SDSMT | 171,076 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 2121601 | | SDSMT | 217,647 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 1828462 | | SDSMT | 221,079 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 2041853 | | SDSU | 46,000 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 1828492 | | SDSU | 156,422 | |

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STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|---|--------------------------------------|------------------|--------------------|---|
| Research and Development Cluster (continued) | | | | | | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 1930415 | | SDSU | 161,502 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 1950255 | | SDSU | 196,456 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | DUE 2221350 | | BHSU | 9,108 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | DGE-1828288 | | USD | 176,450 | |
| STEM Education (formerly Education and Human Resources) | 47.076 | 2209594 | | SDSU | 139,893 | 19,930 |
| STEM Education (formerly Education and Human Resources) - Leveraging Computational Thinking to Increase Computer Science within Elementary Classrooms | 47.076 | PG22-66474-04 | University of Montana | BHSU | 116,546 | |
| STEM Education (formerly Education and Human Resources) - Leveraging Computational Thinking to Increase Computer Science within Elementary Classrooms | 47.076 | DRL-2031526 | | BHSU | 304,094 | |
| STEM Education (formerly Education and Human Resources) - Next Generation Concept Inventory to Help Environmental Programs Evaluate Student Knowledge of Complex Food-Energy-Water Systems in Environmental Education | 47.076 | 000021-00001A.009.00 | University of Northern Colorado | USD | 9,823 | |
| STEM Education (formerly Education and Human Resources) - NRT | 47.076 | | | DSU | 49,664 | |
| STEM Education (formerly Education and Human Resources) - NRT-UTB: University of South Dakota Neuroscience and Nanotechnology Network | 47.076 | DGE-1633213 | | USD | 102,572 | 13,588 |
| STEM Education (formerly Education and Human Resources) - SFS Cyber Corp General Renewal | 47.076 | | | DSU | 878,494 | |
| STEM Education (formerly Education and Human Resources) - SFS Cyber Corp Sch Renewal | 47.076 | | | DSU | 262,010 | |
| Polar Programs | 47.078 | 2302105 | | SDSU | 16,671 | |
| Polar Programs | 47.078 | 2230351 | | SDSU | 23,006 | |
| Polar Programs | 47.078 | 2113692 | | SDSU | 82,202 | |
| Office of International Science and Engineering - PIRE: Advanced Germanium Detectors and Technologies for Underground Physics | 47.079 | OISE-1743790 | | USD | 678,019 | 455,287 |
| Integrative Activities | 47.083 | 1906383 | Montana State University | SDSMT | 229,550 | |
| Integrative Activities | 47.083 | A22-0449-S001 | Kansas State University | SDSMT | 285,160 | |
| Integrative Activities | 47.083 | 2132223 | | SDSMT | 47,195 | |
| Integrative Activities | 47.083 | 1833069 | | SDSMT | 70,368 | |
| Integrative Activities | 47.083 | OIA-1920858 | University of Louisiana at Lafayette | SDSU | 48,469 | |
| Integrative Activities | 47.083 | 2138647 | | SDSU | 15,539 | |
| Integrative Activities | 47.083 | 2132021 | | SDSU | 41,240 | |
| Integrative Activities | 47.083 | 2146384 | | SDSU | 105,617 | |
| Integrative Activities | 47.083 | NSF OIA-2229746 | | USD | 3,858 | |
| Integrative Activities | 47.083 | | | Board of Regents | 58,012 | |
| Integrative Activities | 47.083 | | | Board of Regents | 475,033 | |
| Integrative Activities | 47.083 | 1736255 | | SDSMT | 441,258 | 249,136 |
| Integrative Activities | 47.083 | 2019597 | | SDSMT | 839,054 | 493,203 |
| Integrative Activities | 47.083 | 1920954 | | SDSMT | 1,021,903 | 342,807 |
| Integrative Activities | 47.083 | | | Board of Regents | 4,249,299 | 378,062 |
| Integrative Activities - Career: Mechanisms and Drivers Underlying Thermal Specialization Patterns in Elastic Recoil and Muscle Powered Movements | 47.083 | IOS-2144252 | | USD | 92,221 | |
| Integrative Activities - CAREER: Understanding Structure-Function Relationships of Polyoxovanadate-Alkoxide Clusters from a Bottom-Up Perspective | 47.083 | 2145657 | | USD | 26,816 | |
| Integrative Activities - Collaborative Research: Cultivating Indigenous Research Communities for Leadership in Education and STEM - CIRCLES Alliance | 47.083 | OIA-2038203 | | BHSU | 32,933 | |
| Integrative Activities - R11 Track-2 FEC: Sustainable Socio-Economic, Ecological, and Technological Scenarios | 47.083 | G137-17-W6274 | Montana State University | USD | 77,595 | |
| Integrative Activities - R11 Track-4: Research and Development of Ring-Contact Germanium Detectors | 47.083 | OIA-2132003 | | USD | 166,682 | |
| Integrative Activities - RII Track 4: Operating High Purity Germanium Detectors in Liquid Scintillator | 47.083 | OIA-1929097 | | USD | 34,288 | |
| Integrative Activities - RII-BEC: Grounding Science Education in Indigenous Knowledges, Food Systems, and Sustainability | 47.083 | OIA-2225845 | | USD | 36,005 | |
| NSF Technology, Innovation, and Partnerships | 47.084 | FAR0036379 | North Dakota State University | SDSMT | 38,828 | |
| NSF Technology, Innovation, and Partnerships | 47.084 | 2229452 | North Dakota State University | SDSU | 26,407 | |
| NSF Technology, Innovation, and Partnerships | 47.084 | | | DSU | 8,960 | |
| NSF Technology, Innovation, and Partnerships - NSF I-Corps Hub (Track 2): Great Plains Region | 47.084 | FAR0036378 | North Dakota State University | USD | 45,981 | |
| <i>Total National Science Foundation</i> | | | | | 17,012,719 | 1,994,504 |

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STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|------------|---|--|--------------|--------------------|---|
| Research and Development Cluster (continued) | | | | | | |
| <i>U.S. Small Business Administration</i> | | | | | | |
| Cybersecurity for Small Business Pilot Program | 59.079 | | | DSU | 650,263 | |
| <i>Total U.S. Small Business Administration</i> | | | | | 650,263 | |
| <i>U.S. Environmental Protection Agency</i> | | | | | | |
| Nonpoint Source Implementation Grants | 66.460 | 99818520 | South Dakota Discovery Center and Aquarium | SDSU | 11,340 | |
| Nonpoint Source Implementation Grants - Land Use Explorer Kits | 66.460 | S06-01-T1-P1-02 | South Dakota Discovery Center | USD | 5,196 | |
| P3 Award: National Student Design Competition for Sustainability | 66.516 | 84016301 | | SDSMT | 5,015 | |
| <i>Total U.S. Environmental Protection Agency</i> | | | | | 21,551 | |
| <i>U.S. Department of Energy</i> | | | | | | |
| Office of Science Financial Assistance Program | 81.049 | DE-SC0017229 | VRC Metal Systems | SDSMT | 71,596 | |
| Office of Science Financial Assistance Program | 81.049 | DE-SC0021309 | | SDSMT | 16,367 | |
| Office of Science Financial Assistance Program | 81.049 | DE-SC0023026 | | SDSMT | 56,794 | |
| Office of Science Financial Assistance Program | 81.049 | DE-SC0019430 | | SDSMT | 175,036 | |
| Office of Science Financial Assistance Program | 81.049 | DE-SC0014223 | | SDSMT | 618,687 | |
| Office of Science Financial Assistance Program | 81.049 | DE-SC0021126 | University of Texas at Austin | SDSU | 15,808 | |
| Office of Science Financial Assistance Program | 81.049 | DE-SC0020281 | University of Alaska Fairbanks | SDSU | 112,930 | |
| Office of Science Financial Assistance Program | 81.049 | DE-SC0019463 | | USD | 110,709 | |
| Office of Science Financial Assistance Program | 81.049 | DE-SC0015657 | | USD | 163,152 | |
| Office of Science Financial Assistance Program - CASPT2 Geometries, Spectra, and Relativistic Electronic Structures of Actinide Species | 81.049 | DE-SC0023022 | | USD | 75,663 | |
| Office of Science Financial Assistance Program - Design of a Cryogenic Scintillation Neutrino Detector at the Spallation Neutron Source | 81.049 | DE-SC0022167 | | USD | 44,633 | |
| Office of Science Financial Assistance Program - Transforming Critical Materials Separations Through Metal-Oxo Cluster Chemistry | 81.049 | AWD7775396-GR285232 | Georgetown University | USD | 38,137 | |
| Renewable Energy Research and Development | 81.087 | DE-EE009836 | | SDSMT | 150,239 | |
| Renewable Energy Research and Development | 81.087 | DE-EE0008923 | Colorado School of Mines | SDSMT | 47,776 | |
| Renewable Energy Research and Development | 81.087 | DEEE0008521 | University of Illinois | SDSU | 55,132 | |
| Renewable Energy Research and Development | 81.087 | DE-EE0008252 | | SDSMT | 228,686 | 90,980 |
| Advanced Research Projects Agency - Energy | 81.135 | DE-AR0001226 | The Nebraska Board of Regents University of Nebraska | SDSU | 23,996 | |
| Basic and Applied Scientific Research | 81.UNKNOWN | DE-AC02-05CH11231 | Lawrence Berkeley National Laboratory | SDSMT | 47,058 | |
| Basic Research and Development | 81.UNKNOWN | 4000206922 | UT Battelle, LLC | SDSMT | 139,997 | |
| Basic Research and Development | 81.UNKNOWN | DE-AC05-00OR22725 | UT Battelle, LLC | SDSMT | 220,039 | |
| Deep Underground Neutrino Experiment (DUNE) | 81.UNKNOWN | DE-AC02-07CH11359 | Fermi National Laboratory | SDSMT | 17,461 | |
| Deep Underground Neutrino Experiment (DUNE) | 81.UNKNOWN | DE-AC02-07CH11359 | Fermi National Laboratory | SDSMT | 17,461 | |
| Deep Underground Neutrino Experiment (DUNE) | 81.UNKNOWN | DE-AC02-07CH11359 | Fermi National Laboratory | SDSMT | 78,283 | |
| Deep Underground Neutrino Experiment (DUNE) - Stripline Welding | 81.UNKNOWN | AC0207CH11359 | Fermi Research Alliance | SDSMT | 17,979 | |
| Office of Science Financial Assistance Program | 81.UNKNOWN | DE-AC02-05CH11231 | Lawrence Berkeley National Laboratory | SDSMT | 15,828 | |
| Restore Natural Recruitment of Kootenai River White Sturgeon | 81.UNKNOWN | 76826 | Kootenai Tribe of Idaho | SDSMT | 137,310 | |
| Small Business Innovation Research | 81.UNKNOWN | DE-SC0018577 | VRC Metal Systems | SDSMT | 111,546 | |
| Small Business Technology Transfer Program | 81.UNKNOWN | 89233218CNA000001 | Triad National Security, LLC | SDSMT | 81,187 | |
| <i>Total U.S. Department of Energy</i> | | | | | 2,889,490 | 90,980 |
| <i>U.S. Department of Health and Human Services</i> | | | | | | |
| Food and Drug Administration Research | 93.103 | U18FD006181 | | SDSU | 52,203 | |
| Food and Drug Administration Research | 93.103 | U18FD006558 | | SDSU | 101,247 | |
| Food and Drug Administration Research | 93.103 | U19FD007117 | | SDSU | 337,643 | |
| Environmental Health | 93.113 | R44ES029006 | TF Health Corporation | SDSU | 18,803 | |
| Oral Diseases and Disorders Research | 93.121 | 1 R01 DE029159-01A1 | University of Iowa | SDSMT | 71,798 | |
| Emergency Medical Services for Children | 93.127 | 23H33MC06693 | | USD | 31,532 | |
| Human Genome Research | 93.172 | R01HG010805 | | SDSU | 152,594 | |

