

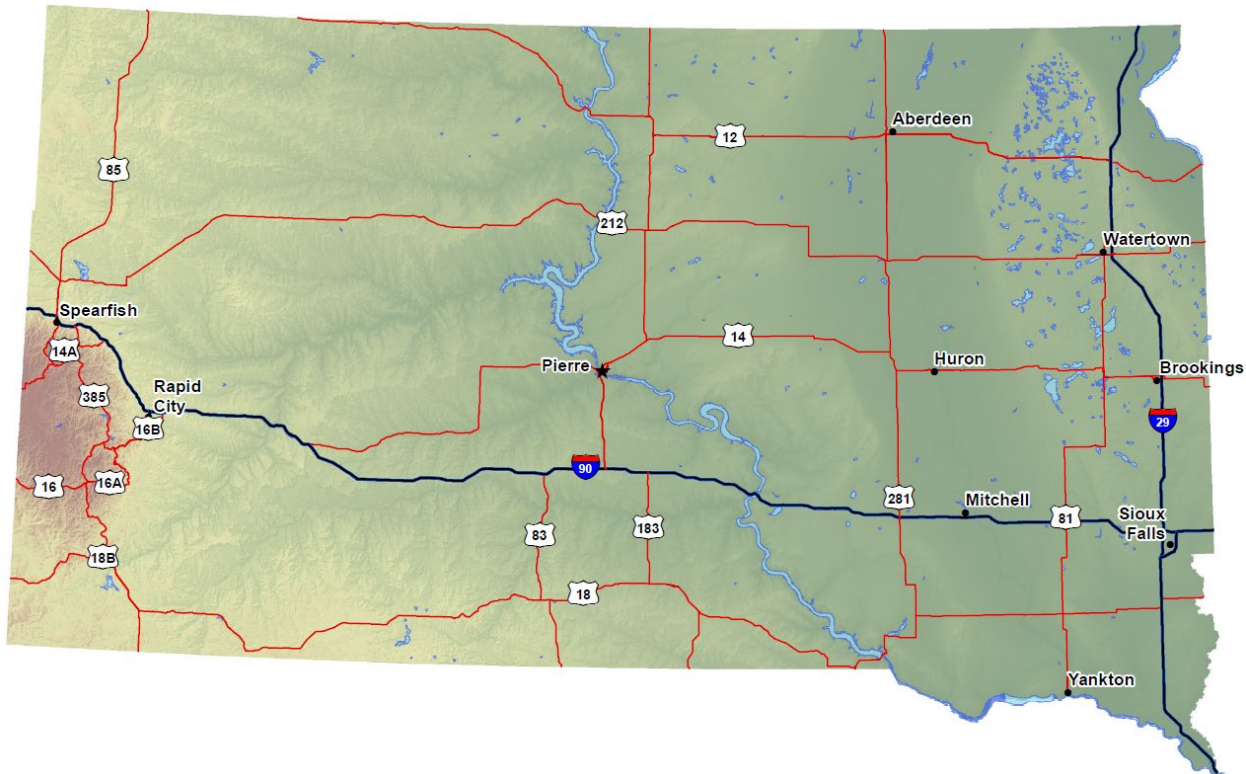
The background of the entire page is a photograph of a sunset or sunrise over a body of water. The sky is filled with clouds, transitioning from a deep blue at the top to a vibrant orange and red near the horizon. The water in the foreground is calm, reflecting the colors of the sky. In the distance, a low shoreline with some vegetation is visible.

South Dakota

Single Audit Report

for the fiscal year ended June 30, 2025

***STATE OF SOUTH DAKOTA
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025***



LARRY RHODEN, GOVERNOR

TONY VENHUIZEN, LT. GOVERNOR

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

***KEITH SENGER, CPA
DIRECTOR OF FINANCIAL REPORTING***

***AMANDA WERRE, CGFM
DEPUTY DIRECTOR OF FINANCIAL REPORTING***

***RUSSELL A. OLSON, AUDITOR GENERAL
DEPARTMENT OF LEGISLATIVE AUDIT***



March 31, 2026

To the Citizens of the State of South Dakota; The Honorable Larry Rhoden, 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, 2025. This report includes the financial statements for the State of South Dakota as of June 30, 2025, 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

TABLE OF CONTENTS

Title Page

Joint Transmittal Letter

INTRODUCTORY SECTION:

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

FINANCIAL SECTION:

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

Basic Financial Statements 33

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

Notes to the Financial Statements 49

Required Supplementary Information 107

Budgetary Comparison Schedule – General Fund	108
Budgetary Comparison Schedule – Budget-to-GAAP Reconciliation	120
Notes to Required Supplementary Information – Budgetary Reporting.....	121
Schedule of Proportionate Share of Net Pension Liability (Asset).....	122
Schedule of Contributions	122
Notes to Required Supplementary Information – Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions.....	123

Combining Financial Statements 125

Combining Balance Sheet – Nonmajor Governmental Funds – By Type	126
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – By Type	127
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	128
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	132
Combining Balance Sheet – Nonmajor Debt Service Funds.....	136
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds.....	137
Combining Statement of Net Position – Nonmajor Enterprise Funds	138
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds	140
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	142
Combining Statement of Net Position – Internal Service Funds	144

TABLE OF CONTENTS

Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	146
Combining Statement of Cash Flows – Internal Service Funds	148
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	150
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	151
Combining Statement of Fiduciary Net Position – Custodial Funds	152
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	153
Combining Statement of Net Position – Component Units	154

Combining Statement of Revenues, Expenses, and Changes in Net Position – Component Units	155
Statement of Cash Flows – Higher Education	156
Combining Statement of Fiduciary Net Position – Higher Education	158
Combining Statement of Changes in Fiduciary Net Position – Higher Education	158
Combining Statement of Net Position – Nonmajor Component Units	159
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Component Units	160

STATISTICAL SECTION:

Index to the Statistical Section	161
Net Position by Component	162
Changes in Net Position	163
Fund Balances, Governmental Funds	164
Changes in Fund Balances, All Governmental Funds	165
Sales Tax Revenue Payers by Industry	166
Ratios of Outstanding Long-Term Debt	168
Pledged Revenue Coverage	169
Population	170
Total Personal Income	170
Unemployment Rate	171
Per Capita Personal Income	171
Nonfarm Wage and Salary Employment by Industry	172
Expanded and New Industries	172
Employment by Industry Type	173
Full-Time Equivalent State Employees by Function of Government	174
Capital Asset Statistics by Function	176
Operating Indicators by Function	178
Notes to Statistical	182

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

Independent Auditor's Report on Supplementary Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	185
Schedule of Expenditures of Federal Awards	187
Notes to the Schedule of Expenditures of Federal Awards	222

AUDITOR'S REPORTS ON INTERNAL CONTROL AND COMPLIANCE:

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	227
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	229

TABLE OF CONTENTS

AUDITOR PREPARED SCHEDULE OF FINDINGS AND QUESTIONED COSTS:

Index of Schedule of Findings and Questioned Costs	233
Summary of Auditor's Results	234
Current Audit Findings and Recommendations	
Board of Economic Development (Finding No. 2025-001)	236
Department of Revenue (Finding No. 2025-002)	238
Department of Human Services (Finding Nos. 2025-003 through 006)	241
Department of Social Services/Department of Health (Finding No. 2025-007)	250
Department of Social Services (Finding Nos. 2025-008 through 012)	252
South Dakota Soybean Research and Promotion Council (Finding Nos. 2025-013 and 014)	264
South Dakota Corn Utilization Council (Finding Nos. 2025-015 and 016)	266
South Dakota Wheat Utilization, Research, and Market Development Commission (Finding Nos. 2025-017 and 018)	268

AUDITEE PREPARED CORRECTIVE ACTION PLANS:

Board of Economic Development (Finding No. 2025-001)	271
Department of Revenue (Finding Nos. 2025-002)	271
Department of Human Services (Finding Nos. 2025-003 through 006)	272
Department of Social Services/Department of Health (Finding No. 2025-007)	274
Department of Social Services (Finding Nos. 2025-008 through 012)	274
South Dakota Soybean Research and Promotion Council (Finding Nos. 2025-013 and 014)	279
South Dakota Corn Utilization Council (Finding Nos. 2025-015 and 016)	279
South Dakota Wheat Utilization, Research, and Market Development Commission (Finding Nos. 2025-017 and 018)	280

AUDITEE PREPARED SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS:

South Dakota Investment Council (Finding No. 2024-001)	281
Department of Revenue (Finding Nos. 2024-002 and 003)	281
Statewide Financial Reporting Process (Finding No. 2024-004)	281
Department of Social Services (Finding Nos. 2024-005 and 006)	281
Department of Public Safety (Finding No. 2024-007)	282
Department of Transportation (Finding No. 2024-008)	282
South Dakota Soybean Research and Promotion Council (Finding Nos. 2024-009 and 010)	283
South Dakota Corn Utilization Council (Finding Nos. 2024-011 and 012)	283
South Dakota Wheat Utilization, Research, and Market Development Commission (Finding Nos. 2024-013 through 015)	284





INTRODUCTORY SECTION



INTRODUCTORY SECTION



DEPARTMENT OF EXECUTIVE MANAGEMENT BUREAU OF FINANCE AND MANAGEMENT

500 East Capitol Ave. • Pierre, South Dakota 57501-5070 • Voice: (605) 773-3411 • Fax: (605) 773-4711

December 31, 2025

The Honorable Larry Rhoden, 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 39th *Annual Comprehensive Financial Report* (ACFR) for the State of South Dakota (the State) for the fiscal year ended June 30, 2025.

Report. This report is prepared by the Bureau of Finance and Management (BFM) 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, 2025, and the respective changes in financial position and cash flows, where applicable, for the fiscal year.

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

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

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

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

PROFILE OF THE GOVERNMENT

Structure. The State entered the Union on November 2, 1889, as the 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 9th 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.** State law requires 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 2025 was the 135th 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	Total Reserves	General Fund Expenditures	Total Reserves As Percentage of General Fund Expenditures
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%
2024	189.0	133.7	322.7	2,333.0	13.8%
2025	236.7	255.3	492.0	2,599.7	18.9%

The combined accrual basis balance of these two reserve accounts for fiscal year 2025 was \$492.0 million, an increase of \$169.3 million. This increase from the prior year was a result of unspent General Fund appropriations of \$21.5 million, actual revenues exceeding estimates by \$41.4 million, and \$106.4 million not appropriated by the Legislature. The combined reserve balance of \$492.0 million is approximately 18.9% of the fiscal year 2025 General Fund total expenditures. During the 2025 Special Legislative Session held on September 23, 2025, the Legislature transferred \$78.8 million from the General Revenue Replacement Fund to the Incarceration Construction Fund (reported in the General Fund) bringing the combined balance of these two reserve accounts to \$413.2 million in September of 2025. 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 39th consecutive year South Dakota has received an unmodified opinion on its ACFR.

- **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 2025, the Lottery generated \$179.7 million of income (before transfers) and provided \$178.7 million in transfers to other funds that improve the quality of life in South Dakota. Since its inception in 1987, the Lottery has distributed nearly \$4.0 billion to those funds.

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

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

As previously stated, as of June 30, 2025, 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 net money-weighted investment performance of 5.4% which is 1.1% less than the assumed rate of return of 6.5%. Plan investments at fair value in fiscal year 2025 were \$15.3 billion compared to \$10.5 billion in fiscal year 2016.

Fair Value Funded Ratio		
As of June 30	SDRS	Projected Average of Other State Retirement Systems **
2016	96.9%	67%
2017	100.1%	70%
2018	100.0%	72%
2019	100.1%	73%
2020	100.0%	70%
2021	105.5%	83%
2022	100.1%	75%
2023	100.1%	75%
2024	100.0%	77%
2025	100.1%	82% (est)

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

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)
2016	\$10.8 billion	\$10.5 billion	96.9%	22.3%	\$(75.2 million) (FY17)
2017	11.6 billion	11.6 billion	100.1%	21.6%	2.0 million (FY18)
2018	12.2 billion	12.2 billion	100.0%	21.0%	0.5 million (FY19)
2019	12.5 billion	12.5 billion	100.1%	20.7%	2.2 million (FY20)
2020	12.3 billion	12.3 billion	100.0%	20.6%	0.9 million (FY21)
2021	13.9 billion	14.6 billion	105.5%	20.4%	156.6 million (FY22)
2022	14.1 billion	14.1 billion	100.1%	20.6%	1.9 million (FY23)
2023	14.5 billion	14.5 billion	100.1%	20.6%	2.0 million (FY24)
2024	14.9 billion	14.9 billion	100.0%	21.6%	0.9 million (FY25)
2025	15.3 billion	15.3 billion	100.1%	21.5%	1.8 million (FY26) *

* 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 Administration and 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 3.2% in South Dakota due to the disruption in the economy but has since grown significantly. Employment grew 3.4% in 2021, 2.8% in 2022, 2.0% in 2023, 1.3% in 2024, and is projected to finish 2025 at 0.9%.

The unemployment rate in South Dakota remained low through fiscal year 2025 and remains the lowest in the nation. In August 2025, South Dakota's unemployment rate was 1.9%, which was 2.4% lower than the U.S. unemployment rate of 4.3% for the same month.

Income growth is another important indicator of the State's economy. In calendar year 2024, which is the most recent annual data that is available, South Dakota's total personal income grew just 2.8% due to low farm income. From 2011 to 2019, South Dakota's total personal income growth averaged approximately 4% per year. Growth rates have been much higher in recent years. In 2020, 2021, 2022, and 2023, personal income grew by 10.2%, 13.8%, 5.4%, and 7.3%, respectively. Farm income was elevated in 2021 through 2023 but declined in 2024. In 2021 through 2023, farm income in South Dakota was \$3.7 billion, \$4.8 billion, and \$4.8 billion, respectively. These are the three highest figures on record for the State. In 2024, farm income in South Dakota was \$3.0 billion. 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 \$75,699 in 2024, 3.4% greater than the U.S. average per capita income of \$73,204. South Dakota's per capita personal income for the second quarter of 2025 is at an annual rate of \$79,558, 4.3% greater than the United States' average of \$76,251.

The outlook for South Dakota is for steady economic growth. Employment is expected to grow over the next two years, with job growth of approximately 0.5% in 2026 and 2027. Personal incomes are projected to grow approximately 5% in 2026 and 2027.

MAJOR INITIATIVES

Governor Rhoden remains committed to fiscal responsibility, conservative financial management, 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 through investments in the core priorities of government, will ensure a safer, stronger, and freer South Dakota for the future. Listed below are some of the major initiatives that Governor Noem recommended, and Governor Rhoden signed into law, for fiscal year 2026.

Investing in our Workforce. The fiscal year 2026 budget prioritized people over programs by providing a 1.25% inflationary increase to our schools, healthcare providers, and state employees. This inflationary increase was made possible recommending \$80.0 million in targeted budget reductions to various programs. Through the legislative process, the Legislature restored \$7.0 million of these reductions.

Keeping South Dakota Healthy. An ongoing investment was recommended, and adopted by the legislature, to fully fund Medicaid Expansion as federal dollars used to support the program went away at the beginning of fiscal year 2026. The budget also included funding for Regional Behavioral Health Centers, which allow individuals in mental health crises to receive help closer to home and in a setting that better meets their needs.

Keeping South Dakota Safe. Governor Rhoden supported funding to improve public safety and infrastructure by modernizing South Dakota's correctional system. The Legislature left \$106 million in the budget reserves to plan ahead for future prison construction needs. Funding was also recommended, and approved by the legislature, to ensure our state-owned dams are strengthened and restored.

Fiscal Responsibility. Governors Noem and Rhoden recommended, and the legislature supported, to utilize \$54 million of one-time funds to pay off several bonds. Also included in the budget for fiscal year 2026 was additional personnel to assist the Board of Internal Controls and the Department of Legislative Audit to strengthen internal controls and increase transparency within governmental processes. Additionally, the legislature created, with the support of Governor Rhoden, a Trust Fund for Unclaimed Property to dedicate future unclaimed property remittances to the payment of unclaimed property claims.

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, 2024. This was the 9th consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully Submitted,



Jim Terwilliger, Chief Financial Officer
Bureau of Finance and Management



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

State of South Dakota

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

SOUTH DAKOTA FY2025 PRINCIPAL STATE OFFICIALS

EXECUTIVE BRANCH

The Honorable Larry Rhoden, Governor
The Honorable Tony Venhuizen, 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 Chris Nelson, Commissioner, Chairman
The Honorable Kristie Fiegen, Commissioner, Vice Chairperson
The Honorable Gary Hanson, Commissioner

LEGISLATIVE BRANCH

The Honorable Chris Karr
Senate President Pro Tempore

The Honorable Jon Hansen
Speaker of the House

The Honorable Karla Lems
Speaker Pro Tempore of the House

The Honorable Jim Mehlhaff
Senate Majority Leader

The Honorable Liz Larson
Senate Minority Leader

The Honorable Scott Odenbach
House Majority Leader

The Honorable Erin Healy
House Minority Leader

JUDICIAL BRANCH

The Honorable Steven R. Jensen
Chief Justice

The Honorable Mark E. Salter
Associate Justice

The Honorable Patricia J. DeVaney
Associate Justice

The Honorable Scott P. Myren
Associate Justice

The Honorable Robert Gusinsky
Associate Justice

The Honorable Janine M. Kern
Retired - Associate Justice

SOUTH DAKOTA FY2025 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 and Natural Resources
Game, Fish and Parks

TRANSPORTATION

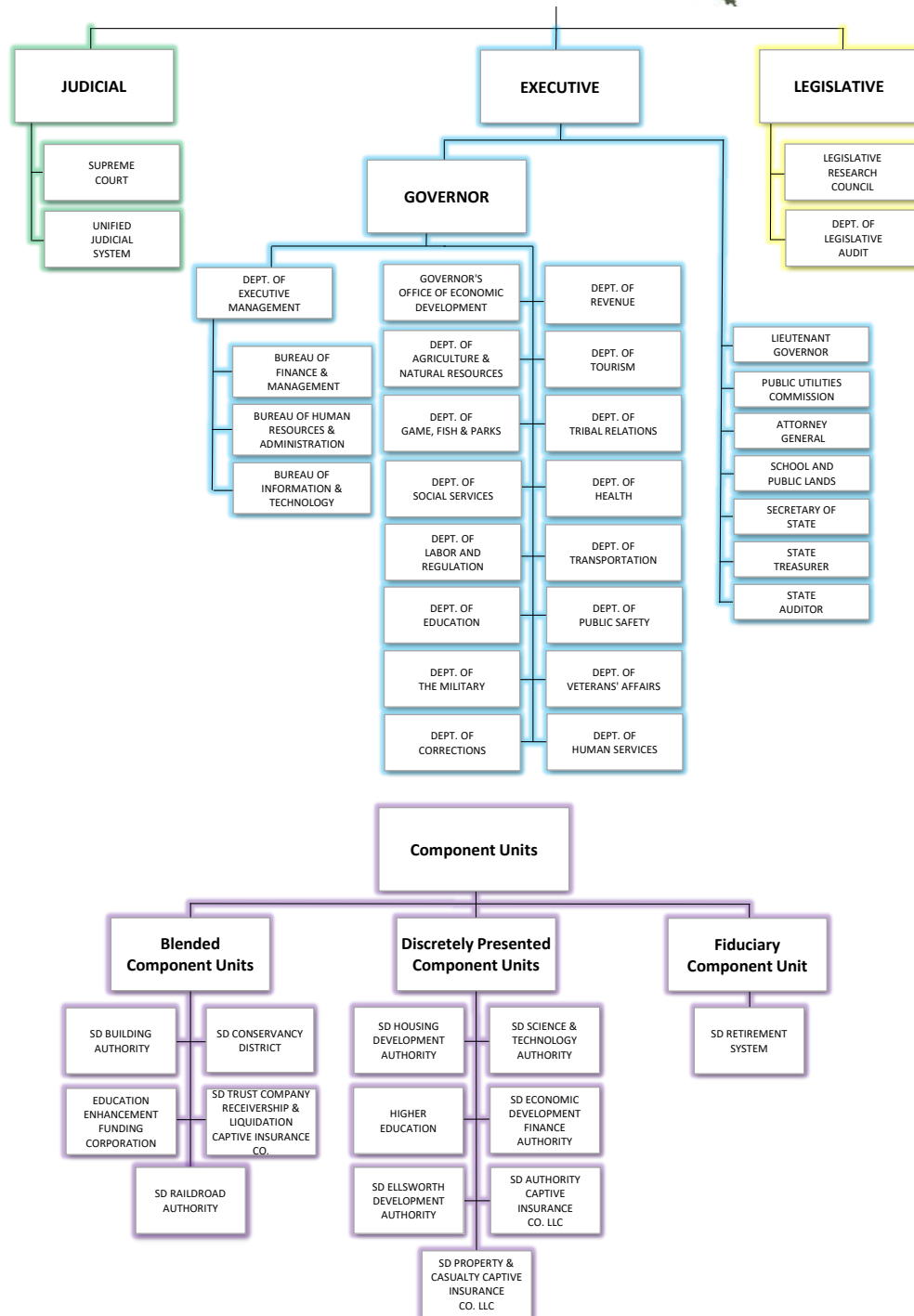
Transportation

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 Larry Rhoden
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, 2025, 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, 2025, 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, 2025, 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	11.3%	7.8%

Aggregate discretely presented component units:		
South Dakota Housing Development Authority	45.1%	14.2%
South Dakota Science and Technology Authority	3.0%	6.0%
South Dakota Ellsworth Development Authority	.6%	1.0%
Foundations of Higher Education	17.2%	12.3%

Fund financial statements:

Aggregate remaining fund information:		
South Dakota Retirement System	86.7%	28.8%
Unemployment Insurance Fund	1.2%	.8%

* 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 108 through 121, and the Schedules of Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions on pages 122 through 123 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 126 through 160 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 161 through 183 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025 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.

A handwritten signature in black ink that reads "Russell A. Olson". The signature is written in a cursive, flowing style.

Russell A. Olson, Auditor General
Pierre, South Dakota

December 31, 2025

The following is management's discussion and analysis of the State of South Dakota's (hereinafter referred to as the State) financial performance and position, providing an overview of the State's financial activities for the fiscal year ended June 30, 2025. 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* and the *Basic Financial Statements* that follow.

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 \$10.3 billion (reported as net position). Of this amount, \$7.6 billion is restricted for specific uses or invested in capital assets. The remaining \$2.7 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 \$488.8 million, or 5.0% from the prior fiscal year. The net position of Governmental Activities increased by \$432.2 million, or 4.9%, while the net position of Business-type Activities increased by \$56.6 million, or 5.8% from the prior fiscal year.
- Discretely presented component units reported a total net position of \$3.6 billion, an increase of \$367.1 million, or 11.5% from the prior fiscal year.

Fund Financial Statements

- The State's governmental funds combined ending fund balance of \$3.9 billion, an increase of \$99.3 million, or 2.6% from the prior fiscal year. Of the \$3.9 billion in combined ending fund balance, \$720.3 million is nonspendable and \$1.5 billion is restricted by outside sources or enabling legislation. Another \$72.6 million is committed by state law and \$958.5 million has been assigned for various specific purposes. The remaining \$696.2 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 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 \$1.7 billion. This includes total budget reserves of \$492.0 million, comprised of the Budget Reserve and the General Revenue Replacement Fund of \$236.7 million and \$255.3 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 \$52.7 million to the General Fund, these funds closed the fiscal year with a combined ending fund balance of \$1.4 billion, an increase of \$37.5 million.
- Proprietary funds reported a net position at fiscal year-end of \$1.1 billion, an increase of \$75.1 million, or 7.3% from the prior fiscal year.

Long-Term Debt

- The primary government's total long-term debt (revenue bonds and notes payable) as of June 30, 2025, totaled \$987.1 million, an increase of \$299.7 million from the last fiscal year. The increase represents the net of payments made on outstanding debt and new bonds issued during fiscal year 2025.
- The South Dakota Building Authority, a blended component unit of the State, issued \$5.0 million of bonds for Higher Education and did not issue any bonds for the primary government in the fiscal year 2025.
- The South Dakota Conservancy District, a blended component unit of the State, issued \$357.7 million of tax-exempt revenue bonds in fiscal year 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

Fund Financial Statements

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

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

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

The State maintains many individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Transportation Fund, Social Services Federal Fund, COVID-19 Federal Fund, Dakota Cement Trust Fund, and Education Enhancement Trust Fund, which are considered 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 the pension trust fund, 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
Restatements

The balances for fiscal year 2024 have been restated for GASB 101 implementation and an error correction in construction in progress for an intangible asset due to a calculation error. Please refer to *Note 2. Accounting Changes, Restatements, and Reclassifications* in the Notes to the Financial Statements for further explanation and breakdown of these restatements.

Net Position

As presented in the following table, total assets and deferred outflows of resources of the State on June 30, 2025, were \$12.7 billion, while total liabilities and deferred inflows of resources were \$2.4 billion. This resulted in a combined net position (Governmental and Business-type Activities) of \$10.3 billion, a 5.0% 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
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024	Change
Current and Other Assets	\$ 5,110,394	\$ 5,338,829	\$ 1,866,935	\$ 1,477,931	\$ 6,977,329	\$ 6,816,760	2.4%
Capital Assets, as restated	5,514,187	5,188,861	37,850	35,465	5,552,037	5,224,326	6.3%
Total Assets, as restated	10,624,581	10,527,690	1,904,785	1,513,396	12,529,366	12,041,086	4.1%
Deferred Outflows of Resources	163,439	173,745	6,752	7,952	170,191	181,697	(6.3)%
Current and Other Liabilities, as restated	916,329	1,279,488	25,807	23,632	942,136	1,303,120	(27.7)%
Noncurrent Liabilities, as restated	488,622	481,161	847,144	519,559	1,335,766	1,000,720	33.5%
Total Liabilities	1,404,951	1,760,649	872,951	543,191	2,277,902	2,303,840	(1.1)%
Deferred Inflows of Resources	110,020	99,901	7,139	3,316	117,159	103,217	13.5%
Net Position:							
Net Investment in Capital Assets, as restated	5,282,915	4,949,762	36,521	33,744	5,319,436	4,983,506	6.7%
Restricted, as restated	2,271,320	2,262,558	14,811	14,874	2,286,131	2,277,432	0.4%
Unrestricted, as restated	1,718,814	1,628,565	980,115	926,223	2,698,929	2,554,788	5.6%
Total Net Position, as restated	\$ 9,273,049	\$ 8,840,885	\$ 1,031,447	\$ 974,841	\$ 10,304,496	\$ 9,815,726	5.0%
Percent of Total Primary Government Net Position	90.0%	90.1%	10.0%	9.9%	100.0%	100.0%	

In fiscal year 2025, Governmental Activities accounted for 90.0% of the State's total net position, and Business-type activities accounted for 10.0%, a 0.1% change from the prior fiscal year.

Net Investment in Capital Assets

The largest component of the State's net position, \$5.3 billion or 51.6%, 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 \$335.9 million, or 6.7% increase in the State's investment in capital assets from the prior fiscal year. This increase is primarily attributed to the continued construction of infrastructure (highways and bridges) without the issuance of related debt. For more information, please refer to the *Capital Assets and Debt Administration* section of this document and *Note 6. Capital Assets* in the Notes to the Financial Statements. The State uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Restricted Net Position

Total restricted net position at year-end was \$2.3 billion, or 22.2% of total net position, an increase of \$8.7 million, or 0.4% 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 (\$679.1 million) or expendable (\$375.7 million), and the third trust fund (Dakota Cement Trust) is restricted for education (\$376.7 million).

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

Of the remaining \$854.6 million of restricted net position, \$241.7 million is restricted for highways; \$111.4 million for agriculture and natural resources; \$102.5 million for economic development; \$101.4 million for health and public assistance; \$80.1 million for railroads; \$63.0 million for debt service; and \$56.0 million for pensions; with the remaining amount for other purposes.

Unrestricted Net Position

The remaining net position balance, \$2.7 billion, or 26.2% 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 \$288.6 million within the Clean Water State Revolving Fund and \$280.9 million within the Drinking Water State Revolving Fund. Other federal and state regulation limitations include but are not limited to, \$216.2 million for the Unemployment Insurance Fund, \$138.4 million within the Revolving Economic Development and Initiative Fund, and \$10.1 million for revolving loan programs.

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

- **Budget Reserve** (\$236.7 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, 2025, was \$236.7 million, an increase of \$47.7 million for the required year-end revenue deposits.

- **General Revenue Replacement Fund** (\$255.3 million). During the 2015 Legislative Session, the Legislature created the "General Revenue Replacement Fund" (GRRF). This fund is to be used to balance the General Fund annual budget due to an unforeseen revenue shortfall. Revenues deposited in the GRRF include unobligated General Fund cash remaining at the end of a fiscal year after the transfer into the Budget Reserve, if the amount in the GRRF does not exceed 15% of the General Fund appropriations in the General Appropriations Act for the previous fiscal year.

The balance in the GRRF on June 30, 2025, was \$255.3 million, an increase of \$121.6 million for the required year-end revenue deposits.

The transfers as required by law into the Budget Reserve and the GRRF were the result of unspent General Fund appropriations of \$21.5 million, actual revenues exceeding estimates by \$41.4 million, and \$106.4 million not appropriated by the Legislature.

During a special session held in September 2025, the Legislature transferred \$78.8 million from the General Revenue Replacement Fund to the Incarceration Construction Fund (reported in the General Fund). After this transfer the combined balance of the two reserve accounts is \$413.2 million.

The unrestricted net position increased by \$144.1 million, or 5.6% during the fiscal year. That increase is attributed to: (1) increases in the reserve funds discussed above, (2) \$33.4 million increase in the Drinking Water State Revolving Fund, and (3) \$12.5 million increase in the Revolving Economic Development and Initiative Fund, offset by various decreases. 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 2025:

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

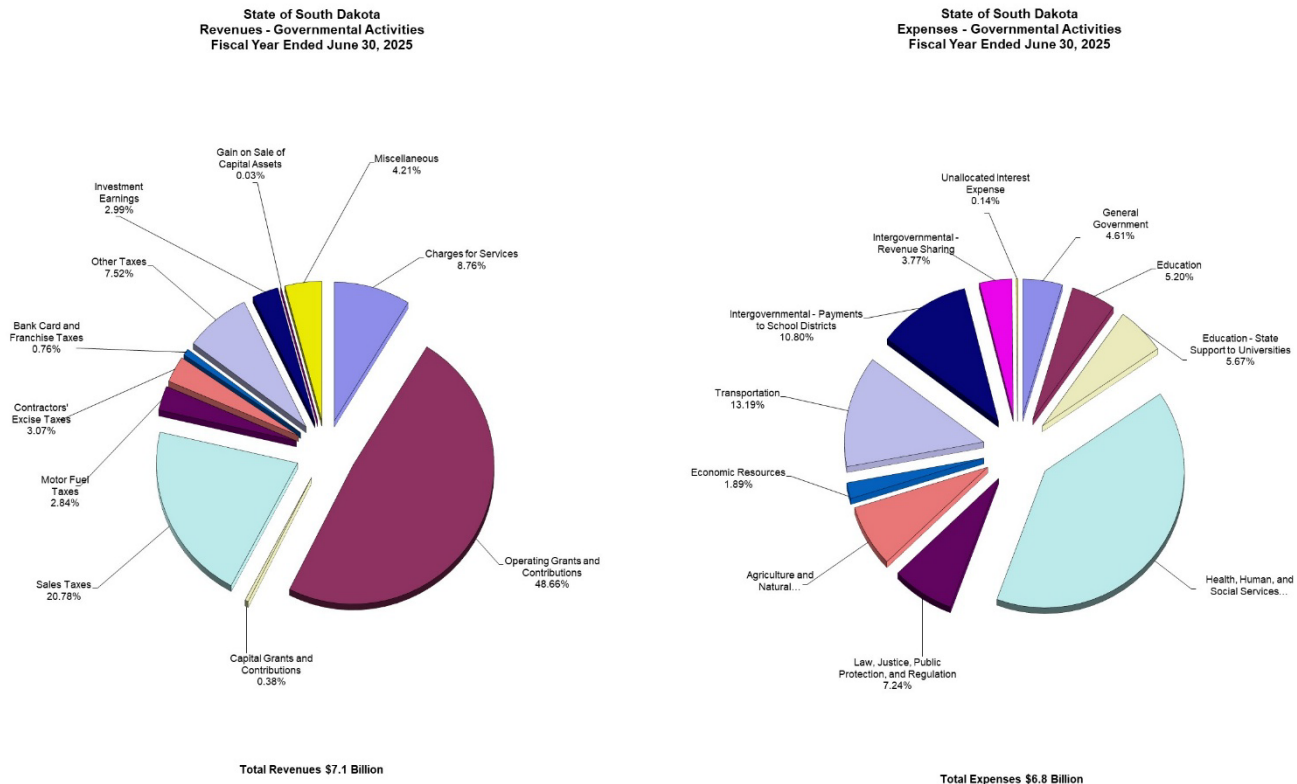
	Governmental Activities		Business-type Activities		Total Primary Government		% of
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024	Change
Revenues:							
Program Revenues:							
Charges for Services	\$ 618,228	\$ 623,410	\$ 326,142	\$ 329,341	\$ 944,370	\$ 952,751	(0.9)%
Operating Grants and Contributions	3,433,172	3,133,450	81,283	71,447	3,514,455	3,204,897	9.7%
Capital Grants and Contributions	26,658	11,855	53		26,711	11,855	125.3%
General Revenues:							
Sales Taxes	1,466,558	1,449,867			1,466,558	1,449,867	1.2%
Motor Fuel Taxes	200,602	197,087			200,602	197,087	1.8%
Contractors' Excise Taxes	216,477	217,400			216,477	217,400	(0.4)%
Bank Card and Franchise Taxes	53,929	50,400			53,929	50,400	7.0%
Other Taxes	530,435	509,125			530,435	509,125	4.2%
Investment Earnings	210,774	214,409			210,774	214,409	(1.7)%
Gain on Sale of Capital Assets	1,822	1,700			1,822	1,700	7.2%
Gain on Termination of RTU Asset Agreements	171				171		
Miscellaneous	297,362	173,937			297,362	173,937	71.0%
Total Revenues	7,056,188	6,582,640	407,478	400,788	7,463,666	6,983,428	6.9%
Program Expenses:							
General Government, as restated	313,212	263,883			313,212	263,883	18.7%
Education, as restated	353,198	439,140			353,198	439,140	(19.6)%
Education – State Support to Higher Education	384,977	338,215			384,977	338,215	13.8%
Health, Human, and Social Services, as restated	2,727,234	2,442,454			2,727,234	2,442,454	11.7%
Law, Justice, Public Protection, and Reg, as restated	491,592	471,479			491,592	471,479	4.3%
Agriculture and Natural Resources, as restated	499,193	346,027			499,193	346,027	44.3%
Economic Resources, as restated	128,506	113,379			128,506	113,379	13.3%
Transportation, as restated	896,445	840,500			896,445	840,500	6.7%
Intergovernmental – Payments to School Districts	733,609	703,279			733,609	703,279	4.3%
Intergovernmental – Revenue Sharing	255,835	242,625			255,835	242,625	5.4%
Unallocated Interest Expense	9,694	9,309			9,694	9,309	4.1%
Lottery, as restated			62,394	70,310	62,394	70,310	(11.3)%
Clean Water State Revolving			26,742	16,421	26,742	16,421	62.9%
Drinking Water State Revolving			22,664	20,753	22,664	20,753	9.2%
Other, as restated			69,601	68,281	69,601	68,281	1.9%
Total Expenses, as restated	6,793,495	6,210,290	181,401	175,765	6,974,896	6,386,055	9.2%
Excess (Deficiency) Before Transfers, as restated	262,693	372,350	226,077	225,023	488,770	597,373	
Transfers	169,471	185,731	(169,471)	(185,731)			
Change in Net Position, as restated	432,164	558,081	56,606	39,292	488,770	597,373	
Net Position at Beginning of Year, as restated	8,840,885	8,282,804	974,841	935,549	9,815,726	9,218,353	
Net Position at End of Year, as restated	\$ 9,273,049	\$ 8,840,885	\$ 1,031,447	\$ 974,841	\$ 10,304,496	\$ 9,815,726	
Percent Change in Total Net Position from prior year	4.9%		5.8%		5.0%		

Governmental Activities:

The State's net position for Governmental Activities at the end of fiscal year 2025 was \$9.3 billion. This represents an increase of 4.9% or \$432.2 million from the prior fiscal year.