2023

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|--------|---|---|--------------|--------------------|---|
| Research and Development Cluster (continued) | | | | | | |
| Human Genome Research - Integrated, Individualized, and Intelligent Prescribing (13P) Clinical Trial Network | 93.172 | SR-2022-01 | Sanford Research | USD | 30,849 | |
| Research related to Deafness and Communication Disorders | 93.173 | VUMC111021 | Vanderbilt University | USD | 3,190 | |
| Mental Health Research Grants - Characterization of Trophic Factor Induced Antidepressant Action | 93.242 | R01MH106640 | | USD | 430,589 | |
| Mental Health Research Grants - PTSD, AUD, and Interpersonal Conflict: Within-Person Associations | 93.242 | R01MH122954 | | USD | 772,428 | 326,377 |
| Mental Health Research Grants - Sex Differences in the Neurobiological Significance of Orexin Stress Signaling | 93.242 | R15MH125306 | | USD | 132,504 | |
| Mental Health Research Grants - Targeting HIV Myeloid Reservoirs in the CNS by IAP and TREM1 Inhibition | 93.242 | R01MH128021 | | USD | 31,139 | |
| Occupational Safety and Health Program | 93.262 | P009439403 | Regents of the University of Minnesota | SDSMT | 1,797 | |
| Occupational Safety and Health Program | 93.262 | P009439401 | Regents of the University of Minnesota | SDSMT | 9,935 | |
| Occupational Safety and Health Program | 93.262 | P009439402 | Regents of the University of Minnesota | SDSMT | 13,367 | |
| Occupational Safety and Health Program | 93.262 | 2 U54OH010170-11-00 | Marshfield Clinic Research Institute | SDSU | 4,838 | |
| Alcohol Research Programs | 93.273 | R01AA027206 | | USD | 215,611 | |
| Alcohol Research Programs - Alcohol and "Heat of the Moment" Sexual Decision Making Among MSM: Identifying Mechanisms of Sexual Risk and Promoting Behavior Change Through Brief Intervention | 93.273 | 4500004443 | Boston University | USD | 34,496 | |
| Alcohol Research Programs - Influence of Early Developmental Ethanol Exposure on Genes, the mTOR Signaling Pathway and Behavior | 93.273 | R00AA027567 | | USD | 152,678 | |
| Drug Abuse and Addiction Research Programs - Summer Program for Undergraduate Research in Addiction | 93.279 | 1R25DA033674 | | USD | 88,457 | |
| Discovery and Applied Research for Technological Innovations to Improve Human Health | 93.286 | R03EB028869 | | SDSMT | 12,364 | |
| Trans-NIH Research Support - Midwest Biomedical Accelerator Consortium | 93.310 | C00066571-11 | University of Missouri | USD | 72,960 | |
| Nursing Research | 93.361 | R21NR020383 | | SDSU | 101,059 | 27,224 |
| Cancer Cause and Prevention Research | 93.393 | R01CA240080 | The General Hospital Corporation | SDSU | 1,464 | |
| Cancer Cause and Prevention Research | 93.393 | R01CA201112 | Colorado State University | SDSU | 2,723 | |
| Cancer Cause and Prevention Research | 93.393 | 7R01CA240080-04 | The Trustees of Columbia University in the City of New York | SDSU | 41,137 | |
| Cancer Treatment Research | 93.395 | R03CA252825 | | SDSMT | 51,351 | |
| Cancer Biology Research | 93.396 | 1R15CA274349-01 | | SDSMT | 60,096 | |
| Cancer Centers Support Grants | 93.397 | 5P30CA042014 | University of Utah | SDSU | 15,000 | |
| Cancer Centers Support Grants | 93.397 | 3R01CA240080-03S1 | The General Hospital Corporation | SDSU | 21,391 | |
| Cancer Centers Support Grants | 93.397 | 3R01CA240080-04S1 | The Trustees of Columbia University in the City of New York | SDSU | 52,961 | |
| Cancer Research Manpower - Tracing Intratumoral Cellular Heterogeneity Using Genetic Barcoding in Small Cell Lung Cancer | 93.398 | F31CA243149 | | USD | 7,001 | |
| Opioid STR | 93.788 | H79T1083272 | | SDSU | 179,604 | 48,984 |
| Cardiovascular Diseases Research | 93.837 | R01HL147105 | | USD | 278,413 | |
| Cardiovascular Diseases Research - Cardiac Pathophysiology of Proteasome Phosphoregulation | 93.837 | R01HL153614 | | USD | 261,052 | |
| Cardiovascular Diseases Research - Mechanical Response and Cytoskeletal Rearrangement Following Interrupted Cholesterol Metabolism in Vascular Smooth Muscle Cell | 93.837 | R15HL147214 | | USD | 19,753 | |
| Cardiovascular Diseases Research - PKG and PKA Duo-Activation to Treat Cardiac Proteotoxicity | 93.837 | R01HL072166 | | USD | 411,361 | |
| Cardiovascular Diseases Research - The Role of proBDNF-p75NTR Signaling in Hind Limb Ischemia | 93.837 | F31HL167480 | | USD | 981 | |
| Cardiovascular Diseases Research - VAL-0914 Decreases PAO to Protect Against Cardiac Proteinopathies | 93.837 | A21-0047 | Enable Therapeutics | USD | 135,811 | |
| Lung Diseases Research - Hyperoxic Modulation of Thioredoxin Signaling | 93.838 | RS20210309-02; RS20210339-02 | University of Oklahoma | USD | 74,419 | |
| Diabetes, Digestive, and Kidney Diseases Extramural Research | 93.847 | 5P30DK092923-12 | The Regents of the University of Colorado | SDSU | 13,724 | |
| Diabetes, Digestive, and Kidney Diseases Extramural Research | 93.847 | R15DK125940 | | SDSU | 79,635 | 34,855 |
| Diabetes, Digestive, and Kidney Diseases Extramural Research - Novel Target Mechanism (renal nerves) for the Beneficial Actions of SGLT2 Inhibition in Congestive Heart Failure | 93.847 | 34-5170-2215-201 | University of Nebraska Medical Center | USD | 206,459 | |

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|--------|---|--|--------------|--------------------|---|
| Research and Development Cluster (continued) | | | | | | |
| Diabetes, Digestive, and Kidney Diseases Extramural Research - Novel Target Mechanism to Reduce Sodium Retention in Chronic Health Failure | 93.847 | 34-5170-2096-001 | University of Nebraska Medical Center | USD | 34,209 | |
| Extramural Research Programs in the Neurosciences and Neurological Disorders - Endovanilloid-Mediated Modulation and its Role in Habituation and Sensitization | 93.853 | R01NS092716 | | USD | 16,140 | |
| Extramural Research Programs in the Neurosciences and Neurological Disorders - FOXOs in Ischemic Stroke | 93.853 | R01NS124846 | | USD | 146,069 | |
| Extramural Research Programs in the Neurosciences and Neurological Disorders - Modulating Low-Frequency Cortical Population Dynamics to Augment Motor Function After Stroke | 93.853 | 12099sc | University of California, San Francisco | USD | 98,697 | |
| Allergy and Infectious Diseases Research | 93.855 | 1R01AI153422-01 | Yale University | SDSU | 18,010 | |
| Allergy and Infectious Diseases Research | 93.855 | R01AI152109 | Stellenbosch University | SDSU | 127,865 | |
| Allergy and Infectious Diseases Research | 93.855 | R21AI162594 | | SDSU | 249,202 | |
| Allergy and Infectious Diseases Research | 93.855 | R21AI128558 | | SDSU | 31,928 | 31,928 |
| Allergy and Infectious Diseases Research | 93.855 | U01AI148153 | | SDSU | 527,606 | 185,758 |
| Allergy and Infectious Diseases Research - Antibacterial Nanoparticles as Insecticide Synergists and Insect Growth Regulators for Improved Control of Cockroach Infestations | 93.855 | R41AI162017 | Apex Bait Technologies | USD | 52,972 | |
| Allergy and Infectious Diseases Research - Biological Vector Borne Transmission of Salmonella by Cockroaches | 93.855 | R01AI171014 | | USD | 143,248 | |
| Biomedical Research and Research Training | 93.859 | P20GM109024 | North Dakota State University | SDSU | 1,868 | |
| Biomedical Research and Research Training | 93.859 | 2P20GM103620 | Sanford Research/ University of South Dakota | SDSU | 12,736 | |
| Biomedical Research and Research Training | 93.859 | P20GM103620 | Sanford Research/ University of South Dakota | SDSU | 34,365 | |
| Biomedical Research and Research Training | 93.859 | P20GM109024 | North Dakota State University | SDSU | 35,853 | |
| Biomedical Research and Research Training | 93.859 | R15GM131263 | | SDSU | 13,665 | |
| Biomedical Research and Research Training | 93.859 | R15GM140458 | | SDSU | 117,393 | |
| Biomedical Research and Research Training | 93.859 | R15GM139162 | | SDSU | 128,273 | |
| Biomedical Research and Research Training | 93.859 | 1R01GM138861 | | SDSU | 129,660 | |
| Biomedical Research and Research Training | 93.859 | R15GM134502 | | SDSU | 192,258 | |
| Biomedical Research and Research Training | 93.859 | P20GM135008 | | SDSU | 1,650,673 | |
| Biomedical Research and Research Training - AKT/mTOR Pathway in Obesity and Colorectal Cancer (CRC): Molecular Interconnections and Potential Clinical Applications | 93.859 | UND0026618-S2 | University of North Dakota | USD | 88,254 | 7,673 |
| Biomedical Research and Research Training - Biomedical Technology - BRIN (Biomedical Research Infrastructure Network) for SD | 93.859 | P20GM103443 | | USD | 3,659,414 | 1,046,745 |
| Biomedical Research and Research Training - Biomedical Technology - BRIN (Biomedical Research Infrastructure Network) for SD | 93.859 | P20GM103443-21S4 | | USD | 23,398 | |
| Biomedical Research and Research Training - Center for Biobehavioral Mechanisms of Eating Behavior | 93.859 | SRN-2021-03 | Sanford Research | USD | 21,593 | |
| Biomedical Research and Research Training - Comparison of Antibodies Against SARS CoV-2 in Cancer and Non-Cancer Pediatric Patients in SD | 93.859 | SR-2021-02 | Sanford Research | USD | 24,967 | |
| Biomedical Research and Research Training - DaCCoTA yr5 - All-in-One Nanoparticle for Breast Cancer Treatment Based on Phototherapy and Chemodynamic Therapy | 93.859 | UND0027645-S2 | University of North Dakota | USD | 44,310 | 42 |
| Biomedical Research and Research Training - Dakota Cancer Collaborative on Translational Activity - Year 4 | 93.859 | UND0026618-S1 | University of North Dakota | USD | 65,484 | |
| Biomedical Research and Research Training - Dakota Cancer Collaborative on Translational Activity - Year 5 | 93.859 | UND0027645-S1 | University of North Dakota | USD | 148,901 | |
| Biomedical Research and Research Training - Detection of Antibodies Against SARS-CoV-2 in Cancer Patients | 93.859 | UND0025418-S4 | University of North Dakota | USD | 17,089 | |
| Biomedical Research and Research Training - G-RISE | 93.859 | T32GM136503 | | USD | 230,265 | |
| Biomedical Research and Research Training - Intervention to Promote Breast Cancer Screening Among American Indian Women | 93.859 | UND0026618-S3 | University of North Dakota | USD | 191,523 | |
| Biomedical Research and Research Training - Midwestern Changes in Substance Use and Treatment During the COVID-19 Pandemic | 93.859 | SR-2020-04 | Sanford Research | USD | 151,620 | |
| Biomedical Research and Research Training - Site-Specific Delivery of Veratridine: A Novel Targeted Therapy in Colorectal Cancer | 93.859 | UND0025418-S5 | University of North Dakota | USD | 28,288 | |
| COVID-19 Biomedical Research and Research Training - Biomedical Technology -BRIN (Biomedical Research Infrastructure Network) for SD | 93.859 | P20GM103443 | | USD | 583,103 | |

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STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

| Federal Agency/Program Title/Cluster | ALN | Federal/Pass-Through Entity Identifying Number | Pass-Through Entity | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|--|------------|---|--|---------------------------------|-----------------------|---|
| Research and Development Cluster (continued) | | | | | | |
| Child Health and Human Development Extramural Research | 93.865 | R03HD099412 | | SDSU | 3,828 | |
| Child Health and Human Development Extramural Research - Developmental Research Program for Medical Students (DRPMS) | 93.865 | T35HD088383 | | USD | 2,806 | |
| Child Health and Human Development Extramural Research - Using Structured Video Chat to Improve Relationships Between Young Children and Remote Grandparents | 93.865 | 156038 27150 USD Sub | Lafayette College | USD | 28,383 | |
| | | | The University of Texas Health Science Center at Houston | | | |
| Aging Research | 93.866 | 7R01AG074283-02 | | SDSU | 63,163 | |
| Aging Research - Priming the Proteasome to Protect Against Aging and Alzheimer's Disease | 93.866 | RF1AG072510 | | USD | 125,282 | |
| Antimicrobial Resistance Surveillance in Retail Food Specimens | 93.876 | U01FD007156 | | SDSU | 192,360 | |
| National Institute for Occupational Safety and Health - EVADE Software | 93.UNKNOWN | 21IPA2116225 | | SDSMT | 5,282 | |
| Safe Integrated Engineering in Mining | 93.UNKNOWN | 75D30119C06090 | | SDSMT | 206,448 | 91,873 |
| <i>Total U.S. Department of Health and Human Services</i> | | | | | <u>14,456,868</u> | <u>1,801,459</u> |
| Total Research and Development Cluster | | | | | \$ 63,227,168 | \$ 7,455,501 |
| Student Financial Assistance Cluster | | | | | | |
| <i>U.S. Department of Education</i> | | | | | | |
| Federal Supplemental Educational Opportunity Grants | 84.007 | P007A223840 | | BHSU/DSU/NSU/SDSMT/ SDSU/USD | \$ 1,826,700 | \$ |
| Federal Work-Study Program | 84.033 | P033A223840; P033A213840 | | BHSU/DSU/NSU/SDSMT/ SDSU/USD | 1,940,159 | |
| Federal Perkins Loan Program - Federal Capital Contributions (Notes 3D and 3F) | 84.038 | | | BHSU/DSU/NSU/SDSMT/ SDSU/USD | 6,427,641 | |
| Federal Pell Grant Program | 84.063 | P063P232214; P063P222214; P063P212214 | | BHSU/DSU/NSU/SDSMT/ SDSU/USD | 23,381,993 | |
| Federal Direct Student Loans (Note 3H) | 84.268 | P268K232214; P268K152214 | | BHSU/DSU/NSU/SDSMT/ SDSU/USD | 126,683,309 | |
| Teacher Education Assistance for College and Higher Education Grants (TEACH Grants) | 84.379 | P379T232214 | | BHSU/DSU/NSU/SDSU/ USD | 237,079 | |
| <i>Total U.S. Department of Education</i> | | | | | <u>160,496,881</u> | |
| <i>U.S. Department of Health and Human Services</i> | | | | | | |
| Nurse Faculty Loan Program (NFLP) (Note 3F) | 93.264 | P379T092217 | | SDSU | 656,165 | |
| Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students (Note 3F) | 93.342 | P379T092219 | | SDSU/USD | 9,501,840 | |
| Nursing Student Loans (Note 3F) | 93.364 | | | SDSU/USD | 3,007,530 | |
| Scholarships for Health Professions Students from Disadvantaged Backgrounds | 93.925 | T08HP39273 | | SDSU | 587,475 | |
| <i>Total U.S. Department of Health and Human Services</i> | | | | | <u>13,753,010</u> | |
| Total Student Financial Assistance Cluster | | | | | \$ 174,249,891 | \$ |

LEGEND
BHSU = Black Hills State University
DSU = Dakota State University
NSU = Northern State University
SDSMT = South Dakota School of Mines and Technology
SDSU = South Dakota State University
USD = University of South Dakota

STATE OF SOUTH DAKOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

NOTE 1: Purpose of the Schedule

The Schedule of Expenditures of Federal Awards (Schedule) is a supplementary schedule to the State of South Dakota's (the State) basic financial statements and is presented for purposes of additional analysis. The Schedule is required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2: Significant Accounting Policies

A. Reporting Entity - The accompanying Schedule includes all federal financial assistance programs administered by the State for the fiscal year ended June 30, 2023, except for the programs administered by the South Dakota Housing Development Authority and South Dakota Ellsworth Development Authority, which have elected to have their own Single Audits as described in Note 3Q.

B. Basis of Presentation - The information in the Schedule is presented in accordance with Uniform Guidance.

1. **Federal Awards** - Federal financial assistance is defined in the Uniform Guidance as assistance that non-federal entities receive or administer in the form of grants, cooperative agreements, non-cash contributions or donations of property, direct appropriations, food commodities, loans, loan guarantees, interest subsidies, insurance, and other financial assistance, but does not include amounts received as reimbursement for services rendered to individuals for Medicare and Medicaid.

The Catalog of Federal Domestic Assistance is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit Assistance Listing Number (ALN) and program name. The accompanying schedule and footnotes reflect the program names and ALNs assigned by the <https://sam.gov> website. Federal financial assistance programs and contracts which have not been assigned an ALN or, where management has been unable to determine the ALN, are identified with a two-digit number that identifies the federal awarding agency followed by 'UNKNOWN'.