The \$432.2 million increase in the State's net position for Governmental Activities was the result of the net effect of the following: (1) \$7.1 billion revenues (an increase from the prior fiscal year of \$473.5 million); less (2) \$6.8 billion expenses (an increase from the prior fiscal year of \$583.2 million); plus (3) net transfers of \$169.5 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, 2025:



This fiscal year, the State received 49.0% of its revenue from federal grants and contributions and 35.0% of its revenues from taxes (sales, motor fuel, contractors' excise, bank card, bank franchise, and other taxes). Charges for services accounted for 8.8%.

In fiscal year 2025, health, human, and social services (taking care of people) accounted for 40.1% of the State's expenses, followed by 21.7% for education (K-12 and post-secondary), and 13.2% for transportation (constructing and maintaining roads and bridges).

Significant changes in revenues include an increase of a \$299.7 million, or a 9.7% increase in operating grants and contributions as the result of increasing federal grant revenues in the Transportation, Social Services Federal, and COVID-19 Federal funds. For an analysis of these funds, please see the *Financial Analysis of the State's Funds* section in this document. Tax revenues also increased by \$44.1 million due to a steady growth in the economy.

Most of the increases in expenses are attributed to a \$284.8 million, \$153.2 million, and \$55.9 million increases in the Health, Human, and Social Services; Agriculture and Natural Resources and Regulation; and Transportation functions of government, respectively. These increases in expenses correlate to the federal grant revenue increases discussed above.

Business-type Activities:

The net position of the Business-type Activities at the end of fiscal year 2025 was \$1.0 billion, an increase of \$56.6 million due to total revenues exceeding total expenses and transfers out. Although the net position for Business-type Activities only accounts for roughly 10.0% of the total net position, Business-type Activities provided \$169.5 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 \$3.9 billion, an increase of \$99.3 million during the fiscal year. Of this amount, approximately 18.3%, or \$720.3 million of the combined ending fund balance is nonspendable, either due to its form or legal constraints. The nonspendable portion is predominately made up of the Education Enhancement Trust, the Health Care Trust, and the Permanent Fund to be held as permanent investments. Approximately 37.9%, or \$1.5 billion of the combined ending fund balance is restricted by outside sources or enabling legislation. Another 1.8%, or \$72.6 million of the combined balance is committed by state law and 24.3%, or \$958.5 million, has been assigned internally for specific purposes. The remaining \$696.2 million, or 17.7% is reported as unassigned. Certain resources within the \$696.2 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, 2025
(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	\$ 4,964	\$ 27,489	\$ 287	\$ 3,265	\$ 376,704	\$ 465,149	\$ 219,166	\$ 720,320	18.3%
Restricted		240,909		8,384	376,704	292,118	575,813	1,493,928	37.9%
Committed							72,571	72,571	1.8%
Assigned	942,031		1,730				14,728	958,489	24.3%
Unassigned	716,167						(19,974)	696,193	17.7%
Total Fund Balances	\$ 1,663,162	\$ 268,398	\$ 2,017	\$ 11,649	\$ 376,704	\$ 757,267	\$ 862,304	\$ 3,941,501	
% Change from prior year	4.3%	(12.9)%	43.6%	88.4%	1.5%	3.4%	4.1%	2.6%	

The following governmental funds are major funds and had a significant impact on the State's financial position during fiscal year 2025:

General Fund (\$1.7 billion). The General Fund is the chief operating fund of the State. It accounts for all financial resources not accounted for and reported in another fund.

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

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

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

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

Revenues and Transfers In				Expenditures and Transfers Out			
	General Fund		% of Change		General Fund		% of Change
	FY2025	FY2024			FY2025	FY2024	
Revenue:				Expenditures:			
Taxes:				Current:			
Sales and Use Tax	\$ 1,437,509	\$ 1,427,913	0.7%	General Government	\$ 87,110	\$ 95,044	(8.3)%
Contractor's Excise Tax	214,575	215,120	(0.3)%	Education (all)	1,160,650	1,082,130	7.3%
Insurance Company Tax	120,101	111,082	8.1%	Health, Human, and Social Services	878,852	768,813	14.3%
Cigarette Excise Tax	28,149	31,685	(11.2)%	Law, Justice, Public Protection, and Regulation	324,862	259,748	25.1%
Bank Tax	54,420	53,138	2.4%	Agriculture and Natural Resources	28,107	22,126	27.0%
Tourism Tax	41,614	42,045	(1.0)%	Economic Resources	57,476	43,643	31.7%
Alcohol Beverage Tax	22,354	21,684	3.1%	Transportation	1,144		
Mineral Tax	20,691	12,036	71.9%	State Shared Revenue Paid			
Other	25,136	22,331	12.6%	to Other Governments	56,997	57,423	(0.7)%
Licenses, Permits, and Fees	15,046	14,709	2.3%	Debt Service:			
Fines, Forfeits, and Penalties	823	957	(14.0)%	Principal and Interest	4,523	4,029	12.3%
Use of Money and Property	127,799	124,626	2.5%	Total Expenditures	\$ 2,599,721	\$ 2,332,956	11.4%
Sales and Services	25,974	26,184	(0.8)%				
Administering Programs		13	(100.0)%				
Unclaimed Property Remittance	277,787	151,006	84.0%				
Other Revenue	11,435	14,804	(22.8)%				
Total Revenue	\$ 2,423,413	\$ 2,269,333	6.8%				
Transfers In:				Transfers Out:			
South Dakota Lottery Fund	\$ 176,257	\$ 179,718	(1.9)%	Building Authority	\$ 41,241	\$ 3,248	1169.7%
Securities and Insurance Fund	61,599	61,121	0.8%	Accounting and Payroll	12,200	2,046	496.3%
Education Enhancement Trust Fund	28,652	27,383	4.6%	Emergency Management Fund	4,951	4,275	15.8%
Dakota Cement Trust Fund	15,057	14,668	2.7%	State Fair Fund	3,113		
South Dakota Gaming Commission Fund	8,438	8,075	4.5%	Fire Suppression Fund	2,602	2,250	15.6%
Health Care Trust Fund	8,655	7,926	9.2%	Vocational Education Facilities	1,884	1,821	3.5%
All Other Transfers In	16,673	14,495	15.0%	All Other Transfers Out	6,227	11,265	(44.7)%
Total Transfers In	\$ 315,331	\$ 313,386	0.6%	Total Transfers Out	\$ 72,218	\$ 24,905	190.0%

The General Fund experienced an increase in revenues of \$154.1 million or 6.8% from the prior fiscal year. A majority of the overall increase is attributed to a \$126.8 million increase (84.0%) in unclaimed property remittances received from banks and other institutions, and \$27.5 million (1.4%) increase in tax revenues due to modest growth of the South Dakota economy.

The General Fund's total expenditures increased by \$266.8 million or 11.4% from the prior fiscal year. \$110.0 million of the increase was in Health, Human, and Social Services function of government mostly attributed to increases in Medicaid expenditures; \$78.5 million in Education attributed to increases in state aid to general education, special education and higher education, including amounts for an early bond payoff; and \$65.1 million within the Law, Justice, Public Protection, and Regulation function of government for prison facility improvements.

At the end of the fiscal year, the total fund balance of the General Fund was \$1.7 billion, an increase of \$68.4 million, or 4.3% from the prior fiscal year.

Significant changes in the General Fund balance include the following:

- The nonspendable and assigned ending fund balance of \$5.0 million and \$942.0 million, respectively, remained relatively unchanged from the prior fiscal year.
- The Unassigned ending fund balance of \$716.2 million increased \$210.8 million (41.7%) attributed to increases in the budget reserves. 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 \$236.7 million in the Budget Reserve and \$255.3 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, \$137.4 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, \$124.0 million was tax revenue recognized as revenue in the General Fund in fiscal year 2025 for financial reporting purposes, but not distributed on a cash basis to the General Fund until fiscal year 2026. This revenue was budgeted for and will be used in fiscal year 2026 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 36.2% of the total General Fund operating expenditures, while the unassigned fund balance (including the Budget Reserve and GRRF) represents 27.6% of that same amount or 63.8% in total.

Transportation (\$268.4 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 and the state highway patrol. Its revenue is comprised of federal grants, state motor fuel taxes, and state motor vehicle excise taxes. All revenues of the Transportation Fund are used and expended under the direction of the State's Department of Transportation and the Department of Public Safety. The total fund balance at the end of the current fiscal year for this fund was \$268.4 million, a decrease of \$39.9 million, or 12.9% from the prior fiscal year.

Total revenues for the Transportation Fund increased by \$94.6 million or 9.0% from the prior fiscal year while total expenditures increased by \$115.9 million, or 10.9%. These increases are the result of an increase in state funded and federally supported highway construction projects as compared to the prior fiscal year. This variation in construction activity is a normal fluctuation in the Statewide Transportation Improvement Plan.

Social Services Federal (\$2.0 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 Home Energy Assistance Program, Temporary Assistance for Needy Families, State Children's Health Insurance Program, State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, Childcare and Development Fund, Child Care and Development Block Grant, Foster Care - Title IV-E, and Child Support Enforcement.

Revenue in the fund consists of federal grants from the U.S. Department of Health and Human Services, the U.S. Department of Agriculture, the U.S. Department of Energy, the U.S. Department of Justice, and federal pass-through grants from various State entities. Much of the funding is expended on entitlement programs, service contracts to providers, and the administration of these programs. A majority of the state match to these federal grants is accounted for and expended out of the General Fund. The total fund balance at the end of the current fiscal year for the Social Services Federal Fund was \$2.0 million, relatively unchanged from the prior fiscal year.

Total program revenue of \$1.2 billion increased by \$169.0 million, or 16.5% and expenditures of \$1.2 billion increased by \$166.2 million, or 16.2% from the prior fiscal year. These increases are predominantly attributed to continued growth in the utilization of the Medicaid program and adjustments in the Federal Medical Assistance Percentage (FMAP) rate. The expansion of Medicaid eligibility under Constitutional Amendment D, which took effect at the beginning of fiscal year 2024, continues to drive higher enrollment and utilization into fiscal year 2025.

COVID-19 Federal (\$11.6 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 is the State Fiscal Recovery Fund (SFRF) and the Capital Project Fund (CPF) 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, 2025, the COVID-19 Federal Fund reported total expenditures of \$566.3 million. Of that, \$355.4 million (62.8%) and \$75.6 million (13.4%) were SFRF and ESSER federal grant expenditures respectively. Other major expenditures included \$58.9 million (10.4%) of enhanced FMAP expenditures and \$21.0 million (3.7%) for the CPF grants. The remaining \$55.4 million of COVID-19 Federal Fund expenditures included over 50 different federal funding sources.

At the close of the fiscal year, the COVID-19 Federal Fund had a fund balance of \$11.6 million and \$248.5 million of unearned federal grant revenue. Most of the unearned revenue is for SFRF receipts not yet spent.

Dakota Cement Trust Fund (\$376.7 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 \$15.1 million to the General Fund in fiscal year 2025 and \$14.7 million in fiscal year 2024.

The fund balance in the Dakota Cement Trust Fund on June 30, 2025, was \$376.7 million and is restricted for education. This is an increase of \$5.4 million from the previous fiscal year. The increase resulted primarily from net investment income of \$21.7 million exceeding the statutory required transfer to the General Fund of \$15.1 million.

Education Enhancement Trust Fund (\$757.3 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 \$28.7 million to the General Fund in fiscal year 2025 and \$27.4 million in fiscal year 2024.

The fund balance in the Education Enhancement Trust Fund on June 30, 2025, was \$757.3 million, an increase of \$25.2 million from the prior fiscal year. The increase resulted from net investment income of \$45.1 million and the \$11.1 million transfer in from the Tobacco Securitization Fund exceeding the statutory required transfer out to the General Fund of \$28.7 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 2025:

Lottery Fund (\$8.3 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 \$8.3 million, an increase of \$1.0 million in comparison with the prior fiscal year. Pursuant to state law, the State Lottery Fund transferred \$176.3 million to the General Fund, \$1.4 million to the Water and Environment Fund, \$0.8 million to the Transportation Fund, and \$0.2 million to the Department of Social Services.

The State Lottery produced net income (before transfers) of \$179.7 million from total operating revenue of \$240.9 million, compared to the previous fiscal year's net income (before transfers) of \$184.7 million from total operating

revenue of \$253.6 million. This continued growth is attributed to three large jackpot prizes and steady growth in instant ticket sales and video lottery play.

Clean Water State Revolving Fund (\$288.7 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 \$288.7 million, a decrease of \$0.7 million, or 0.2% in comparison to the prior fiscal year. This decrease resulted primarily from increase of loan principal forgiveness and interest expense.

Drinking Water State Revolving Fund (\$280.9 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 \$280.9 million, an increase of \$33.4 million, or 13.5% in comparison with the prior fiscal year. This increase resulted primarily from an increase in federal capitalization receipts from grant funding provided in the Infrastructure Investment and Jobs Act.

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 \$14.9 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 emergency special appropriations and increased spending on maintenance and repair.

Increases to the General Fund Budget

Emergency Specials. During the 2025 Legislative Session, the Legislature approved emergency special appropriations to the General Fund of \$89.5 million in fiscal year 2025. They consisted of the following:

- \$53.7 million was appropriated to the Bureau of Finance and Management for prepaying bonds.
- \$13.0 million was appropriated to the Office of School and Public Lands for replacing the Richmond Lake dam and spillway and other general maintenance and repair on other state-owned dams.
- \$12.6 million was appropriated to the Department of Public Safety to provide grants to nonprofit organizations that assist victims and costs related to emergency, disaster, or suppression of wildfires in South Dakota.
- \$4.5 million was appropriated to the Department of Education for purchasing equipment to support the educational mission in South Dakota's four technical colleges and provide student teacher stipend grants to school districts and department-accredited schools.

- \$3.0 million was appropriated to the Bureau of Human Resources and Administration for restoration, maintenance, and repair of any state capitol building, historic area or object.
- \$2.2 million was appropriated to the Department of Health to reimburse six family physicians, one dentist, three physician assistants, three nurse practitioners, eligible health care practitioners, and purchasing, storing, and distributing to health care facilities sexual assault kits.
- \$0.4 million was appropriated to the Department of Revenue for refunding real property tax and sales tax to elderly and disabled persons.
- \$0.1 million was appropriated to the Department of Veterans Affairs for expansion of the South Dakota State Veterans Cemetery.

General Bill Increases. The 2025 Legislature approved general bill adjustments that increased the General Fund original budget by \$22.6 million during fiscal year 2025. This increase consisted of the following:

- \$9.7 million increase in appropriations to Higher Education related to the Board of Regents Central Office, USD, SDSU, DSU, NSU Center for Statewide High School E-Learning, SD Service for the Deaf, and SD School for the Blind and Visually Impaired.
- \$6.4 million increase in appropriations to the Bureau of Human Resources and Administration for programs in statewide maintenance and repair.
- \$1.9 million increase in appropriations to the Bureau of Finance and Management for programs in employee compensation and billings pools.
- \$4.6 million increase in appropriations to various state agencies.

Decreases to the General Fund Budget

General Bill Decreases. The 2025 Legislature approved general bill adjustments that decreased the General Fund original budget by \$97.2 million during fiscal year 2025. This decrease consisted of the following:

- \$76.2 million decrease in appropriations to the Department of Social Services for programs in medical services, behavioral health, children's services, and economic assistance.
- \$14.6 million decrease in appropriations to the Department of Human Services for programs in long-term services and supports and developmental disabilities.
- \$5.7 million decrease in appropriations to the Department of Education for programs in State Aid to general education.
- \$0.7 million decrease in appropriations to various state agencies.

The net effect of the emergency special appropriations and general bill adjustments resulted in a \$14.9 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 \$261.1 million below the final budgeted estimates.

CAPITAL ASSETS

Investment in capital assets as of June 30, 2025, is \$5.6 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	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Land	\$ 134,162	\$ 130,922	\$ 295	\$ 295	\$ 134,457	\$ 131,217
Land Improvements	146,519	122,840	1,102	1,102	147,621	123,942
Land Improvements - Roads	650,283	648,034			650,283	648,034
Buildings	837,754	847,445	35,293	35,293	873,047	882,738
Equipment	335,290	319,334	3,638	3,759	338,928	323,093
Intangible Assets – Software	198,874	190,325	473	473	199,347	190,798
Vehicles	226,374	212,220			226,374	212,220
Infrastructure	5,065,233	4,871,764			5,065,233	4,871,764
Right-to-Use Land	44	35			44	35
Right-to-Use Building	81,764	85,664	2,110	1,919	83,874	87,583
Right-to-Use Equipment	618	613			618	613
Right-to-Use Subscription IT Assets	32,064	22,178	1,393	1,300	33,457	23,478
Construction in Progress, as restated	746,361	569,404	3,971	2	750,332	569,406
Total Capital Assets, as restated	8,455,340	8,020,778	48,275	44,143	8,503,615	8,064,921
Accumulated Depreciation	(2,941,153)	(2,831,917)	(10,425)	(8,678)	(2,951,578)	(2,840,595)
Total Capital Assets, Net, as restated	\$ 5,514,187	\$ 5,188,861	\$ 37,850	\$ 35,465	\$ 5,552,037	\$ 5,224,326

The most significant capital asset the State reported in fiscal year 2025 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 \$3.0 billion (net of accumulated depreciation), which is 54.2% of total net capital assets.

The State's Net Investment in Capital Assets (net of accumulated depreciation) increased \$335.9 million or 6.7% 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, 2025, 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, 2025, 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 issued \$5.0 million of revenue bonds for Higher Education and did not issue any revenue bonds for the primary government in fiscal year 2025. Additionally, during the 2025 Legislative Session the Legislature transferred \$53.7 million to the SDBA funding future early bond retirements.

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 paid in full all bonds and has no outstanding debt at the close of fiscal year 2025.

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, 2025, the SDCD maintained its long-term rating of AAA by Standard & Poor's and Aaa by Moody's Investor Service.

SDCD issued \$357.7 million of tax exempt revenue bonds in fiscal year 2025.

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	
	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Revenue Bonds:						
South Dakota Building Authority	\$ 51,355	\$ 55,783	\$	\$	\$ 51,355	\$ 55,783
Educational Enhancement Funding Corporation		20,900			-	20,900
South Dakota Conservancy District			838,923	513,104	838,923	513,104
Notes Payable	96,840	97,657			96,840	97,657
Total	\$ 148,195	\$ 174,340	\$ 838,923	\$ 513,104	\$ 987,118	\$ 687,444

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 1.3% in 2024 and is projected to finish 2025 at 0.9%. The unemployment rate in South Dakota remained the lowest in the nation in fiscal year 2025. The State's unemployment rate was at a rate of 1.8% in June 2025, while the U.S. unemployment rate was 4.1% the same month. In calendar year 2024, the most recent annual data that is available, South Dakota's nonfarm personal income grew 5.8%. South Dakota's per capita personal income for the second quarter of 2025 is at an annual rate of \$79,558, 4.3% greater than the United States' average of \$76,251.

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, 2025
(Expressed in Thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 2,679,128	\$ 641,825	\$ 3,320,953
Receivables, net	870,921	1,115,768	1,986,689
Due From Component Units	650	48	698
Due From Primary Government			0
Internal Balances	13,626	(13,626)	0
Investments	1,482,588	119,935	1,602,523
Securities Held as Escheat Property	5,476		5,476
Inventory	37,464	1,571	39,035
Advances to Component Units	2,867		2,867
Other Assets	9,187	210	9,397
Assets Held for Resale			0
Restricted Assets:			
Cash and Cash Equivalents		32	32
Investments		350	350
Net Pension Asset	855	22	877
Other	7,632	800	8,432
Capital Assets:			
Land and Other Non-depreciable Assets	798,473	295	798,768
Infrastructure, net	3,008,029		3,008,029
Property, Plant, and Equipment, net	879,470	31,947	911,417
Right-to-use Leased Assets, net	60,963	1,218	62,181
Right-to-use Subscription IT Assets, net	20,891	419	21,310
Construction in Progress	746,361	3,971	750,332
Total Assets	10,624,581	1,904,785	12,529,366
Deferred Outflows of Resources			
Related to Pensions	162,565	3,819	166,384
Related to Swaps			0
Related to Asset Retirement Obligations			0
Related to Debt Refunding	874	2,933	3,807
Total Deferred Outflows of Resources	163,439	6,752	170,191
Liabilities			
Accounts Payable and Other Liabilities	598,798	10,391	609,189
Due To Primary Government			0
Due To Component Units	1,460		1,460
Advances From Primary Government			0
Accrued Interest Payable	2,065	12,880	14,945
Unearned Revenue	314,006	2,536	316,542
Noncurrent Liabilities:			
Due Within One Year	132,617	34,521	167,138
Due In More Than One Year	356,005	812,623	1,168,628
Total Liabilities	1,404,951	872,951	2,277,902
Deferred Inflows of Resources			
Related to Pensions	108,670	2,552	111,222
Related to Debt Refunding		3,817	3,817
Related to Swaps			0
Related to Leases	1,350	770	2,120
Total Deferred Inflows of Resources	110,020	7,139	117,159
Net Position			
Net Investment in Capital Assets	5,282,915	36,521	5,319,436
Restricted for:			
Education	391,138		391,138
Highways	241,663		241,663
Railroads	80,132		80,132
Law, Justice, Public Protection, and Regulation	36,517		36,517
Agriculture and Natural Resources	111,407		111,407
Parks and Recreation	5,033		5,033
Health and Public Assistance	101,396		101,396
Economic Development	102,483		102,483
Debt Service	63,042		63,042
Capital Projects	357		357
HOME, HTF, NSP, and HAF Program			0
Energy Conservation Programs	14,183		14,183
Higher Education - Expendable			0
Higher Education - Nonexpendable			0
Funds Held as Permanent Investments:			
Expendable	375,681		375,681
Nonexpendable	679,104		679,104
Underground Expansion			0
Pensions	54,750	1,289	56,039
Disaster Relief Fund		11,000	11,000
Experiments			0
Mine Closure			0
Sanford Center for Science Education			0
Other Purposes	14,434	2,522	16,956
Unrestricted	1,718,814	980,115	2,698,929
Net Position	\$ 9,273,049	\$ 1,031,447	\$ 10,304,496

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

Component Units			
Housing Authority	Science and Technology Authority	Higher Education	Nonmajor
\$ 650,311	\$ 12,718	\$ 395,685	\$ 27,481
390,068	2,718	145,144	7,487
		1,460	
2,003,450		748,845	
5,004	2,346	9,737	
	9,989	38,534	91
			361
		36,514	6,536
		162,583	
7	26	525	
		28,492	
220	31,619	54,933	572
	1,216	78,258	
4,335	125,867	1,487,261	25,915
		14,017	
		3,210	
	10,562	129,417	10,846
<u>3,053,395</u>	<u>197,061</u>	<u>3,334,615</u>	<u>79,289</u>
1,382	4,845	100,037	
611			
	1,017		
1,778		10,358	
<u>3,771</u>	<u>5,862</u>	<u>110,395</u>	<u>0</u>
3,468	2,073	66,781	2,351
89		609	
		2,868	
13,231		2,738	116
56,283	100	65,365	168
66,465	1,841	77,079	3,019
2,221,202	5,897	505,950	19,272
<u>2,360,738</u>	<u>9,911</u>	<u>721,390</u>	<u>24,926</u>
921	3,231	65,971	
7,936		788	
22,518			
<u>31,375</u>	<u>3,231</u>	<u>66,759</u>	<u>0</u>
(999)	169,263	1,348,243	24,326
401,684		3,246	5,000
99,316			
		362,066	
		734,885	
468	66	34,591	
	1,640		
	521		
	1,706		
	107		
164,584	7,500		
	8,978	173,830	25,037
<u>\$ 665,053</u>	<u>\$ 189,781</u>	<u>\$ 2,656,861</u>	<u>\$ 54,363</u>

STATE OF SOUTH DAKOTA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 313,212	\$ 314,795	\$ 16,909	\$ 253
Education	353,198	8,612	307,287	
Education - State Support to Higher Education	384,977			
Health, Human, and Social Services	2,727,234	48,945	1,809,001	16,331
Law, Justice, Public Protection, and Regulation	491,592	120,269	122,124	
Agriculture and Natural Resources	499,193	106,019	365,327	40
Economic Resources	128,506	660	56,265	
Transportation	896,445	18,928	756,259	10,034
Intergovernmental - Payments to School Districts	733,609			
Intergovernmental - Revenue Sharing	255,835			
Unallocated Interest Expense	9,694			
Total Governmental Activities	6,793,495	618,228	3,433,172	26,658
Business-type Activities:				
Lottery	62,394	240,962	1,155	
Clean Water State Revolving	26,742	11,800	14,334	
Drinking Water State Revolving	22,664	7,665	48,488	
Revolving Economic Development and Initiative	1,104	991	5,863	
Unemployment Insurance	35,264	22,936	8,834	
Second Injury	386	4,191	109	
State Fair	4,590	3,229	25	53
Federal Surplus Property	1,610	1,469	20	
Rural Rehabilitation	108	118	496	
Prison Industries	4,377	4,855	40	
S.D. Trust Company Captive Insurance Co.	31	54	115	
Professional and Licensing	12,394	14,278	928	
Banking and Insurance	5,874	8,183	687	
Other	3,863	5,411	189	
Total Business-type Activities	181,401	326,142	81,283	53
Total Primary Government	\$ 6,974,896	\$ 944,370	\$ 3,514,455	\$ 26,711
Component Units:				
Housing Authority	\$ 202,627	\$ 17,839	\$ 217,803	\$
Science and Technology Authority	44,511	636	44,405	54,276
Higher Education	1,042,769	518,705	211,932	106,145
Nonmajor	4,306	11,363	238	10,634
Total Component Units	\$ 1,294,213	\$ 548,543	\$ 474,378	\$ 171,055
General Revenues:				
Taxes:				
Sales Taxes				
Motor Fuel Taxes				
Contractor's 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				
Gain on Termination of Right-to-use Asset Agreements				
Miscellaneous				
Additions to Endowments				
Transfers				
Total General Revenues, Additions to Endowments, and Transfers				
Changes in Net Position				
Net Position at Beginning of Year, as previously reported				
Net Position, restatement				
Net Position at Beginning of Year, as restated				
Net Position at End of Year				

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

Net (Expenses) Revenue and Changes in Net Position						
Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Housing Authority	Science and Technology Authority	Higher Education	Nonmajor
\$ 18,745	\$	\$ 18,745				
(37,299)		(37,299)				
(384,977)		(384,977)				
(852,957)		(852,957)				
(249,199)		(249,199)				
(27,807)		(27,807)				
(71,581)		(71,581)				
(111,224)		(111,224)				
(733,609)		(733,609)				
(255,835)		(255,835)				
(9,694)		(9,694)				
(2,715,437)	0	(2,715,437)				
	179,723	179,723				
	(608)	(608)				
	33,489	33,489				
	5,750	5,750				
	(3,494)	(3,494)				
	3,914	3,914				
	(1,283)	(1,283)				
	(121)	(121)				
	506	506				
	518	518				
	138	138				
	2,812	2,812				
	2,996	2,996				
	1,737	1,737				
0	226,077	226,077				
(2,715,437)	226,077	(2,489,360)				
			\$ 33,015	\$	\$	\$
				54,806		
					(205,987)	
			33,015	54,806	(205,987)	17,929
						17,929
1,466,558		1,466,558				
200,602		200,602				
216,477		216,477				
53,929		53,929				
530,435		530,435				
210,774		210,774		420	58,463	1,200
		0			384,977	
1,822		1,822			353	
171		171				
297,362		297,362				
		0			22,472	
169,471	(169,471)	0				
3,147,601	(169,471)	2,978,130	0	420	466,265	1,200
432,164	56,606	488,770	33,015	55,226	260,278	19,129
8,909,342	976,468	9,885,810	632,038	135,080	2,428,441	35,234
(68,457)	(1,627)	(70,084)		(525)	(31,858)	
8,840,885	974,841	9,815,726	632,038	134,555	2,396,583	35,234
\$ 9,273,049	\$ 1,031,447	\$ 10,304,496	\$ 665,053	\$ 189,781	\$ 2,656,861	\$ 54,363

STATE OF SOUTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025
(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	\$ 1,557,328	\$ 181,022	\$ 9,942	\$ 303,032	\$ 400	\$ 2,703	\$ 529,264	\$ 2,583,691
Investments					376,044	782,642	323,902	1,482,588
Restricted Other Assets							7,632	7,632
Securities Held as Escheat Property	5,476							5,476
Receivables from:								
Taxes, net	265,299	18,993					2,722	287,014
Interest and Dividends	19,202	1,232	7	5	260	574	3,126	24,406
Other Funds	118,573	3,922	55				8,506	131,056
Component Units	89						5	94
Other Governments	2,019	149,079	34,165	9,544			144,924	339,731
Loans and Notes, net	129	11,409		7,678			72,839	92,055
Other, net	16,365	527	23,747				78,074	118,713
Inventory	2,478	26,484	18	3,181			4,327	36,488
Advances to Component Units							2,867	2,867
Other Assets	2,486	1,005	269	84			1,339	5,183
Total Assets	\$ 1,989,444	\$ 393,673	\$ 68,203	\$ 323,524	\$ 376,704	\$ 785,919	\$ 1,179,527	\$ 5,116,994
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts Payable and Other Liabilities	\$ 200,709	\$ 99,201	\$ 63,526	\$ 32,047	\$	\$	\$ 75,670	\$ 471,153
Payable to:								
Other Funds	7,654	1,684	1,667	231		28,652	86,437	126,325
Component Units	463		101	21			839	1,424
Other Governments	32,625	22,373	573	31,125			69,499	156,195
Unearned Revenue	47,816	2,017	319	248,451			15,150	313,753
Total Liabilities	289,267	125,275	66,186	311,875	0	28,652	247,595	1,068,850
Deferred Inflows of Resources:								
Related to Leases	117						1,233	1,350
Unavailable Revenue	36,898						68,395	105,293
Total Deferred Inflows of Resources	37,015	0	0	0	0	0	69,628	106,643
Fund Balances:								
Nonspendable	4,964	27,489	287	3,265		465,149	219,166	720,320
Restricted		240,909		8,384	376,704	292,118	575,813	1,493,928
Committed							72,571	72,571
Assigned	942,031		1,730				14,728	958,489
Unassigned	716,167						(19,974)	696,193
Total Fund Balances	1,663,162	268,398	2,017	11,649	376,704	757,267	862,304	3,941,501
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,989,444	\$ 393,673	\$ 68,203	\$ 323,524	\$ 376,704	\$ 785,919	\$ 1,179,527	\$ 5,116,994

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, 2025
(Expressed in Thousands)

Total Fund Balances - Governmental Funds \$ 3,941,501

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	\$ 1,531,656	
Infrastructure	5,065,234	
Right-to-use Leased Assets	76,631	
Right-to-use Subscription IT Assets	12,934	
Other Capital Assets	1,615,330	
Accumulated Depreciation and Amortization	(2,853,153)	
Total Capital Assets		5,448,632

Net pension asset used in governmental activities is not a financial resource
and is therefore not reported in the governmental funds.

791

Deferred outflows of resources are not reported in the governmental funds:

Related to Pension	150,821	
Related to Debt Refunding	874	
Total Deferred Outflows of Resources		151,695

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.