2. **Clusters of Programs** – Closely related programs with different ALNs which share common compliance requirements are considered clusters of programs, as determined by the Office of Management and Budget (OMB). Most clusters of programs are contained within a single federal awarding agency and are reported on the Schedule under the respective awarding agency. Two clusters, the Research and Development Cluster and the Student Financial Assistance Cluster, have awards from two or more federal agencies. These clusters are reported on the Schedule in total under each federal awarding agency, with the detail for each individual award being shown by federal awarding agency at the bottom of the Schedule.
3. **Pandemic Funding** – Program expenditures of funds awarded in response to the Coronavirus Pandemic are identified with "COVID-19" in the Program Title.
4. **Type A and Type B Programs** - The Uniform Guidance establishes the levels of expenditures or expenses to be used in defining Type A and Type B federal financial assistance programs. Type A programs for the State are those which equaled or exceeded \$8,700,000 in expenditures/disbursements/issuances for the fiscal year ended June 30, 2023. Type B programs for the State are those which are less than \$8,700,000 in expenditures/disbursements/issuances for the fiscal year ended June 30, 2023.

- C. Basis of Accounting** - The information presented in the Schedule is presented on the cash basis of accounting, which is consistent with other federal grant reports, except for the Unemployment Insurance program (ALN 17.225), which is reported on the accrual basis. The State's basic financial statements are reported on the modified accrual or the accrual basis of accounting and, therefore, the Schedule's data may not be directly traceable to the basic financial statements.

The Schedule includes a portion of costs associated with general activities which are allocated to federal financial assistance programs under negotiated formulas commonly referred to as indirect cost rates. Several of South Dakota's state agencies have negotiated indirect cost rates or other approved cost allocation plans for the purpose of claiming indirect costs, while others do not. The Board of Regents Central Office claimed the 10 percent de minimis cost rate during fiscal year 2023 for ALN 47.083 *Integrative Activities*.

- D. Expenditures and Expenses** - All federal expenditures included in the Schedule are assistance received directly from the federal government or indirectly through entities from outside the State. When monies are received by one state grantee agency and re-distributed (expended) to another state grantee agency (i.e. a subaward of funds by the primary recipient state grantee agency to a subrecipient state grantee agency), the federal financial assistance is reflected in the primary receiving/expending state grantee agency's accounts. This is to avoid duplication and the overstatement of the aggregate level of federal financial assistance expended by the State.

NOTE 3: Other

- A.** Commodities administered through distributing agencies totaling \$6,098,599 (\$3,182,233 under ALN 10.555, \$1,904 under ALN 10.559, \$2,663,456 under ALN 10.569, and \$251,006 under COVID-19 ALN 10.569) are included in the definition of expenditures of federal awards for the purpose of the accompanying Schedule. Commodities are valued at the last purchase price.
- B.** As of June 30, 2023, donated federal surplus property (ALN 39.003) reported on the Schedule totaled \$723,536, which represents 23.3% of the original acquisition cost of the federal surplus property received by the State. Of that amount, \$663,918 was passed through. This percentage approximates the fair market value of the property at the time of distribution as determined by the General Services Administration.
- C.** The amounts reported as federal expenditures for ALN 64.014 and 64.015 represent cash received. Federal reimbursements are based on approved rates for services provided, rather than reimbursement for specific expenditures.
- D.** Perkins Loan amounts (ALN 84.038) include federal, state, and program revenues. The exact portion associated with federal dollars cannot be readily determined.
- E.** Electronic benefits under the Supplemental Nutrition Assistance Program (SNAP) (ALN 10.551) totaled \$161,762,479 and are included in the federal financial assistance reported on the Schedule. Additional benefits provided in response to the Coronavirus Pandemic under the Pandemic EBT Food Benefits program (ALN 10.542) totaled \$1,941,018 and are also reported on the Schedule.

- F. Federally funded loan programs had the following current fiscal year disbursement and outstanding loan balances at year end:

| ALN | Grant Program | Current Year | | Outstanding Loan Balance June 30, 2023 |
|--------|---|------------------------|-------------------|--|
| | | Administrative Expense | Loan Disbursement | |
| 84.038 | Perkins Loans Funds | \$ 43,779 | \$ | \$ 6,383,862 |
| 93.264 | Nurse Faculty Loan Program | | 43,169 | 656,165 |
| 93.342 | Health Professions Student Loans/Loans for Disadvantaged Students | | 1,377,688 | 9,501,840 |
| 93.364 | Nursing Student Loans | | 641,028 | 3,007,530 |

- G. The expenditures provided for the Clean Water State Revolving Fund (ALN 66.458) and the Drinking Water State Revolving Fund (ALN 66.468) consist of federal, state, and program revenues, the exact percentage of which is not readily determinable. The same requirements are followed for all loans regardless of the funding source utilized. The amount of federal expenditures reported on the Schedule consists of administrative expenses in the amount of \$477,065 and loan disbursements totaling \$6,948,215 for ALN 66.458, and \$1,003,655 in administrative expenses and \$17,353,273 in loan disbursements for ALN 66.468.

- H. Loans disbursed under the Federal Direct Student Loans program (ALN 84.268) and issued to parents of eligible students or eligible students attending state universities had the following values:

| | |
|------------------------------------|---------------|
| Direct Subsidized Loans | \$ 28,776,390 |
| Direct Unsubsidized Loans | 77,395,667 |
| Direct PLUS & G PLUS Program Loans | 20,511,252 |

- I. During the fiscal year ended June 30, 2023, the South Dakota Department of Health (DOH) received \$3,648,756 in cash rebates from infant formula manufacturers on sales of formula to participants in the WIC Program (ALN 10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(a) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food. The rebate contract allowed the DOH to serve 4,464 more persons during fiscal year 2023.

- J. The South Dakota Department of Transportation (SDDOT) acts as a channeling state for the various Airport Improvement Program grants (ALN 20.106) funded through the Federal Aviation Administration (FAA). The majority of these grants are between the FAA and cities, counties, and airport authorities that carry out the projects. Total reimbursements processed in fiscal year 2023 for channeling grants amounted to \$25,528,618 and \$22,804,471 (COVID-19). These monies are not reflected on the Schedule as expenditures of federal awards of the State. The \$281,985 and \$1,488 (COVID-19) reported on the Schedule under ALN 20.106 was expended under a separate agreement between the SDDOT and the FAA in which the SDDOT is considered the grant recipient and directly funds multiple small projects at these airports.

- K. The amount included as of June 30, 2023, on the unemployment insurance section of the Schedule (ALN 17.225) is reported on the accrual basis of accounting and includes the amount of federal unemployment insurance, the amount of the State's expenditure for unemployment insurance benefits, the amount of administrative expense, and the amount of Alternative Trade Adjustment Assistance as required by the U.S. Department of Labor and the Inspector General. The amounts are \$1,400,492, \$27,157,562, \$5,833,476, and \$89,152 respectively. An additional \$1,807,815 of pandemic unemployment assistance was received for COVID-19, which is also reported under ALN 17.225.

- L. The South Dakota Governor's Office of Economic Development, through the South Dakota Economic Development Finance Authority (EDFA), participates in the United States Department of Agriculture Rural Business Cooperative Service (RBCS) Intermediary Relending Program (IRP). As of June 30, 2023, EDFA had drawn down \$2,179,030 of RBCS loan funds and had disbursed all these RBCS funds. The total value of loans issued as of June 30, 2023, was \$4,201,600, with the total remaining loans outstanding as of June 30, 2023, equaling \$743,737.
- M. Department of Energy (DOE) programs were funded in part by Petroleum Violation Escrow (PVE) funds which represent the State's share of settlement proceeds in various lawsuits between the Federal Government and oil producers. During fiscal year 2023, the South Dakota Department of Tourism had \$1,156,026 in expenditures from the trust fund in support of DOE programs and received \$1,169,573 in loan payments. These expenditures are not included on the Schedule.
- N. The amount of expenditures reported for the Child Support Enforcement program (ALN 93.563) was not reduced by \$1,890,648 which is the federal share of prior quarters' Title IV-A collections retained to fund the Child Support Enforcement program during fiscal year 2023.
- O. After a Presidentially Declared Disaster, FEMA provides a Public Assistance Grant to reimburse eligible costs associated with repair, replacement, or restoration of disaster-damaged areas. The federal government reimburses in the form of cost-shared grants which requires state matching funds. For the year ended June 30, 2023, the amount included in the accompanying schedule for Disaster Grants – Public Assistance (Presidentially Declared Disasters) (ALN 97.036) includes \$1,890,656 of approved eligible expenditures that were incurred in previous years.
- P. (Unaudited) During fiscal year ended June 30, 2023, the State of South Dakota received inventory from the federal government to assist in the fight against the global COVID-19 pandemic. The State of South Dakota had a remaining amount of \$663,756 from prior fiscal years. The State did not receive any additional inventory in fiscal year 2023 and used a total of \$17,131 throughout the fiscal year. Because donated PPE has no bearing on the single audit, this footnote was not audited as part of the Single Audit.
- Q. The South Dakota Housing Development Authority (SDHDA) and the South Dakota Ellsworth Development Authority (SDEDA) are discretely presented component units of the State. The SDHDA and SDEDA have chosen to have their own separate Single Audits performed and have reported their federal expenditures, including loan information, in their own SEFAs. For SEFA reporting, the SDEDA was treated as a subrecipient of State and Local Fiscal Recovery Funds (ALN 21.027), for which it received \$270,000 from the State during the fiscal year ended June 30, 2023. Copies of the SDHDA and the SDEDA Single Audits are available from the Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, by calling (605)773-3595, or online at <https://legislativeaudit.sd.gov/reports/reports.aspx>.



***AUDITOR'S REPORTS ON
INTERNAL CONTROL AND
COMPLIANCE***



***AUDITOR'S REPORTS ON
INTERNAL CONTROL AND
COMPLIANCE***



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

RUSSELL A. OLSON
AUDITOR GENERAL

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Kristi Noem
Governor of South Dakota

and

Members of the Legislature
State of South Dakota

We have audited, in accordance with the 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 (*Government Auditing Standards*), 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, 2023, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated December 29, 2023. Our report includes a reference to other auditors who audited 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 as described in our report on the State's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the foundations of Higher Education were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with foundations of Higher Education or that are reported on separately by those auditors who audited the financial statements of foundations of Higher Education.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a

deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

State's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the State's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The State's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.



Russell A. Olson, Auditor General
Pierre, South Dakota

December 29, 2023



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RUSSELL A. OLSON
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Kristi Noem
Governor of South Dakota

and

Members of the Legislature
State of South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the State of South Dakota's (State's) compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2023. The State's major federal programs are identified in the "Summary of Auditor's Results" section of the accompanying "Schedule of Findings and Questioned Costs."

The State's basic financial statements include the operations of the South Dakota Housing Development Authority and the South Dakota Ellsworth Development Authority (discretely presented component units), which expended \$67,417,045 and \$1,896,065, respectively, in federal awards during the fiscal year ended June 30, 2023, which are not included on the Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of the South Dakota Housing Development Authority and the South Dakota Ellsworth Development Authority because the component units have separately issued audits in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

As stated in our report on the basic financial statements, 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 Ellsworth Development Authority, the South Dakota Science and Technology Authority, and foundations of Higher Education. Those statements were audited by other auditors whose reports, including reports on compliance and internal control over compliance, where applicable, have been furnished to us. Our report on the basic financial statements and this report, insofar as it relates to the amounts included for these entities and their compliance and internal control over compliance, excluding the South Dakota Housing and Development Authority and South Dakota Ellsworth Development Authority, are based solely on the reports of the other auditors.

In our opinion, based on our audit and the reports of other auditors, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the Uniform Guidance. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that, along with the reports of other auditors, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit and the reports of other auditors do not provide a legal determination of the State's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the State's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the State's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the State's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 State's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the State's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying “Schedule of Findings and Questioned Costs” as item 2023-003. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the State’s response to the noncompliance finding identified in our compliance audit described in the accompanying “Schedule of Findings and Questioned Costs” and “Auditee Prepared Corrective Action Plan.” The State’s response and the “Auditee Prepared Corrective Action Plan” were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we and other auditors did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We and the other auditors consider the deficiencies in internal control over compliance described in the accompanying “Schedule of Findings and Questioned Costs” as items 2023-003, 2023-004, 2023-005, and 2023-006 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the State’s response to the internal control over compliance findings identified in our compliance audit described in the accompanying “Schedule of Findings and Questioned Costs” and “Auditee Prepared Corrective Action Plan.” The State’s response and the “Auditee Prepared Corrective Action Plan” were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.



Russell A. Olson
Auditor General

May 20, 2024





***AUDITOR PREPARED
SCHEDULE OF FINDINGS
AND QUESTIONED COSTS***



***AUDITOR PREPARED
SCHEDULE OF FINDINGS
AND QUESTIONED COSTS***

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023
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**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

Summary of Auditor's Results

Financial Statements

| | |
|---|------------|
| Type of auditor's report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | Yes |
| Significant deficiencies identified? | No |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|--|------------|
| Internal control over major programs: | |
| Material weaknesses identified? | Yes |
| Significant deficiencies identified? | No |
| Type of auditor's report issued on compliance for major programs | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | Yes |

Identification of major federal programs:

| <u>Assistance Listing Numbers</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------------------|---|
| | Medicaid Cluster |
| | Research and Development Cluster |
| | Child Nutrition Cluster |
| | WIOA Cluster |
| | Clean Water State Revolving Fund Cluster |
| | Special Education Cluster (IDEA) |
| 10.557 | WIC Special Supplemental Nutrition Program for Women, Infants, and Children |
| 10.558 | Child and Adult Care Food Program |
| 17.225 | Unemployment Insurance |
| 20.933 | National Infrastructure Investments |

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

| | |
|--------|--|
| 20.934 | Nationally Significant Freight and Highway Projects |
| 21.027 | Coronavirus State and Local Fiscal Recovery Funds |
| 81.049 | Office of Science Financial Assistance Program |
| 84.010 | Title I Grants to Local Educational Agencies |
| 84.367 | Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) |
| 84.425 | Education Stabilization Fund |
| 93.391 | Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises |
| 93.558 | Temporary Assistance for Needy Families |
| 93.569 | Community Services Block Grant |
| 93.767 | Children's Health Insurance Program |
| 97.036 | Disaster Grants – Public Assistance (Presidentially Declared Disasters) |

Dollar threshold used to distinguish between Type A and Type B programs - \$8,700,000

Auditee Qualified as low-risk auditee? No

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES

CURRENT AUDIT FINDING AND RECOMMENDATION

Financial Statement Audit Finding:

Finding No. 2023-001: Inadequate Internal Controls Over Financial Reporting

Type of Finding: Material Weakness

Criteria:

Proper controls over financial reporting include the ability to prepare financial statements and accompanying notes to the financial statements that are materially accurate.

Condition:

The Department of Agriculture and Natural Resources incorrectly reported the interest expense of the Clean Water State Revolving Fund.

Cause:

The Department of Agriculture and Natural Resources combined the amount of accrued interest expense for the Clean Water and Drinking Water State Revolving funds when reporting the Clean Water State Revolving Fund amount causing an overstatement of both the accrued interest payable and interest expense on the Clean Water State Revolving Fund financial statements.

Effect:

The Clean Water State Revolving Fund Statement of Revenues, Expenses and Changes in Net Position was materially misstated. This misstatement was corrected by management as a result of the audit.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend a secondary review of the statements and supporting documentation be performed to help prevent misstatements from occurring in the future.

Views of Responsible Officials:

The Department of Agriculture and Natural Resources concurs with this audit finding. The board will ensure that each statement and supporting documents will be reviewed by separate Department of Agriculture and Natural Resources individual staff before they are submitted by the department for audit.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

STATEWIDE FINANCIAL REPORTING PROCESS

CURRENT AUDIT FINDING AND RECOMMENDATION

Financial Statement Audit Finding:

Finding No. 2023-002: Ineffective Internal Controls over Financial Reporting

Type of Finding: Material Weakness

Criteria:

In order for the State to compile the needed information for the State's financial statements, including the notes to the financial statements, the Bureau of Finance and Management (BFM) issued a policies and procedures manual to be used while preparing year-end entries and disclosures. From these broad guidelines, each agency develops specific policies and procedures as well as various internal control procedures to properly report its portion of the year-end entries and disclosures to BFM.

From the year-end entries and disclosure information provided by the agencies, the State's financial statements and applicable note disclosures are prepared by the BFM's Accounting Analysis and Financial Reporting Division. The BFM has implemented controls to detect and correct reporting errors in the agency provided information to ensure the State's financial statements are accurate and reported in accordance with Generally Accepted Accounting Principles.

Condition:

The internal controls implemented by the agencies and BFM did not adequately detect and correct all of the reporting errors. Audit adjustments were proposed, some of which were material, and posted to the financial statements and notes to the financial statements by management.

Cause:

In certain instances, the internal controls implemented by the agencies and BFM were not fully effective, and as a result, the financial statements and notes to the financial statements had material reporting errors that needed to be corrected during our audit.

Effect:

Because the internal controls of the State were not fully effective in identifying and correcting material misstatements, there existed an increased risk for inaccurate financial reporting.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend the BFM and State agencies continue to review and improve internal control procedures to identify and correct weaknesses that are resulting in reporting errors.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

STATEWIDE FINANCIAL REPORTING PROCESS
(Continued)

Views of Responsible Officials:

The Bureau of Finance and Management (BFM) concurs with this finding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

DEPARTMENT OF PUBLIC SAFETY

CURRENT AUDIT FINDING AND RECOMMENDATION

Federal Compliance Audit Finding:

Finding No. 2023-003: Inadequate Internal Controls over Federal Funding Accountability and Transparency Act (FFATA) Reporting

Type of Finding: Material Weakness and Non-Compliance

Assistance Listing Title: Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Assistance Listing Number: 97.036

Federal Award Number: 4440DRSDP00000001, 4469DRSDP00000001, 4527DRSDP00000001, 4656DRSDP00000001, and 4664DRSDP00000001

Federal Award Year: 2019, 2020, 2021, 2022, and 2023

Federal Agency: Department of Homeland Security

Category of Finding: Reporting

Criteria:

Under the Federal Funding Accountability and Transparency Act (FFATA), as codified in 2 CFR Part 170, direct recipients of grants or cooperative agreements who make first-tier subawards are required to report each first-tier subaward or subaward amendment that results in an obligation of \$30,000 or more in federal funds through the FFATA Subaward Reporting System (FSRS) no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made.

Condition:

During FY23, the Department of Public Safety (DPS) received funding under ALN 97.036, the *Disaster Grants - Public Assistance (Presidentially Declared Disasters)* (Public Assistance) program and made multiple first-tier subawards to local governments and private nonprofit entities to respond to and recover from presidentially declared disasters. The required reporting under FFATA was not performed accurately or timely for all subawards under this program.

For a sample of 20 out of 60 subrecipients receiving over \$30,000 in payments for Public Assistance during FY23, we identified the following:

| Number of Transactions Tested | Subaward not Reported | Report not Timely | Subaward Amount Incorrect | Subaward Missing Key Elements |
|-------------------------------|-----------------------|-------------------|---------------------------|-------------------------------|
| 32 | 25 | 6 | 4 | 0 |

| Dollar Amount of Transactions Tested | Subaward not Reported | Report not Timely | Subaward Amount Incorrect | Subaward Missing Key Elements |
|--------------------------------------|-----------------------|-------------------|---------------------------|-------------------------------|
| \$ 23,227,664 | \$ 17,394,607 | \$ 5,801,895 | \$ 258,176 | \$ - |

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

DEPARTMENT OF PUBLIC SAFETY
(Continued)

In addition, for all 32 of the subawards tested, the Subaward Action Date field was inaccurate. According to the FFATA Grants Reporting Model, the date the subaward agreement was signed should be reported in this field. DPS reported the date the information was entered on FSRS in this field.