70,844

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	(131,633)	
Accrued Interest on Bonds, Leases, and Notes	(1,771)	
Leases	(58,971)	
Subscription IT Arrangements	(7,855)	
Compensated Absences	(130,373)	
Pollution Remediation	(14,328)	
Total Long-Term Liabilities		(344,931)

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	105,293	
Related to Pensions	(100,776)	
Total Deferred Inflows of Resources		4,517

Net Position of Governmental Activities \$ 9,273,049

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, 2025
(Expressed in Thousands)

	General Fund	Transportation	Social Services Federal	COVID-19 Federal	Dakota Cement Trust	Education Enhancement Trust	Nonmajor	Total
Revenue:								
Taxes	\$ 1,964,549	\$ 367,235	\$	\$	\$	\$	\$ 135,074	\$ 2,466,858
Licenses, Permits, and Fees	15,046	13,086					359,422	387,554
Fines, Forfeits, and Penalties	823	4					26,811	27,638
Use of Money and Property	127,799	10,112	135	98	21,695	45,145	51,067	256,051
Sales and Services	25,974	381		82			23,270	49,707
Administering Programs		748,507	1,185,219	571,612			897,110	3,402,448
Tobacco Settlement							19,601	19,601
Other Revenue	289,222	2,438	10,408	714			24,705	327,487
Total Revenue	2,423,413	1,141,763	1,195,762	572,506	21,695	45,145	1,537,060	6,937,344
Expenditures:								
Current:								
General Government	87,110			527	1,249	2,412	47,420	138,718
Education	42,064			87,197			219,476	348,737
Education - Payments to School Districts	733,609							733,609
Education - State Support to Higher Education	384,977							384,977
Health, Human, and Social Services	878,852		1,193,963	128,951			538,609	2,740,375
Law, Justice, Public Protection, and Regulation	324,862	33,638		14,409			175,538	548,447
Agriculture and Natural Resources	28,107			296,176			186,948	511,231
Economic Resources	57,476			35,319			35,694	128,489
Transportation	1,144	1,149,097		3,690			14,242	1,168,173
State Shared Revenue Paid to								
Other Governments	56,997						198,838	255,835
Debt Service:								
Principal	3,592	858	783	47			32,614	37,894
Interest	931	21	386	2			6,786	8,126
Total Expenditures	2,599,721	1,183,614	1,195,132	566,318	1,249	2,412	1,456,165	7,004,611
Excess of Revenues Over (Under) Expenditures	(176,308)	(41,851)	630	6,188	20,446	42,733	80,895	(67,267)
Other Financing Sources (Uses):								
Lease Issuance	383	7					1,984	2,374
Subscriptions	858	3,217					124	4,199
Proceeds from Sale of Capital Assets	285	2,830					485	3,600
Insurance Proceeds	100	96						196
Transfers In	315,331	3,793	85	3		11,140	98,719	429,071
Transfers Out	(72,218)	(7,962)	(103)	(725)	(15,057)	(28,652)	(148,179)	(272,896)
Net Other Financing Sources (Uses)	244,739	1,981	(18)	(722)	(15,057)	(17,512)	(46,867)	166,544
Net Change in Fund Balances	68,431	(39,870)	612	5,466	5,389	25,221	34,028	99,277
Fund Balances at Beginning of Year, as previously reported	1,594,731	308,268	1,405	6,183	371,315	732,046	828,276	3,842,224
Fund Balances at End of Year	\$ 1,663,162	\$ 268,398	\$ 2,017	\$ 11,649	\$ 376,704	\$ 757,267	\$ 862,304	\$ 3,941,501

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, 2025
(Expressed in Thousands)

Net Change in Fund Balances - Governmental Funds **\$ 99,277**

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	\$ 533,059	
Depreciation Expense	(157,894)	
Excess of Capital Outlay Over Depreciation Expense		375,165

The net effect of various miscellaneous transactions involving capital assets, including sales, donations, and trade-ins, is to decrease net position. (62,533)

Contracts for right-to-use assets such as leases and subscription-based information technology arrangements were finalized during the fiscal year and reported as other financing sources in the governmental funds. However, it is not reported in the Statement of Activities as it is shown as an increase in long-term liabilities in the Statement of Net Position. (6,573)

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	24,951	
Note Principal Retirement	3,847	
Lease Principal Retirement	6,553	
Subscription IT Arrangement Principal Retirement	2,543	
Total Long-Term Debt Repayment		37,894

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. 18,541

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. (5,409)

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	(1,600)	
Bond Premium	376	
Total Amounts Related to Bond Issuance		(1,224)

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	33	
(Increase) Decrease in Compensated Absences	(3,469)	
(Increase) Decrease in Net Pension Costs	(18,711)	
(Increase) Decrease in Pollution Remediation	(827)	
Total Additional Expenditures		(22,974)

Change in Net Position of Governmental Activities **\$ 432,164**

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, 2025
(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	\$ 17,633	\$ 111,570	\$ 146,053	\$ 366,569	\$ 641,825	\$ 95,437
Receivables:						
Interest and Dividends	127	4,875	3,194	990	9,186	545
Other Funds				425	425	12,477
Component Units				48	48	556
Other Governments		917	713	253	1,883	193
Loans, Notes, and Leases, net		29,767	15,252	3,797	48,816	
Other, net	7,181			6,779	13,960	8,090
Investments		18,950	32,023		50,973	
Inventory				1,571	1,571	976
Other Assets				210	210	4,004
Total Current Assets	24,941	166,079	197,235	380,642	768,897	122,278
Restricted Assets:						
Restricted Cash	32				32	
Restricted Investments	350				350	
Net Pension Asset	3	1	1	17	22	64
Other	800				800	
Investments		65,149	3,813		68,962	
Capital Assets:						
Land and Other Non-depreciable Assets				295	295	
Property, Plant, and Equipment	1,426			39,082	40,508	115,454
Right-to-use Leased Assets	356			1,754	2,110	5,797
Right-to-use Subscription IT Assets				1,393	1,393	19,128
Accumulated Depreciation and Amortization	(1,413)			(9,014)	(10,427)	(88,002)
Construction in Progress				3,971	3,971	13,178
Total Capital Assets	369	0	0	37,481	37,850	65,555
Other Noncurrent Assets		580,719	413,161	48,043	1,041,923	
Total Assets	26,495	811,948	614,210	466,183	1,918,836	187,897
Deferred Outflows of Resources						
Related to Pensions	522	84	135	3,078	3,819	11,744
Related to Debt Refunding		2,649	284		2,933	
Total Deferred Outflows of Resources	522	2,733	419	3,078	6,752	11,744
Liabilities						
Current Liabilities:						
Accounts Payable and Other Liabilities	3,405	806	875	5,719	10,805	8,994
Payable to:						
Other Funds	13,665	5	8	398	14,076	3,760
Component Units					0	36
Other Governments				61	61	
Escrow Payable	153				153	
Bonds, Notes, Leases, and Subscription IT Payable	7	22,365	9,490	324	32,186	9,446
Claims, Judgments, and Compensated Absences	239	31	51	1,361	1,682	30,942
Accrued Interest Payable	1	8,202	4,672	5	12,880	294
Unearned Revenue	192			2,344	2,536	253
Total Current Liabilities	17,662	31,409	15,096	10,212	74,379	53,725
Noncurrent Liabilities:						
Bonds, Notes, Leases, and Subscription IT Payable	327	490,034	317,034	670	808,065	24,240
Claims, Judgments, and Compensated Absences	352	45	75	2,002	2,474	42,867
Other Noncurrent Liabilities		1,092	992		2,084	71
Total Noncurrent Liabilities	679	491,171	318,101	2,672	812,623	67,178
Total Liabilities	18,341	522,580	333,197	12,884	887,002	120,903
Deferred Inflows of Resources						
Related to Pensions	349	56	90	2,057	2,552	7,894
Related to Debt Refunding		3,373	444		3,817	
Related to Leases				770	770	
Total Deferred Inflows of Resources	349	3,429	534	2,827	7,139	7,894
Net Position						
Net Investment in Capital Assets	34			36,487	36,521	31,869
Restricted for:						
Disaster Relief Fund				11,000	11,000	
Pensions	176	29	46	1,038	1,289	3,914
Other	800			1,722	2,522	
Unrestricted	7,317	288,643	280,852	403,303	980,115	35,061
Total Net Position	\$ 8,327	\$ 288,672	\$ 280,898	\$ 453,550	\$ 1,031,447	\$ 70,844

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, 2025
(Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Major					Internal Service Funds
	Lottery	Clean Water State Revolving	Drinking Water State Revolving	Nonmajor	Total	
Operating Revenue:						
Licenses, Permits, and Fees	\$ 1,708	\$	\$	\$ 24,254	\$ 25,962	\$
Use of Money and Property		9,027	6,283	1,731	17,041	9
Sales and Services	239,121	2,773	1,382	9,693	252,969	320,163
Administering Programs				1,333	1,333	
Assessments				27,127	27,127	
Other Revenue	24			2,891	2,915	10,743
Total Operating Revenue	240,853	11,800	7,665	67,029	327,347	330,915
Operating Expenses:						
Personal Services and Benefits	2,783	526	805	17,523	21,637	60,576
Travel	203	11	11	1,078	1,303	675
Contractual Services	13,056	1,604	2,180	8,212	25,052	70,078
Supplies and Materials	1,017	2	3	4,372	5,394	14,529
Grant and Other	157	7,886	10,343	302	18,688	91
Interest		15,520	9,064	1	24,585	1
Provision for Loan Loss (Recovery)				374	374	
Depreciation and Amortization	24			1,986	2,010	12,720
Lottery Prizes	45,138				45,138	
Insurance Claims				35,633	35,633	170,057
Total Operating Expenses	62,378	25,549	22,406	69,481	179,814	328,727
Operating Income (Loss)	178,475	(13,749)	(14,741)	(2,452)	147,533	2,188
Nonoperating Revenue (Expenses):						
Gain on Disposal of Assets				6	6	327
Loss on Disposal of Assets				(6)	(6)	(47)
Investment Income	1,155	8,473	4,827	15,373	29,828	4,508
Other Expense	(16)	(1,193)	(258)	(114)	(1,581)	(1,731)
Grant and Other Income	109	5,861	43,661	613	50,244	
Total Nonoperating Revenue (Expenses)	1,248	13,141	48,230	15,872	78,491	3,057
Income (Loss) Before Capital Contributions and Transfers	179,723	(608)	33,489	13,420	226,024	5,245
Capital Contributions and Transfers:						
Capital Contributions				53	53	
Transfers In				10,998	10,998	13,319
Transfers Out	(178,685)	(52)	(80)	(1,652)	(180,469)	(23)
Net Capital Contributions and Transfers	(178,685)	(52)	(80)	9,399	(169,418)	13,296
Change in Net Position	1,038	(660)	33,409	22,819	56,606	18,541
Net Position at Beginning of Year, as previously reported	7,514	289,332	247,489	432,133	976,468	57,123
Net Position, restatement	(225)			(1,402)	(1,627)	(4,820)
Net Position at Beginning of Year, as restated	7,289	289,332	247,489	430,731	974,841	52,303
Net Position at End of Year	\$ 8,327	\$ 288,672	\$ 280,898	\$ 453,550	\$ 1,031,447	\$ 70,844

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, 2025
(Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Major				Total	Internal Service Funds
	Lottery	Clean Water State Revolving	Drinking Water State Revolving	Nonmajor		
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 240,761	\$ 2,782	\$ 1,272	\$ 59,311	\$ 304,126	\$ 105,615
Receipts from Interfund Services Provided				3,901	3,901	213,362
Receipts from Federal Agencies				1,247	1,247	
Receipts from Loan Payments		34,303	20,448	8,712	63,463	
Payments to Suppliers and for Benefits and Claims	(13,297)	(1,819)	(2,346)	(49,753)	(67,215)	(249,644)
Payments for Employee Services	(2,635)	(471)	(724)	(16,899)	(20,729)	(58,453)
Payments for Interfund Services Used	(916)			(2,291)	(3,207)	(11,901)
Payments for Lottery Prizes	(45,656)				(45,656)	
Payments for Principal Forgiveness		(6,880)	(8,948)		(15,828)	
Payments for Loans Originated		(152,306)	(136,147)	(18,789)	(307,242)	
Other Receipts (Payments)	(161)	(2)	(3)	2,397	2,231	19,297
Net Cash Provided (Used) by Operating Activities	178,096	(124,393)	(126,448)	(12,164)	(84,909)	18,276
Cash Flows from Capital and Related Financing Activities:						
Capital Contributions				53	53	
Purchases of Capital Assets				(230)	(230)	(1,252)
Construction in Progress				(3,139)	(3,139)	(11,505)
Sale or Disposition of Capital Assets				3	3	617
Payments for Right-to-use Leased Assets	(19)			(352)	(371)	(598)
Payments for Right-to-use Subscription IT Assets				(441)	(441)	(6,558)
Payments for Finance Purchased Assets					0	(4,387)
Net Cash Provided (Used) by Capital and Related Financing Activities	(19)	0	0	(4,106)	(4,125)	(23,683)
Cash Flows from Noncapital Financing Activities:						
Transfers In				10,998	10,998	13,320
Transfers Out	(179,380)	(52)	(80)	(1,719)	(181,231)	(42)
Received (Paid) on Interfund Borrowing					0	1,214
Transfer to Escrow Account		(27,890)	(3,748)		(31,638)	
Issuance of Bonds		204,993	183,465		388,458	
Principal Payments on Bonds and Notes		(17,130)	(6,425)		(23,555)	
Interest Payments on Bonds and Notes		(17,005)	(8,081)		(25,086)	
Contributions and Grants from the Federal Government		5,580	43,513		49,093	
Other Noncapital Financing Activities		136	66	677	879	
Net Cash Provided (Used) by Noncapital Financing Activities	(179,380)	148,632	208,710	9,956	187,918	14,492
Cash Flows from Investing Activities:						
Investment Income	1,164	9,253	5,789	15,214	31,420	4,428
Investment Expense	(4)			(33)	(37)	(247)
Purchase of Investment Securities		(9,820)	(2,661)		(12,481)	
Proceeds from the Sale and Maturity of Investments		36,955	22,101		59,056	
Net Cash Provided (Used) by Investing Activities	1,160	36,388	25,229	15,181	77,958	4,181
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	(143)	60,627	107,491	8,867	176,842	13,266
Cash and Cash Equivalents at Beginning of Year	17,808	50,943	38,562	357,702	465,015	82,171
Cash and Cash Equivalents at End of Year	\$ 17,665	\$ 111,570	\$ 146,053	\$ 366,569	\$ 641,857	\$ 95,437

Continued on next page

STATE OF SOUTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Lottery	Major Clean Water State Revolving	Drinking Water State Revolving	Nonmajor	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 178,475	\$ (13,749)	\$ (14,741)	\$ (2,452)	\$ 147,533	\$ 2,188
Adjustments to Reconcile Operating Income (Loss):						
Depreciation and Amortization Expense	24			1,986	2,010	12,720
Interest Expense		15,517	9,064		24,581	
Bond Issuance		791	630		1,421	
Miscellaneous Operating Items	109			(98)	11	21
Decrease (Increase) in Assets:						
Accounts Receivable	(107)			(224)	(331)	(249)
Bonds, Notes, and Leases Receivable		(127,030)	(121,982)	(10,450)	(259,462)	
Due From Other Funds				(77)	(77)	117
Due From Component Units				73	73	228
Due From Other Governments		9	(110)	(39)	(140)	8
Inventory				(151)	(151)	(46)
Other Assets				(565)	(565)	(47)
Other Restricted Assets	(85)				(85)	
Restricted Net Pension Asset	4	1	1	24	30	80
Decrease (Increase) in Deferred Outflows of Resources:						
Deferred Outflows - Related to Pensions	31	7	4	317	359	542
Increase (Decrease) in Liabilities:						
Accounts Payable	63	2	600	(1,294)	(629)	(214)
Accrued Liabilities	12	50	69	61	192	117
Compensated Absences Payable	71	6	7	278	362	282
Due To Other Funds				72	72	215
Due To Component Units					0	3
Due To Other Governments					0	(25)
Unearned Revenue	(26)			454	428	(513)
Escrow Payable	7				7	
Bond and Note Payable				2	2	
Policy Claim Liabilities				(207)	(207)	1,985
Other Liabilities	(513)			40	(473)	
Increase (Decrease) in Deferred Inflows of Resources:						
Deferred Inflows - Related to Pensions	31	3	10	86	130	864
Net Cash Provided (Used) by Operating Activities	\$ 178,096	\$ (124,393)	\$ (126,448)	\$ (12,164)	\$ (84,909)	\$ 18,276
Noncash Investing, Capital, and Financing Activities:						
Gain (Loss) on Disposal of Capital Assets	\$	\$	\$	\$ (7)	\$ (7)	\$ 278
Right-to-use Lease Asset Acquisitions and Obligations Entered Into				313	313	1,247
Right-to-use Subscription IT Asset Acquisitions and Obligations Entered Into					0	4,551
Finance Purchased Asset Acquisitions and Obligations Entered Into					0	6,879

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, 2025

(Expressed in Thousands)

	South Dakota Retirement System Pension Trust Fund	Private Purpose Trust Funds	Custodial Funds
Assets			
Cash and Cash Equivalents	\$ 7,999	\$ 1,969	\$ 58,717
Receivables:			
Employer	3,962		
Employee	4,026		
Benefits	280		
Unsettled Investment Sales	10,846		
Taxes Receivable, net			65,458
Due From Other Funds			377
Investment Income	58,269	261	
Other		15	1,573
Total Receivables	77,383	276	67,408
Investments, at Fair Value:			
Fixed Income	5,728,570		
Equities	5,909,104		
Real Estate	1,991,366		
Private Equity	1,581,199		
Pooled Investment Funds		347,203	
Total Investments	15,210,239	347,203	0
Properties, at Cost	2,078	13,836	
Accumulated Depreciation	(2,071)		
Other Assets	20	11	
Total Assets	15,295,648	363,295	126,125
Liabilities			
Payables:			
Accounts Payable and Other Liabilities	3,523	21	4,406
Due To Other Funds	65	40	69
Due To Other Governments			102,710
Compensated Absences Payable	912		
Due To Brokers - Futures Transactions	7,850		
Unsettled Investment Purchases	11,780		
Total Liabilities	24,130	61	107,185
Net Position			
Restricted for Pension Benefits	15,271,518		
Restricted for Others		363,234	18,940
Total Net Position	\$ 15,271,518	\$ 363,234	\$ 18,940

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, 2025

(Expressed in Thousands)

	South Dakota Retirement System Pension Trust Fund	Private Purpose Trust Funds	Custodial Funds
Additions			
Contributions:			
Employee	\$ 176,644	\$	\$
Employer	178,518		
From Clients and Inmates		805	
Other		6,818	
Total Contributions	355,162	7,623	0
Investment Income:			
<i>From Investing Activities</i>			
Net Increase (Decrease) in Fair Value of Investments	475,415	9,141	
Interest	233,402		
Dividends	136,608		
Real Estate	5,342	13	
Pooled Interest and Dividends		10,616	
Total Investment Activity Income	850,767	19,770	0
Less Investment Activity Expenses	(52,549)		
Net Investment Income (Loss)	798,218	19,770	0
<i>From Security Lending Activities</i>			
Securities Lending Income	422	2	
Securities Lending Expenses	(136)		
Tax and Fee Collections for Other Governments			601,529
Child Support Collections			107,479
Collections from Defendants and Inmates			23,527
Collections for Other Governments			1,129
Collections from Participants			2,718
Assessments			12,701
Escheated Property		15	
Miscellaneous Income		33	
Total Additions	1,153,666	27,443	749,083
Deductions			
Benefits	761,846		
Refunds of Contributions	36,510		
Distribution to School Districts		15,591	
Tax and Fee Distributions to Other Governments			601,529
Child Support Distributions			107,479
Payments Made for Custodial or Trust Purposes		809	11,997
Payments Made to Other Governments			7,718
Forfeiture Returns			10,507
Required Distributions			9,187
Administrative Expenses	5,784	13	
Total Deductions	804,140	16,413	748,417
Change in Net Position	349,526	11,030	666
Net Position at Beginning of Year, as previously reported	14,922,309	352,204	18,274
Net Position, restatement	(317)		
Net Position at Beginning of Year, as restated	14,921,992	352,204	18,274
Net Position at End of Year	\$ 15,271,518	\$ 363,234	\$ 18,940

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



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	50
A. Basis of Presentation.....	50
B. Financial Reporting Entity	50
C. Government-wide and Fund Financial Statements	54
D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	55
E. Budgetary Accounting	57
F. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance	57
G. Compensated Absences	61
H. Interfund Activity and Balances	62
I. Pensions	62
2. ACCOUNTING CHANGES, RESTATEMENTS, AND RECLASSIFICATIONS.....	62
3. CASH, DEPOSITS, AND INVESTMENTS	64
4. DISAGGREGATION OF RECEIVABLES AND PAYABLES.....	71
5. INTERFUND TRANSACTIONS	72
6. CAPITAL ASSETS	73
7. RETIREMENT PLANS.....	75
8. FUND BALANCES AND NET POSITION	81
9. COMMITMENTS	84
10. SELF-INSURANCE.....	85
11. LONG-TERM LIABILITIES.....	88
12. POSTSECONDARY TECHNICAL INSTITUTE SYSTEM.....	94
13. TAX ABATEMENTS	95
14. RELATED PARTY TRANSACTIONS	95
15. SUBSEQUENT EVENTS.....	96
16. CONTINGENCIES AND LITIGATION	96
17. DISCRETELY PRESENTED AND FIDUCIARY COMPONENT UNIT DISCLOSURES.....	97
A. Cash, Deposits, and Investments.....	97
B. Capital Assets.....	98
C. Long-Term Liabilities	100
D. Functional Distribution of Higher Education Operating Expenses	104
E. Commitments	105
F. Related Party Transactions	105
G. Public-Private Partnerships	105
H. Subsequent Events	105

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. Financial Reporting Entity

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

Blended Component Units

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

The State's blended component units are:

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

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

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

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

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

The South Dakota Railroad Authority (SDRA) was created by the Legislature under Chapter 49-16B and 16C to support and maintain rail transportation infrastructure across South Dakota. Its primary role is to preserve essential rail services, particularly in rural areas where private railroads may not find operations financially viable. The South Dakota Railroad Board consist of seven members to be appointed by the Governor. The indebtedness or obligations incurred or created by SDRA may not be or become a lien, charge, or liability against the State. Because the State is able to impose its will over SDRA and the governing body is substantively the same as the governing body of the primary government, SDRA is considered a blended component unit. This financial presentation does not change the legal liability of the indebtedness.

Discretely Presented Component Units

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

The State's major discretely presented component units are:

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

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

Higher Education (Higher Ed) consists of six state public universities (Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines and Technology, South Dakota State University, and University of South Dakota), two special schools (South Dakota School for the Deaf and South

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

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

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

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

The State's nonmajor discretely presented component units are:

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

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

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

discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness. The Authority Captive has a fiscal year end of December 31.

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

Fiduciary Component Unit

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

The State's one fiduciary component unit is:

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

Related Organizations

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

Separately Issued Financial Statements

Separately issued financial statements for the entities listed below are available from the Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, Pierre, South Dakota, 57501 by calling (605) 773-3595, or online at <http://legislativeaudit.sd.gov/reports/reports.aspx>:

Primary Government entities or funds:

- Unemployment Insurance Fund
- South Dakota Investment Council
 - Cash Flow Portfolio
 - Trust Fund Portfolios
- South Dakota Lottery
- South Dakota Revolving Economic Development and Initiative Fund
- South Dakota Corn Utilization Council
- South Dakota Soybean Research and Promotion Council
- South Dakota Wheat Utilization, Research, and Market Development Commission

Blended Component Units:

- South Dakota Building Authority
- South Dakota Conservancy District
 - Clean Water Revolving Fund
 - Drinking Water Revolving Fund
- Educational Enhancement Funding Corporation
- South Dakota Trust Company Receivership and Liquidation Captive Insurance Company

Discretely Presented Component Units:

- 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

Fiduciary Component Unit:

- South Dakota Retirement System

Related Organizations:

- South Dakota Health and Educational Facilities Authority

Higher Education and the South Dakota Railroad Authority unit do not have separately issued financial statements.

Note Disclosures

The disclosures in these financial statements (*Note 1. through Note 16.*) focus on the primary government. The disclosures for the discretely presented and fiduciary component units only contain condensed disclosures that are essential to the fair presentation of the basic financial statements and are found in *Note 17. Discretely Presented and Fiduciary Component Unit Disclosures*.

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. All internal service funds are also 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, 2025, there were \$38.4 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.

The Clerk of Courts Fund, reported as a custodial fund, does not recognize receivables for fines, fees, restitution, and court costs from defendants and inmates when those amounts are not considered probable of collection and cannot be reasonably estimated.

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 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, 2025, totaled \$84.2 million. The encumbrance amount is broken down by major fund and nonmajor fund below (Expressed in Thousands):

Fund	Amount Encumbered
Major Fund:	
General Fund	\$ 50,102
Transportation	11,369
Non-Major:	
Non-Major Total	22,755
Total	\$ 84,226

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

Cash and Cash Equivalents and Investments

Cash includes cash on hand, demand deposits, and foreign currency balances. Foreign currency cash balances are translated into United States Dollars (USD) using year-end spot foreign currency exchange rates. Cash equivalents include non-negotiable certificates of deposit, which are reported at cost. The State Investment Officer is responsible for the investment of state public funds. State public funds in the Cash Flow Portfolio are invested using the pooled deposit and investment concept which preserves the integrity of the fund cash balances of each state fund while simultaneously allowing the deposit and investment of aggregate idle fund monies. Investment income is allocated to participating funds per South Dakota law. Participating funds are determined by the Bureau of Finance and Management and approved by the Joint Interim Appropriations Committee of the Legislature. Investment income from the state trust funds is deposited into their respective funds.

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

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

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.

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, 2025, the commodities inventory was reported in the amount of \$0.3 million.

Capital Assets

Capital assets, which include property, plant, equipment, right-to-use leased and IT 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.

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 non-cancellable 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, whichever is shorter. The lease liability is reduced by the principal portion of the lease payments made. More information regarding lessee lease information can be found in *Note 6. Capital Assets*, *Note 9. Commitments*, and *Note 11. Long-term Liabilities* in the Notes to the Financial Statements.

Lessor

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

Leases Receivable

During the fiscal year, the State had 20 lessor lease agreements for the use of land, buildings, and equipment. The terms of these lease agreements range between 1 and 20 years with a weighted average interest rate of 3.68%. The State recognized \$347.4 thousand in lease revenue and \$84.0 thousand in interest revenue during the current fiscal year related to leases. As of June 30, 2025, the receivable for lease payments was \$2.3 million.

Subscription Based Information Technology Arrangements (SBITA)

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

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

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

For short term software contracts, the State recognizes periodic expense based on the provisions of the contract. For all software contracts that meet the financial reporting requirements of GAAP, the State recognizes a subscription intangible right-to-use software asset and an IT liability based on the present value of future payments over the noncancellable period of the contract. Software right-to-use assets are reported with capital assets, and software liabilities are reported as long-term debt in the statement of net position. The right-to-use software assets are amortized using straight-line basis over the term of the contract or the useful life, whichever is shorter. The liability is reduced by

the principal portion of the payments made. More information regarding SBITA information can be found in *Note 6. Capital Assets*, *Note 9. Commitments*, and *Note 11. Long-term Liabilities* in the Notes to the Financial Statements.

The State, through the Department of Game, Fish and Parks, has a 4-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 \$ 4.6 million was recognized as an outflow of resources (expenditure) for these variable payments for the year ended June 30, 2025.

The State, through the South Dakota Lottery, has 2 subscription-based IT arrangements with private vendors. One arrangement is for 3 years and the other is for 2 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 \$6.2 million was recognized as an outflow of resources (expense) for these variable payments for the year ended June 30, 2025.

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 \$25.1 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, 2025, the State received \$3.6 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 expenses/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 or committed it may be necessary to report a negative unassigned fund balance in that fund.

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

G. Compensated Absences

All full-time and permanent part-time employees earn vacation leave and sick leave. Employees earn fifteen days of vacation leave per year that can be accumulated to thirty days, except for employees with more than fifteen years of employment, who earn twenty days of vacation leave per year that can be accumulated to forty days. Upon termination, employees receive payment for their accumulated vacation leave. Employees earn fourteen days of sick leave per year.

Unless dismissed for cause, employees who terminate after seven years of continuous employment receive payment for one-fourth of their accumulated sick leave balance, not to exceed four hundred eighty hours.

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

H. Interfund Activity and Balances

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

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

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

I. Pensions

For the purposes of measuring the net pension asset/liability, 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 New Governmental Accounting Standards

For the fiscal year ended June 30, 2025, the State implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No.101, Compensated Absences.

GASB Statement No.102, Certain Risk Disclosures.

Restatements

Change in Accounting Principle

Restatement - GASB101 Implementation (Column A)

Compensated Absences were restated due to a change in accounting principle for the implementation of GASB 101. This restatement is also reflected in *Note 11. Long-Term Liabilities* and *Note 17.C. Discretely Presented and Fiduciary Component Unit Disclosures - Long-Term Liabilities*.

Correction of an Error in Previously Issued Financial Statements

Correction of Government-Wide (Column B)

Construction in progress for intangible - computer software was restated due to a calculation error. This restatement is also reflected in *Note 6. Capital Assets*.

Correction of Note 11. Long-Term Liabilities

Beginning balances for leases payable and subscription IT payable were restated by \$9.6 million for a classification error.

Adjustments to and Restatements of Beginning Balances

Adjustments to and restatements of beginning net position and fund balance, are as follows (Expressed in Thousands):

	07/01/2024 As Previously Reported	Restatement- GASB 101 Implementation (A)	Error Correction (B)	07/01/2024 As Restated
Government-Wide				
Governmental Activities	\$ 8,909,342	\$ (56,591)	\$ (11,866)	\$ 8,840,885
Business-Type Activities	976,468	(1,627)		974,841
Total Primary Government	\$ 9,885,810	\$ (58,218)	\$ (11,866)	\$ 9,815,726
Governmental Funds				
Major Funds:				
General Fund	\$ 1,594,731	\$	\$	\$ 1,594,731
Transportation	308,268			308,268
Social Service Federal	1,405			1,405
COVID-19 Federal	6,183			6,183
Dakota Cement Trust	371,315			371,315
Education Enhancement Trust	732,046			732,046
Nonmajor	828,276			828,276
Total Governmental Funds	\$ 3,842,224	\$ 0	\$ 0	\$ 3,842,224
Proprietary Funds				
Major Funds:				
Lottery	\$ 7,514	\$ (225)	\$	\$ 7,289
Clean Water State Revolving	289,332			289,332
Drinking Water State Revolving	247,489			247,489
Nonmajor	432,133	(1,402)		430,731
Internal Service Funds	57,123	(4,820)		52,303
Total Proprietary Funds	\$ 1,033,591	\$ (6,447)	\$ 0	\$ 1,027,144
Fiduciary Funds				
South Dakota Retirement Pension Trust Fund	\$ 14,922,309	\$ (317)	\$	\$ 14,921,992
Private Purpose Trust Funds	352,204			352,204
Custodial Funds	18,274			18,274
Total Fiduciary Funds	\$ 15,292,787	\$ (317)	\$ 0	\$ 15,292,470
Discretely Presented Component Units				
Housing Authority	\$ 632,038	\$	\$	\$ 632,038
Science and Technology Authority	135,080	(525)		134,555
Higher Education	2,428,441	(31,858)		2,396,583
Nonmajor	35,234			35,234
Total Discretely Presented Component Units	\$ 3,230,793	\$ (32,383)	\$ 0	\$ 3,198,410

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 \$64.9 million for deficit cash balances that existed in various state funds on June 30, 2025, and is reported as an interfund receivable.

Certain funds 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, 2025, the securities, for which cost at the time of acquisition is not readily available, have a fair value of \$5.5 million and are shown as securities held as escheat property in the General Fund.

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

Cash Flow Portfolio

This category is managed by the South Dakota Investment Council (SDIC) and represents the pooled public funds of the Primary Government (comprising 84% of the Cash Flow Portfolio) and component units, comprising the remainder of the Cash Flow Portfolio. Because of the pooled deposit and investment concept of the Cash Flow Portfolio, the component units' share of the portfolio cannot be disaggregated for risk disclosure purposes. For risk disclosure purposes, their share of the Cash Flow Portfolio is included in the Primary Government.

Trust Portfolios

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

Other Funds

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

Additional information can be obtained from the separately issued financial statements for these funds.

Deposits

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

Cash Flow Portfolio

The Cash Flow Portfolio's certificates of deposit and other deposits in state financial institutions 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, 2025, pledged collateral for all depositories equaled at least 100% of the total public deposits in excess of depository insurance. As a result, none of the Cash Flow Portfolio's certificates of deposit were exposed to custodial credit risk.

Trust Portfolios

The formal deposit policy specific to custodial credit risk for the global equity portfolios of the Trust Portfolios states that the USD equivalent of any non-USD currency cannot exceed 2.0% of the portfolio fair value on a trade date +2 calendar day basis. At June 30, 2025, 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 \$4.0 million.

Other Funds

The Other Funds use the same deposit policy specific to custodial credit risk as the rest of the State. At June 30, 2025, 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 \$4.0 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. As of June 30, 2025, the fair value of securities on loan was \$1.9 million, and the collateral held on the same date was \$2.0 million. At year-end, the SDIC has no credit risk exposure to borrowers because the amounts the SDIC owes the borrowers exceed the amounts the borrowers owe the SDIC.

The SDIC's securities custodian is an agent in lending securities and shall accept only U.S. Government securities or its agencies as collateral for any loan or loaned securities. The collateral required must equal 102% of fair value plus accrued interest for corporate debt securities, 102% of fair value for U.S. equity securities, and 105% of fair value for foreign securities except in the case of loans of foreign securities which are denominated and payable in USD, in which event the collateral required is 102% of fair value. 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, 2025, the Cash Flow Portfolio and the Trust Portfolios did not have custodial credit risk regarding securities lending. The Other Funds had custodial credit risk totaling \$135.3 million in guaranteed investment contracts and U.S. Treasury Bills not held in their name at June 30, 2025.

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 Portfolio 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 of the Cash Flow Portfolio and the investment grade fixed income portfolios of the Trust Funds are benchmarked to the duration of the FTSE US Broad Investment-Grade Bond Index (USBIG). No formal interest rate risk policy exists for the fixed income portfolios of the Other Funds.

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

Investment Type	Cash Flow Portfolio		Trust Portfolios		Other Funds	
	Fair Value	Mod. Dur.	Fair Value	Mod. Dur.	Fair Value	Mod. Dur.
U.S. Treasuries	\$ 983,972	2.48	\$		\$ 15,406	0.08
U.S. Treasury Bills	1,367,630	0.13				
U.S. Treasury STRIPS	127,008	7.26				
U.S. Agencies	92,343	1.50				
Federated Hermes U.S. Treasury Cash Reserves					2,907	
Investment Grade Corporates	365,332	2.14				
High-yield Bond Mutual Fund			69,780	2.80		
Bond ETF - Exchange Traded Funds			230,485	5.89		
Agency Mortgage-backed Securities	91,944	5.73				
Investment Agreements					119,935	0.66
Total	\$ 3,028,229		\$ 300,265		\$ 138,248	
Portfolio Modified Duration		1.65		5.17		0.58

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SDIC policy establishes a percentage range and a normal allocation to various credit risk categories.

The Cash Flow Portfolio can invest 4% of the portfolio into each corporate security rated AAA or AA, 3% in A rated, 1% in BBB, and 0.5% in BBB- rated individual holdings of corporate securities. Credit rating limits are 15% of the total short-term portfolio or up to 20% with the Investment Officer's permission for BBB rated and 5% of the total portfolio or up to 10% with the Investment Officer's permission on downgraded securities below BBB. The SDIC reviews the investment guidelines annually for the Cash Flow intermediate-term portfolio. These guidelines establish the benchmark percentage invested in each fixed income asset category and the minimum and maximum range of each fixed income asset category.

The investment policy for Trust Fund Portfolios is set annually. This policy establishes the benchmark percentage invested in each asset category and the minimum and maximum range of each 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 Federal National Mortgage Association (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, 2025, the portfolios held the following investments, excluding those issued by or explicitly guaranteed by the U.S. Government which are not considered to have credit risk.

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

	Cash Flow Portfolio Fair Value	Trust Portfolios Fair Value	Other Funds Fair Value
AAA	\$ 6,663	\$	\$ 2,907
AA	163,529		
A	250,403		
BBB	62,811		119,935 *
US Government Guaranteed	2,544,822		
Not rated	415,232	1,070,317	
Total	\$ 3,443,460	\$ 1,070,317	\$ 122,842

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

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Trust Portfolios' exposure to foreign currency risk is derived from their positions in foreign currency and foreign currency-denominated equity investments. The 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 Trust Portfolios' exposure to foreign currency risk on June 30, 2025, are as follows (Expressed in Thousands):

Currency	Trust Portfolios		
	Equities U.S. Dollar Fair Value	Cash U.S. Dollar Fair Value	Total
Australian Dollar	\$ 875	\$ 31	\$ 906
British Pound	12,160	695	12,855
Canadian Dollar	7,514	663	8,177
Danish Krone	500		500
Euro	31,464	1,252	32,716
Japanese Yen	10,999	26	11,025
South Korean Won	6,433		6,433
Norwegian Krone	295	27	322
Singapore Dollar	95	11	106
Swedish Krona	614		614
Swiss Franc	9,238	1,289	10,527
Total Fair Value	\$ 80,187	\$ 3,994	\$ 84,181

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, 2025, was \$352.2 million.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The Cash Flow Portfolio has a policy in place limiting its investments in individual holdings. Information regarding the policy is in the Credit Risk section. The Trust Funds do not have a formal policy limiting investment in individual holdings. 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, 2025.

Fair Value Measurement

Investments are reported at fair value as of June 30, 2025, to the extent available. Generally accepted accounting principles (GAAP) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are other than quoted prices included within Level 1 that are observable; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the hierarchy below.

The following tables summarize the Cash Flow Portfolio, Trust Portfolios, and Other Funds investments within the fair value hierarchy as of June 30, 2025, (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	\$ 983,972	\$	\$ 983,972	\$
U.S. Treasury Bills	1,367,630		1,367,630	
U.S. Treasury STRIPS	127,008		127,008	
U.S. Agencies	92,343		92,343	
Investment Grade Corporates	365,332		365,332	
Agency Mortgage-backed Securities	91,944		91,944	
Total Fixed Income Securities	3,028,229	0	3,028,229	0
Total Investments by Fair Value Level	3,028,229	\$ 0	\$ 3,028,229	\$ 0

Investments Measured at the Net Asset Value (NAV)

Short-term Investment Funds	415,232
Total Investments Measured at the NAV	415,232
Total Investments Measured at the Fair Value	\$ 3,443,461

Trust Portfolios:

		Trust Portfolios		
	Total	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Fixed Income Securities				
Exchange Traded Funds	\$ 230,485	\$ 230,485	\$	\$
Total Fixed Income Securities	230,485	230,485	0	0
Equity Securities				
Domestic Stock	308,116	308,116		
Depository Receipts				
ETF - Exchange Traded Funds				
International Stock	80,187	80,187		
Stock Warrants				
Total Equity Securities	388,303	388,303	0	0
Total Investments by Fair Value Level	618,788	\$ 618,788	\$ 0	\$ 0

Investments Measured at the Net Asset Value (NAV)

Short-term Investment Funds	770,052
Mutual Funds	73,197
Alternative Investments	
Real Estate Funds	202,893
Private Equity Funds	149,304
Total Alternative Investments	352,197
Total Investments Measured at the NAV	1,195,446
Total Investments Measured at the Fair Value	\$ 1,814,234

Other Funds:

	Other Funds			
	Total	Level 1	Level 2	Level 3
Investments by Fair Value Level				
U.S. Treasuries	\$ 15,407	\$	\$ 15,407	\$
U.S. Agencies				
Total Fixed Income Securities	15,407	0	15,407	0
Total Investments by Fair Value Level	15,407	\$ 0	\$ 15,407	\$ 0
Investments Measured at the Net Asset Value (NAV)				
Short-term investment funds	2,907			
Total Investments Measured at the NAV	2,907			
Money Market Mutual Funds at Amortized Cost	1,094			
Total Investments Measured at the Fair Value	\$ 19,408			

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

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

The portfolios 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 tables summarize the fair value, unfunded commitments, and redemption rules of those investments as of June 30, 2025, (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 (a)	\$ 415,232	\$	Daily	0 days
Investments Measured at the Net Asset Value (NAV)	\$ 415,232			

Investments Measured at the NAV

	Trust Portfolios			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Short-term Investment Funds (a)	\$ 770,052	\$	Daily	0 days
High-yield Bond Mutual Funds (b)	73,197		Daily	1 day
Alternative Investments				
Real Estate Funds (c)	202,893	72,608		
Private Equity Funds (d)	149,304	42,321		
Total Alternative Investments	352,197			
Investments Measured at the Net Asset Value (NAV)	\$ 1,195,446			

Investments Measured at the NAV

		Other Funds Portfolio		
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Short-term Investment Funds (a)	\$ 2,907	\$	Daily	0 days
Investments Measured at the Net Asset Value (NAV)	\$ 2,907			

a. Short-term Investment Funds. This type includes investments in 5 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 2 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) 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 portfolios' 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 portfolios' ownership interest in partners' capital.

d. Private Equity Funds. This type includes 15 (Trust Portfolios) 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 portfolios' 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 portfolios' ownership interest in partners' capital.

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	
Taxes Receivable	\$ 285,516	\$ 19,034	\$	\$	\$	\$	\$ 2,734	\$ 307,284
Allowance	(20,217)	(41)					(11)	(20,269)
Accounts Receivable	20,832	2,775	23,747				27,966	83,410
Allowance	(4,933)	(2,248)					(181)	(7,362)
Due From Other Governments	2,019	149,079	34,165	9,544			144,923	339,923
Interest Receivable	19,202	1,232	7	5	260	574	3,126	24,951
Current Debt, Notes, and Leases Receivables	32	1,031		326			8,259	9,648
Allowance				(23)			(136)	(159)
Current Settlement Receivables							5,293	5,293
Non-current Debt, Notes, and Leases Receivables	97	10,378		8,112			64,859	83,446
Allowance				(737)			(143)	(880)
Non-current Settlement Receivables	466						44,996	45,462
Due From Fiduciary Funds	109						65	174
Receivables, net	\$ 303,123	\$ 181,240	\$ 57,919	\$ 17,227	\$ 260	\$ 574	\$ 301,685	\$ 870,921

	Business-type Activities				
	Lottery Fund	Clean Water State Revolving Fund	Drinking Water State Revolving Fund	Non-major Enterprise Funds	Total
Accounts Receivable	\$ 7,191	\$	\$	\$ 10,323	\$ 17,514
Allowance	(10)			(3,544)	(3,554)
Due From Other Governments		917	713	253	1,883
Interest Receivable	127	4,875	3,194	990	9,186
Current Debt, Notes, and Leases Receivables		29,767	15,252	3,799	48,818
Allowance				(2)	(2)
Non-current Accounts Receivable				16,360	16,360
Allowance				(14,120)	(14,120)
Non-current Debt, Notes, and Leases Receivables		580,719	413,161	46,475	1,040,355
Allowance				(672)	(672)
Receivables, net	\$ 7,308	\$ 616,278	\$ 432,320	\$ 59,862	\$ 1,115,768

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	\$ 20,603	\$ 7,952	\$ 3,039	\$ 184	\$ 13,991	\$ 3,554	\$ 49,323
Accounts Payable	64,804	91,249	8,513	31,863	29,655	5,206	231,290
Medicaid and CHIP Claims	40,139		51,974		32,024		124,137
Due to Other Governments	2,517	22,373	573	31,125	32,170	163	88,921
Bank Tax Refund	17,780						17,780
Shared Revenue Distribution	30,108				37,329		67,437
Claims Payable						19,558	19,558
Due to Fiduciary Funds	352						352
Total	\$ 176,303	\$ 121,574	\$ 64,099	\$ 63,172	\$ 145,169	\$ 28,481	\$ 598,798

	Business-type Activities				
	Lottery Fund	Clean Water State Revolving Fund	Drinking Water State Revolving Fund	Non-major Enterprise Funds	Total
Payroll and Withholdings	\$ 160	\$ 31	\$ 47	\$ 1,050	\$ 1,288
Accounts Payable	2,864	122	828	4,165	7,979
Due to Fiduciary Funds				25	25
Escrow Payable	153				153
Other Liabilities	381			565	946
Total	\$ 3,558	\$ 153	\$ 875	\$ 5,805	\$ 10,391

5. INTERFUND TRANSACTIONS

The composition of interfund balances at June 30, 2025, is as follows (Expressed in Thousands):

A. Interfund Receivables and Payables

Due From	Due To							Total
	General Fund	Transportation Fund	Social Services Federal Fund	Non-major Governmental Funds	Non-major Enterprise Funds	Internal Service Funds	Fiduciary Funds	
General Fund	\$	\$ 2,722	\$	\$ 362	\$ 59	\$ 4,159	\$ 352	\$ 7,654
Transportation Fund		2		344	53	1,285		1,684
Social Services Federal Fund				420	3	1,244		1,667
COVID-19 Federal Fund	136		55			40		231
Education Enhancement Trust Fund	28,652							28,652
Non-major Governmental Funds	75,093	604		6,326	247	4,167		86,437
Lottery Fund	12,376	435		778		76		13,665
Clean Water State Revolving Fund				1		4		5
Drinking Water State Revolving Fund				1		7		8
Non-major Enterprise Funds	54			101	2	216	25	398
Internal Service Funds	2,153	159		173	61	1,214		3,760
Fiduciary Funds	109					65		174
Total	\$ 118,573	\$ 3,922	\$ 55	\$ 8,506	\$ 425	\$ 12,477	\$ 377	\$ 144,335

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 2025 include, \$2.9 million between non-major governmental funds for maintenance and repair and \$2.6 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	\$	\$	\$	\$	\$	\$ 55,826	\$ 3,158	\$ 13,234	\$ 72,218
Transportation Fund	4,220					3,742			7,962
Social Services Federal Fund						103			103
COVID-19 Federal Fund			85			634	6		725
Dakota Cement Trust Fund	15,057								15,057
Education Enhancement Trust Fund	28,652								28,652
Non-major Governmental Funds	90,829	2,980		3	11,140	35,331	7,834	62	148,179
Lottery Fund	176,257	813				1,615			178,685
Clean Water State Revolving Fund						52			52
Drinking Water State Revolving Fund						80			80
Non-major Enterprise Funds	316					1,336			1,652
Internal Service Funds								23	23
Total	\$ 315,331	\$ 3,793	\$ 85	\$ 3	\$ 11,140	\$ 98,719	\$ 10,998	\$ 13,319	\$ 453,388

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

Capital Assets consisted of the following for fiscal year 2025 (Expressed in Thousands):

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated or Amortized:				
Land	\$ 130,922	\$ 4,438	\$ 1,198	\$ 134,162
Land Improvements	12,339	1,689		14,028
Land & Improvements - Roads	648,034	2,249		650,283
Construction in Progress, as restated	569,404	570,702	393,745	746,361
Total Capital Assets Not Being Depreciated or Amortized, as restated	1,360,699	579,078	394,943	1,544,834
Capital Assets Being Depreciated or Amortized:				
Land Improvements	110,501	21,990		132,491
Buildings	847,445	55,776	65,467	837,754
Equipment	319,334	26,708	10,752	335,290
Intangible Assets - Software	190,325	13,493	4,944	198,874
Vehicles	212,220	24,182	10,028	226,374
Infrastructure	4,871,764	221,219	27,750	5,065,233
Right-to-use Leased Land	35	10	1	44
Right-to-use Leased Buildings	85,664	5,095	8,995	81,764
Right-to-use Leased Equipment	613	5		618
Right-to-use Subscription IT Assets	22,178	13,707	3,821	32,064
Total Capital Assets Being Depreciated or Amortized	6,660,079	382,185	131,758	6,910,506
Less Accumulated Depreciation or Amortization:				
Land Improvements	33,496	4,624		38,120
Buildings	359,498	20,407	12,327	367,578
Equipment	203,535	20,183	9,893	213,825
Intangible Assets - Software	91,975	16,437	2,218	106,194
Vehicles	121,350	12,414	8,168	125,596
Infrastructure	1,998,715	80,102	21,613	2,057,204
Right-to-use Leased Land	14	7	1	20
Right-to-use Leased Buildings	18,599	7,682	5,137	21,144
Right-to-use Leased Equipment	172	127		299
Right-to-use Leased Subscription IT Assets	4,563	8,631	2,021	11,173
Total Accumulated Depreciation or Amortization	2,831,917	170,614	61,378	2,941,153
Total Capital Assets Being Depreciated or Amortized, net	3,828,162	211,571	70,380	3,969,353
Total Governmental Activities, net, as restated	\$ 5,188,861	\$ 790,649	\$ 465,323	\$ 5,514,187

Continued on next page

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital Assets Not Being Depreciated or Amortized:				
Land	\$ 295	\$	\$	\$ 295
Construction in Progress	2	3,969		3,971
Total Capital Assets Not Being Depreciated or Amortized	297	3,969	0	4,266
Capital Assets Being Depreciated or Amortized:				
Land Improvements	1,102			1,102
Buildings	35,293			35,293
Equipment	3,759	230	351	3,638
Intangible Assets - Software	473			473
Right-to-use Leased Buildings	1,919	441	250	2,110
Right-to-use Subscription IT Assets	1,300	93		1,393
Total Capital Assets Being Depreciated or Amortized	43,846	764	601	44,009
Less Accumulated Depreciation or Amortization:				
Land Improvements	754	26		780
Buildings	3,258	1,081		4,339
Equipment	3,019	149	202	2,966
Intangible Assets - Software	474			474
Right-to-use Leased Buildings	639	314	61	892
Right-to-use Subscription IT Assets	534	440		974
Total Accumulated Depreciation or Amortization	8,678	2,010	263	10,425
Total Capital Assets Being Depreciated or Amortized, net	35,168	(1,246)	338	33,584
Total Business-type Activities, net	\$ 35,465	\$ 2,723	\$ 338	\$ 37,850

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

Governmental Activities	Amount
General Government	\$ 20,163
Health, Human, and Social Services	21,942
Law, Justice, Public Protection, and Regulation	14,068
Agriculture and Natural Resources	9,933
Transportation	99,747
Education	4,759
Economic Resources	2
Total Governmental Activities	\$170,614
Business-type Activities	
Enterprise Funds	\$ 2,010
Total Business-type Activities	\$ 2,010

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, 2025, are as follows (Expressed in Thousands):

	<u>Amount</u>
Governmental Activities	
Land Improvements	\$ 1,930
Buildings and Structures	160,543
Equipment	7,058
Vehicles	4,392
Intangibles Assets - Software	4,570
Infrastructure	540,979
Right-to-use Subscription IT Assets	13,220
Right-to-use Buildings	13,669
Total Governmental Activities	<u>746,361</u>
Business-type Activities	
Equipment	\$ 7
Buildings and Structures	3,134
Right-to-use Buildings	830
Total Business-type Activities	<u>3,971</u>
Total	<u>\$ 750,332</u>

7. RETIREMENT PLANS
South Dakota Retirement System

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

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

The South Dakota Retirement System Board of Trustees (the Board) is the governing authority of SDRS. The Board consists of 14 elected representatives from participating groups, two appointees of the governor, and an ex officio nonvoting representative of the South Dakota Investment Council. The elected representatives of the Board are two teacher members; two State employee members; a participating municipality member; a participating county member; a participating classified employee member; a current contributing Class B member other than a justice, judge, or magistrate judge; a county commissioner of a participating county; a school district board member; a justice, judge, or magistrate judge; an elected municipal official of a participating municipality; a retiree; and a faculty or administrative member employed by the Board of Regents. The two Governor's appointees consist of one head of a principal department established pursuant to SDCL 1-32-2, or one head of a bureau under the office of executive management and one individual from the private or public sector.

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

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

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

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

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

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

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

Legislation enacted in 2023 and reduced the 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, 2025. 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 5.44% in 2025. 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, 2025, 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 2025 were \$38.3 million, during fiscal year 2024 were \$36.3 million, and during fiscal year 2023 were \$31.9 million. Contributions for the State's component units during 2025 were \$24.1 million, during fiscal year 2024 were \$23.1 million, and during fiscal year 2023 were \$21.2 million.

State's Proportionate Share of SDRS. For fiscal year 2025, the State and its component units used a July 1, 2023, to June 30, 2024, measurement date for reporting purposes.

The State's proportionate share of SDRS's collective net pension asset is 21.5554% or \$877 thousand using a June 30, 2024, measurement date. This percentage was measured based on all employer contributions from July 1, 2023, through June 30, 2024. Pension expense (reduction of pension expense) for the State was \$59.1 million and contributions subsequent to the measurement date were \$38.3 million at June 30, 2025. The State's proportionate share increased by 0.9510% from the prior fiscal year's proportionate share of 20.6044%.

The State's component unit's proportionate share of SDRS's collective net pension asset is 13.7636% or \$558 thousand using a June 30, 2024, measurement date. This percentage was measured based on all employer contributions from July 1, 2023, through June 30, 2024. Pension expense (reduction of pension expense) for component units was \$38.2 million and contributions subsequent to the measurement date were \$24.1 million at June 30, 2025. The State's component unit's proportionate share increased by 0.0578% over the prior fiscal year's proportionate share of 13.7058%.

The components of the net pension asset of the System at June 30, 2025, using the June 30, 2024, measurement date, were as follows (Dollars Expressed in Thousands):

	State of South Dakota Proportionate Allocation 21.5554%	Discretely Presented Component Units Proportionate Allocation 13.7636%
Total Pension Liability	\$ 3,215,690	\$ 2,053,284
Plan Fiduciary Net Position	(3,216,567)	(2,053,842)
Net Pension (Asset) Liability	<u>\$ (877)</u>	<u>\$ (558)</u>
 Fiduciary Net Position as a Percentage of Net Pension Liability	 100.0%	 100.0%

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2024, 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: 1.91% in FY24
1.71% in FY25
1.56% in FY26

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, 2024, Actuarial Valuation were adopted by the SDRS Board of Trustees 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) or 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, 2025, using the June 30, 2024, measurement date, (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	56%	3.6%
Investment Grade Debt	23%	2.3%
High Yield Debt	7%	2.8%
Real Estate	12%	4.0%
Cash	2%	0.8%
Total	100%	

Sensitivity of (asset) or liability to changes in the discount rate. The following presents the net pension (asset) or liability of the State's proportionate share of SDRS's collective net pension asset of \$877 thousand using a June 30, 2024, measurement date, calculated using the discount rate of 6.5%, as well as what the System's net pension (asset) or 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):

	1% Decrease	Current Discount Rate	1% Increase
State's Proportionate Share of SDRS's Net Pension (Asset) Liability	\$ 443,386	\$ (877)	\$ (364,415)
Discretely Presented Component units Proportionate Share of SDRS Net Pension (Asset) Liability	283,111	(558)	(232,686)

Deferred Outflows and Inflows of Resources Related to Pensions. The Deferred Outflows and Inflows of Resources related to pensions at June 30, 2025, 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	\$ 80,797	\$	\$ 51,593	\$
Changes in Assumptions	14,386	109,656	9,185	70,020
Net Differences between Projected and Actual Earnings on Pension Plan Investments	32,867		20,987	
Changes in Proportionate Share and Differences between Contributions and Proportionate Share of Contributions		1,566	414	103
Contributions Subsequent to the Measurement Date	38,334		24,085	
Total	\$ 166,384	\$ 111,222	\$ 106,264	\$ 70,123

The \$38.3 million and the \$24.1 million reported above as deferred outflows of resources by the primary government and the discretely presented component units are the result of employer contributions made subsequent to the measurement date of June 30, 2024. 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
2026	\$ (31,086)	\$ (19,280)
2027	41,569	26,936
2028	3,844	2,732
2029	2,501	1,668
Total	\$ 16,828	\$ 12,056

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, 2025, (Expressed in Thousands):

	General	Transportation	Social Services Federal	COVID-19 Federal	Dakota Cement Trust	Education Enhancement Trust	Nonmajor Governmental Funds	Total
Nonspendable								
Inventory	\$ 2,478	\$ 26,484	\$ 18	\$ 3,181	\$	\$	\$ 4,054	\$ 36,215
Prepays	2,486	1,005	269	84			1,156	5,000
Permanent Fund Principal						465,149	213,956	679,105
Total Nonspendable Fund Balances	4,964	27,489	287	3,265	0	465,149	219,166	720,320
Restricted								
Education					376,704	292,118	14,401	683,223
Health and Public Assistance							135,623	135,623
Law, Justice, and Public Protection							31,273	31,273
Economic Development				8,384			94,174	102,558
Transportation		240,909						240,909
Agriculture and Natural Resources							121,519	121,519
Energy Conservation or Development							14,186	14,186
Game and Fish							392	392
Parks and Recreation							5,032	5,032
Public Buildings							1,650	1,650
Public Broadcasting							151	151
Railroads							80,120	80,120
Debt Service							64,092	64,092
Capital Projects							357	357
Other							12,843	12,843
Total Restricted Fund Balances	0	240,909	0	8,384	376,704	292,118	575,813	1,493,928
Committed								
Education							342	342
Health and Public Assistance							4,549	4,549
Law, Justice, and Public Protection							19,056	19,056
Agriculture and Natural Resources							11,044	11,044
Environmental Cleanup							6,820	6,820
Energy Conservation or Development							1,036	1,036
Public Buildings							149	149
Railroads							403	403
Other							29,172	29,172
Total Committed Fund Balances	0	0	0	0	0	0	72,571	72,571
Assigned								
Education	12,022						480	12,502
Higher Education	31,091							31,091
Health and Public Assistance	42,298		1,730				6,528	50,556
Law, Justice, and Public Protection	622,820						1,374	624,194
Agriculture and Natural Resources	2,608						1,044	3,652
Tourism Promotion	8,420							8,420
Public Buildings	49,602						2,328	51,930
Economic Development	39,953							39,953
School Districts	8,561							8,561
Transportation	10,000							10,000
Other	114,656						2,974	117,630
Total Assigned Fund Balances	942,031	0	1,730	0	0	0	14,728	958,489
Unassigned Fund Balances *	716,167						(19,974)	696,193
Total Fund Balances	\$ 1,663,162	\$ 268,398	\$ 2,017	\$ 11,649	\$ 376,704	\$ 757,267	\$ 862,304	\$ 3,941,501

* This amount includes \$236.7 million of equity from the Budget Reserve established by the 1991 South Dakota Legislature and \$255.3 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, 2025, was \$236.7 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, 2025, was \$255.3 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, 2025, the following equity balances are included within the State's General Fund in accordance with GASB 54 (Expressed in Thousands):

Fund Balance - June 30, 2025 as reported	\$ 1,663,162
Less Statutorily Created Funds Combined with the General Fund:	
Incarceration Construction Fund - assigned for Law, Justice, and Public Protection	593,227
Tourism Promotion - assigned for Tourism Promotion	8,420
Investment Council Operating - assigned for Other	2,718
Private Activity Bond - assigned for Other	20
Proof of Concept - assigned for Economic Development	48
Fine Arts - assigned for Other	1,262
Economic Development - assigned for Economic Development	254
Local Infrastructure Improvement - assigned for Economic Development	6,544
Workforce Education - assigned for Education	1,332
Extraordinary Litigation Expense - assigned for Other	39
IT Modernization Fund - assigned for Other	12,635
Department of Labor and Regulation Other - unassigned	(316)
Legislative Contingency Fund - unassigned	1,545
Unclaimed Property - unassigned	23,334
Fund Balance - June 30, 2025 excluding GASB 54 combinations	\$ 1,012,100

Net Position Restricted by Enabling Legislation

The Government-wide Statement of Net Position reports \$2.3 billion of restricted net position for the primary government of which \$299.4 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, 2025, 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, 2025, are summarized as follows (Expressed in Thousands):

Fund	Expendable	Nonexpendable	Total Restriction
Education Enhancement Trust	\$ 292,118	\$ 465,149	\$ 757,267
Health Care Trust	84,817	135,631	220,448
Permanent	(1,254)	78,324	77,070
Total	\$ 375,681	\$ 679,104	\$ 1,054,785

Individual Fund Deficits

The following individual funds had deficit fund equity at June 30, 2025, (Expressed in Thousands):

Fund Type/Fund	Deficit
Internal Service:	
State Worker's Compensation	\$ 27,934
State Worker's Unemployment	70
Special Revenue:	
State Fire Suppression	12,967
Emergency Management Federal	1,191
Law Enforcement Revolving	172
Animal Damage Control	128
Public Utilities Commission Federal	103

9. COMMITMENTS

At June 30, 2025, the Primary Government had operating commitments of \$2.8 billion and uncalled capital commitments of \$114.9 million. The commitments of the State are broken down as follows:

Governmental Funds

General Fund: The General Fund had total operating commitments of \$309.0 million as broken down by departments as follows:

- Governor's Office of Economic Development had commitments totaling \$117.5 million for Connect South Dakota (ConnectSD) and Reinvestment Payment Program grants.
- Department of Social Services had commitments totaling \$78.6 million for mental health services, substance use disorder treatments, and other professional services.
- Bureau of Finance and Management had commitments totaling \$40.5 million for the Business Information System for Operational Needs (BISON), the State's ERP system.
- Department of Education had commitments totaling \$26.0 million for grants, various K-12 programs, consulting contracts, and other contractual agreements.
- Bureau of Human Resources and Administration had commitments totaling \$17.3 million for statewide maintenance and repair projects and purchase orders.
- Department of Tourism had commitments totaling \$13.2 million for various marketing, website, and digital services.
- Department of Human Services had commitments totaling \$10.0 million for contractual services such as Family Support 360, community training, nutrition services, and other contractual agreements.
- Department of Revenue had commitments totaling \$5.9 million for the State's motor vehicle system.

Transportation Fund: The Transportation Fund had total operating commitments of \$729.6 million as broken down as follows:

- Department of Transportation had commitments totaling \$724.1 million for construction and maintenance projects, asphalt and concrete repairs, pavement markings, and other contractual agreements.
- Department of Public Safety had commitments totaling \$5.5 million for various purchase orders, consulting services, and other contractual agreements.

Social Services Federal Fund: Department of Social Services had commitments totaling \$86.2 million for substance misuse prevention services, dental and orthodontic claims adjudications, weatherization, and other professional services.

COVID-19 Federal Fund: The COVID-19 Federal Fund had total operating commitments of \$169.2 million as broken down as follows:

- Department of Agriculture and Natural Resources had commitments totaling \$138.3 million for American Rescue Plan Act (ARPA) grants.
- Bureau of Human Resources and Administration had commitments totaling \$12.2 million for ARPA sewer and water projects.
- Governor's Office of Economic Development had commitments totaling \$11.7 million for ConnectSD Coronavirus State and Local Fiscal Recovery Funds grants.
- Department of Tourism had commitments totaling \$7.0 million for various marketing, website, and digital services.

Nonmajor Governmental Funds:

- The State had commitments totaling \$326.2 million for the nonmajor governmental funds.

Proprietary Funds

Clean Water State Revolving Fund: Department of Agriculture and Natural Resources had commitments totaling \$450.1 million for loan commitments with borrowers.

Drinking Water State Revolving Fund: Department of Agriculture and Natural Resources had commitments totaling \$415.2 million for loan commitments with borrowers.

Nonmajor Proprietary Funds:

- The State had commitments totaling \$58.3 million for the nonmajor proprietary funds.

Other

The State had commitments totaling \$241.2 million for lease payments for the Sioux Falls One-Stop. This is a long-term lease for a multi-agency office complex in Sioux Falls, South Dakota that will be paid by multiple agencies under multiple different funds.

Uncalled Capital Commitments

The State had uncalled capital commitments to private equity and real estate limited partnerships funds of approximately \$114.9 million. 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, 2025, are broken down as follows (Expressed in Thousands):

	Permanent	Special Revenue			
	Permanent		Education	Health Care	
	Fund	Dakota	Enhancement	Trust	Total
		Cement Trust	Trust		
Real Estate Funds	\$ 16,837	\$ 16,052	\$ 31,349	\$ 8,371	\$ 72,609
Private Equity Funds	9,639	9,651	17,927	5,104	42,321
Total	\$ 26,476	\$ 25,703	\$ 49,276	\$ 13,475	\$ 114,930

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 \$28.0 million at June 30, 2025.

The Workers' Compensation Fund liability at June 30, 2025, and the changes to the liability during fiscal years ended June 30, 2025 and 2024 were as follows (Expressed in Thousands):

	FY2025	FY2024
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 35,891	\$ 35,695
Incurred claims and claim adjustment expenses		
Provision for insured events of current fiscal year	8,708	7,790
Changes in provision for insured events of prior fiscal years	(1,046)	(1,862)
Total incurred claims and claim adjustment expenses	7,662	5,928
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	2,108	1,385
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	4,967	4,347
Total payments	7,075	5,732
Unpaid claims and claim adjustment expenses at end of fiscal year	\$ 36,478	\$ 35,891

A. 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, 2025 and the changes to the liability during fiscal years ended June 30, 2025 and 2024 were as follows (Expressed in Thousands):

	FY2025	FY2024
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 17,857	\$ 15,992
Incurred claims and claim adjustment expenses	155,925	152,296
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	136,886	134,439
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	17,857	15,992
Total payments	154,743	150,431
Unpaid claims and claim adjustment expenses at end of fiscal year	\$ 19,039	\$ 17,857

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 2025, \$6.8 million of the net position balance in the PEPL Fund was designated for future catastrophic losses.

The PEPL Fund liability at June 30, 2025, and the changes to the liability during fiscal years ended June 30, 2025, and 2024 were as follows (Expressed in Thousands):

	FY2025	FY2024
Unpaid claims and claim adjustment expenses at beginning of fiscal year	<u>\$ 4,681</u>	<u>\$ 5,034</u>
Incurred claims and claim adjustment expenses		
Provision for insured events of current fiscal year	2,447	1,950
Changes in provision for insured events of prior fiscal years	<u>(919)</u>	<u>142</u>
Total incurred claims and claim adjustment expenses	<u>1,528</u>	<u>2,092</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	319	310
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	<u>856</u>	<u>2,135</u>
Total payments	<u>1,175</u>	<u>2,445</u>
Unpaid claims and claim adjustment expenses at end of fiscal year	<u>\$ 5,034</u>	<u>\$ 4,681</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 on June 30, 2025, and changes to long-term liabilities during the fiscal year then ended are as follows, including restated amounts (Expressed in Thousands):

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities**					
Revenue Bonds	\$ 72,138	\$	\$ (24,952)	\$ 47,186	\$ 4,186
Add Unamortized Premium	4,545		(376)	4,169	376
Net Revenue Bonds	76,683	0	(25,328)	51,355	4,562
Compensated Absences, restated *	139,714	3,403		143,117	57,967
Policy Claims Liability	4,681	1,528	(1,175)	5,034	1,555
Workers Compensation	35,891	7,662	(7,075)	36,478	4,668
Leases Payable, restated	69,665	5,102	(10,921)	63,846	5,750
Subscription IT Payable, restated	17,025	11,690	(8,611)	20,104	7,509
Notes Payable and Installment Purchases	97,657	6,879	(7,696)	96,840	8,396
Pollution Remediation Obligation	13,501	827		14,328	600
Escheat Property	49,155	60,562	(52,334)	57,383	41,544
Other Long Term Liabilities	125	72	(60)	137	66
Total Governmental Activities	\$ 504,097	\$ 97,725	\$ (113,200)	\$ 488,622	\$ 132,617
Business-type Activities					
Revenue Bonds	\$ 451,780	\$ 357,655	\$ (54,535)	\$ 754,900	\$ 26,810
Add Unamortized Premium	61,324	32,075	(9,376)	84,023	5,045
Net Revenue Bonds	513,104	389,730	(63,911)	838,923	31,855
Leases Payable	1,303	414	(465)	1,252	315
Subscription IT Payable	418	93	(435)	76	16
Compensated Absences, restated *	3,785	371		4,156	1,682
Other Noncurrent Liabilities	1,607	1,130		2,737	653
Total Business-type Activities	\$ 520,217	\$ 391,738	\$ (64,811)	\$ 847,144	\$ 34,521

* Changes in activity for Compensated Absences is shown in net in the Additions column.

** *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 at maturity. The workers' compensation and policy claims liabilities will be liquidated by applicable internal service funds which will ultimately be charged 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 (a blended component unit of the State) 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 on June 30, 2025, (Expressed in Thousands):

Bond Series	Maturity Through	Interest Rates	Amount
2014D	2026	5.000%	\$ 1,491
2017A	2042	4.000%-5.000%	33,754
2019B	2038	2.349%-3.201%	5,185
2020A	2039	1.194%-2.619%	6,756
Add Unamortized Premium			4,169
Total			\$ 51,355

As of June 30, 2025, debt service requirements for principal and interest for the SDBA were as follows (Expressed in Thousands):

Year Ended June 30	Principal	Interest	Total
2026	\$ 4,186	\$ 1,927	\$ 6,113
2027	4,352	1,775	6,127
2028	3,640	1,633	5,273
2029	3,598	1,504	5,102
2030	3,726	1,376	5,102
2031-2035	13,693	5,166	18,859
2036-2040	13,991	1,903	15,894
Total	\$ 47,186	\$ 15,284	\$ 62,470

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 CWSRF and DWSRF can be made for thirty years, if the funds are for a disadvantaged community.

The SDCD (a blended component unit of the State) 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, 2025, (Expressed in Thousands):

Bond Series	Maturity Through	Interest Rates	Amount
Clean Water State Revolving Fund			
2010AB	2030-2031	5.125%-5.646%	\$ 13,439
2012AB	2027-2031	3.083%-5.000%	7,995
2017B	2033-2038	5.000%	51,415
2018	2039	5.000%	46,025
2020	2043	5.000%	71,295
2022AB	2029-2047	4.400%-5.000%	73,705
2024A	2055	5.000%	106,950
2025A	2056	5.000%	79,835
Add Unamortized Premium			61,740
Total			512,399
Drinking Water State Revolving Fund			
2010AB	2030-2031	5.125%-5.646%	7,186
2012A	2027	3.083%-3.183%	1,105
2017B	2030-2038	5.000%	10,725
2018	2039	5.000%	31,385
2022AB	2029-2047	4.400%-5.360%	82,970
2024A	2055	5.000%	53,500
2025A	2056	5.000%	117,370
Add Unamortized Premium			22,283
Total			326,524
Total Revenue Bonds			\$ 838,923

As of June 30, 2025, debt service requirements for principal and interest for the CWSRF and the DWSRF were as follows (Expressed in Thousands):

Year Ended June 30	Principal	Interest	Total
Clean Water State Revolving Fund			
2026	\$ 18,475	\$ 20,616	\$ 39,091
2027	19,803	21,069	40,872
2028	18,670	20,121	38,791
2029	19,150	19,177	38,327
2030	19,866	18,216	38,082
2031-2035	99,910	76,064	175,974
2036-2040	87,650	52,312	139,962
2041-2045	68,075	32,697	100,772
2046-2050	50,795	17,968	68,763
2051-2055	45,265	6,208	51,473
2056-2060	3,000	75	3,075
	450,659	284,523	735,182
Drinking Water State Revolving Fund			
2026	8,335	13,023	21,358
2027	9,037	14,617	23,654
2028	8,990	14,180	23,170
2029	9,435	13,727	23,162
2030	9,899	13,247	23,146
2031-2035	47,590	59,190	106,780
2036-2040	52,525	46,361	98,886
2041-2045	50,230	33,802	84,032
2046-2050	52,650	20,017	72,667
2051-2055	49,550	7,901	57,451
2056-2060	6,000	150	6,150
	304,241	236,215	540,456
Total	\$ 754,900	\$ 520,738	\$ 1,275,638

Leases Payable

During the fiscal year the State had 186 lessee lease agreements for the use of land, buildings, and equipment. The terms of the leases range from 1 to 37 years. The leases have a weighted average interest rate of 3.87%.

The following schedule is a summary of the future minimum principal and interest lease payments as of June 30, 2025, (Expressed in Thousands):

Year Ended June 30	Primary Government	
	Principal	Interest
2026	\$ 6,065	\$ 2,410
2027	5,685	2,191
2028	5,084	1,987
2029	4,612	1,801
2030	4,026	1,640
2031-2035	13,256	6,304
2036-2040	10,223	4,100
2041-2045	7,242	2,208
2046-2050	6,094	1,060
2051-2055	2,699	119
2056-2060	112	6
Total	\$ 65,098	\$ 23,826

Subscription IT Payable

During the year State had 55 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 5.52%. 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, 2025, (Expressed in Thousands):

Year Ended June 30	Primary Government	
	Principal	Interest
2026	\$ 7,525	\$ 901
2027	6,974	467
2028	2,420	274
2029	1,341	151
2030	807	81
2031-2035	1,113	46
Total	\$ 20,180	\$ 1,920

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, 2025, (Expressed in Thousands):

Note Series	Maturity Through	Interest Rates	Amount
2015A	2039	3.750%-5.000%	\$ 19,500
2015B	2036	5.000%	10,555
2015C	2036	3.000%-5.000%	11,605
2021	2041	2.290%	26,701
2022	2042	3.380%	11,917
Total			\$ 80,278

The State also enters into purchase agreements for various facilities and equipment. Following is a schedule of the installment purchases payable outstanding at June 30, 2025, (Expressed in Thousands):

Installment Series	Maturity Through	Interest Rates	Amount
2020A	2026	2.680%	\$ 543
2021A	2027	2.400%	229
2021B	2027	2.300%	1,300
2023A	2029	4.950%	3,360
2024A	2030	5.550%	4,251
2025A	2031	5.000%	6,879
Total			\$ 16,562

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, 2025, (Expressed in Thousands):

Year Ended June 30	Governmental Activities	
	Principal	Interest
2026	\$ 8,395	\$ 3,709
2027	8,100	3,362
2028	7,694	3,026
2029	8,025	2,685
2030	7,436	2,347
2031-2035	30,822	7,742
2036-2040	22,625	2,181
2041-2045	3,743	83
Total	\$ 96,840	\$ 25,135

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.