Cause:

Multiple natural disasters between fiscal years 2019 and 2023 in addition to the coronavirus pandemic resulted in multiple grant awards being open during the fiscal year requiring extensive reporting under FFATA. Staffing shortages and the lack of resources resulted in improper compliance and oversight of FFATA reporting requirements.

Effect:

Incomplete and inaccurate data was available to the public as required under FFATA.

Questioned Costs:

None.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend the Department submit the required federal reporting in a timely manner and implement monitoring controls to ensure that data is properly submitted for future periods.

Views of Responsible Officials:

The Department of Public Safety concurs with the audit finding 2023-003, Inadequate Internal Controls over Federal Funding Accountability and Transparency Act (FFATA) reporting.

Due to staffing shortages in our fiscal office, multiple presidential disasters in 2019 and 2022 and the coronavirus pandemic, we fell behind in our FFATA reporting. As of June 30, 2023, FEMA approved over 2,300 project worksheets related to these incidents. This large increase in workload in a short three years caused an increased administrative workload. Our efforts focused on prioritizing service to our customers in a timely manner rather than the FFATA reporting requirements.

We also relied on some of our own judgement on the correct way to report the information since there was little to no feedback from our federal partners. We have heard other states are receiving similar FFATA audit findings as well.

We look forward to getting our awards into compliance.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

DEPARTMENT OF SOCIAL SERVICES

CURRENT AUDIT FINDING AND RECOMMENDATION

Federal Compliance Audit Finding:

Finding No. 2023-004: Inadequate Controls over the Payment of Claims

Type of Finding: Material Weakness

Assistance Listing Title: Temporary Assistance for Needy Families (TANF)

Assistance Listing Number: 93.558

Federal Award Numbers: 2001SDTANF, 2101SDTANF, 2201SDTANF

Federal Award Years: 2020, 2021, 2022

Federal Agency: Department of Health and Human Services

Category of Finding: Activities Allowed or Unallowed

Criteria:

Title 45 of the Code of Federal Regulations (CFR), Section 263.11(a)(2) allows states to use Federal TANF funds for emergency services "For which the State was authorized to use IV-A or IV-F funds under prior law, as in effect on September 30, 1995 (or, at the option of the State, August 21, 1996)."

45 CFR 75.303 requires the non-Federal entity to:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government," issued by the Comptroller General of the United States or the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Family and Child Information System (FACIS) is utilized to process TANF emergency assistance payments. Approximately \$7.2 million in TANF emergency assistance claims were processed on the FACIS system during FY23.

Chapter XIII of the FACIS Manual states:

"Any claims entered on the New Claim Entry screen require supervisor approval before payment is made. The claims entered by Batch also require supervisor approval."

Condition:

Out of 60 TANF emergency assistance claims tested, there was no evidence on the FACIS system of more than one person being involved with the authorization or payment of 53 of those claims.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

DEPARTMENT OF SOCIAL SERVICES
(Continued)

Cause:

Controls in the FACIS system were not adequate to prevent the person entering a claim for payment in the system to also approve the claim for payment with no further review. For those claims that were subject to secondary review, no documentation of that review and approval was maintained in the system.

Effect:

As a result of these deficiencies, the lack of secondary review and improper segregation of duties increased the risk of improper payments being made from grant funds.

Questioned Costs:

None.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend that internal controls be strengthened over the initiation and approval of claims on the FACIS system. These controls should ensure that claim reviews and approvals are being performed by at least one individual other than the person entering the claim on the FACIS system, and adequate documentation should be maintained to support the individual reviewing the claim and the date it was approved.

Views of Responsible Officials:

The Department of Social Services concurs with the finding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

DEPARTMENT OF LABOR AND REGULATION

The following was issued under a separate audit of the Unemployment Insurance Fund of the South Dakota Department of Labor and Regulation by Eide Bailly, LLP.

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Findings:

Finding No. 2023-005: Internal Control over Compliance

Type of Finding: Material Weakness

Assistance Listing Title: Unemployment Insurance

Assistance Listing Number: 17.225

Federal Agency: Department of Labor

Category of Finding: Reporting

Criteria:

ETA and the ET Handbook 401 and ET Handbook 336 provide for the required financial, performance and special reporting required by the Unemployment Insurance program. Internal controls should provide for the accurate preparation, review, and timely submission of these required reports.

Condition:

Based on our testing performed, we identified that there was not a control in place for the review of the required reports by an individual separate from the preparer prior to their submission.

Cause:

An internal control was not designed to ensure that the required financial, performance, and special reports were being reviewed prior to submission by an individual separate from the preparer.

Effect:

Failure to review reports prior to their submission could result in errors in the reported information being submitted.

Questioned Costs:

None reported.

Context/Sampling:

A nonstatistical sample of 20 reports out of 56 total required reports were selected for testing.

Repeat Finding from Prior Year(s):

No.

Recommendation:

We recommend management designate a knowledgeable individual, someone separate from the preparer of each respective required report, to review the report and its content for accuracy

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

DEPARTMENT OF LABOR AND REGULATION
(Continued)

and reasonableness, and document their review for audit documentation purposes, prior to the timely submission of the reports within the required deadline.

Views of Responsible Officials:

Management agrees with the finding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

DEPARTMENT OF LABOR AND REGULATION
(Continued)

The following was issued under a separate audit of the Unemployment Insurance Fund of the South Dakota Department of Labor and Regulation by Eide Bailly, LLP.

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Findings:

Finding No. 2023-006: Internal Control over Compliance

Type of Finding: Material Weakness

Assistance Listing Title: Unemployment Insurance

Assistance Listing Number: 17.225

Federal Agency: Department of Labor

Category of Finding: Special Tests and Provisions - UI Reemployment Programs

Criteria:

The Reemployment Services and Eligibility Assessments (RESEA) program serves as one of the Unemployment Insurance (UI) program's primary programs that facilitates the reemployment needs of UI claimants. RESEA is authorized by Section 306 of the Social Security Act and uses an evidence-based integrated approach that combines an eligibility assessment for continuing UI eligibility and the provision of reemployment services. Operating guidance for the RESEA program is updated annually through UIPL's. The RESEA program requires quarterly performance reporting to which UI staff are required to review the RESEA performance reports prior to submission.

Condition:

Based on our testing performed, we identified that there was not a control in place for the review of the required performance reports by an individual of UI staff prior to submission.

Cause:

An internal control was not designed to ensure that the required performance reports were being reviewed by UI staff prior to submission.

Effect:

Failure to review reports prior to their submission could result in errors in the reported information being submitted and is required by RESEA program guidance.

Questioned Costs:

None reported.

Context/Sampling:

A nonstatistical sample of 4 quarterly reports out of 8 total quarterly reports were selected for testing.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

DEPARTMENT OF LABOR AND REGULATION
(Continued)

Repeat Finding from Prior Year(s):

No.

Recommendation:

We recommend management designate a knowledgeable individual from UI staff to review the performance report and its content for accuracy and reasonableness, and document their review for audit documentation purposes, prior to the submission of the report.

Views of Responsible Officials:

Management agrees with the finding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

SOYBEAN RESEARCH AND PROMOTION COUNCIL

The following was issued under a separate audit of the Soybean Research and Promotion Council by Eide Bailly, LLP.

CURRENT AUDIT FINDING AND RECOMMENDATION

Financial Statement Audit Finding:

Finding No. 2023-007: Preparation of Financial Statements

Type of Finding: Significant Deficiency

Criteria:

Proper controls over financial reporting include the ability to prepare financial statements and accompanying notes to the financial statements that are materially correct.

Condition:

We were requested as auditors to draft the financial statements and accompanying notes to the financial statements.

Cause:

The Council does not have an internal control system designed to provide for the preparation of the financial statements being audited.

Effect:

This deficiency results in a reasonable possibility that the Council would not be able to draft the financial statements and accompanying notes to the financial statements that are correct without the assistance of the auditors. As auditors, we proposed adjustments in an amount that may not have been identified as a result of the Council's existing internal controls.

Recommendation:

While we recognize that this condition is not unusual for an organization of your size, it is important that you be aware of this condition for financial reporting purposes. Management and the Board should continually be aware of the financial accounting and reporting requirements of the Council, as well as changes in these requirements.

Views of Responsible Officials:

We have designated a member of management to review the propriety of the draft financial statements and accompanying notes to the financial statements.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

SOUTH DAKOTA CORN UTILIZATION COUNCIL

The following was issued under a separate audit of the South Dakota Corn Utilization Council by Eide Bailly, LLP.

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Financial Statement Audit Finding:

Finding No. 2023-008: Preparation of Financial Statements

Type of Finding: Significant Deficiency

Criteria:

Proper controls over financial reporting include the ability to prepare financial statements and accompanying notes to the financial statements that are materially correct. In addition, it was noted that a restatement was necessary due to the lack of proper controls over financial reporting.

Condition:

The Council does not have an internal control system designed to provide for the preparation of the financial statements being audited. We were requested to draft the financial statements and accompanying notes to the financial statements.

Cause:

The Council does not have an internal control system designed to provide for the preparation of the financial statements being audited.

Effect:

This deficiency results in a reasonable possibility that the Council would not be able to draft the financial statements and accompanying notes to the financial statements that are correct without the assistance of the auditors.

Recommendation:

While we recognize that this condition is not unusual for an organization of your size, it is important that you be aware of this condition for financial reporting purposes. Management and the Board should continually be aware of the financial accounting and reporting requirements of the Council as well as changes in these requirements.

Views of Responsible Officials:

Management and the Board of Directors will review for propriety the draft financial statements and accompanying notes to the financial statements.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

SOUTH DAKOTA CORN UTILIZATION COUNCIL
(Continued)

The following was issued under a separate audit of the South Dakota Corn Utilization Council by Eide Bailly, LLP.

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Financial Statement Audit Finding:

Finding No. 2023-009: Segregation of Duties

Type of Finding: Significant Deficiency

Criteria:

An effective system of internal controls depends on an adequate segregation of duties with respect to the execution and recording of transactions, as well as the custody of an entity's assets. Accordingly, an effective system of internal control will be designed such that these functions are performed by different employees, so that no one individual handles a transaction from its inception to its completion.

Condition:

The Council has a limited number of office personnel, which prevents an ideal segregation of duties for controls over financial reporting. The oversight and review process by management for various account reconciliations is not formally documented.

Cause:

Management oversight is done on an informal basis.

Effect:

The lack of segregation of duties increases the risk of fraud related to misappropriation of assets, financial statement misstatement, or both.

Recommendation:

Management and the Board should continually be aware of the financial accounting and reporting requirements of the Council. Under this situation, the most effective control is the board's oversight and knowledge of matters relating to the operations of the Council.

Views of Responsible Officials:

The Board of Directors performed various oversight roles throughout the year but is aware of the risk relating to the limited staff performing the daily activities and is in the process of reviewing internal controls.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

SOUTH DAKOTA WHEAT UTILIZATION, RESEARCH AND MARKET DEVELOPMENT
COMMISSION

The following was issued under a separate audit of the South Dakota Wheat Utilization, Research and Market Development Commission by Eide Bailly, LLP.

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Financial Statement Audit Finding:

Finding No. 2023-010: Preparation of Full Disclosure Financial Statements

Type of Finding: Significant Deficiency

Criteria:

Proper controls over financial reporting include the ability to prepare the financial statements with accompanying notes to the financial statements that are materially correct and include all required disclosures.

Condition:

The Commission does not have an internal control system designed to provide for the preparation of the financial statements being audited. As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements.

Cause:

The Commission has limited staff. They cannot justify having an individual on staff with the proper accounting skills necessary for preparing the draft financial statements and accompanying notes to the financial statements.

Effect:

Inadequate controls over financial reporting of the Commission could result in the likelihood that the Commission would not be able to draft the financial statements with accompanying notes to the financial statements without the assistance of the auditors.

Recommendation:

While we recognize that this condition is not unusual for an organization of your size, it is important that you be aware of this condition for financial reporting purposes. Management and the Board should continually be aware of the financial accounting and reporting requirements of the Commission as well as changes in these requirements.

Views of Responsible Officials:

Since it is not cost-effective for an organization of our size to have an individual on staff to prepare audit-ready financial statements, we have chosen to hire Eide Bailly, a public accounting firm, to prepare our financial statements as part of the annual audit. Management and the Board of Directors will review for propriety the draft financial statements and accompanying notes to the financial statements.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

SOUTH DAKOTA WHEAT UTILIZATION, RESEARCH AND MARKET DEVELOPMENT
COMMISSION
(Continued)

The following was issued under a separate audit of the South Dakota Wheat Utilization, Research and Market Development Commission by Eide Bailly, LLP.

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Financial Statement Audit Finding:

Finding No. 2023-011: Lack of Proper Segregation of Duties

Type of Finding: Significant Deficiency

Criteria:

In order to achieve a high level of internal control, the functions of executing transactions, recording transactions and maintaining accountability for assets should be performed by different employees or be maintained under dual control.

Condition:

The Commission did not have an internal control system to allow for the proper segregation of duties in certain areas of the accounting function. The oversight and review process by management, such as the monthly bank reconciliation and monthly financial reports, is not formally documented.

Cause:

The Commission has limited staff and cannot justify hiring an additional individual in order to better segregate accounting duties. Management oversight is done on an informal basis.

Effect:

Proper segregation of duties helps to minimize the chance of undetected errors or defalcations, since the work of one person is reviewed by the work of another.

Recommendation:

Due to the small size of the office, the Commission is limited in the options available to them. Under this situation, the most effective control is management and the board's oversight and knowledge of matters relating to the operations of the Commission.

Views of Responsible Officials:

We have evaluated the segregation of duties over the receipts function and over the disbursement function. Management and the board of directors will exercise oversight of the accounting functions, which we believe mitigates the risk of material misstatement to an acceptable level.





***AUDITEE PREPARED
CORRECTIVE ACTION
PLANS***



***AUDITEE PREPARED
CORRECTIVE ACTION
PLANS***

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2023

DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES

Finding No. 2023-001: Inadequate Internal Controls over Financial Reporting

Corrective Action Plan: The board will ensure that each statement and supporting documents will be reviewed by separate Department of Agriculture and Natural Resources individual staff before they are submitted by the department for audit.

Contact Person: Darcy Keiser, Director of Finance

Anticipated Completion Date: The control will be added immediately; however, the review will only occur once the financial statements are being prepared.

STATEWIDE FINANCIAL REPORTING PROCESS

Finding No. 2023-002: Ineffective Internal Controls over Financial Reporting

Corrective Action Plan: The State has a robust internal control framework that supports the operational, reporting, and compliance objectives of the State, including the commitment to timely and accurate financial reporting. This framework is designed to provide reasonable assurance those objectives are met. Internal controls are continuously evaluated and improved to ensure the State is effectively and efficiently meeting these objectives.

Contact Person: Keith Senger, Director of Financial Reporting, Bureau of Finance and Management

Anticipated Completion Date: Ongoing

DEPARTMENT OF PUBLIC SAFETY

Finding No. 2023-003: Inadequate Internal Controls over Federal Funding Accountability and Transparency Act (FFATA) Reporting

Corrective Action Plan: The following are the actions that will be taken to come into compliance with FFATA on our Public Assistance Disaster Grants:

- The Assistant Finance officer will work on getting all past due records updated for FFATA, including the FY24 records, by May 31, 2024.
- Office of Emergency Management's, Recovery Branch Chief will review project worksheets and make sure the finance office has all updated information on any increases or decreases to all project worksheets for open disasters.
- By May 31, 2024, the Director of Administrative Services and Assistant Finance officer will review our current processes and procedures for FFATA reporting for the Department of Public Safety. Make updates to that process to include internal controls ensuring reporting is done timely and accurately.

Contact Person: Angie Lemieux, Director of Administrative Services

Anticipated Completion Date: May 31, 2024

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2023

DEPARTMENT OF SOCIAL SERVICES

Finding No. 2023-004: Inadequate Controls over the Payment of Claims

Corrective Action Plan: The claim initiation duties have been separated from the claim approval responsibilities. When a claim is initiated in FACIS, that request can only be approved by someone with permissions to review and approve claims on the case. Reviewing and approving authorizations on the FACIS system can only be issued to an individual on CPS staff who does not have claim entry responsibilities. Payment is generated only after approval is completed.

During the period audited, the FACIS system did not save information about which staff member had approved the claim. This left no record to verify the name and date for claim approvals.

Contact Person: Jason Simmons, Chief Financial Officer, Department of Social Services

Anticipated Completion Date: In state fiscal year 2024, FACIS was updated to fully document this information for later retrieval and review, essentially the implementation of this corrective action plan prior to the completion of DLA's audit; therefore, this finding has been corrected.

SOUTH DAKOTA DEPARTMENT OF LABOR AND REGULATION
UNEMPLOYMENT INSURANCE FUND

The following was issued under a separate audit of the South Dakota Department of Labor and Regulation Unemployment Insurance Fund by Eide Bailly, LLP.

Finding No. 2023-005: Material Weakness in Internal Control over Compliance - Reporting

Corrective Action Plan:

1. The DLR RA Management Analyst will prepare and submit all ETA Reports (Preparer).
 - a. The Management Analyst will initially enter all data into the report and ensure its initial accuracy.
 - b. The Management Analyst will also be responsible for addressing any warning message(s) or error message(s) that are generated by the reporting system.
 - c. Once the data has been entered and all warning and error messages have been addressed, the Management Analyst will notify the DLR RA Senior Internal Auditor that the ETA Report is complete and ready for their review.
2. The DLR RA Senior Internal Auditor will Review and Sign Off on all ETA reports (Reviewer)
 - a. The Senior Auditor will review the completed report to ensure its accuracy.
 - b. If an issue is found during the review, it will be researched and corrected.
 - c. Once the Senior Internal Auditor has verified all data elements within the report are correct, they will email the Management Analyst signing off on the data presented and give approval for the Management Analyst to submit the final report.
3. The Management Analyst submits the final report.

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2023

SOUTH DAKOTA DEPARTMENT OF LABOR AND REGULATION
UNEMPLOYMENT INSURANCE FUND

(Continued)

4. Once submitted, the Management Analyst will print the submitted copy of the final report to PDF.
5. Once in PDF form, the Management Analyst will add the following notes:
 - a. Prepared By: [Name]
 - b. Date and Time
 - c. Reviewed By: [Name]
 - d. Date and Time
6. With the "Prepared/Reviewed Note" added, it is now considered the "Finalized Report."
7. The Management Analyst will save an electronic copy of the Finalized Report along with copies of any supporting documentation and any email communications between the "Preparer" and the "Reviewer" to the QA records to be retained according to DLR Record Retention policies.
8. All RA Staff can access all finalized reports through the RA MS SharePoint site.

Contact Person: Pauline Heier, Director, Reemployment Assistance

Anticipated Completion Date: No anticipated completion date was listed in the separately issued audit report.