During the 2025 Legislative Session, Senate Bill 56 was passed that set aside \$38.2 million in a cash center held with the State Investment Council. These Funds were used to pay off a portion of the Series 2017A bonds (\$36.6 million), which will be called on June 1, 2027, and a portion of the Series 2014D bonds (\$1.6 million) to maturity.

Pollution Remediation Obligations

The State has pollutions remediation obligation liabilities as of June 30, 2025, of \$14.3 million.

1. Gilt Edge Superfund Site

The State of South Dakota, acting through the Department of Agriculture and Natural Resources, has contracted with the United States Environmental Protection Agency (EPA) for participation in the remediation of the Gilt Edge Mine Superfund Site in Lawrence County. The State is required by law to pay a 10% cost share for the total EPA costs for remediation of the site. The total State costs to be paid to EPA is estimated to be \$15.9 million. The State has spent approximately \$6.6 million with an estimated remaining outstanding liability as of June 30, 2025 of \$9.3 million. The State's cost share for remediation has been paid from the Brohm Mining Co. forfeited reclamation bond and the Regulated Substance Response Fund. After EPA completes the site remediation, the State is required to take control of the site and will use the reclamation bond and settlement money to pay 100% for site management and ongoing water treatment costs. The State cash balance on June 30, 2025 for those two funds was approximately \$21.0 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, 2025, PRCF was currently involved with 51 active cases, 11 active/monitoring cases, and 38 pending cases (spill report not yet filed), for a total of 100 cases. The estimated cost remaining for sites that have received at least one payment is \$542.1 thousand, the estimated cost for sites that haven't received any payments is \$3.9 million and the estimated cost for the Abandoned Tank Removal Program is \$600.0 thousand. The total liability as of June 30, 2025 for this program is \$5.0 million. The cash balance in the PRCF on June 30, 2025 is \$6.2 million.

12. 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 2025, the State provided \$42.1 million in General Fund state aid payments to the postsecondary technical institutes.

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

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

13. TAX ABATEMENTS

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

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

During fiscal year 2025, the State abated \$15.5 million of sales and use tax as estimated reimbursement amounts for approved projects that have not met all the reimbursement criteria. The State reimbursed \$6.2 million of sales and use tax during fiscal year 2025, \$3.9 million was abated in prior fiscal years and the \$2.3 million was abated in fiscal year 2025.

14. RELATED PARTY TRANSACTIONS

The following transactions occurred between the Primary Government 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, internet and telephone services and space lease. For the fiscal year ended June 30, 2025, SDCUC paid \$1.1 million to SDCGA for these services.

The following transactions occurred between the Primary Government and 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 \$385.0 million to support Higher Education universities.

In fiscal year 2023, Northern State University (NSU) and The School of Mines and Technology (SMT) were awarded loans from GOED in the amount of \$1.7 million and \$1.4 million respectively for campus energy projects. At the end of fiscal year 2025, NSU and SMT had outstanding loan balances of \$1.6 million and \$1.3 million respectively.

South Dakota State University Foundation received a letter of commitment from SDCUC for \$1.2 million over a five-year period to expand the Swine Education and Research Facility. As of June 30, 2025, there has been \$0.8 million paid on this commitment. Additionally, the Foundation received a letter of commitment from South Dakota Soybean Research and Promotion Council (SDSRPC) for \$2.5 million over a five-year period for a bioprocessing center. As of June 30, 2025, there has been \$2.0 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 2025, the following transactions occurred between SDHDA and the GOED:

- GOED received \$1.0 million in private activity bond fees from SDHDA.
- GOED disbursed \$1.0 million of Housing Opportunity Program funds to SDHDA.

15. SUBSEQUENT EVENTS

South Dakota Department of Social Services

In July 2025, the Centers for Medicare & Medicaid Services (CMS), a division of the U.S. Department of Health and Human Services, certified the State's Medicaid eligibility system which, under federal regulation, increased federal match rates for certain claimed expenditures. As a result, approximately \$3.7 million in costs will be reclassified from the General Fund to the Social Services Federal Fund in fiscal year 2026.

South Dakota Department of Corrections

During a Special Legislative Session in September 2025, the South Dakota Legislature authorized the transfer of \$78.8 million from the General Revenue Replacement Fund to the Incarceration Construction Fund (reported in the General Fund). This transfer was approved to support the design and construction of a new men's prison facility in Minnehaha County, South Dakota.

South Dakota Revolving Economic Development and Initiative Fund

In October 2025, the South Dakota Revolving Economic Development and Initiative (REDI) Fund received \$2.5 million from the South Dakota Economic Development Finance Authority (SDEDFA), a discretely presented component unit of the State. This money will be used to support ongoing economic development initiatives and enhance the Fund's capacity to provide financing assistance to eligible businesses and projects throughout the state.

16. CONTINGENCIES AND LITIGATION

The State of South Dakota is involved in various legal proceedings, including litigation related to property damage claims. The State plans to vigorously defend against these actions. At this time, the outcomes of these cases cannot be determined. Plaintiffs are seeking damages totaling approximately \$30.0 million; however, the State believes any potential liability will be substantially less than the amount claimed. If damages are awarded, they will be paid from the Extraordinary Litigation Fund, which is reported within the State's General Fund. Based on historical experience, it is unlikely that the resolution of these matters will have a material impact on the State's financial position.

17. DISCRETELY PRESENTED AND FIDUCIARY COMPONENT UNIT DISCLOSURES

The disclosures in these financial statements for the discretely presented and fiduciary component units only contain condensed disclosures that are essential to the fair presentation of the primary government. The full disclosures for these component units (excluding Higher Education) can be found in the specific component units' separately issued financial statements.

A. Cash, Deposits, and Investments

The South Dakota Investment Council (SDIC) is a principal, functional sub-unit of state government. SDIC is responsible for the investment of the state's monies in the state treasury. The SDIC provides investment management services on a prefunded cost recovery basis as authorized by South Dakota Codified Law. The component units hold assets in two SDIC investment portfolios:

Cash Flow Portfolio

The Cash Flow Portfolio represents the pooled public funds of the Primary Government (comprising 84% of the Cash Flow Portfolio) and discretely presented and fiduciary component units, comprising the remainder of the Cash Flow Portfolio. Higher Education, the Science and Technology Authority, the Housing Development Authority, the Property and Casualty Captive Insurance Company, the Authority Captive Insurance Company and the South Dakota Retirement System have deposits and investments in the Cash Flow Portfolio. Because of the pooled deposit and investment concept of the Cash Flow Portfolio, the discretely presented component units' share of the portfolio cannot be disaggregated for risk disclosure purposes. For risk disclosure purposes, their share of the Cash Flow Portfolio is included in the Primary Government. Investments consist primarily of short-term U.S. Treasury and Agency obligations, short-term U.S. Corporate securities, bank certificates of deposit, and money market funds. As of June 30, 2025, the Cash Flow Portfolio held cash and cash equivalents totaling \$28.3 million and fixed income and short-term fund investments at fair value totaling \$3.4 billion. For additional information on the Cash Flow Portfolio, see *Note 3. Cash, Deposits, and Investments* in the Notes to the Financial Statements.

Retirement Portfolio (South Dakota Retirement System)

The Retirement Portfolio represents the investments of the South Dakota Retirement System (SDRS), a fiduciary component unit of the state. Investment portfolio management is the statutory responsibility of SDIC, which may utilize the services of external money managers for management of a portion of the portfolio. Current investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). As of June 30, 2025, the Retirement Portfolio had cash and cash equivalents totaling \$8.0 million held in the Cash Flow Portfolio, and fixed income, equity, real estate, and private equity investments at fair value totaling \$15.2 billion.

The South Dakota Housing Development Authority (SDHDA), under terms of the bond resolutions, is generally restricted to investment in direct general obligations of the United States of America, agencies and instruments of the United States of America, negotiable or nonnegotiable certificates of deposits issued by a bank that is insured by the FDIC, obligations of the State or any agency or instrumentality thereof, or securities that are permissible for the investment of the State public funds under state law. As of June 30, 2025, SDHDA has cash and cash equivalents totaling \$129.8 million held in the Cash Flow Portfolio and investments at fair value totaling \$2.4 billion.

The South Dakota Economic Development Finance Authority (SDEDFA), under the terms of the general bond resolution, is generally restricted to investments in direct obligations of the federal government and of any agency or instrumentality of the United States of America; debt obligation guaranteed by the federal government; bank instruments collateralized by debt obligations guaranteed by the federal government; and shares of an investment company whose investments are in debt obligations guaranteed by the federal government. The fund's bond issuance can also be invested in notes, bonds, or indentures issued by a corporation organized under the laws of one of the states of the United States of America, provided they are rated in one of the two highest rating categories. As of June 30, 2025, SDEDFA had cash and cash equivalents (including a capital reserve account and loan reserve accounts) of \$10.1 million and no investments with maturities greater than ninety days.

South Dakota Science and Technology Authority (SDSTA). In general, state law permits SDSTA funds to be invested in direct obligations of, or obligations the principal of the interest on which are fully guaranteed or insured by, the United States of America; obligations of any solvent insurance company or other corporation or business entity if rated in the two highest classifications established by a standard rating service or insurance companies or a nationally recognized rating agency; short term discount obligations of the Federal National Mortgage Association; or obligations of any state of the United States or any political subdivision, public instrumentality, or public authority of any state of the United States, which obligations are not callable before the principal is to be paid, are fully secured as to both sufficiency and timely payment by, and payable solely from direct obligations of, or obligations the principal of the interest on which are fully guaranteed or insured by, the United States of America. As of June 30, 2025, SDSTA has cash and cash equivalents totaling \$12.7 million, of which \$10.8 million is held in the Cash Flow Portfolio, and no investments.

The South Dakota Ellsworth Development Authority (SDEDA). State law imposes various restrictions on deposits and investments of SDEDA. The Authority maintains all funds in checking and savings accounts. As of June 30, 2025, SDEDA had cash and cash equivalents of \$2.3 million and no investments.

The State's component units report investments at fair value and are exposed to similar deposit and investment risks as the Primary Government as outlined in *Note 3. Cash, Deposits, and Investments* in the Notes to the Financial Statements. Additional information of the cash, deposits and investments for the State's discretely presented and fiduciary component units can be found within their separately issued reports.

B. Capital Assets

1. Higher Education

Capital assets for Higher Education consisted of the following for fiscal year 2025 (Expressed in Thousands):

	Beginning Balance	Additions	Deletions	Ending Balance
Higher Education*:				
Capital Assets Not Being Depreciated or Amortized:				
Land	\$ 31,694	\$	\$	\$ 31,694
Construction in Progress	179,824	141,789	192,196	129,417
Works of Art and Historical Treasures	10,142	177	2	10,317
Total Capital Assets Not Being Depreciated or Amortized	221,660	141,966	192,198	171,428
Capital Assets Being Depreciated or Amortized:				
Land Improvements	96,745	4,573		101,318
Infrastructure	119,252	14,311		133,563
Buildings	1,830,439	243,840		2,074,279
Equipment and Other Assets	336,464	20,930	9,022	348,372
Right-to-use Leased Buildings	20,546	26	4,042	16,530
Right-to-use Leased Subscription IT Assets	5,989	2,441	913	7,517
Total Capital Assets Being Depreciated or Amortized	2,409,435	286,121	13,977	2,681,579
Less Accumulated Depreciation or Amortization:				
Land Improvements	42,829	4,391		47,220
Infrastructure	50,776	4,529		55,305
Buildings	684,845	63,952		748,797
Equipment and Other Assets	262,407	14,738	8,940	268,205
Right-to-use Leased Buildings	5,288	1,899	4,042	3,145
Right-to-use Leased Subscription IT Assets	3,057	2,166	916	4,307
Total Accumulated Depreciation or Amortized	1,049,202	91,675	13,898	1,126,979
Total Capital Assets Being Depreciated or Amortized, Net	1,360,233	194,446	79	1,554,600
Total Higher Education Capital Assets, Net	\$ 1,581,893	\$ 336,412	\$ 192,277	\$ 1,726,028

* Higher Education amounts do not include their foundations.

Construction in Progress for Higher Education as of June 30, 2025, are as follows (Expressed in Thousands):

Discretely Presented Component Units

Higher Education*

Land Improvements	\$ 597
Buildings and Structures	120,100
Infrastructure	8,243
Equipment	477
Total Higher Education	<u>\$ 129,417</u>

* Higher Education amounts do not include their foundations.

The Memorial Art Center Collection at the South Dakota State University and the Oscar Howe paintings collection at the University of South Dakota 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, 2025. All proceeds from the sale of items within these collections will be used to acquire other items for the collections.

2. South Dakota Housing Development Authority

Capital assets for The South Dakota Housing Development Authority totaled \$4.6 million, net of depreciation.

3. South Dakota Science and Technology Authority

Capital assets for The South Dakota Science and Technology Authority totaled \$169.3 million, net of depreciation.

4. South Dakota Ellsworth Development Authority

Capital assets for the South Dakota Ellsworth Development Authority totaled \$37.3 million, net of depreciation.

Capital asset breakouts for the State's discretely presented and fiduciary component units can be found within their separately issued reports.

C. Long-Term Liabilities
1. Higher Education

Long-term obligations for Higher Education at June 30, 2025, and changes to long-term liabilities during the fiscal year then ended are as follows (Expressed in Thousands):

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 376,322	\$ 4,970	\$ (28,124)	\$ 353,168	\$ 28,503
Less Unamortized Discount	(64)		4	(60)	(4)
Add Unamortized Premium	28,917	249	(2,470)	26,696	2,387
Direct Placement Bonds	15,969		(1,844)	14,125	1,915
Net Revenue Bonds	421,144	5,219	(32,434)	393,929	32,801
Compensated Absences, as restated *	84,982	8,321		93,303	17,821
Leases Payable	15,405	26	(1,563)	13,868	1,534
Subscription IT Payable	2,664	2,441	(2,238)	2,867	1,163
Notes and Advances Payable	9,006	3,089	(2,522)	9,573	1,974
Federal Contributions for Education					
Loan Programs	23,224		(1,577)	21,647	0
Total Higher Education, as restated	\$ 556,425	\$ 19,096	\$ (40,334)	\$ 535,187	\$ 55,293

* Changes in activity for Compensated Absences is shown net in the Additions column.

a. Revenue Bonds and Trust Certificates – Higher Education
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 2025 equaled \$36.7 million. Following are revenue bonds outstanding at June 30, 2025, (Expressed in Thousands):

Bond Series	Maturity Through	Interest Rates	Amount
2006 Direct Placement	2026	3.920%	\$ 655
2007 Direct Placement	2029	3.880%	2,270
2008 Direct Placement	2028	3.880%	965
2008B Direct Placement	2028	4.550%	1,145
2013A	2028	3.000%-4.000%	3,005
2014B	2033	5.000%	4,820
2015	2040	4.000%-5.000%	13,175
2016	2041	4.000%-5.000%	15,210
2017A	2042	4.000%-5.000%	66,180
2019A	2044	3.000%-5.000%	10,845
2019B	2036	2.750%-3.350%	3,480
2021	2036	3.000%-4.000%	30,215
2023A	2039	5.000%	12,825
Less Unamortized Discount			(60)
Add Unamortized Premium			17,134
Total			\$ 181,864

As of June 30, 2025, 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	
2026	\$ 11,380	\$ 6,998	\$ 1,865	\$ 193	\$ 20,436
2027	11,860	6,471	1,255	117	19,703
2028	12,405	5,932	1,315	66	19,718
2029	11,895	5,367	600	12	17,874
2030	12,075	4,818			16,893
2031-2035	58,350	15,752			74,102
2036-2040	34,215	5,113			39,328
2041-2045	7,575	478			8,053
Total	\$ 159,755	\$ 50,929	\$ 5,035	\$ 388	\$ 216,107

South Dakota Building Authority (SDBA) - 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 Education institutions. Lease payments are made from tuition and fees paid by students. The obligations incurred or created by the SDBA may not be a lien, charge, or liability against the State of South Dakota.

Following is a schedule of bonds outstanding at June 30, 2025, (Expressed in Thousands):

Bond Series	Maturity Through	Interest Rates	Amount
2014D	2026	5.000%	\$ 298
2017A	2042	4.000%-5.000%	9,065
2018A	2040	5.000%	23,075
2019A	2034	4.000%-5.000%	7,590
2019B	2038	2.062%-3.201%	54,410
2020A	2040	0.802%-2.619%	58,944
2020B	2029	0.676%-1.732%	6,665
2020C	2045	3.000%-4.000%	19,975
2022A	2046	4.000%	8,420
2022B Direct Placement	2035	2.170%	9,090
2025A	2045	4.125%-5.000%	4,970
Add Unamortized Premium			9,562
Total			\$ 212,064

As of June 30, 2025, debt service requirements for principal and interest for the SDBA (Higher Education portion) were as follows (Expressed in Thousands):

Year Ended June 30	Bonds		Direct Placement Bonds		Total
	Principal	Interest	Principal	Interest	
2026	\$ 17,123	\$ 5,997	\$ 50	\$ 197	\$ 23,367
2027	15,708	5,576	702	196	22,182
2028	14,315	5,198	970	181	20,664
2029	14,682	4,826	990	160	20,658
2030	13,919	4,440	1,008	139	19,506
2031-2035	60,991	16,238	5,370	354	82,953
2036-2040	44,164	6,874			51,038
2041-2045	11,935	1,521			13,456
2046-2050	575	23			598
Total	\$ 193,412	\$ 50,693	\$ 9,090	\$ 1,227	\$ 254,422

b. Leases Payable - Higher Education

During the fiscal year the Higher Education institutions had 12 lessee lease agreements for the use of land, buildings, and equipment. The terms of the leases range from 1 to 9 years. The leases have a weighted average interest rate of 4.38%.

The following schedule is a summary of the future minimum principal and interest lease payments as of June 30, 2025, (Expressed in Thousands):

Year Ended June 30	Principal	Interest
2026	\$ 1,534	\$ 534
2027	1,391	471
2028	1,278	419
2029	1,346	363
2030	1,420	307
2031-2035	6,899	600
Total	\$ 13,868	\$ 2,694

c. Subscription IT Payable - Higher Education

During the year, Higher Education institutions had 21 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 6 years and have a weighted average interest rate of 4.70%. The related obligations are presented in 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 lease payments as of June 30, 2025, (Expressed in Thousands):

Year Ended June 30	Principal	Interest
2026	\$ 1,163	\$ 93
2027	765	65
2028	491	36
2029	317	17
2030	64	6
2031-2035	67	3
Total	\$ 2,867	\$ 220

d. Notes Payable and Installment Purchases - Higher Education

Higher Education institutions also enter into purchase agreements for various facilities and equipment. The following schedule is a summary of the future minimum payments under notes and installment purchases (including advances from the Primary Government to Higher Education), together with the present value of the net minimum lease payments as of June 30, 2025, (Expressed in Thousands):

Year Ended June 30	Principal	Interest
2026	\$ 1,974	\$ 258
2027	1,539	203
2028	1,149	145
2029	1,031	103
2030	518	70
2031-2035	1,998	210
2036-2040	1,015	91
2041-2045	239	47
2046-2050	110	5
Total	\$ 9,573	\$ 1,132

e. Refunded and Defeased Bonds - Higher Education

The Series 2014B bonds were called on September 1, 2024. The Series 2015B bonds were called on June 1, 2025.

During the 2025 Legislative Session, Senate Bill 56 was passed that set aside \$15.5 million in a cash center held with the State Investment Council. These Funds were used to pay off a portion of the Series 2018A bonds (\$15.5 million), which will be called on June 1, 2028.

2. South Dakota Housing Development Authority

The South Dakota Housing Development Authority (SDHDA) 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 SDHDA issues negotiable notes and bonds in amounts authorized by the Governor of South Dakota. Notes and bonds of the SDHDA 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 SDHDA. Outstanding long-term liabilities at June 30, 2025, were \$2.3 billion.

3. South Dakota Ellsworth Development Authority

The South Dakota Ellsworth Development Authority (SDEDA) 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 SDEDA shall constitute debt or liability or obligation of the State of South Dakota, or any political subdivision or a pledge of the faith and credit of the State or any political subdivision. Debt payments will be paid with pledged user fees from operating the wastewater treatment plant. Outstanding long-term liabilities at June 30, 2025, were \$15.1 million.

4. South Dakota Economic Development Finance Authority

The South Dakota Economic Development Finance Authority (EDFA) makes 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 EDFA issues pooled and stand-alone bond issues. 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. 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. Outstanding long-term liabilities as of June 30, 2025, were \$5.3 million.

5. South Dakota Science and Technology Authority

The South Dakota Science and Technology Authority's (SDSTA) purpose is 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 SDSTA 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 first premier Underground Science and Engineering Laboratory, also known as the Sanford Underground Research Facility. The SDSTA is authorized by South Dakota codified law. Outstanding long-term liabilities as of June 30, 2025, were \$7.4 million.

Additional long-term liabilities disclosures for the State's discretely presented and fiduciary component units can be found within their separately issued reports.

D. 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, 2025, as recommended by the National Association of College and University Business Officers (NACUBO) (Expressed in Thousands):

Function	Personal			Supplies & Noncapitalized	Grants &	Interest &	Depreciation and	Total
	Services	Travel	Contractual	Equipment	Subsidies	Other Expenses	Amortization	
Instruction	\$ 219,246	\$ 4,392	\$ 13,934	\$ 9,477	\$ 455	\$	\$ 6,954	\$ 254,458
Research	63,145	3,224	12,431	12,375	24,078	1	5,764	121,018
Public Service	47,490	2,441	8,553	9,123	2,623	25	674	70,929
Academic Support	57,499	1,064	12,880	6,564	24		2,267	80,298
Student Services	63,086	11,252	14,520	10,657	277	135	1,672	101,599
Institutional Support	63,671	767	21,765	4,833	1,161	962	5,300	98,459
O&M of Plant	36,444	303	22,838	5,975	1	5	52,709	118,275
Scholarships and Fellowships	1,107	3	122	77	31,594	865		33,768
Auxilliary Enterprises	15,135	102	51,931	14,851	8	296	2,749	85,072
Other						38	2,678	2,716
	\$ 566,823	\$ 23,548	\$ 158,974	\$ 73,932	\$ 60,221	\$ 2,327	\$ 80,767	\$ 966,592

E. Commitments

Higher Education has commitments totaling \$94.1 million for construction projects, renovation projects, and coaching contracts.

Additional commitment disclosures for the State's discretely presented and fiduciary component units can be found within their separately issued reports.

F. Related Party Transactions

The following transactions occurred between Higher Education and other component units:

The South Dakota State University Foundation and the **University of South Dakota Foundation** have notes receivable of \$2.0 million each from South Dakota Science and Technology Authority (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, 2028.

The following transactions occurred between Higher Education and external entities:

Dakota Bioproducts Innovation Institute is a corporation that is a related party of the **South Dakota Board of Regents**. **South Dakota State University** and **South Dakota School of Mines and Technology** made payments to Dakota Bioproducts totaling \$2.3 million for subrecipient research activity, equipment purchases, and construction expenses.

Additional related party transactions for the State's discretely presented and fiduciary component units can be found within their separately issued reports.

G. Public-Private Partnerships

Higher Education 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, 2025, retail sales totaled \$6.8 million, and the universities received \$1.3 million in commission revenue.

H. Subsequent Events**South Dakota Board of Regents**

In July 2025, the South Dakota Board of Regents, a discretely presented component unit of the State, issued \$30.0 million of Housing and Auxiliary Facilities System Revenue Bonds.

South Dakota Housing Development Authority

In October 2025, the South Dakota Housing Development Authority, a discretely presented component unit of the State, issued Homeownership Mortgage Bonds of \$150.0 million. In addition, the Authority entered into an interest rate swap agreement related to the 2025 Series G Bonds.



REQUIRED SUPPLEMENTARY INFORMATION

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

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

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	BUDGETED AMOUNTS			Variance with
	Original	Final	Actual Amounts	Final Budget
RESOURCES (inflows) AVAILABLE FOR APPROPRIATION				
ONGOING RESOURCES				
Sales and Use Tax	\$ 1,503,100	\$ 1,436,353	\$ 1,432,632	\$ (3,721)
Lottery	183,127	182,429	176,650	(5,779)
Contractor's Excise Tax	221,366	212,186	212,001	(185)
Insurance Company Tax	125,090	137,847	140,942	3,095
Unclaimed Property Receipts	61,014	60,253	60,253	0
Licenses, Permits, and Fees	77,611	76,510	76,649	139
Tobacco Taxes	42,537	41,088	40,280	(808)
Trust Funds	50,387	50,418	50,366	(52)
Net Transfers In	25,349	27,599	27,925	326
Alcohol Beverage Tax	9,149	8,768	8,730	(38)
Bank Franchise Tax	17,715	28,532	26,180	(2,352)
Charges for Goods and Services	13,497	13,285	12,795	(490)
Telecommunications Tax	2,196	2,139	2,237	98
Severance Taxes	9,882	14,594	14,719	125
Investment Income and Interest	74,319	96,189	96,235	46
Alcohol Beverage 2% Wholesale Tax	3,154	3,144	3,015	(129)
TOTAL ONGOING	2,419,493	2,391,334	2,381,609	(9,725)
ONE-TIME RESOURCES				
Unexpended Carryovers and Specials	0	0	4,935	4,935
Bank Franchise Tax Prior Year Revenue	0	1,540	1,414	(126)
One-Time Sales Unclaimed Property Receipts	0	176,321	223,720	47,399
Prior Year Carryover and Encumbered	92,868	92,868	92,868	0
TOTAL ONE-TIME RESOURCES	92,868	270,729	322,937	52,208
TOTAL RESOURCES AVAILABLE FOR APPROPRIATION				
	\$ 2,512,361	\$ 2,662,063	\$ 2,704,546	\$ 42,483
CHARGES TO APPROPRIATIONS (outflows)				
OFFICE OF THE GOVERNOR				
Personal Services	\$ 2,422	\$ 2,422	\$ 2,422	\$ 0
Operating Expenses	563	563	563	0
TOTAL	2,985	2,985	2,985	0
GOVERNOR'S CONTINGENCY FUND				
Personal Services	0	0	0	0
Operating Expenses	75	75	75	0
TOTAL	75	75	75	0
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT				
Personal Services	3,204	3,204	3,054	150
Operating Expenses	62,358	62,370	58,850	3,520
TOTAL	65,562	65,574	61,904	3,670
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
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
LIEUTENANT GOVERNOR				
Personal Services	\$ 27	\$ 27	\$ 27	\$ 0
Operating Expenses	15	15	13	2
TOTAL	42	42	40	2
BUREAU OF FINANCE AND MANAGEMENT				
Personal Services	10,521	10,521	2,535	7,986
Operating Expenses	60,594	114,320	63,623	50,697
TOTAL	71,115	124,841	66,158	58,683
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	258	258	258	0
Operating Expenses	228	229	223	6
TOTAL	486	487	481	6
STATEWIDE MAINTENANCE AND REPAIR				
Personal Services	0	0	0	0
Operating Expenses	34,201	43,583	16,225	27,358
TOTAL	34,201	43,583	16,225	27,358
OFFICE OF HEARING EXAMINERS				
Personal Services	384	384	384	0
Operating Expenses	101	102	99	3
TOTAL	485	486	483	3
PERSONNEL MANAGEMENT AND EMPLOYEE BENEFITS				
Personal Services	311	311	311	0
Operating Expenses	73	75	75	0
TOTAL	384	386	386	0
SOUTH DAKOTA PUBLIC BROADCASTING				
Personal Services	3,988	3,988	3,988	0
Operating Expenses	1,576	1,699	1,699	0
TOTAL	5,564	5,687	5,687	0
STATE RADIO ENGINEERING				
Personal Services	1,212	1,212	1,171	41
Operating Expenses	4,298	4,725	4,648	77
TOTAL	5,510	5,937	5,819	118
DEPARTMENT TOTAL, EXECUTIVE MANAGEMENT				
Personal Services	22,327	22,327	14,150	8,177
Operating Expenses	167,083	230,757	149,093	81,664
TOTAL	189,410	253,084	163,243	89,841
SECRETARIAT				
Personal Services	781	781	0	781
Operating Expenses	19,474	19,474	18,485	989
TOTAL	20,255	20,255	18,485	1,770
MOTOR VEHICLES				
Personal Services	0	0	0	0
Operating Expenses	8,333	8,333	8,333	0
TOTAL	8,333	8,333	8,333	0

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
PROPERTY TAXES				
Personal Services	\$ 873	\$ 884	\$ 859	\$ 25
Operating Expenses	920	1,352	664	688
TOTAL	<u>1,793</u>	<u>2,236</u>	<u>1,523</u>	<u>713</u>
DEPARTMENT TOTAL, REVENUE				
Personal Services	1,654	1,665	859	806
Operating Expenses	28,727	29,159	27,482	1,677
TOTAL	<u>30,381</u>	<u>30,824</u>	<u>28,341</u>	<u>2,483</u>
ADMINISTRATION, SECRETARY OF AGRICULTURE & NATURAL RESOURCES				
Personal Services	1,216	1,216	1,216	0
Operating Expenses	846	882	882	0
TOTAL	<u>2,062</u>	<u>2,098</u>	<u>2,098</u>	<u>0</u>
AGRICULTURAL AND ENVIRONMENTAL SERVICES				
Personal Services	3,887	3,761	3,761	0
Operating Expenses	589	644	644	0
TOTAL	<u>4,476</u>	<u>4,405</u>	<u>4,405</u>	<u>0</u>
RESOURCE CONSERVATION AND FORESTRY				
Personal Services	2,327	2,327	1,974	353
Operating Expenses	2,940	2,967	2,492	475
TOTAL	<u>5,267</u>	<u>5,294</u>	<u>4,466</u>	<u>828</u>
ANIMAL INDUSTRY BOARD				
Personal Services	2,530	2,530	2,530	0
Operating Expenses	492	510	510	0
TOTAL	<u>3,022</u>	<u>3,040</u>	<u>3,040</u>	<u>0</u>
STATE FAIR				
Personal Services	0	0	0	0
Operating Expenses	4,326	4,329	2,584	1,745
TOTAL	<u>4,326</u>	<u>4,329</u>	<u>2,584</u>	<u>1,745</u>
FINANCIAL AND TECHNICAL ASSISTANCE				
Personal Services	2,117	2,117	2,117	0
Operating Expenses	434	462	462	0
TOTAL	<u>2,551</u>	<u>2,579</u>	<u>2,579</u>	<u>0</u>
OFFICE OF WATER				
Personal Services	1,598	1,668	1,668	0
Operating Expenses	449	562	562	0
TOTAL	<u>2,047</u>	<u>2,230</u>	<u>2,230</u>	<u>0</u>
DEPARTMENT TOTAL, AGRICULTURE & NATURAL RESOURCES				
Personal Services	13,675	13,619	13,266	353
Operating Expenses	10,076	10,356	8,136	2,220
TOTAL	<u>23,751</u>	<u>23,975</u>	<u>21,402</u>	<u>2,573</u>
ARTS				
Personal Services	0	0	0	0
Operating Expenses	15	15	15	0
TOTAL	<u>15</u>	<u>15</u>	<u>15</u>	<u>0</u>
DEPARTMENT TOTAL, TOURISM				
Personal Services	0	0	0	0
Operating Expenses	15	15	15	0
TOTAL	<u>15</u>	<u>15</u>	<u>15</u>	<u>0</u>

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with
	Original	Final		Final Budget
ADMINISTRATION, SECRETARY OF GAME, FISH, AND PARKS				
Personal Services	\$ 197	\$ 197	\$ 197	\$ 0
Operating Expenses	5,405	5,405	5,405	0
TOTAL	5,602	5,602	5,602	0
STATE PARKS AND RECREATION				
Personal Services	4,012	4,012	4,012	0
Operating Expenses	2,448	2,448	2,448	0
TOTAL	6,460	6,460	6,460	0
DEPARTMENT TOTAL, GAME, FISH, AND PARKS				
Personal Services	4,209	4,209	4,209	0
Operating Expenses	7,853	7,853	7,853	0
TOTAL	12,062	12,062	12,062	0
OFFICE OF TRIBAL RELATIONS				
Personal Services	685	712	710	2
Operating Expenses	195	180	165	15
TOTAL	880	892	875	17
DEPARTMENT TOTAL, TRIBAL RELATIONS				
Personal Services	685	712	710	2
Operating Expenses	195	180	165	15
TOTAL	880	892	875	17
ADMINISTRATION, SECRETARY OF SOCIAL SERVICES				
Personal Services	7,359	7,359	7,359	0
Operating Expenses	7,837	8,005	7,998	7
TOTAL	15,196	15,364	15,357	7
ECONOMIC ASSISTANCE				
Personal Services	13,891	13,891	13,891	0
Operating Expenses	29,448	26,949	26,460	489
TOTAL	43,339	40,840	40,351	489
MEDICAL SERVICES				
Personal Services	3,130	3,130	2,346	784
Operating Expenses	401,412	339,645	330,837	8,808
TOTAL	404,542	342,775	333,183	9,592
CHILDREN'S SERVICES				
Personal Services	17,686	17,686	17,686	0
Operating Expenses	55,122	51,122	51,095	27
TOTAL	72,808	68,808	68,781	27
BEHAVIORAL HEALTH				
Personal Services	42,193	42,193	41,840	353
Operating Expenses	108,713	96,817	88,747	8,070
TOTAL	150,906	139,010	130,587	8,423
DEPARTMENT TOTAL, SOCIAL SERVICES				
Personal Services	84,259	84,259	83,122	1,137
Operating Expenses	602,532	522,538	505,137	17,401
TOTAL	686,791	606,797	588,259	18,538
ADMINISTRATION, SECRETARY OF HEALTH				
Personal Services	1,693	2,293	2,293	0
Operating Expenses	2,545	4,580	2,969	1,611
TOTAL	4,238	6,873	5,262	1,611

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
LICENSURE AND ACCREDITATION				
Personal Services	\$ 2,381	\$ 2,381	\$ 2,381	\$ 0
Operating Expenses	1,546	1,564	1,564	0
TOTAL	3,927	3,945	3,945	0
FAMILY AND COMMUNITY HEALTH				
Personal Services	3,375	3,375	3,325	50
Operating Expenses	5,747	5,335	3,851	1,484
TOTAL	9,122	8,710	7,176	1,534
LABORATORY SERVICES				
Personal Services	0	0	0	0
Operating Expenses	7,050	7,050	0	7,050
TOTAL	7,050	7,050	0	7,050
EPIDEMIOLOGY, SURVEILLANCE AND INFORMATICS				
Personal Services	232	232	232	0
Operating Expenses	188	189	189	0
TOTAL	420	421	421	0
DEPARTMENT TOTAL, HEALTH				
Personal Services	7,681	8,281	8,231	50
Operating Expenses	17,076	18,718	8,573	10,145
TOTAL	24,757	26,999	16,804	10,195
ADMINISTRATION, SECRETARY OF LABOR				
Personal Services	209	209	209	0
Operating Expenses	2,270	2,271	1,862	409
TOTAL	2,479	2,480	2,071	409
REEMPLOYMENT ASSISTANCE				
Personal Services	0	0	0	0
Operating Expenses	1,391	1,391	60	1,331
TOTAL	1,391	1,391	60	1,331
JOB SERVICE				
Personal Services	770	770	770	0
Operating Expenses	500	507	507	0
TOTAL	1,270	1,277	1,277	0
STATE LABOR LAW ADMINISTRATION				
Personal Services	849	849	849	0
Operating Expenses	116	117	117	0
TOTAL	965	966	966	0
DEPARTMENT TOTAL, LABOR AND REGULATION				
Personal Services	1,828	1,828	1,828	0
Operating Expenses	4,277	4,286	2,546	1,740
TOTAL	6,105	6,114	4,374	1,740
GENERAL OPERATIONS				
Personal Services	693	631	561	70
Operating Expenses	26	87	87	0
TOTAL	719	718	648	70
CONSTRUCTION CONTRACTS - INFO				
Personal Services	0	0	0	0
Operating Expenses	10,000	10,000	0	10,000
TOTAL	10,000	10,000	0	10,000