Finding No. 2023-006: Material Weakness in Internal Control over Compliance - Special Tests and Provisions

Corrective Action Plan:

1. The DLR RA Management Analyst will prepare and submit all ETA Reports (Preparer).
 - a. The Management Analyst will initially enter all data into the report and ensure its initial accuracy.
 - b. The Management Analyst will also be responsible for addressing any warning message(s) or error message(s) that are generated by the reporting system.
 - c. Once the data has been entered and all warning and error messages have been addressed, the Management Analyst will notify the DLR RA Senior Internal Auditor that the ETA Report is complete and ready for their review.
2. The DLR RA Senior Internal Auditor will Review and Sign Off on all ETA reports (Reviewer)
 - a. The Senior Auditor will review the completed report to ensure its accuracy.
 - b. If an issue is found during the review, it will be researched and corrected.
 - c. Once the Senior Internal Auditor has verified all data elements within the report are correct, they will email the Management Analyst signing off on the data presented and give approval for the Management Analyst to submit the final report.
3. The Management Analyst submits the final report.
4. Once submitted, the Management Analyst will print the submitted copy of the final report to PDF.
5. Once in PDF form, the Management Analyst will add the following notes:
 - a. Prepared By: [Name]
 - b. Date and Time

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2023

SOUTH DAKOTA DEPARTMENT OF LABOR AND REGULATION
UNEMPLOYMENT INSURANCE FUND

(Continued)

- c. Reviewed By: [Name]
- d. Date and Time
- 6. With the "Prepared/Reviewed Note" added, it is now considered the "Finalized Report."
- 7. The Management Analyst will save an electronic copy of the Finalized Report along with copies of any supporting documentation and any email communications between the "Preparer" and the "Reviewer" to the QA records to be retained according to DLR Record Retention policies.
- 8. All RA Staff can access all finalized reports through the RA MS SharePoint site.

Contact Person: Pauline Heier, Director, Reemployment Assistance

Anticipated Completion Date: No anticipated completion date was listed in the separately issued audit report.

SOUTH DAKOTA SOYBEAN RESEARCH AND PROMOTIONAL COUNCIL

The following was issued under a separate audit of the South Dakota Soybean Research and Promotional Council by Eide Bailly, LLP.

Finding No. 2023-007: Preparation of Financial Statements

Corrective Action Plan: We have designated a member of management to review the propriety of the draft financial statements and accompanying notes to the financial statements.

Contact Person: No contact person was listed in the separately issued audit report.

Anticipated Completion Date: No anticipated completion date was listed in the separately issued audit report.

SOUTH DAKOTA CORN UTILIZATION COUNCIL

The following was issued under a separate audit of the South Dakota Corn Utilization Council by Eide Bailly, LLP.

Finding No. 2023-008: Preparation of Financial Statements

Corrective Action Plan: Management and the board of directors will review for propriety the draft financial statements and accompanying notes to the financial statements.

Contact Person: No contact person was listed in the separately issued audit report.

Anticipated Completion Date: No anticipated completion date was listed in the separately issued audit report.

**STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2023**

**SOUTH DAKOTA CORN UTILIZATION COUNCIL
(Continued)**

Finding No. 2023-009: Segregation of Duties

Corrective Action Plan: The Board of Directors performed various oversight roles throughout the year but is aware of the risk relating to the limited staff performing the daily activities and is in the process of reviewing internal controls.

Contact Person: No contact person was listed in the separately issued audit report.

Anticipated Completion Date: No anticipated completion date was listed in the separately issued audit report.

**SOUTH DAKOTA WHEAT UTILIZATION, RESEARCH
AND MARKET DEVELOPMENT COMMISSION**

The following was issued under a separate audit of the South Dakota Wheat Utilization, Research and Market Development Commission by Eide Bailly, LLP.

Finding No. 2023-010: Preparation of Full Disclosure Financial Statements

Corrective Action Plan: Since it is not cost-effective for an organization of our size to have an individual on staff to prepare audit-ready financial statements, we have chosen to hire Eide Bailly, a public accounting firm, to prepare our financial statements as part of the annual audit. Management and the board of directors will review for propriety the draft financial statements and accompanying notes to the financial statements.

Contact Person: No contact person was listed in the separately issued audit report.

Anticipated Completion Date: No anticipated completion date was listed in the separately issued audit report.

Finding No. 2023-011: Lack of Proper Segregation of Duties

Corrective Action Plan: We have evaluated the segregation of duties over the receipts function and over the disbursement function. Management and the board of directors will exercise oversight of the accounting functions, which we believe mitigates the risk of material misstatement to an acceptable level.

Contact Person: No contact person was listed in the separately issued audit report.

Anticipated Completion Date: No anticipated completion date was listed in the separately issued audit report.





***AUDITEE PREPARED
SUMMARY SCHEDULE OF
PRIOR AUDIT FINDINGS***



***AUDITEE PREPARED
SUMMARY SCHEDULE OF
PRIOR AUDIT FINDINGS***

**STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2023**

SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY

The following was issued under a separate audit of the South Dakota Science and Technology Authority by Eide Bailly, LLP.

Finding No. 2022-001: Restatement and Material Audit Adjustments

Initial Year of Finding: Fiscal Year 2022

Status: Fully Corrected – Corrective Action was Taken

Finding No. 2022-002: Internal Controls Over Compliance – Procurement, Suspension and Debarment

Initial Year of Finding: Fiscal Year 2022

Status: Fully Corrected – Corrective Action was Taken

DEPARTMENT OF TRANSPORTATION

Finding No. 2022-003: Inadequate Internal Controls Over Federal Financial Reports

Initial Year of Finding: Fiscal Year 2021

Status: Fully Corrected – Corrective Action was Taken

DEPARTMENT OF HUMAN SERVICES

Finding No. 2022-004: Inadequate Controls Over Subrecipient Monitoring of Nutrition Service Providers

Initial Year of Finding: Fiscal Year 2022

Status: Fully Corrected – Corrective Action was Taken

**STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2023**

SOUTH DAKOTA SOYBEAN RESEARCH AND PROMOTION COUNCIL

The following was issued under a separate audit of the South Dakota Soybean Research and Promotion Council by Eide Bailly, LLP.

Finding No. 2022-005: Preparation of Financial Statements

Initial Year of Finding: Fiscal Year 2010

Status: Repeat audit finding issued in Fiscal Year 2023 Single Audit – see Finding No. 2023-007

Reason for Recurrence: No reason given.

SOUTH DAKOTA PUBLIC BROADCASTING

The following was issued under a separate audit of the South Dakota Public Broadcasting by Eide Bailly, LLP.

Finding No. 2022-006: Segregation of Duties

Initial Year of Finding: Fiscal Year 2021

Status: Fully Corrected – Corrective Action was Taken

SOUTH DAKOTA CORN UTILIZATION COUNCIL

The following was issued under a separate audit of the South Dakota Corn Utilization Council by Eide Bailly, LLP.

Finding No. 2022-007: Preparation of Financial Statements and Restatement

Initial Year of Finding: Fiscal Year 2010

Status: Repeat audit finding issued in Fiscal Year 2023 Single Audit – see Finding No. 2023-008

Reason for Recurrence: No reason given.

Finding No. 2022-008: Segregation of Duties

Initial Year of Finding: Fiscal Year 2021

Status: Repeat audit finding issued in Fiscal Year 2023 Single Audit – see Finding No. 2023-009

Reason for Recurrence: No reason given.

**STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2023**

**SOUTH DAKOTA WHEAT UTILIZATION, RESEARCH
AND MARKET DEVELOPMENT COMMISSION**

The following was issued under a separate audit of the South Dakota Wheat Utilization, Research and Market Development Commission by Eide Bailly, LLP.

Finding No. 2021-018: Preparation of Full Disclosure Financial Statements

Initial Year of Finding: Fiscal Year 2021

Status: Repeat audit finding issued in Fiscal Year 2023 Single Audit – see Finding No. 2023-010

Reason for Recurrence: No reason given.

Finding No. 2021-019: Lack of Proper Segregation of Duties

Initial Year of Finding: Fiscal Year 2021

Status: Repeat audit finding issued in Fiscal Year 2023 Single Audit – see Finding No. 2023-011

Reason for Recurrence: No reason given.

**SOUTH DAKOTA DEPARTMENT OF LABOR AND REGULATION
UNEMPLOYMENT INSURANCE FUND**

The following was issued under a separate audit of the South Dakota Department of Labor and Regulation Unemployment Insurance Fund by Eide Bailly, LLP.

Finding No. 2020-005: Special Tests and Provisions – UI Reemployment Programs

Initial Year of Finding: Fiscal Year 2020

Status: Planned corrective action previously reported partially completed. Those planned corrective actions previously reported indicated below:

- Development has started to extract the data from the RESEA review forms in SD WORKS and automatically upload it to the RA system. Additionally, the processes will utilize review logic to flag potential eligibility issues for RA staff to review and make a determination for eligibility/compliance.
 - Corrective action completed and taken.
- Additional development is underway to create an automated process for sharing of relevant case note/fact-finding information between SDWORKS and the RA system. This sharing of relevant case information will reduce the risk of miscommunication between divisions and contribute to timeliness and accuracy of claimant activity tracking.
 - Corrective action completed and taken.

STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2023

SOUTH DAKOTA DEPARTMENT OF LABOR AND REGULATION
UNEMPLOYMENT INSURANCE FUND

(Continued)

- Development is planned to automate processes between SDWORKS and the RA system where the system will monitor claimant activity and, if scheduled activities are missed, will automatically insert and/or remove a hold on payment of a claim for non-compliance with DLR RESEA requirements.
 - South Dakota has completed testing for compliance issues. Case notes to fact finding was implemented in August 2023, and is working as it is intended. Automation for non-compliance issues has been tested and will be implemented once staff are trained on the functionality, which is scheduled in October 2023.
- Labor Program Specialists overseeing the RESEA grant will provide training to staff on program improvements set to launch in January 2021. This training will emphasize the need for communication with the RA Division.
 - Corrective action completed and taken.