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
DEPARTMENT TOTAL, TRANSPORTATION				
Personal Services	\$ 693	\$ 631	\$ 561	\$ 70
Operating Expenses	10,026	10,087	87	10,000
TOTAL	10,719	10,718	648	10,070
ADMINISTRATION, SECRETARY OF EDUCATION				
Personal Services	2,603	2,603	2,603	0
Operating Expenses	1,764	1,764	1,764	0
TOTAL	4,367	4,367	4,367	0
STATE AID TO GENERAL EDUCATION				
Personal Services	0	0	0	0
Operating Expenses	605,203	599,242	596,932	2,310
TOTAL	605,203	599,242	596,932	2,310
STATE AID TO SPECIAL EDUCATION				
Personal Services	0	0	0	0
Operating Expenses	96,275	96,275	94,514	1,761
TOTAL	96,275	96,275	94,514	1,761
SPARSITY PAYMENTS				
Personal Services	0	0	0	0
Operating Expenses	2,062	2,277	2,277	0
TOTAL	2,062	2,277	2,277	0
NATIONAL BOARD CERTIFIED TEACHERS				
Personal Services	0	0	0	0
Operating Expenses	88	88	28	60
TOTAL	88	88	28	60
TECHNOLOGY IN SCHOOLS				
Personal Services	0	0	0	0
Operating Expenses	12,995	12,995	12,995	0
TOTAL	12,995	12,995	12,995	0
TECHNICAL COLLEGES				
Personal Services	367	367	353	14
Operating Expenses	51,473	56,115	52,087	4,028
TOTAL	51,840	56,482	52,440	4,042
EDUCATION RESOURCES				
Personal Services	2,548	2,573	2,456	117
Operating Expenses	20,048	20,333	11,347	8,986
TOTAL	22,596	22,906	13,803	9,103
HISTORY				
Personal Services	2,043	2,085	2,085	0
Operating Expenses	5,665	6,014	5,225	789
TOTAL	7,708	8,099	7,310	789
LIBRARY SERVICES				
Personal Services	1,463	1,421	1,176	245
Operating Expenses	1,121	1,121	1,000	121
TOTAL	2,584	2,542	2,176	366
DEPARTMENT TOTAL, EDUCATION				
Personal Services	9,024	9,049	8,673	376
Operating Expenses	796,694	796,224	778,169	18,055
TOTAL	805,718	805,273	786,842	18,431

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
ADMINISTRATION, SECRETARY OF PUBLIC SAFETY				
Personal Services	\$ 519	\$ 519	\$ 519	\$ 0
Operating Expenses	812	814	814	0
TOTAL	1,331	1,333	1,333	0
HIGHWAY PATROL				
Personal Services	770	728	722	6
Operating Expenses	1,109	1,154	1,145	9
TOTAL	1,879	1,882	1,867	15
EMERGENCY SERVICES				
Personal Services	2,866	2,801	2,801	0
Operating Expenses	14,313	14,387	10,503	3,884
TOTAL	17,179	17,188	13,304	3,884
EMERGENCY DISASTER				
Personal Services	0	0	0	0
Operating Expenses	0	7,553	7,553	0
TOTAL	0	7,553	7,553	0
CRIMINAL JUSTICE SERVICES				
Personal Services	298	298	298	0
Operating Expenses	468	5,470	470	5,000
TOTAL	766	5,768	768	5,000
DEPARTMENT TOTAL, PUBLIC SAFETY	4,453	4,346	4,340	6
Personal Services	4,453	4,346	4,340	6
Operating Expenses	16,702	29,378	20,485	8,893
TOTAL	21,155	33,724	24,825	8,899
REGENTS CENTRAL OFFICE				
Personal Services	8,248	7,482	6,175	1,307
Operating Expenses	80,416	90,982	63,017	27,965
TOTAL	88,664	98,464	69,192	29,272
RESEARCH POOL				
Personal Services	0	0	0	0
Operating Expenses	8,405	8,405	8,405	0
TOTAL	8,405	8,405	8,405	0
SOUTH DAKOTA SCHOLARSHIPS				
Personal Services	0	0	0	0
Operating Expenses	6,555	6,352	6,146	206
TOTAL	6,555	6,352	6,146	206
UNIVERSITY OF SOUTH DAKOTA				
Personal Services	48,975	48,975	48,975	0
Operating Expenses	14,865	15,034	14,086	948
TOTAL	63,840	64,009	63,061	948
UNIVERSITY OF SOUTH DAKOTA LAW SCHOOL				
Personal Services	2,452	2,452	2,452	0
Operating Expenses	206	206	206	0
TOTAL	2,658	2,658	2,658	0
UNIVERSITY OF SOUTH DAKOTA SCHOOL OF MEDICINE				
Personal Services	27,207	27,207	27,207	0
Operating Expenses	4,314	4,314	4,314	0
TOTAL	31,521	31,521	31,521	0

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
SOUTH DAKOTA STATE UNIVERSITY				
Personal Services	\$ 65,130	\$ 65,130	\$ 65,130	\$ 0
Operating Expenses	8,653	8,614	8,279	335
TOTAL	73,783	73,744	73,409	335
SDSU EXTENSION				
Personal Services	10,555	10,555	10,555	0
Operating Expenses	341	341	317	24
TOTAL	10,896	10,896	10,872	24
AGRICULTURAL EXPERIMENT STATION				
Personal Services	15,098	15,098	15,096	2
Operating Expenses	6,817	6,817	4,124	2,693
TOTAL	21,915	21,915	19,220	2,695
SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY				
Personal Services	23,621	23,621	23,621	0
Operating Expenses	1,819	1,701	1,701	0
TOTAL	25,440	25,322	25,322	0
NORTHERN STATE UNIVERSITY				
Personal Services	16,105	16,077	16,077	0
Operating Expenses	1,390	1,245	1,212	33
TOTAL	17,495	17,322	17,289	33
NSU - STATEWIDE HIGH SCHOOL E-LEARNING				
Personal Services	3,774	3,765	3,765	0
Operating Expenses	369	426	426	0
TOTAL	4,143	4,191	4,191	0
BLACK HILLS STATE UNIVERSITY				
Personal Services	15,491	15,491	15,491	0
Operating Expenses	1,381	1,418	1,418	0
TOTAL	16,872	16,909	16,909	0
DAKOTA STATE UNIVERSITY				
Personal Services	30,010	30,010	19,098	10,912
Operating Expenses	7,998	8,267	4,830	3,437
TOTAL	38,008	38,277	23,928	14,349
SOUTH DAKOTA SERVICES FOR THE DEAF				
Personal Services	2,359	2,247	2,239	8
Operating Expenses	876	990	988	2
TOTAL	3,235	3,237	3,227	10
SOUTH DAKOTA SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED				
Personal Services	3,297	2,662	2,648	14
Operating Expenses	640	1,278	1,270	8
TOTAL	3,937	3,940	3,918	22
DEPARTMENT TOTAL, BOARD OF REGENTS				
Personal Services	272,322	270,772	258,529	12,243
Operating Expenses	145,045	156,390	120,739	35,651
TOTAL	417,367	427,162	379,268	47,894
ADJUTANT GENERAL				
Personal Services	603	603	603	0
Operating Expenses	3,352	3,355	2,212	1,143
TOTAL	3,955	3,958	2,815	1,143

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
ARMY GUARD				
Personal Services	\$ 564	\$ 564	\$ 562	\$ 2
Operating Expenses	6,656	7,232	3,462	3,770
TOTAL	7,220	7,796	4,024	3,772
AIR GUARD				
Personal Services	305	305	305	0
Operating Expenses	325	326	326	0
TOTAL	630	631	631	0
DEPARTMENT TOTAL, MILITARY				
Personal Services	1,472	1,472	1,470	2
Operating Expenses	10,333	10,913	6,000	4,913
TOTAL	11,805	12,385	7,470	4,915
VETERANS' BENEFITS AND SERVICES				
Personal Services	1,716	1,716	1,703	13
Operating Expenses	1,489	1,494	685	809
TOTAL	3,205	3,210	2,388	822
STATE VETERANS' HOME				
Personal Services	2,640	2,640	2,640	0
Operating Expenses	0	1,060	1,060	0
TOTAL	2,640	3,700	3,700	0
STATE VETERANS' CEMETERY				
Personal Services	96	96	96	0
Operating Expenses	78	155	80	75
TOTAL	174	251	176	75
DEPARTMENT TOTAL, VETERANS' AFFAIRS				
Personal Services	4,452	4,452	4,439	13
Operating Expenses	1,567	2,709	1,825	884
TOTAL	6,019	7,161	6,264	897
ADMINISTRATION, CENTRAL OFFICE				
Personal Services	3,803	3,640	3,636	4
Operating Expenses	3,091	3,040	3,038	2
TOTAL	6,894	6,680	6,674	6
MIKE DURFEE STATE PRISON				
Personal Services	19,949	21,044	21,042	2
Operating Expenses	10,553	11,877	11,871	6
TOTAL	30,502	32,921	32,913	8
STATE PENITENTIARY				
Personal Services	28,336	28,467	28,465	2
Operating Expenses	20,200	20,530	20,530	0
TOTAL	48,536	48,997	48,995	2
WOMEN'S PRISON				
Personal Services	7,709	7,408	7,407	1
Operating Expenses	13,865	14,270	8,765	5,505
TOTAL	21,574	21,678	16,172	5,506
INMATE SERVICES				
Personal Services	20,607	17,080	17,075	5
Operating Expenses	24,140	28,659	28,632	27
TOTAL	44,747	45,739	45,707	32

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
PAROLE SERVICES				
Personal Services	\$ 6,453	\$ 6,194	\$ 6,193	\$ 1
Operating Expenses	2,555	3,059	3,058	1
TOTAL	9,008	9,253	9,251	2
JUVENILE COMMUNITY CORRECTIONS				
Personal Services	2,166	2,058	2,057	1
Operating Expenses	11,827	9,635	9,635	0
TOTAL	13,993	11,693	11,692	1
DEPARTMENT TOTAL, CORRECTIONS				
Personal Services	89,023	85,891	85,875	16
Operating Expenses	86,231	91,070	85,529	5,541
TOTAL	175,254	176,961	171,404	5,557
ADMINISTRATION, SECRETARY OF HUMAN SERVICES				
Personal Services	1,463	1,409	1,404	5
Operating Expenses	678	643	424	219
TOTAL	2,141	2,052	1,828	224
DEVELOPMENTAL DISABILITIES				
Personal Services	1,544	1,444	1,433	11
Operating Expenses	119,872	118,038	118,038	0
TOTAL	121,416	119,482	119,471	11
SOUTH DAKOTA DEVELOPMENTAL CENTER - REDFIELD				
Personal Services	8,688	8,699	8,695	4
Operating Expenses	2,429	2,713	2,599	114
TOTAL	11,117	11,412	11,294	118
LONG-TERM SERVICES AND SUPPORT				
Personal Services	3,507	3,826	3,826	0
Operating Expenses	151,170	142,908	139,572	3,336
TOTAL	154,677	146,734	143,398	3,336
REHABILITATION SERVICES				
Personal Services	1,221	1,221	1,221	0
Operating Expenses	5,899	5,359	5,359	0
TOTAL	7,120	6,580	6,580	0
SERVICES TO THE BLIND AND VISUALLY IMPAIRED				
Personal Services	703	613	613	0
Operating Expenses	505	258	258	0
TOTAL	1,208	871	871	0
DEPARTMENT TOTAL, HUMAN SERVICES				
Personal Services	17,126	17,212	17,192	20
Operating Expenses	280,553	269,919	266,250	3,669
TOTAL	297,679	287,131	283,442	3,689
ADMINISTRATION, PUBLIC UTILITIES COMMISSION				
Personal Services	683	688	688	0
Operating Expenses	68	65	65	0
TOTAL	751	753	753	0
DEPARTMENT TOTAL, PUBLIC UTILITIES COMMISSION				
Personal Services	683	688	688	0
Operating Expenses	68	65	65	0
TOTAL	751	753	753	0

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
UNIFIED JUDICIAL SYSTEM				
Personal Services	\$ 57,442	\$ 57,442	\$ 56,895	\$ 547
Operating Expenses	6,941	6,941	6,536	405
TOTAL	64,383	64,383	63,431	952
EQUAL ACCESS TO OUR COURTS				
Personal Services	0	0	0	0
Operating Expenses	300	300	300	0
TOTAL	300	300	300	0
INDIGENT LEGAL SERVICES				
Personal Services	824	824	204	620
Operating Expenses	3,617	3,617	3,031	586
TOTAL	4,441	4,441	3,235	1,206
DEPARTMENT TOTAL, UNIFIED JUDICIAL SYSTEM				
Personal Services	58,266	58,266	57,099	1,167
Operating Expenses	10,858	10,858	9,867	991
TOTAL	69,124	69,124	66,966	2,158
LEGISLATIVE OPERATIONS				
Personal Services	0	0	0	0
Operating Expenses	0	0	0	0
Appropriation	9,864	10,037	9,813	224
TOTAL	9,864	10,037	9,813	224
AUDITOR GENERAL				
Personal Services	5,188	5,188	4,762	426
Operating Expenses	534	551	474	77
Appropriation	0	0	0	0
TOTAL	5,722	5,739	5,236	503
DEPARTMENT TOTAL, LEGISLATIVE DEPARTMENT				
Personal Services	5,188	5,188	4,762	426
Operating Expenses	534	551	474	77
Appropriation	9,864	10,037	9,813	224
TOTAL	15,586	15,776	15,049	727
LEGAL SERVICES PROGRAM				
Personal Services	6,420	6,420	6,420	0
Operating Expenses	8,055	8,080	1,162	6,918
TOTAL	14,475	14,500	7,582	6,918
CRIMINAL INVESTIGATION				
Personal Services	8,546	8,546	8,546	0
Operating Expenses	9,142	9,181	6,528	2,653
TOTAL	17,688	17,727	15,074	2,653
LAW ENFORCEMENT TRAINING				
Personal Services	0	0	0	0
Operating Expenses	185	295	295	0
TOTAL	185	295	295	0
DEPARTMENT TOTAL, ATTORNEY GENERAL				
Personal Services	14,966	14,966	14,966	0
Operating Expenses	17,382	17,556	7,985	9,571
TOTAL	32,348	32,522	22,951	9,571
ADMINISTRATION OF SCHOOL AND PUBLIC LANDS				
Personal Services	700	700	700	0
Operating Expenses	12,266	25,315	2,890	22,425
TOTAL	12,966	26,015	3,590	22,425

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
DEPARTMENT TOTAL, SCHOOL AND PUBLIC LANDS				
Personal Services	\$ 700	\$ 700	\$ 700	\$ 0
Operating Expenses	12,266	25,315	2,890	22,425
TOTAL	12,966	26,015	3,590	22,425
SECRETARY OF STATE				
Personal Services	906	906	800	106
Operating Expenses	1,037	1,181	1,067	114
TOTAL	1,943	2,087	1,867	220
DEPARTMENT TOTAL, SECRETARY OF STATE				
Personal Services	906	906	800	106
Operating Expenses	1,037	1,181	1,067	114
TOTAL	1,943	2,087	1,867	220
TREASURY MANAGEMENT				
Personal Services	527	527	512	15
Operating Expenses	504	514	315	199
TOTAL	1,031	1,041	827	214
UNCLAIMED PROPERTY OPERATIONS				
Personal Services	582	582	568	14
Operating Expenses	796	907	888	19
TOTAL	1,378	1,489	1,456	33
DEPARTMENT TOTAL, STATE TREASURER				
Personal Services	1,109	1,109	1,080	29
Operating Expenses	1,300	1,421	1,203	218
TOTAL	2,409	2,530	2,283	247
STATE AUDITOR				
Personal Services	1,575	1,575	1,567	8
Operating Expenses	230	239	221	18
TOTAL	1,805	1,814	1,788	26
DEPARTMENT TOTAL, STATE AUDITOR				
Personal Services	1,575	1,575	1,567	8
Operating Expenses	230	239	221	18
TOTAL	1,805	1,814	1,788	26
STATE TOTAL				
Personal Services	618,276	614,123	589,116	25,007
Operating Expenses	2,228,660	2,247,738	2,011,856	235,882
Appropriation	9,864	10,037	9,813	224
TOTAL CHARGES TO APPROPRIATION	\$ 2,856,800	\$ 2,871,898	\$ 2,610,785	\$ 261,113
NON-BUDGETED OUTFLOWS				
Transfer to Budget Reserve Fund	\$ 0	\$ 0	\$ 80,735	\$ (80,735)
Non-budgeted Transfers Out	0	0	32,081	(32,081)
TOTAL NON-BUDGETED OUTFLOWS	\$ 0	\$ 0	\$ 112,816	\$ (112,816)
CHANGE IN BUDGETARY FUND BALANCE	\$ (344,439)	\$ (209,835)	\$ (19,055)	\$ 190,780
BUDGETARY FUND BALANCE JULY 1, 2024	422,952	422,952	422,952	0
BUDGETARY FUND BALANCE JUNE 30, 2025	\$ 78,513	\$ 213,117	\$ 403,897	\$ 190,780

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

**STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)**

	<u>General Fund</u>
Inflows of Resources:	
Actual amounts (budgetary basis) "Amounts Available for Appropriation" from the budgetary comparison schedule	\$ 2,704,546
Differences-budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(139,756)
To adjust revenues for accruals and other year-end entries such as the recording tax receivables, shared revenue receipts, and reclassification of lottery revenues	(161,345)
To adjust revenues for statutorily created funds that do not qualify as special revenue funds	118,156
Prior year carryover and encumbered amounts are inflows of budgetary resources but are not revenues for financial reporting purposes	(92,868)
Unexpended carryovers, specials, and deferred maintenances are inflows of budgetary resources but are not revenues for financial reporting purposes	(4,935)
Sales of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	(285)
Insurance proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes	(100)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	<u>\$ 2,423,413</u>
	<u>General Fund</u>
Uses/Outflows of Resources:	
Actual amounts (budgetary basis) "Total Charges to Appropriations" from the budgetary comparison schedule	\$ 2,610,785
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.	(81,433)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(65,392)
To adjust expenditures/expenses for accruals and other year-end entries such as the recording of food stamps and shared revenue distribution	(11,195)
To adjust expenditures/expenses for statutorily created funds that do not qualify as special revenue funds	146,956
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	<u>\$ 2,599,721</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, 2025, 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, 2025, has also been included as Required Supplementary Information.

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
SOUTH DAKOTA RETIREMENT SYSTEM
July 1, 2023 to June 30, 2024 Measurement Date
Last Ten Fiscal Years
(Dollars Expressed in Thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
State's proportion of net pension liability (asset)	21.5554%	20.6044%	20.5610%	20.4454%	20.6484%	20.7313%	21.0494%	21.5782%	22.2682%	22.4498%
State's proportionate share of the net pension liability (asset)	\$ (877)	\$ (2,012)	\$ (1,945)	\$ (156,577)	\$ (898)	\$ (2,195)	\$ (489)	\$ (1,958)	\$ 75,220	\$ (95,216)
State's covered payroll	\$ 568,867	\$ 498,296	\$ 461,360	\$ 436,935	\$ 426,298	\$ 413,938	\$ 409,773	\$ 410,337	\$ 395,647	\$ 389,949
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(0.15%)	(0.40%)	(0.42%)	(35.84%)	(0.21%)	(0.53%)	(0.12%)	(0.48%)	19.01%	(24.42%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.03%	100.07%	100.07%	105.52%	100.04%	100.08%	100.02%	100.10%	96.90%	104.10%

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

STATE OF SOUTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SOUTH DAKOTA RETIREMENT SYSTEM
June 30, 2025
Last Ten Fiscal Years
(Dollars Expressed in Thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 38,334	\$ 36,289	\$ 31,875	\$ 29,452	\$ 27,834	\$ 27,199	\$ 26,441	\$ 26,231	\$ 26,313	\$ 25,406
Contributions in relation to the contractually required contribution	(38,334)	(36,289)	(31,875)	(29,452)	(27,834)	(27,199)	(26,441)	(26,231)	(26,313)	(25,406)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
State's covered payroll	\$ 599,875	\$ 568,867	\$ 498,296	\$ 461,360	\$ 436,935	\$ 426,298	\$ 413,938	\$ 409,773	\$ 410,337	\$ 395,647
Contributions as a percentage of covered payroll	6.39%	6.38%	6.40%	6.38%	6.37%	6.38%	6.39%	6.40%	6.41%	6.42%

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

Required Supplementary Information

Notes to Required Supplementary Information – Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions

Changes from Prior Valuation:

The June 30, 2024 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2023 Actuarial Valuation as described below.

Benefit Provision Changes:

During the 2024 Legislative Session no significant SDRS benefit changes were made.

Actuarial Method Changes:

No changes in actuarial methods were made since the prior valuation.

Actuarial Assumption Changes:

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0 percent and no greater than 3.5 percent. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25 percent) is less than 100 percent, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100 percent.

As of June 30, 2023, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25 percent) was less than 100 percent and the July 2024 SDRS COLA was limited to a restricted maximum of 1.91 percent. For the June 30, 2023 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA assumption of 1.91 percent.

As of June 30, 2024, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25 percent is again less than 100 percent and the July 2025 SDRS COLA is limited to a restricted maximum of 1.71 percent. The July 2025 SDRS COLA will equal inflation, between 0 and 1.71 percent. For this June 30, 2024 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.71 percent.

The changes in the actuarial assumption for future COLAs decreased the Actuarial Accrued Liability by \$296 million, or 1.95 percent of the Actuarial Accrued Liability based on the 1.91 percent prior COLA assumption.

Actuarial assumptions are reviewed for reasonability annually and reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2027 Actuarial Valuation and any recommended changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2027 Actuarial Valuation.



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, 2025
(Expressed in Thousands)

	Special Revenue	Debt Service	Permanent	Total
Assets				
Cash and Cash Equivalents	\$ 488,144	\$ 40,974	\$ 146	\$ 529,264
Investments	228,137	15,407	80,358	323,902
Restricted Other Assets		7,632		7,632
Receivables from:				
Taxes, net	2,722			2,722
Interest and Dividends	3,066		60	3,126
Other Funds	8,506			8,506
Component Units	5			5
Other Governments	144,845	79		144,924
Loans and Notes, net	72,587		252	72,839
Other, net	78,074			78,074
Inventory	4,327			4,327
Advances to Component Units	2,867			2,867
Other Assets	1,339			1,339
Total Assets	\$ 1,034,619	\$ 64,092	\$ 80,816	\$ 1,179,527
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts Payable and Other Liabilities	\$ 75,670	\$	\$	\$ 75,670
Payable to:				
Other Funds	82,691		3,746	86,437
Component Units	839			839
Other Governments	69,499			69,499
Unearned Revenue	15,150			15,150
Total Liabilities	243,849	0	3,746	247,595
Deferred Inflows of Resources:				
Related to Leases	1,233			1,233
Unavailable Revenue	68,395			68,395
Total Deferred Inflows of Resources	69,628	0	0	69,628
Fund Balances:				
Nonspendable	140,842		78,324	219,166
Restricted	511,721	64,092		575,813
Committed	72,571			72,571
Assigned	14,728			14,728
Unassigned	(18,720)		(1,254)	(19,974)
Total Fund Balances	721,142	64,092	77,070	862,304
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,034,619	\$ 64,092	\$ 80,816	\$ 1,179,527

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, 2025
(Expressed in Thousands)

	Special Revenue	Debt Service	Permanent	Total
Revenue:				
Taxes	\$ 135,074	\$	\$	\$ 135,074
Licenses, Permits, and Fees	353,068	6,354		359,422
Fines, Forfeits, and Penalties	26,811			26,811
Use of Money and Property	42,645	1,675	6,747	51,067
Sales and Services	23,270			23,270
Administering Programs	897,110			897,110
Tobacco Settlement		19,601		19,601
Other Revenue	24,705			24,705
Total Revenue	1,502,683	27,630	6,747	1,537,060
Expenditures:				
Current:				
General Government	43,729	406	3,285	47,420
Education	219,476			219,476
Health, Human, and Social Services	538,609			538,609
Law, Justice, Public Protection, and Regulation	175,538			175,538
Agriculture and Natural Resources	186,948			186,948
Economic Resources	35,694			35,694
Transportation	14,242			14,242
State Shared Revenue Paid to Other Governments	198,838			198,838
Debt Service:				
Principal	3,815	28,799		32,614
Interest	1,299	5,487		6,786
Total Expenditures	1,418,188	34,692	3,285	1,456,165
Excess of Revenue Over (Under) Expenditures	84,495	(7,062)	3,462	80,895
Other Financing Sources (Uses):				
Lease Issuance	1,984			1,984
Subscriptions	124			124
Proceeds from Sale of Capital Assets	485			485
Transfers In	52,403	46,316		98,719
Transfers Out	(135,086)	(12,256)	(837)	(148,179)
Total Other Financing Sources (Uses)	(80,090)	34,060	(837)	(46,867)
Net Change in Fund Balances	4,405	26,998	2,625	34,028
Fund Balances at Beginning of Year, as previously reported	716,737	37,094	74,445	828,276
Fund Balances at End of Year	\$ 721,142	\$ 64,092	\$ 77,070	\$ 862,304

STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2025
(Expressed in Thousands)

	Education Federal	Human Services	Labor	Health Federal	Governor's Office and State Development Federal
Assets					
Cash and Cash Equivalents	\$	\$	\$ 2,112	\$	\$ 4,610
Investments					
Receivables from:					
Taxes, net					
Interest and Dividends		1	3		3
Other Funds		642	170	222	
Component Units					
Other Governments	30,026	40,685	2,366	12,605	844
Loans and Notes, net					4,934
Other, net				99	
Inventory	274	102	36	3,724	
Advances to Component Units					
Other Assets	70	56		59	
Total Assets	\$ 30,370	\$ 41,486	\$ 4,687	\$ 16,709	\$ 10,391
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts Payable and Other Liabilities	\$ 3,851	\$ 34,983	\$ 1,556	\$ 3,004	\$ 87
Payable to:					
Other Funds	471	3,507	346	7,068	8
Component Units		167		56	
Other Governments	24,902	302	168	220	171
Unearned Revenue	1,076		168	2,578	
Total Liabilities	30,300	38,959	2,238	12,926	266
Deferred Inflows of Resources:					
Related to Leases					
Unavailable Revenue					
Total Deferred Inflows of Resources	0	0	0	0	0
Fund Balances:					
Nonspendable	70	158	36	3,783	
Restricted			1,636		10,125
Committed					
Assigned		2,369	777		
Unassigned					
Total Fund Balances	70	2,527	2,449	3,783	10,125
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 30,370	\$ 41,486	\$ 4,687	\$ 16,709	\$ 10,391

Public Safety Emergency Management	Natural Resources Federal	Game, Fish, and Parks Federal	Game and Fish	Parks and Recreation	Securities and Insurance	Health	Gaming Commission
\$	\$	\$	\$ 7,898	\$ 7,373	\$ 705	\$ 7,996	\$ 7,000
							1,144
			61	27	58		12
2,820			41	74		144	
						5	
8,291	3,390	3,497		302		131	
13,374							
			871	876		9,060	
						145	
14						83	
<u>\$ 24,499</u>	<u>\$ 3,390</u>	<u>\$ 3,497</u>	<u>\$ 8,871</u>	<u>\$ 8,652</u>	<u>\$ 763</u>	<u>\$ 17,564</u>	<u>\$ 8,156</u>
\$ 1,827	\$ 859	\$ 2,076	\$ 6,626	\$ 3,663	\$ 248	\$ 620	\$ 78
23,135	1,770	512	1,636	2,423	31	22	1,074
	31	198	109	1			
647	730	228	108	157		22	615
81		483					5,464
<u>25,690</u>	<u>3,390</u>	<u>3,497</u>	<u>8,479</u>	<u>6,244</u>	<u>279</u>	<u>664</u>	<u>7,231</u>
0	0	0	0	0	0	5,799	0
						5,799	
14							
			392	5,390		228	
						9,708	
					483		925
					1	1,165	
(1,205)				(2,982)			
<u>(1,191)</u>	<u>0</u>	<u>0</u>	<u>392</u>	<u>2,408</u>	<u>484</u>	<u>11,101</u>	<u>925</u>
<u>\$ 24,499</u>	<u>\$ 3,390</u>	<u>\$ 3,497</u>	<u>\$ 8,871</u>	<u>\$ 8,652</u>	<u>\$ 763</u>	<u>\$ 17,564</u>	<u>\$ 8,156</u>

Continued on next page

STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (continued)
June 30, 2025
(Expressed in Thousands)

	Motor Vehicle	Revenue	Future	Vocational Education	Petroleum Release Compensation
Assets					
Cash and Cash Equivalents	\$ 23,318	\$ 3,650	\$ 81,285	\$ 217	\$ 6,563
Investments					
Receivables from:					
Taxes, net					282
Interest and Dividends	112	25	481		41
Other Funds	144	51	27		
Component Units					
Other Governments	16,271	488			
Loans and Notes, net					
Other, net	218				
Inventory					
Advances to Component Units					
Other Assets	3				
Total Assets	\$ 40,066	\$ 4,214	\$ 81,793	\$ 217	\$ 6,886
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts Payable and Other Liabilities	\$ 1,097	\$ 878	\$	\$	\$ 62
Payable to:					
Other Funds	852	416	360		4
Component Units					
Other Governments	32,005				
Unearned Revenue					
Total Liabilities	33,954	1,294	360	0	66
Deferred Inflows of Resources:					
Related to Leases					
Unavailable Revenue	0	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0	0
Fund Balances:					
Nonspendable	3				
Restricted			81,433		
Committed	6,109	3,959			6,820
Assigned				217	
Unassigned		(1,039)			
Total Fund Balances	6,112	2,920	81,433	217	6,820
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 40,066	\$ 4,214	\$ 81,793	\$ 217	\$ 6,886

Maintenance and Repair	Water and Environment	Energy Conservation	Military Federal	Health Care Trust	Railroad Trust	Other	Total
\$ 2,288	\$ 44,023	\$ 10,811	\$	\$ 2,659 226,281	\$ 30,178	\$ 245,458 1,856	\$ 488,144 228,137
	997	25				274	2,722
	281	111		163	420	1,267	3,066
647	773	181				2,570	8,506
	147		11,591			14,211	144,845
	15,954	1,231			33,495	3,599	72,587
					477	66,473	78,074
		2,867				46	4,327
						1,054	2,867
							1,339
<u>\$ 2,935</u>	<u>\$ 62,175</u>	<u>\$ 15,226</u>	<u>\$ 11,591</u>	<u>\$ 229,103</u>	<u>\$ 64,570</u>	<u>\$ 336,808</u>	<u>\$ 1,034,619</u>

\$ 142	\$ 667	\$ 3	\$ 2,276	\$	\$	\$ 11,067	\$ 75,670
316			8,835	8,655	44	21,206	82,691
			9		133	135	839
	1,624		429			7,171	69,499
						5,300	15,150
<u>458</u>	<u>2,291</u>	<u>3</u>	<u>11,549</u>	<u>8,655</u>	<u>177</u>	<u>44,879</u>	<u>243,849</u>

	30					1,233	1,233
	62,566					62,566	68,395
<u>0</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>63,799</u>	<u>69,628</u>

	59,854	14,187		135,631 84,817	63,990	919 180,189	140,842 511,721
149		1,036			403	52,687	72,571
2,328			42			7,829	14,728
						(13,494)	(18,720)
<u>2,477</u>	<u>59,854</u>	<u>15,223</u>	<u>42</u>	<u>220,448</u>	<u>64,393</u>	<u>228,130</u>	<u>721,142</u>
<u>\$ 2,935</u>	<u>\$ 62,175</u>	<u>\$ 15,226</u>	<u>\$ 11,591</u>	<u>\$ 229,103</u>	<u>\$ 64,570</u>	<u>\$ 336,808</u>	<u>\$ 1,034,619</u>

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, 2025
(Expressed in Thousands)

	Education Federal	Human Services	Labor	Health Federal	Governor's Office and State Development Federal
Revenue:					
Taxes	\$	\$	\$ 534	\$	\$
Licenses, Permits, and Fees		79	1,018		
Fines, Forfeits, and Penalties				687	
Use of Money and Property		35	24		104
Sales and Services		2,010			42
Administering Programs	216,804	399,142	22,611	69,097	6,021
Other Revenue	57	54	4	4	28
Total Revenue	216,861	401,320	24,191	69,788	6,195
Expenditures:					
General Government					
Education	217,192				
Health, Human, and Social Services		400,047	27,482	71,067	
Law, Justice, Public Protection, and Regulation			368		
Agriculture and Natural Resources					
Economic Resources					6,077
Transportation					
State Shared Revenue Paid to					
Other Governments					
Debt Service:					
Principal	20	770	832	312	
Interest	3	223	193	75	
Total Expenditures	217,215	401,040	28,875	71,454	6,077
Excess of Revenue Over (Under)					
Expenditures	(354)	280	(4,684)	(1,666)	118
Other Financing Sources (Uses):					
Lease Issuance			190	1,517	
Subscriptions					
Proceeds from Sale of Capital Assets				1	
Transfers In	16	587	3,041	760	
Transfers Out	(56)	(706)		(610)	
Total Other Financing Sources (Uses)	(40)	(119)	3,231	1,668	0
Net Change in Fund Balances	(394)	161	(1,453)	2	118
Fund Balances at Beginning of Year, as previously reported	464	2,366	3,902	3,781	10,007
Fund Balances at End of Year	\$ 70	\$ 2,527	\$ 2,449	\$ 3,783	\$ 10,125

Public Safety Emergency Management	Natural Resources Federal	Game, Fish, and Parks Federal	Game and Fish	Parks and Recreation	Securities and Insurance	Health	Gaming Commission
\$	\$	\$	\$	\$	\$	\$	\$
			41,058	2,121 29,121	26,578 38,853 333	4,482	13,593 5,729 23
76		324	573	5,345	485		104
			218	773		955	
59,283	15,658	27,504	1,510				
574		3	2,115	1,024		12,201	1
59,933	15,658	27,831	45,474	38,384	66,249	17,638	19,450
67,646						11,715	
	15,794	27,220	55,701	32,194	4,311		1,513
							9,171
64	7		15		99	316	37
3	3		2		25	284	78
67,713	15,804	27,220	55,718	32,194	4,435	12,315	10,799
(7,780)	(146)	611	(10,244)	6,190	61,814	5,323	8,651
124							
			288	50		7	
4,951	146		2,090	2,721		155	
		(611)	(435)	(4,325)	(61,781)	(1,096)	(8,568)
5,075	146	(611)	1,943	(1,554)	(61,781)	(934)	(8,568)
(2,705)	0	0	(8,301)	4,636	33	4,389	83
1,514	0	0	8,693	(2,228)	451	6,712	842
\$ (1,191)	\$ 0	\$ 0	\$ 392	\$ 2,408	\$ 484	\$ 11,101	\$ 925

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, 2025
(Expressed in Thousands)

	Motor Vehicle	Revenue	Future	Vocational Education	Petroleum Release Compensation
Revenue:					
Taxes	\$ 4,187	\$ 15,747	\$ 24,360	\$	\$ 3,105
Licenses, Permits, and Fees	161,783	5,105			
Fines, Forfeits, and Penalties	3				
Use of Money and Property	491	197	4,052		340
Sales and Services	1,679				
Administering Programs					
Other Revenue	41				
Total Revenue	168,184	21,049	28,412	0	3,445
Expenditures:					
General Government	10,448	18,319			
Education					
Health, Human, and Social Services					
Law, Justice, Public Protection, and Regulation	11,617				
Agriculture and Natural Resources					1,020
Economic Resources			27,533		
Transportation					
State Shared Revenue Paid to					
Other Governments	146,514	1,379			
Debt Service:					
Principal	269	216			2
Interest	96	70			
Total Expenditures	168,944	19,984	27,533	0	1,022
Excess of Revenue Over (Under)					
Expenditures	(760)	1,065	879	0	2,423
Other Financing Sources (Uses):					
Lease Issuance					
Subscriptions					
Proceeds from Sale of Capital Assets					
Transfers In	1,033				
Transfers Out	(1,090)		(2,206)		(2,337)
Total Other Financing Sources (Uses)	(57)	0	(2,206)	0	(2,337)
Net Change in Fund Balances	(817)	1,065	(1,327)	0	86
Fund Balances at Beginning of Year, as previously reported	6,929	1,855	82,760	217	6,734
Fund Balances at End of Year	\$ 6,112	\$ 2,920	\$ 81,433	\$ 217	\$ 6,820

Maintenance and Repair	Water and Environment	Energy Conservation	Military Federal	Health Care Trust	Railroad Trust	Other	Total
\$	\$ 10,618 2,035	\$ 274	\$	\$	\$ 329	\$ 33,957	\$ 135,074
						63,476	353,068
						25,765	26,811
2	2,389	927	28	13,602	3,002	10,545	42,645
1,626					473	15,494	23,270
			28,457			51,023	897,110
518		3	145		33	7,900	24,705
2,146	15,042	1,204	28,630	13,602	3,837	208,160	1,502,683
3,778				657		10,527	43,729
						2,284	219,476
						28,298	538,609
			28,555			61,528	175,538
	9,753					45,266	186,948
		180				1,904	35,694
					401	13,841	14,242
						41,774	198,838
			52			804	3,815
			23			221	1,299
3,778	9,753	180	28,630	657	401	206,447	1,418,188
(1,632)	5,289	1,024	0	12,945	3,436	1,713	84,495
						277	1,984
							124
						139	485
1,471	1,445					33,987	52,403
	(608)	(151)		(8,655)	(26,250)	(15,601)	(135,086)
1,471	837	(151)	0	(8,655)	(26,250)	18,802	(80,090)
(161)	6,126	873	0	4,290	(22,814)	20,515	4,405
2,638	53,728	14,350	42	216,158	87,207	207,615	716,737
\$ 2,477	\$ 59,854	\$ 15,223	\$ 42	\$ 220,448	\$ 64,393	\$ 228,130	\$ 721,142

STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
June 30, 2025
(Expressed in Thousands)

	Vocational Educational Facilities	Building Authority	Tobacco Securitization	Total
Assets				
Cash and Cash Equivalents	\$ 2,907	\$ 38,067	\$	\$ 40,974
Investments	15,407			15,407
Restricted Other Assets	7,632			7,632
Receivables From:				
Due From Other Governments	79			79
Total Assets	\$ 26,025	\$ 38,067	\$ 0	\$ 64,092
Fund Balances:				
Restricted	\$ 26,025	\$ 38,067	\$	\$ 64,092
Total Fund Balances	26,025	38,067	0	64,092
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,025	\$ 38,067	\$ 0	\$ 64,092

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, 2025
(Expressed in Thousands)

	Vocational Educational Facilities	Building Authority	Tobacco Securitization	Total
Revenue:				
Use of Money and Property	\$ 1,056	\$	\$ 619	\$ 1,675
Tobacco Settlement			19,601	19,601
Licenses, Permits, and Fees	6,354			6,354
Total Revenue	7,410	0	20,220	27,630
Expenditures:				
Current:				
General Government	50	243	113	406
Debt Service:				
Principal	3,847	4,052	20,900	28,799
Interest	3,132	2,069	286	5,487
Total Expenditures	7,029	6,364	21,299	34,692
Excess of Revenue Over (Under) Expenditures	381	(6,364)	(1,079)	(7,062)
Other Financing Sources (Uses):				
Transfers In	1,885	44,431		46,316
Transfers Out		(15)	(12,241)	(12,256)
Total Other Financing Sources (Uses)	1,885	44,416	(12,241)	34,060
Net Change in Fund Balances	2,266	38,052	(13,320)	26,998
Fund Balances at Beginning of Year, as previously reported	23,759	15	13,320	37,094
Fund Balances at End of Year	\$ 26,025	\$ 38,067	\$ 0	\$ 64,092

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2025
(Expressed in Thousands)

Assets	Revolving Economic Development and Initiative	Unemployment Insurance	Second Injury	State Fair	Federal Surplus Property
Current Assets:					
Cash and Cash Equivalents	\$ 104,252	\$ 207,549	\$ 4,239	\$ 1,216	\$ 314
Receivables:					
Interest and Dividends	701		15		2
Other Funds		121			
Component Units					
Other Governments		169			76
Loans, Notes, and Leases, net	3,465				
Other, net	61	6,513			61
Inventory					261
Other Assets					
Total Current Assets	108,479	214,352	4,254	1,216	714
Restricted Assets:					
Net Pension Asset	1			1	1
Capital Assets:					
Land and Other Non-depreciable Assets				192	103
Property, Plant, and Equipment				35,364	559
Right-to-use Leased Assets					
Right-to-use Subscription IT Assets	125				
Accumulated Depreciation and Amortization	(48)			(4,135)	(541)
Construction in Progress				3,134	
Total Capital Assets	77	0	0	34,555	121
Other Noncurrent Assets	42,741	2,240			
Total Assets	151,298	216,592	4,254	35,772	836
Deferred Outflows of Resources					
Related to Pensions	52		3	176	124
Total Deferred Outflows of Resources	52	0	3	176	124
Liabilities					
Current Liabilities:					
Accounts Payable and Other Liabilities	25	150	1	216	53
Payable to:					
Other Funds	10	98		68	9
Other Governments		56		5	
Bonds, Notes, Leases, and Subscription IT Payable	16				
Claims, Judgments, and Compensated Absences	7		1	75	35
Accrued Interest Payable	2				
Unearned Revenue		115		1,320	1
Total Current Liabilities	60	419	2	1,684	98
Noncurrent Liabilities:					
Bonds, Notes, Leases, and Subscription IT Payable	60				
Claims, Judgments, and Compensated Absences	11		2	111	52
Total Noncurrent Liabilities	71	0	2	111	52
Total Liabilities	131	419	4	1,795	150
Deferred Inflows of Resources					
Related to Pensions	36		2	116	87
Related to Leases					
Total Deferred Inflows of Resources	36	0	2	116	87
Net Position					
Net Investment in Capital Assets	2			34,554	121
Restricted for:					
Disaster Relief Fund	11,000				
Pensions	17		1	61	38
Other	1,722				
Unrestricted	138,442	216,173	4,250	(578)	564
Total Net Position	\$ 151,183	\$ 216,173	\$ 4,251	\$ 34,037	\$ 723

Rural Rehabilitation	Prison Industries	S.D. Trust Company Captive Insurance Co.	Professional and Licensing	Banking and Insurance	Other	Total
\$ 7,460	\$ 534	\$ 2,270	\$ 18,934	\$ 14,474	\$ 5,327	\$ 366,569
47	5	13	103	83	21	990
	298		6			425
	48					48
					8	253
213					119	3,797
	138				6	6,779
	1,238				72	1,571
	52				158	210
<u>7,720</u>	<u>2,313</u>	<u>2,283</u>	<u>19,043</u>	<u>14,557</u>	<u>5,711</u>	<u>380,642</u>
	1		6	5	2	17
						295
18	2,069		60		1,012	39,082
			914	680	160	1,754
			1,268			1,393
(17)	(1,497)		(1,347)	(420)	(1,009)	(9,014)
				830	7	3,971
<u>1</u>	<u>572</u>	<u>0</u>	<u>895</u>	<u>1,090</u>	<u>170</u>	<u>37,481</u>
<u>2,348</u>					<u>714</u>	<u>48,043</u>
<u>10,069</u>	<u>2,886</u>	<u>2,283</u>	<u>19,944</u>	<u>15,652</u>	<u>6,597</u>	<u>466,183</u>
<u>3</u>	<u>192</u>		<u>1,187</u>	<u>953</u>	<u>388</u>	<u>3,078</u>
<u>3</u>	<u>192</u>	<u>0</u>	<u>1,187</u>	<u>953</u>	<u>388</u>	<u>3,078</u>
1	220	12	539	4,059	443	5,719
	47		111	34	21	398
			147	134	27	61
1	55		498	509	180	324
			2	1		1,361
	2		906			5
<u>2</u>	<u>324</u>	<u>12</u>	<u>2,203</u>	<u>4,737</u>	<u>671</u>	<u>2,344</u>
						<u>10,212</u>
			412	139	59	670
1	81		732	747	265	2,002
<u>1</u>	<u>81</u>	<u>0</u>	<u>1,144</u>	<u>886</u>	<u>324</u>	<u>2,672</u>
<u>3</u>	<u>405</u>	<u>12</u>	<u>3,347</u>	<u>5,623</u>	<u>995</u>	<u>12,884</u>
2	128		798	628	260	2,057
					770	770
<u>2</u>	<u>128</u>	<u>0</u>	<u>798</u>	<u>628</u>	<u>1,030</u>	<u>2,827</u>
1	572		336	816	85	36,487
						11,000
1	65		395	330	130	1,038
						1,722
10,065	1,908	2,271	16,255	9,208	4,745	403,303
<u>\$ 10,067</u>	<u>\$ 2,545</u>	<u>\$ 2,271</u>	<u>\$ 16,986</u>	<u>\$ 10,354</u>	<u>\$ 4,960</u>	<u>\$ 453,550</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, 2025
(Expressed in Thousands)

	Revolving Economic Development and Initiative	Unemployment Insurance	Second Injury	State Fair	Federal Surplus Property
Operating Revenue:					
Licenses, Permits, and Fees	\$	\$	\$	\$ 1,007	\$
Use of Money and Property	791			822	
Sales and Services				1,142	1,468
Administering Programs		1,238		25	
Assessments		22,936	4,191		
Other Revenue	200			258	1
Total Operating Revenue	991	24,174	4,191	3,254	1,469
Operating Expenses:					
Personal Services and Benefits	295		17	1,619	487
Travel	16			10	4
Contractual Services	333			1,335	423
Supplies and Materials	1			401	687
Other	43			159	
Interest					
Provision for Loan Loss (Recovery)	374				
Depreciation and Amortization				1,063	9
Insurance Claims		35,264	369		
Total Operating Expenses	1,062	35,264	386	4,587	1,610
Operating Income (Loss)	(71)	(11,090)	3,805	(1,333)	(141)
Nonoperating Revenue (Expenses):					
Gain on Disposal of Assets					
Loss on Disposal of Assets					
Investment Income	5,398	7,596	109		20
Other Expense	(42)			(3)	
Grant and Other Income	465				
Total Nonoperating Revenue (Expenses)	5,821	7,596	109	(3)	20
Income (Loss) Before Capital Contributions and Transfers	5,750	(3,494)	3,914	(1,336)	(121)
Capital Contributions and Transfers:					
Capital Contributions				53	
Transfers In	7,165			3,113	
Transfers Out		(909)	(1)		
Net Capital Contributions and Transfers	7,165	(909)	(1)	3,166	0
Change in Net Position	12,915	(4,403)	3,913	1,830	(121)
Net Position at Beginning of Year, as previously reported	138,282	220,576	338	32,297	879
Net Position, restatement	(14)			(90)	(35)
Net Position at Beginning of Year, as restated	138,268	220,576	338	32,207	844
Net Position at End of Year	\$ 151,183	\$ 216,173	\$ 4,251	\$ 34,037	\$ 723

Rural Rehabilitation	Prison Industries	S.D. Trust Company Captive Insurance Co.	Professional and Licensing	Banking and Insurance	Other	Total
\$	\$	\$	\$ 13,286	\$ 5,725	\$ 4,236	\$ 24,254
118						1,731
	4,842	54	286	774	1,127	9,693
			70			1,333
						27,127
			701	1,684	47	2,891
118	4,842	54	14,343	8,183	5,410	67,029
5	1,080		6,478	5,148	2,394	17,523
	12		559	223	254	1,078
2	438	31	4,458	337	855	8,212
	2,715		268	20	280	4,372
100						302
	1					1
						374
	125		585	130	74	1,986
						35,633
107	4,371	31	12,348	5,858	3,857	69,481
11	471	23	1,995	2,325	1,553	(2,452)
			5		1	6
	(6)					(6)
361	40	115	858	687	189	15,373
(1)			(46)	(16)	(6)	(114)
135	13					613
495	47	115	817	671	184	15,872
506	518	138	2,812	2,996	1,737	13,420
						53
			610		110	10,998
	(316)		(187)	(238)	(1)	(1,652)
0	(316)	0	423	(238)	109	9,399
506	202	138	3,235	2,758	1,846	22,819
9,561	2,381	2,133	14,228	8,136	3,322	432,133
	(38)		(477)	(540)	(208)	(1,402)
9,561	2,343	2,133	13,751	7,596	3,114	430,731
\$ 10,067	\$ 2,545	\$ 2,271	\$ 16,986	\$ 10,354	\$ 4,960	\$ 453,550

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2025
(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	\$ 200	\$ 22,866	\$ 4,191	\$ 3,280	\$ 1,258
Receipts from Interfund Services Provided				25	131
Receipts from Federal Agencies		1,157		25	65
Receipts from Loan Payments	8,307				
Payments to Suppliers and for Benefits and Claims	(361)	(35,470)	(392)	(1,353)	(1,009)
Payments for Employee Services	(317)		(17)	(1,614)	(545)
Payments for Interfund Services Used				(433)	(86)
Payments for Loans Originated	(18,789)				
Other Receipts (Payments)	278			247	1
Net Cash Provided (Used) by Operating Activities	(10,682)	(11,447)	3,782	177	(185)
Cash Flows from Capital and Related Financing Activities:					
Capital Contributions				53	
Purchases of Capital Assets				(53)	
Construction in Progress				(3,132)	
Sale or Disposition of Capital Assets					
Payments for Right-to-use Leased Assets					
Payments for Right-to-use Subscription IT Assets					
Net Cash Provided (Used) by Capital and Related Financing Activities	0	0	0	(3,132)	0
Cash Flows from Noncapital Financing Activities:					
Transfers In	7,165			3,113	
Transfers Out		(960)	(1)		
Other Noncapital Financing Activities	465				
Net Cash Provided (Used) by Noncapital Financing Activities	7,630	(960)	(1)	3,113	0
Cash Flows from Investing Activities:					
Investment Income	5,299	7,596	98	14	21
Investment Expense	(22)			(3)	
Net Cash Provided (Used) by Investing Activities	5,277	7,596	98	11	21
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	2,225	(4,811)	3,879	169	(164)
Cash and Cash Equivalents at Beginning of Year	102,027	212,360	360	1,047	478
Cash and Cash Equivalents at End of Year	\$ 104,252	\$ 207,549	\$ 4,239	\$ 1,216	\$ 314
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (71)	\$ (11,090)	\$ 3,805	\$ (1,333)	\$ (141)
Adjustments to Reconcile Operating Income (Loss):					
Depreciation and Amortization Expense				1,063	9
Miscellaneous Operating Items				(114)	
Decrease (Increase) in Assets:					
Accounts Receivable	(47)	(81)			(27)
Bonds, Notes, and Leases Receivable	(10,850)				
Due From Other Funds		12			
Due From Component Units					
Due From Other Governments		(81)			13
Inventory					8
Other Assets	321				
Restricted Net Pension Asset				1	1
Decrease (Increase) in Deferred Outflows of Resources:					
Deferred Outflows - Related to Pensions	9			(2)	16
Increase (Decrease) in Liabilities:					
Accounts Payable	(1)		(23)	26	7
Accrued Liabilities	(11)			(23)	(9)
Compensated Absences Payable	(21)			112	(73)
Due To Other Funds	6			42	4
Unearned Revenue				387	1
Bond and Note Payable					
Policy Claim Liabilities		(207)			
Other Liabilities	(17)				
Increase (Decrease) in Deferred Inflows of Resources:					
Deferred Inflows - Related to Pensions				18	6
Net Cash Provided (Used) by Operating Activities	\$ (10,682)	\$ (11,447)	\$ 3,782	\$ 177	\$ (185)
Noncash Investing, Capital, and Financing Activities:					
Gain (Loss) on Disposal of Capital Assets	\$	\$	\$	\$	\$
Right-to-use Lease Asset Acquisitions and Obligations Entered Into					

Rural Rehabilitation	Prison Industries	S.D. Trust Company Captive Insurance Co.	Professional and Licensing	Banking and Insurance	Other	Total
\$ 114	\$ 1,355	\$ 236	\$ 14,132	\$ 6,499	\$ 5,180	\$ 59,311
	3,396		135		214	3,901
						1,247
405						8,712
(103)	(3,191)	(192)	(4,233)	(2,421)	(1,028)	(49,753)
(2)	(1,011)	(21)	(6,145)	(4,859)	(2,368)	(16,899)
	(147)		(1,110)	(279)	(236)	(2,291)
						(18,789)
			140	1,684	47	2,397
<u>414</u>	<u>402</u>	<u>23</u>	<u>2,919</u>	<u>624</u>	<u>1,809</u>	<u>(12,164)</u>
						53
	(141)		(13)		(23)	(230)
	2				(7)	(3,139)
			(177)	(143)	1	3
			(441)		(32)	(352)
<u>0</u>	<u>(139)</u>	<u>0</u>	<u>(631)</u>	<u>(143)</u>	<u>(61)</u>	<u>(4,106)</u>
			610		110	10,998
	(316)		(187)	(238)	(17)	(1,719)
135	18			42	17	677
<u>135</u>	<u>(298)</u>	<u>0</u>	<u>423</u>	<u>(196)</u>	<u>110</u>	<u>9,956</u>
354	40	116	846	675	155	15,214
(1)			(3)	(3)	(1)	(33)
<u>353</u>	<u>40</u>	<u>116</u>	<u>843</u>	<u>672</u>	<u>154</u>	<u>15,181</u>
902	5	139	3,554	957	2,012	8,867
6,558	529	2,131	15,380	13,517	3,315	357,702
<u>\$ 7,460</u>	<u>\$ 534</u>	<u>\$ 2,270</u>	<u>\$ 18,934</u>	<u>\$ 14,474</u>	<u>\$ 5,327</u>	<u>\$ 366,569</u>
\$ 11	\$ 471	\$ 23	\$ 1,995	\$ 2,325	\$ 1,553	\$ (2,452)
	125		585	130	74	1,986
	(2)				18	(98)
	(67)				(2)	(224)
400						(10,450)
	(91)				2	(77)
	73					73
	(187)				29	(39)
	(52)			(830)	28	(151)
	3		9	7	(4)	(565)
					3	24
(2)	98		116	44	38	317
1	49		(64)	(1,292)	3	(1,294)
2	29		42	31		61
	(8)		124	145	(1)	278
	11		2	9	(2)	72
	2		64			454
			2			2
					57	(207)
						40
<u>2</u>	<u>(52)</u>	<u>44</u>	<u>55</u>	<u>13</u>	<u>86</u>	
<u>\$ 414</u>	<u>\$ 402</u>	<u>\$ 23</u>	<u>\$ 2,919</u>	<u>\$ 624</u>	<u>\$ 1,809</u>	<u>\$ (12,164)</u>
\$	\$ (6)	\$	\$ (1)	\$	\$	\$ (7)
			313			313

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2025
(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	\$ 49,915	\$ 5,420	\$ 2,985	\$ 7,417	\$	\$ 476
Receivables:						
Interest and Dividends	297	29		46		3
Other Funds		2,932	2,563	1,670	2,495	322
Component Units		6	125	102		
Other Governments						
Other, net	7,872	3	12	1		3
Inventory						388
Other Assets	398	943	833	1,451		6
Total Current Assets	58,482	9,333	6,518	10,687	2,495	1,198
Restricted Assets:						
Net Pension Asset	1	27	10	3	5	1
Capital Assets:						
Property, Plant, and Equipment		8,703	4,916	12,145	1,635	380
Right-to-use Leased Assets		442	962		609	703
Right-to-use Subscription IT Assets		8,476	10,156			
Accumulated Depreciation and Amortization		(11,203)	(7,966)	(11,957)	(1,525)	(474)
Construction in Progress		15	191	12,959		
Total Capital Assets	0	6,433	8,259	13,147	719	609
Total Assets	58,483	15,793	14,787	23,837	3,219	1,808
Deferred Outflows of Resources						
Related to Pensions	201	4,991	1,823	552	957	94
Total Deferred Outflows of Resources	201	4,991	1,823	552	957	94
Liabilities						
Current Liabilities:						
Accounts Payable and Other Liabilities	2,503	1,852	1,847	263	442	37
Payable to:						
Other Funds	79	215	325	143	316	13
Component Units						
Bonds, Notes, Leases, and Subscription IT Payable		1,766	3,486		19	45
Claims, Judgments, and Compensated Absences	19,652	2,004	851	328	301	58
Accrued Interest Payable		239	19		2	2
Unearned Revenue		24	215			
Total Current Liabilities	22,234	6,100	6,743	734	1,080	155
Noncurrent Liabilities:						
Bonds, Notes, Leases, and Subscription IT Payable		3,271	4,296		510	549
Claims, Judgments, and Compensated Absences	138	2,944	1,250	481	442	85
Other Noncurrent Liabilities	71					
Total Noncurrent Liabilities	209	6,215	5,546	481	952	634
Total Liabilities	22,443	12,315	12,289	1,215	2,032	789
Deferred Inflows of Resources						
Related to Pensions	138	3,396	1,220	375	640	64
Total Deferred Inflows of Resources	138	3,396	1,220	375	640	64
Net Position						
Net Investment in Capital Assets		1,396	478	13,147	190	14
Restricted for Pensions	64	1,622	613	180	322	31
Unrestricted	36,039	2,055	2,010	9,472	992	1,004
Total Net Position	\$ 36,103	\$ 5,073	\$ 3,101	\$ 22,799	\$ 1,504	\$ 1,049

Digital Dakota Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation	Other	Total
\$ 926	\$ 12,047	\$	\$ 1,266	\$ 8,432	\$ 6,553	\$ 95,437
4	64		7	56	39	545
	261	1,096	261		877	12,477
		277	1		45	556
					193	193
	18				181	8,090
					588	976
		32	51	200	90	4,004
930	12,390	1,405	1,586	8,688	8,566	122,278
1	1	1	5		9	64
1,538		75,721	23		10,393	115,454
			131		2,950	5,797
					496	19,128
(1,531)		(49,293)	(34)		(4,019)	(88,002)
		13				13,178
7	0	26,441	120	0	9,820	65,555
938	12,391	27,847	1,711	8,688	18,395	187,897
93	225	150	955	56	1,647	11,744
93	225	150	955	56	1,647	11,744
	110	758	290	66	826	8,994
	25	2,215	125	4	300	3,760
		23	13			36
		3,885	3		242	9,446
17	1,699	42	413	4,707	870	30,942
					32	294
					14	253
17	1,834	6,923	844	4,777	2,284	53,725
		12,677	121		2,816	24,240
25	3,691	62	606	31,865	1,278	42,867
						71
25	3,691	12,739	727	31,865	4,094	67,178
42	5,525	19,662	1,571	36,642	6,378	120,903
69	125	99	642	36	1,090	7,894
69	125	99	642	36	1,090	7,894
6		9,879	(3)		6,762	31,869
25	101	52	318	20	566	3,914
889	6,865	(1,695)	138	(27,954)	5,246	35,061
\$ 920	\$ 6,966	\$ 8,236	\$ 453	\$ (27,934)	\$ 12,574	\$ 70,844

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2025
(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	193,076	33,088	28,839	6,194	9,742	3,857
Other Revenue	9,993	10	47	15	5	
Total Operating Revenue	203,069	33,098	28,886	6,209	9,747	3,857
Operating Expenses:						
Personal Services and Benefits	1,165	23,726	9,571	2,480	5,311	531
Travel	12	109	186	13	11	
Contractual Services	34,384	7,758	13,056	3,146	3,521	173
Supplies and Materials	54	215	760	88	951	2,969
Grant and Other	2					
Interest						
Depreciation and Amortization		2,387	3,992	1,094	82	67
Insurance Claims	160,517					
Total Operating Expenses	196,134	34,195	27,565	6,821	9,876	3,740
Operating Income (Loss)	6,935	(1,097)	1,321	(612)	(129)	117
Nonoperating Revenue (Expenses):						
Gain on Disposal of Assets		2	3			
Loss on Disposal of Assets						
Investment Income	2,473	211		374		25
Other Expense	(10)	(274)	(458)	(2)	(62)	(31)
Total Nonoperating Revenue (Expenses)	2,463	(61)	(455)	372	(62)	(6)
Income (Loss) Before Transfers	9,398	(1,158)	866	(240)	(191)	111
Transfers:						
Transfers In				12,223		
Transfers Out						
Net Transfers	0	0	0	12,223	0	0
Change in Net Position	9,398	(1,158)	866	11,983	(191)	111
Net Position at Beginning of Year, as previously reported	26,798	8,174	2,881	11,146	1,887	984
Net Position, restatement	(93)	(1,943)	(646)	(330)	(192)	(46)
Net Position at Beginning of Year	26,705	6,231	2,235	10,816	1,695	938
Net Position at End of Year	\$ 36,103	\$ 5,073	\$ 3,101	\$ 22,799	\$ 1,504	\$ 1,049

Digital Dakota Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation	Other	Total
\$	\$	\$	\$	\$	\$	\$
728	4,187	14,558	6,176	6,569	9	9
	323	6	1		13,149	320,163
728	4,510	14,564	6,177	6,569	343	10,743
293	1,569	845	5,101	344	9,640	60,576
3	39	4	111	1	186	675
405	844	2,807	1,274	405	2,305	70,078
	61	7,116	253	2	2,060	14,529
			2		87	91
		1				1
4		4,390	10		694	12,720
	1,528			7,662	350	170,057
705	4,041	15,163	6,751	8,414	15,322	328,727
23	469	(599)	(574)	(1,845)	(1,821)	2,188
		319			3	327
		(46)			(1)	(47)
34	535		60	470	326	4,508
	(2)	(717)	(6)	(2)	(167)	(1,731)
34	533	(444)	54	468	161	3,057
57	1,002	(1,043)	(520)	(1,377)	(1,660)	5,245
			386		710	13,319
					(23)	(23)
0	0	0	386	0	687	13,296
57	1,002	(1,043)	(134)	(1,377)	(973)	18,541
883	6,260	9,313	1,057	(26,524)	14,264	57,123
(20)	(296)	(34)	(470)	(33)	(717)	(4,820)
863	5,964	9,279	587	(26,557)	13,547	52,303
\$ 920	\$ 6,966	\$ 8,236	\$ 453	\$ (27,934)	\$ 12,574	\$ 70,844

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	Self- Insurance	Information Services	Tele- communi- cations	Accounting and Payroll
Cash Flows from Operating Activities:				
Receipts from Customers and Users	\$ 95,027	\$ 419	\$ 1,732	\$ 498
Receipts from Interfund Services Provided	97,882	32,628	26,868	5,721
Payments to Suppliers and for Benefits and Claims	(201,981)	(6,026)	(10,938)	(1,972)
Payments for Employee Services	(1,075)	(23,079)	(9,260)	(2,301)
Payments for Interfund Services Used	(691)	(1,733)	(2,541)	(1,489)
Other Receipts (Payments)	18,652	12	47	15
Net Cash Provided (Used) by Operating Activities	7,814	2,221	5,908	472
Cash Flows from Capital and Related Financing Activities:				
Purchases of Capital Assets		(41)		
Construction in Progress		(15)		(11,477)
Sale or Disposition of Capital Assets		2		
Payments for Right-to-use Leased Assets		(70)	(99)	
Payments for Right-to-use Subscription IT Assets		(2,329)	(3,415)	(708)
Payments for Finance Purchased Assets				
Net Cash Provided (Used) by Capital and Related Financing Activities	0	(2,453)	(3,514)	(12,185)
Cash Flows from Noncapital Financing Activities:				
Transfers In				12,223
Transfers Out				
Received (Paid) on Interfund Borrowing				
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	0	12,223
Cash Flows from Investing Activities:				
Investment Income	2,444	181		365
Investment Expense	(10)	(1)	(46)	(2)
Net Cash Provided (Used) by Investing Activities	2,434	180	(46)	363
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	10,248	(52)	2,348	873
Cash and Cash Equivalents at Beginning of Year	39,667	5,472	637	6,544
Cash and Cash Equivalents at End of Year	\$ 49,915	\$ 5,420	\$ 2,985	\$ 7,417
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 6,935	\$ (1,097)	\$ 1,321	\$ (612)
Adjustments to Reconcile Operating Income (Loss):				
Depreciation and Amortization Expense		2,387	3,992	1,094
Miscellaneous Operating Items				
Decrease (Increase) in Assets:				
Accounts Receivable	(158)		9	
Due From Other Funds		44	175	811
Due From Component Units		(1)	6	
Due From Other Governments				
Inventory				
Other Assets	(298)	436	(41)	(228)
Restricted Net Pension Asset	2	34	11	3
Decrease (Increase) in Deferred Outflows of Resources:				
Deferred Outflows - Related to Pensions	45	310	9	(28)
Increase (Decrease) in Liabilities:				
Accounts Payable	135	(164)	538	(725)
Accrued Liabilities	12	(19)	44	(29)
Compensated Absences Payable	40	(39)	64	110
Due To Other Funds	60	52	26	(9)
Due To Component Units				
Due To Other Governments	5			
Unearned Revenue	(1)	(84)	(428)	
Policy Claim Liabilities	1,045			
Increase (Decrease) in Deferred Inflows of Resources:				
Deferred Inflows - Related to Pensions	(8)	362	182	85
Net Cash Provided (Used) by Operating Activities	\$ 7,814	\$ 2,221	\$ 5,908	\$ 472
Noncash Investing, Capital, and Financing Activities:				
Gain (Loss) on Disposal of Capital Assets	\$	\$ 2	\$ 3	\$
Right-to-use Lease Asset Acquisitions and Obligations Entered Into				
Right-to-use Subscription IT Asset Acquisitions and Obligations Entered Into		3,695	503	
Finance Purchased Asset Acquisitions and Obligations Entered Into				

Buildings and Grounds	Central Mail	Digital Dakota Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation	Other	Total
\$ 8	\$ 219	\$ 677	\$ 1,017	\$ 2,864	\$ 21	\$ 1,035	\$ 2,098	\$ 105,615
9,052	3,561	386	2,920	11,768	6,130	5,534	10,912	213,362
(3,265)	(3,023)	(225)	(1,859)	(8,913)	(934)	(7,432)	(3,076)	(249,644)
(5,081)	(502)	(302)	(1,706)	(836)	(5,086)	(323)	(8,902)	(58,453)
(1,236)	(125)	(80)	(223)	(943)	(653)	(38)	(2,149)	(11,901)
5			220	6			340	19,297
<u>(517)</u>	<u>130</u>	<u>456</u>	<u>369</u>	<u>3,946</u>	<u>(522)</u>	<u>(1,224)</u>	<u>(777)</u>	<u>18,276</u>
(25)				(1,010)			(176)	(1,252)
				(13)				(11,505)
				615				617
(55)	(74)				(8)		(292)	(598)
				(4,387)			(106)	(6,558)
								(4,387)
<u>(80)</u>	<u>(74)</u>	<u>0</u>	<u>0</u>	<u>(4,795)</u>	<u>(8)</u>	<u>0</u>	<u>(574)</u>	<u>(23,683)</u>
					386		711	13,320
							(42)	(42)
215				1,003			(4)	1,214
<u>215</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,003</u>	<u>386</u>	<u>0</u>	<u>665</u>	<u>14,492</u>
	25	34	529		58	467	325	4,428
(28)			(2)	(154)		(2)	(2)	(247)
<u>(28)</u>	<u>25</u>	<u>34</u>	<u>527</u>	<u>(154)</u>	<u>58</u>	<u>465</u>	<u>323</u>	<u>4,181</u>
(410)	81	490	896	0	(86)	(759)	(363)	13,266
410	395	436	11,151		1,352	9,191	6,916	82,171
<u>\$ 0</u>	<u>\$ 476</u>	<u>\$ 926</u>	<u>\$ 12,047</u>	<u>\$ 0</u>	<u>\$ 1,266</u>	<u>\$ 8,432</u>	<u>\$ 6,553</u>	<u>\$ 95,437</u>
\$ (129)	\$ 117	\$ 23	\$ 469	\$ (599)	\$ (574)	\$ (1,845)	\$ (1,821)	\$ 2,188
82	67	4		4,390	10		694	12,720
							21	21
			(1)	1		11	(111)	(249)
(682)	(80)	124	(261)	79	(28)		(65)	117
		212	2	(5)	(1)		15	228
							8	8
	(4)						(42)	(46)
	(1)	117		(1)	(45)		14	(47)
7	1	1	1	1	7	1	11	80
89	9	23	(48)	(5)	81	23	34	542
(18)	(1)		(5)	66	(5)	(6)	(29)	(214)
36	2	(28)	13		15	5	66	117
64	13	(7)	(188)	(4)	(96)	11	314	282
29	4	(14)	8	16	57	1	(15)	215
				(10)	13			3
(29)							(1)	(25)
			353			587		(513)
								1,985
34	3	1	26	17	44	(12)	130	864
<u>\$ (517)</u>	<u>\$ 130</u>	<u>\$ 456</u>	<u>\$ 369</u>	<u>\$ 3,946</u>	<u>\$ (522)</u>	<u>\$ (1,224)</u>	<u>\$ (777)</u>	<u>\$ 18,276</u>
\$	\$	\$	\$	\$ 273	\$	\$	\$	\$ 278
37							1,210	1,247
				6,879			353	4,551
								6,879

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2025
(Expressed in Thousands)

	Common School	Other	Total
Assets			
Cash and Cash Equivalents	\$ 961	\$ 1,008	\$ 1,969
Receivables:			
Investment Income	259	2	261
Other	15		15
Total Receivables	274	2	276
Investments, at Fair Value:			
Pooled Investment Funds	347,203		347,203
Total Investments	347,203	0	347,203
Properties, at Cost	13,798	38	13,836
Other Assets		11	11
Total Assets	362,236	1,059	363,295
Liabilities			
Payables:			
Accounts Payable and Other Liabilities		21	21
Due To Other Funds		40	40
Total Liabilities	0	61	61
Net Position - Restricted for Others	\$ 362,236	\$ 998	\$ 363,234

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	Common School	Other	Total
Additions			
Contributions:			
From Clients and Inmates	\$	\$ 805	\$ 805
Other	6,818		6,818
Total Contributions	6,818	805	7,623
Investment Income:			
<i>From Investing Activities</i>			
Net Increase (Decrease) in Fair Value of Investments	9,141		9,141
Real Estate	13		13
Pooled Interest and Dividends	10,616		10,616
Net Investment Income (Loss)	19,770	0	19,770
<i>From Security Lending Activities</i>			
Securities Lending Income	2		2
Escheated Property	15		15
Miscellaneous Income		33	33
Total Additions	26,605	838	27,443
Deductions			
Distribution to School Districts	15,591		15,591
Payments Made for Trust Purposes		809	809
Administrative Expenses		13	13
Total Deductions	15,591	822	16,413
Change in Net Position	11,014	16	11,030
Net Position at Beginning of Year, as previously reported	351,222	982	352,204
Net Position at End of Year	\$ 362,236	\$ 998	\$ 363,234

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2025
(Expressed in Thousands)

	Department of Revenue Collections	Child Support Collections	Clerk of Courts	Soybean	Corrections	Other	Total
Assets							
Cash and Cash Equivalents	\$ 37,068	\$ 2,548	\$ 17,184	\$ 169	\$ 1,431	\$ 317	\$ 58,717
Receivables:							
Taxes, net	65,458						65,458
Due From Other Funds					377		377
Other	56			1,517			1,573
Total Receivables	65,514	0	0	1,517	377	0	67,408
Total Assets	102,582	2,548	17,184	1,686	1,808	317	126,125
Liabilities							
Payables:							
Accounts Payable and Other Liabilities		2,548	172	1,686			4,406
Due To Other Governments	102,582		126			2	102,710
Due To Other Funds					69		69
Total Liabilities	102,582	2,548	298	1,686	69	2	107,185
Net Position - Restricted for Others	\$ 0	\$ 0	\$ 16,886	\$ 0	\$ 1,739	\$ 315	\$ 18,940

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Fiscal Year Ended June 30, 2025
(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	\$ 601,529	\$	\$	\$	\$	\$	\$ 601,529
Child Support Collections		107,479					107,479
Collections from Defendants and Inmates			16,098		6,831	598	23,527
Collections for Other Governments			1,129				1,129
Collections from Participants			23			2,695	2,718
Assessments				12,701			12,701
Total Additions	601,529	107,479	17,250	12,701	6,831	3,293	749,083
Deductions							
Tax and Fee Distributions to Other Governments	601,529						601,529
Child Support Distributions		107,479					107,479
Forfeiture Returns			10,452			55	10,507
Required Distributions			2,573	6,146		468	9,187
Payments Made to Other Governments			1,129	6,555		34	7,718
Payments Made for Custodial Purposes			2,856		6,483	2,658	11,997
Total Deductions	601,529	107,479	17,010	12,701	6,483	3,215	748,417
Change in Net Position	0	0	240	0	348	78	666
Net Position at Beginning of Year, as previously reported	0	0	16,646	0	1,391	237	18,274
Net Position at End of Year	\$ 0	\$ 0	\$ 16,886	\$ 0	\$ 1,739	\$ 315	\$ 18,940

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2025
(Expressed in Thousands)

Assets	Business-type Activities				Total
	Housing Authority	Science and Technology Authority	Higher Education	Nonmajor	
Current Assets:					
Cash and Cash Equivalents	\$ 650,311	\$ 12,718	\$ 395,685	\$ 27,481	\$ 1,086,195
Receivables:					
Interest and Dividends	10,194	78	1,685	110	12,067
Primary Government			1,460		1,460
Other Governments			25,984		25,984
Loans and Notes, net	35,969		3,334	674	39,977
Other, net	2,430	2,642	42,303	1,618	48,993
Investments	308,240		10,374		318,614
Restricted Assets:					
Cash and Cash Equivalents				6,536	6,536
Inventory	5,004	2,346	9,737		17,087
Other Assets		1,301	8,253	91	9,645
Total Current Assets	1,012,148	19,085	498,815	36,510	1,566,558
Investments	1,695,210		738,471		2,433,681
Assets Held for Resale				361	361
Restricted Assets:					
Cash and Cash Equivalents			36,514		36,514
Investments			162,583		162,583
Net Pension Asset	7	26	525		558
Other			28,492		28,492
Capital Assets:					
Land and Other Non-depreciable Assets	220	31,619	54,933	572	87,344
Property, Plant, and Equipment	11,265	158,608	2,697,456	36,477	2,903,806
Right-to-use Leased Assets			17,162		17,162
Right-to-use Subscription IT Assets			7,517		7,517
Accumulated Depreciation and Amortization	(6,930)	(31,525)	(1,139,389)	(10,562)	(1,188,406)
Construction in Progress		10,562	129,417	10,846	150,825
Total Capital Assets	4,555	169,264	1,767,096	37,333	1,978,248
Other Noncurrent Assets, net	341,475	8,686	102,119	5,085	457,365
Total Assets	3,053,395	197,061	3,334,615	79,289	6,664,360
Deferred Outflows of Resources					
Related to Pensions	1,382	4,845	100,037		106,264
Related to Swaps	611				611
Related to Asset Retirement Obligations		1,017			1,017
Related to Debt Refunding	1,778		10,358		12,136
Total Deferred Outflows of Resources	3,771	5,862	110,395	0	120,028
Liabilities					
Current Liabilities:					
Accounts Payable and Other Liabilities	2,644	2,073	66,781	1,403	72,901
Payable to Primary Government	89		609		698
Escrow Payable	824				824
Bonds, Notes, and Leases Payable	66,178	292	38,780	1,783	107,033
Claims, Judgments, and Compensated Absences	287	1,549	17,821		19,657
Accrued Interest Payable	13,231		2,738	116	16,085
Unearned Revenue	4,095	100	65,365	168	69,728
Advances from Primary Government			205		205
Other Current Liabilities			20,478	1,236	21,714
Total Current Liabilities	87,348	4,014	212,777	4,706	308,845
Noncurrent Liabilities:					
Bonds, Notes, and Leases Payable	2,216,689	3,121	399,153	18,516	2,637,479
Unearned Revenue	52,188				52,188
Claims, Judgments, and Compensated Absences	421	1,121	75,482		77,024
Federal Capital Contribution Refundable Advance			21,647		21,647
Advances from Primary Government			2,663		2,663
Other Noncurrent Liabilities	4,092	1,655	9,668	1,704	17,119
Total Noncurrent Liabilities	2,273,390	5,897	508,613	20,220	2,808,120
Total Liabilities	2,360,738	9,911	721,390	24,926	3,116,965
Deferred Inflows of Resources					
Related to Pensions	921	3,231	65,971		70,123
Related to Gain on Debt Refunding	7,936		788		8,724
Related to Swaps	22,518				22,518
Total Deferred Inflows of Resources	31,375	3,231	66,759	0	101,365
Net Position					
Net Investment in Capital Assets	(999)	169,263	1,348,243	24,326	1,540,833
Restricted for:					
Debt Service	401,684		3,246	5,000	409,930
HOME, HTF, NSP, and HAF Program	99,316				99,316
Higher Education - Expendable			362,066		362,066
Higher Education - Nonexpendable			734,885		734,885
Underground Expansion		66			66
Experiments		521			521
Mine Closure		1,706			1,706
Sanford Center for Science Education		107			107
Indemnification		7,500			7,500
Pensions	468	1,640	34,591		36,699
Other	164,584				164,584
Unrestricted		8,978	173,830	25,037	207,845
Total Net Position	\$ 665,053	\$ 189,781	\$ 2,656,861	\$ 54,363	\$ 3,566,058

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2025
(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 \$59,630)	\$ 148,326	\$	\$ 240,382	\$ 355	\$ 240,382
Use of Money and Property					148,681
Sales and Services (net of discounts and allowances for scholarships of Higher Education of \$21,185)		492	151,181	10,920	162,593
Administering Programs	75,179	44,405	159,905	238	279,727
Other Revenue	12,137	144	127,142	88	139,511
Total Operating Revenue	235,642	45,041	678,610	11,601	970,894
Operating Expenses:					
Personal Services and Benefits	6,526	25,900	578,619		611,045
Travel	454	461	25,510	32	26,457
Contractual Services	12,731	8,454	160,132	2,468	183,785
Supplies and Materials	5,997	3,317	77,862	399	87,575
Grants and Subsidies	100,704		62,700		163,404
Other			3,649	(1,045)	2,604
Interest	69,189		1,164	327	70,680
Provisions for Loan Loss (Recovery)	6,597			(10)	6,587
Depreciation and Amortization	429	5,344	82,162	1,329	89,264
Total Operating Expenses	202,627	43,476	991,798	3,500	1,241,401
Operating Income (Loss)	33,015	1,565	(313,188)	8,101	(270,507)
Nonoperating Revenue (Expenses):					
Gain on Disposal of Assets			353		353
Loss on Disposal of Assets		(688)			(688)
Investment Income		420	58,463	1,200	60,083
Interest Expense			(12,900)	(339)	(13,239)
Other Expense		(347)	(38,071)	(467)	(38,885)
State Aid from Primary Government			384,977		384,977
Federal Appropriation			10,279		10,279
Grant and Other Income			41,748		41,748
Total Nonoperating Revenue (Expenses)	0	(615)	444,849	394	444,628
Income (Loss) Before Capital Grants and Additions to Endowments	33,015	950	131,661	8,495	174,121
Capital Grants		54,276	106,145	10,634	171,055
Additions to Endowments			22,472		22,472
Change in Net Position	33,015	55,226	260,278	19,129	367,648
Net Position at Beginning of Year, as previously reported	632,038	135,080	2,428,441	35,234	3,230,793
Net Position, restatement		(525)	(31,858)		(32,383)
Net Position at Beginning of Year, as restated	632,038	134,555	2,396,583	35,234	3,198,410
Net Position at End of Year	\$ 665,053	\$ 189,781	\$ 2,656,861	\$ 54,363	\$ 3,566,058

STATE OF SOUTH DAKOTA
STATEMENT OF CASH FLOWS
HIGHER EDUCATION
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	Higher Education
Cash Flows from Operating Activities:	
Tuition and Fees	\$ 236,198
Auxiliaries	79,009
Sales & Services - General	74,439
Federal Contracts & Grants	122,025
State Contracts & Grants	8,882
Private Contracts & Grants	25,326
Other Revenue and Additions	40
Loans Issued to Students	(2,346)
Loans Collected from Students	3,042
Student Loan Interest	355
Payments for Personal Services Expenditures	(542,333)
Payments for Travel Expenditures	(23,428)
Payments for Contractual Expenditures	(149,954)
Payments for Supply Expenditures and Non-Capitalized Equipment	(71,320)
Payments for Grant and Subsidy Expenditures	(60,564)
Payments for Other Expenditures	(178)
Foundation Activity	13,223
Net Cash Provided (Used) by Operating Activities	(287,584)
Cash Flows from Noncapital Financing Activities:	
General Fund Appropriations	371,646
School & Public Lands	3,286
Federal Fund Appropriations	10,857
State Designated Fees	779
Federal Capital Contribution - Student Loan	(1,578)
Other Revenues & Additions	36,561
Payments for Other Expenditures	(13,057)
Foundation Activity	72,199
Net Cash Provided (Used) by Noncapital Financing Activities	480,693
Cash Flows from Capital and Related Financing Activities:	
Capital Grants & Contracts	30,019
Proceeds from Capital Debt	8,308
Revenue Bond Discounts and Related Costs	(173)
Sale of Capital Asset	42
Principal Paid on Capital Debt and Leases	(21,971)
Interest Paid on Capital Debt and Leases	(14,772)
Purchase of Capital Assets	(158,299)
Foundation Activity	15,407
Net Cash Provided (Used) by Capital and Related Financing Activities	(141,439)
Cash Flows from Investing Activities:	
Investment Income	11,567
Foundation Activity	(2,450)
Net Cash Provided (Used) by Investing Activities	9,117
Net Increase (Decrease) in Cash and Cash Equivalents during the Fiscal Year	60,787
Cash and Cash Equivalents at Beginning of Year	371,412
Cash and Cash Equivalents at End of Year	\$ 432,199

Continued on next page

STATE OF SOUTH DAKOTA
STATEMENT OF CASH FLOWS
HIGHER EDUCATION
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	Higher Education
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities	
Operating Income (Loss)	\$ (313,188)
Adjustments to Reconcile Operating Income (Loss):	
Depreciation Expense	82,163
Bad Debt Expense	1,395
Loan Cancellation Expense	268
Pension Adjustment	13,347
Foundation Activity	(84,308)
Decrease/(Increase) in Assets:	
Accounts Receivable Students	(1,305)
Accounts Receivable - Dept	(554)
Interest Receivable	7
Notes Receivable	1,334
Due From Federal Sources	866
Due From Primary Govt	(521)
Due from Component Unit	868
Prepaid Expense and Deferred Charges	1,422
Inventory	731
Construction in Progress	54
Increase/(Decrease) in Liabilities:	
Accounts Payable	4,040
Accrued Wages & Benefits	2,401
Due to Federal Sources	(240)
Due to Primary Government	(237)
Due To Component Unit	(868)
Student Deposits	(269)
Compensated Absences	8,308
Other Accrued Liabilities	206
Unearned Revenue	(3,504)
Net Cash Provided (Used) by Operating Activities	\$ (287,584)
Noncash Investing, Capital and Financing Activities:	
Transfers In (Out) of Capital Assets	\$ 62,130
Gain or (Loss) on Disposal of Capital Assets	(353)

STATE OF SOUTH DAKOTA
STATEMENT OF FIDUCIARY NET POSITION
HIGHER EDUCATION
June 30, 2025
(Expressed in Thousands)

	Custodial Funds
Assets	
Cash and Cash Equivalents	\$ 454
Accounts Receivable	50
Total Assets	504
Liabilities	
Accounts Payable and Other Liabilities	1
Total Liabilities	1
Restricted for Individuals, Organizations, and Other Governments	\$ 503

STATE OF SOUTH DAKOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
HIGHER EDUCATION
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	Custodial Funds
Additions	
Sales and Services	\$ 435
Total Additions	435
Deductions	
Personal Services and Benefits	1
Travel	401
Contractual Services	46
Supplies and Materials	384
Grants and Subsidies	3
Total Deductions	835
Change in Net Position	(400)
Net Position at Beginning of Year, as previously reported	903
Net Position at End of Year	\$ 503

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
June 30, 2025
(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	\$ 3,535	\$ 2,263	\$ 6,614	\$ 15,069	\$ 27,481
Receivables:					
Interest and Dividends	26		35	49	110
Loans and Notes, net	674				674
Other, net		1,618			1,618
Restricted Assets:					
Cash and Cash Equivalents	6,536				6,536
Other Assets		16		75	91
Total Current Assets	10,771	3,897	6,649	15,193	36,510
Assets Held for Resale		361			361
Capital Assets:					
Land and Other Non-depreciable Assets		572			572
Property, Plant, and Equipment		36,477			36,477
Accumulated Depreciation and Amortization		(10,562)			(10,562)
Construction in Progress		10,846			10,846
Total Capital Assets	0	37,333	0	0	37,333
Other Noncurrent Assets, net	4,939	146			5,085
Total Assets	15,710	41,737	6,649	15,193	79,289
Liabilities					
Current Liabilities:					
Accounts Payable and Other Liabilities		1,347	17	39	1,403
Bonds, Notes, and Leases Payable	535	1,248			1,783
Accrued Interest Payable	76	40			116
Unearned Revenue		168			168
Other Current Liabilities			203	1,033	1,236
Total Current Liabilities	611	2,803	220	1,072	4,706
Noncurrent Liabilities:					
Bonds, Notes, and Leases Payable	4,725	13,791			18,516
Other Noncurrent Liabilities	948		448	308	1,704
Total Noncurrent Liabilities	5,673	13,791	448	308	20,220
Total Liabilities	6,284	16,594	668	1,380	24,926
Net Position					
Net Investment in Capital Assets		24,326			24,326
Restricted for:					
Debt Service	5,000				5,000
Unrestricted	4,426	817	5,981	13,813	25,037
Total Net Position	\$ 9,426	\$ 25,143	\$ 5,981	\$ 13,813	\$ 54,363

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	Business-type Activities				
	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.	Total
Operating Revenue:					
Use of Money and Property	\$ 355	\$	\$	\$	\$ 355
Sales and Services		5,032	278	5,610	10,920
Administering Programs		238			238
Other Revenue		88			88
Total Operating Revenue	355	5,358	278	5,610	11,601
Operating Expenses:					
Travel		32			32
Contractual Services	52	2,219	54	143	2,468
Supplies and Materials		399			399
Other			(40)	(1,005)	(1,045)
Interest	327				327
Provisions for Loan Loss (Recovery)	(10)				(10)
Depreciation and Amortization		1,329			1,329
Total Operating Expenses	369	3,979	14	(862)	3,500
Operating Income (Loss)	(14)	1,379	264	6,472	8,101
Nonoperating Revenue (Expenses):					
Investment Income	381	11	319	489	1,200
Interest Expense		(339)			(339)
Other Expense	(465)			(2)	(467)
Total Nonoperating Revenue (Expenses)	(84)	(328)	319	487	394
Income (Loss) Before Capital Grants	(98)	1,051	583	6,959	8,495
Capital Grants		10,634			10,634
Change in Net Position	(98)	11,685	583	6,959	19,129
Net Position at Beginning of Year, as previously reported	9,524	13,458	5,398	6,854	35,234
Net Position at End of Year	\$ 9,426	\$ 25,143	\$ 5,981	\$ 13,813	\$ 54,363



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 162

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.....	162
Changes in Net Position.....	163
Fund Balances, Governmental Funds.....	164
Changes in Fund Balances, All Governmental Funds	165

REVENUE CAPACITY INFORMATION 166

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	166
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DEBT CAPACITY INFORMATION 168

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	168
Pledged-Revenue Coverage.....	169

DEMOGRAPHIC AND ECONOMIC INFORMATION 170

These schedules contain demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Population.....	170
Total Personal Income	170
Unemployment Rate.....	171
Per Capita Personal Income	171
Nonfarm Wage and Salary Employment by Industry	172
Expanded and New Industries	172
Employment by Industry Type.....	173

OPERATING INFORMATION 174

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.....	174
Capital Asset Statistics by Function	176
Operating Indicators by Function	178

Notes to Statistical 182

These notes offer information on financial trend restatements.

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

(Accrual Basis of Accounting, Dollars Expressed in Thousands)

	Fiscal Year				
	2025	2024	2023	2022	2021
Governmental Activities:					
Net Investment in Capital Assets, as restated	\$ 5,282,915	\$ 4,949,761	\$ 4,655,260	\$ 4,485,267	\$ 4,334,442
Restricted, as restated	2,271,320	2,279,982	2,190,344	2,051,879	1,982,808
Unrestricted, as restated	1,718,814	1,667,733	1,437,200	1,064,339	975,363
Total Governmental Activities Net Position, as restated	\$ 9,273,049	\$ 8,897,476	\$ 8,282,804	\$ 7,601,485	\$ 7,292,613
Business-type Activities:					
Net Investment in Capital Assets, as restated	\$ 36,521	\$ 33,744	\$ 28,767	\$ 8,008	\$ 6,649
Restricted	14,811	14,874	14,503	13,549	13,681
Unrestricted	980,115	927,850	892,279	860,046	831,660
Total Business-type Activities Net Position, as restated	\$ 1,031,447	\$ 976,468	\$ 935,549	\$ 881,603	\$ 851,990
Primary Government:					
Net Investment in Capital Assets, as restated	\$ 5,319,436	\$ 4,983,505	\$ 4,684,027	\$ 4,493,275	\$ 4,341,091
Restricted, as restated	2,286,131	2,294,856	2,204,847	2,065,428	1,996,489
Unrestricted, as restated	2,698,929	2,595,583	2,329,479	1,924,385	1,807,023
Total Primary Government Net Position, as restated	\$ 10,304,496	\$ 9,873,944	\$ 9,218,353	\$ 8,483,088	\$ 8,144,603

	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental Activities:					
Net Investment in Capital Assets, as restated	\$ 4,259,851	\$ 4,126,405	\$ 4,051,612	\$ 3,961,256	\$ 3,817,182
Restricted, as restated	1,726,738	1,755,692	1,751,888	1,589,767	1,510,555
Unrestricted	586,958	363,208	283,343	267,296	254,579
Total Governmental Activities Net Position, as restated	\$ 6,573,547	\$ 6,245,305	\$ 6,086,843	\$ 5,818,319	\$ 5,582,316
Business-type Activities:					
Net Investment in Capital Assets	\$ 6,552	\$ 6,650	\$ 7,027	\$ 7,060	\$ 6,357
Restricted	14,758	5,821	6,782	5,085	5,481
Unrestricted, as restated	782,424	747,639	707,805	684,730	660,697
Total Business-type Activities Net Position, as restated	\$ 803,734	\$ 760,110	\$ 721,614	\$ 696,875	\$ 672,535
Primary Government:					
Net Investment in Capital Assets, as restated	\$ 4,266,403	\$ 4,133,055	\$ 4,058,639	\$ 3,968,316	\$ 3,823,539
Restricted, as restated	1,741,496	1,761,513	1,758,670	1,594,852	1,516,036
Unrestricted, as restated	1,369,382	1,110,847	991,148	952,026	915,276
Total Primary Government Net Position, as restated	\$ 7,377,281	\$ 7,005,415	\$ 6,808,457	\$ 6,515,194	\$ 6,254,851

Source: South Dakota Annual Comprehensive Financial Reports (FY 2016-2025). See statistical note for discussion on restated amounts.

State of South Dakota
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting, Dollars Expressed in Thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental Activities:										
General Government	\$ 313,212	\$ 254,214	\$ 252,816	\$ 248,754	\$ 261,786	\$ 209,723	\$ 215,879	\$ 217,355	\$ 198,531	\$ 198,079
Education - Elementary, Secondary, and Vocational Schools	353,198	438,040	460,567	379,799	245,784	223,524	228,729	213,449	223,668	210,777
Education - State Support to Higher Education	384,977	338,215	289,029	242,751	228,207	229,545	213,843	210,972	206,253	232,245
Health, Human, and Social Services, as restated	2,727,234	2,428,323	2,060,981	1,976,809	1,546,179	1,544,824	1,552,490	1,500,037	1,503,967	1,423,411
Law, Justice, Public Protection, and Regulation	491,592	455,663	398,854	301,083	283,780	313,534	301,008	258,727	294,852	269,583
Agriculture and Natural Resources, as restated	499,193	339,075	309,021	157,552	159,310	157,010	155,789	144,690	161,412	140,314
Economic Resources	128,506	112,498	82,816	200,463	41,343	45,920	71,819	43,560	52,771	56,138
Transportation	896,445	832,458	798,565	649,898	700,366	676,547	533,336	455,118	459,424	561,536
Pandemic Response				329,736	1,274,185					
Intergovernmental - Payments to School Districts	733,609	703,279	654,930	595,640	585,672	563,878	559,484	547,119	516,880	421,666
Intergovernmental - Revenue Sharing	255,835	242,625	243,089	236,275	228,243	196,425	194,537	187,573	176,836	173,721
Unallocated Interest Expense	9,694	9,309	9,506	9,045	6,233	6,861	7,524	7,899	6,419	6,627
Unallocated Depreciation			53	53	53	53	53	53	53	53
Total Governmental Activities Expenses, as restated	6,793,495	6,153,699	5,560,227	5,327,858	5,561,141	4,284,143	4,034,491	3,786,552	3,801,066	3,694,160
Business-type Activities:										
Lottery	62,394	70,085	69,327	59,729	63,044	50,484	51,016	45,256	39,907	43,454
Clean Water State Revolving	26,742	16,421	17,542	15,008	18,077	13,516	11,662	12,345	9,638	8,290
Drinking Water State Revolving	22,664	20,753	14,196	11,024	10,652	9,349	8,222	10,314	7,511	9,031
Other	69,601	66,879	62,755	51,101	180,051	272,039	55,331	55,571	60,920	60,352
Total Business-type Activities Expenses	181,401	174,138	163,820	136,862	271,824	345,388	126,231	123,486	117,976	121,127
Total Primary Government Expenses, as restated	\$ 6,974,896	\$ 6,327,837	\$ 5,724,047	\$ 5,464,720	\$ 5,832,965	\$ 4,629,531	\$ 4,160,722	\$ 3,910,038	\$ 3,919,042	\$ 3,815,277
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 314,795	\$ 302,152	\$ 293,555	\$ 278,558	\$ 296,527	\$ 272,984	\$ 260,567	\$ 258,406	\$ 242,343	\$ 236,003
Education - Elementary, Secondary, and Vocational Schools	8,612	7,922	7,219	8,094	9,215	8,750	10,442	10,112	11,136	10,016
Health, Human, and Social Services, as restated	48,945	75,429	71,040	39,311	38,034	34,115	39,525	31,807	39,584	41,741
Law, Justice, Public Protection, and Regulation	120,269	122,377	113,598	112,366	103,712	89,945	87,061	85,139	85,221	82,456
Agriculture and Natural Resources, as restated	106,019	96,217	95,332	95,757	100,123	84,795	82,993	86,130	86,657	85,035
Economic Resources	660	430	231	210	96	178	231	845	433	452
Transportation	18,928	18,883	16,941	16,496	17,854	16,519	15,279	14,723	15,927	14,755
Pandemic Response					257					
Operating Grants and Contributions	3,433,172	3,133,450	2,767,282	2,635,757	3,123,083	1,918,543	1,589,862	1,520,834	1,553,460	1,475,671
Capital Grants and Contributions	26,658	11,855	2,598	3,786	7,965	16,761	3,378	2,342	3,886	7,045
Total Governmental Activities Program Revenues, as restated	4,078,058	3,768,715	3,367,796	3,190,335	3,696,866	2,442,590	2,089,338	2,010,338	2,038,647	1,953,174
Business-type Activities:										
Charges for Services:										
Lottery	240,962	253,670	251,538	239,600	225,300	177,306	179,644	170,099	156,814	160,728
Clean Water State Revolving	11,800	9,478	8,298	8,090	7,673	7,401	7,250	7,213	6,963	6,899
Drinking Water State Revolving	7,665	6,437	5,806	5,264	4,855	5,033	4,587	4,740	4,519	4,333
Other, as restated	65,715	59,756	83,886	69,600	69,859	59,384	72,113	60,688	68,543	75,424
Operating Grants and Contributions	81,283	71,447	39,061	24,357	175,004	261,674	26,910	30,971	25,334	32,772
Capital Grants and Contributions	53					19	200	84	426	727
Total Business-type Activities Program Revenues, as restated	407,478	400,788	388,589	346,911	482,691	510,817	290,704	273,795	262,599	280,883
Total Primary Government Program Revenues, as restated	\$ 4,485,536	\$ 4,169,503	\$ 3,756,385	\$ 3,537,246	\$ 4,179,557	\$ 2,953,407	\$ 2,380,042	\$ 2,284,133	\$ 2,301,246	\$ 2,234,057
Net (Expense)/Revenue										
Governmental Activities, as restated	\$ (2,715,437)	\$ (2,384,984)	\$ (2,192,431)	\$ (2,137,523)	\$ (1,864,275)	\$ (1,841,553)	\$ (1,945,153)	\$ (1,776,214)	\$ (1,762,419)	\$ (1,740,976)
Business-type Activities, as restated	226,077	226,650	224,769	210,049	210,867	165,429	164,473	150,309	144,623	159,756
Total Primary Government										
Net (Expense)/Revenue, as restated	\$ (2,489,360)	\$ (2,158,334)	\$ (1,967,662)	\$ (1,927,474)	\$ (1,653,408)	\$ (1,676,124)	\$ (1,780,680)	\$ (1,625,905)	\$ (1,617,796)	\$ (1,581,220)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Sales Taxes	\$ 1,466,558	\$ 1,449,867	\$ 1,515,425	\$ 1,376,152	\$ 1,267,583	\$ 1,149,732	\$ 1,089,336	\$ 1,025,111	\$ 991,155	\$ 905,475
Motor Fuel Taxes	200,602	197,087	193,534	199,880	193,053	184,949	184,027	183,441	183,795	184,105
Contractors Excise Taxes	216,477	217,400	193,935	147,888	147,507	132,043	118,873	112,518	106,834	104,979
Bank Card and Franchise Taxes	53,929	50,400	54,486	50,949	51,515	44,727	35,411	31,448	32,844	25,943
Other Taxes, as restated	530,435	509,125	490,081	466,058	459,330	385,180	376,813	382,375	371,864	360,917
Investment Earnings	210,774	214,409	142,740	(59,783)	215,767	91,816	96,270	72,379	109,684	14,997
Gain on Sale of Capital Assets	1,822	1,700	1,297	5,352	1,590	1,515	1,978	1,737	1,463	2,057
Gain on Termination of Right-to-use Asset Agreements	171									
Miscellaneous, as restated	297,362	173,937	111,429	77,023	84,720	61,664	79,632	110,159	80,500	88,463
Special Items				(5,289)		(3,636)	(4,702)			
Transfers, as restated	169,471	185,731	170,823	180,436	162,611	121,805	125,977	125,570	120,283	120,602
Total Governmental Activities, as restated	3,147,601	2,999,656	2,873,750	2,438,666	2,583,676	2,169,795	2,103,615	2,044,738	1,998,422	1,807,538
Business-type Activities:										
Transfers, as restated	(169,471)	(185,731)	(170,823)	(180,436)	(162,611)	(121,805)	(125,977)	(125,570)	(120,283)	(120,602)
Total Business-type Activities, as restated	(169,471)	(185,731)	(170,823)	(180,436)	(162,611)	(121,805)	(125,977)	(125,570)	(120,283)	(120,602)
Total Primary Government, as restated	\$ 2,978,130	\$ 2,813,925	\$ 2,702,927	\$ 2,258,230	\$ 2,421,065	\$ 2,047,990	\$ 1,977,638	\$ 1,919,168	\$ 1,878,139	\$ 1,686,936
Change in Net Position										
Governmental Activities, as restated	\$ 432,164	\$ 614,672	\$ 681,319	\$ 301,143	\$ 719,401	\$ 328,242	\$ 158,462	\$ 268,524	\$ 236,003	\$ 66,562
Business-type Activities, as restated	56,606	40,919	53,946	29,613	48,256	43,624	38,496	24,739	24,340	39,154
Total Primary Government, as restated	\$ 488,770	\$ 655,591	\$ 735,265	\$ 330,756	\$ 767,657	\$ 371,866	\$ 196,958	\$ 293,263	\$ 260,343	\$ 105,716

Source: South Dakota Annual Comprehensive Financial Reports (FY 2016-2025). See statistical note for discussion on restated amounts.

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

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

	Fiscal Year				
	2025	2024	2023	2022	2021
General Fund:					
Nonspendable	\$ 4,964	\$ 5,870	\$ 6,484	\$ 5,611	\$ 6,353
Restricted					5,333
Committed					
Assigned	942,031	1,083,444	882,516	469,146	382,166
Unassigned, as restated	716,167	505,417	476,667	508,940	470,229
Total General Fund, as restated	\$ 1,663,162	\$ 1,594,731	\$ 1,365,667	\$ 983,697	\$ 864,081
Other Governmental Funds:					
Nonspendable	\$ 715,356	\$ 703,340	\$ 690,066	\$ 666,878	\$ 653,767
Restricted, as restated	1,493,928	1,477,969	1,418,594	1,353,951	1,327,864
Committed	72,571	64,120	63,640	63,281	59,244
Assigned	16,458	16,696	16,735	18,669	19,188
Unassigned	(19,974)	(14,632)	(13,090)	(12,881)	(8,606)
Total Other Governmental Funds, as restated	\$ 2,278,339	\$ 2,247,493	\$ 2,175,945	\$ 2,089,898	\$ 2,051,457

	Fiscal Year				
	2020	2019	2018	2017	2016
General Fund:					
Nonspendable	\$ 5,300	\$ 5,503	\$ 6,097	\$ 6,458	\$ 4,193
Restricted	3,382	3,300	3,300	3,300	8,384
Committed					
Assigned	136,363	74,156	60,691	54,835	54,516
Unassigned	381,326	294,225	268,052	249,087	242,449
Total General Fund	\$ 526,371	\$ 377,184	\$ 338,140	\$ 313,680	\$ 309,542
Other Governmental Funds:					
Nonspendable	\$ 582,096	\$ 571,644	\$ 563,385	\$ 526,968	\$ 512,525
Restricted, as restated	1,098,864	1,087,753	1,080,962	1,034,589	894,947
Committed	51,243	41,816	36,863	38,940	43,652
Assigned	25,593	22,430	17,514	29,404	27,022
Unassigned	(8,359)	(4,036)	(11,758)	(5,742)	(5,048)
Total Other Governmental Funds, as restated	\$ 1,749,437	\$ 1,719,607	\$ 1,686,966	\$ 1,624,159	\$ 1,473,098

Source: South Dakota Annual Comprehensive Financial Reports (FY 2016-2025). See statistical note for discussion on restated amounts.

State of South Dakota
Changes in Fund Balances, All Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting, Dollars Expressed in Thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Taxes:										
Sales and Use	\$ 1,465,725	\$ 1,454,967	\$ 1,515,078	\$ 1,393,235	\$ 1,272,342	\$ 1,129,007	\$ 1,062,456	\$ 1,025,607	\$ 990,332	\$ 905,203
Insurance Company	140,425	128,557	113,993	107,878	94,224	94,277	88,270	91,062	83,952	83,291
Liquor	22,354	21,684	21,352	22,250	21,387	19,231	19,919	17,135	15,994	17,580
Cigarette	33,149	36,685	40,321	42,784	46,331	45,885	45,501	49,729	52,149	52,081
Bank Franchise	54,420	53,138	53,085	51,237	50,146	44,693	34,706	31,462	32,800	25,412
Contractor's Excise	215,666	215,740	194,292	157,945	146,712	126,946	112,705	112,473	106,845	104,938
Severance	20,691	12,036	7,176	8,746	10,937	8,640	4,777	9,055	10,154	8,260
Other Tobacco	12,208	11,733	11,775	11,536	11,119	10,357	9,470	9,231	8,226	8,882
Motor Fuel and Vehicle	375,399	373,302	366,255	356,822	348,908	305,620	302,498	298,774	294,918	293,045
Other, as restated	126,821	122,161	122,823	116,972	118,290	86,123	90,396	90,854	90,251	81,993
Licenses, Permits, and Fees, as restated	387,554	363,668	360,405	352,057	344,090	312,714	307,301	304,754	302,647	303,270
Fines, Forfeits, and Penalties	27,638	39,443	26,455	22,836	25,875	18,697	15,070	13,347	14,400	12,647
Use of Money and Property	256,051	257,214	166,656	(56,767)	222,744	116,694	128,161	84,549	123,183	27,578
Sales and Services	49,707	52,117	48,962	45,100	47,043	41,564	53,192	44,973	44,916	39,797
Administering Programs	3,402,448	3,089,137	2,732,392	2,636,609	3,107,263	1,889,237	1,555,548	1,493,062	1,546,964	1,464,030
Tobacco Settlement	19,601	21,119	23,691	22,549	21,973	20,865	20,558	46,000	24,302	24,582
Other Revenue	327,487	198,702	123,511	90,879	98,604	78,640	95,092	106,339	80,380	87,874
Total Revenues, as restated	6,937,344	6,451,403	5,928,222	5,382,668	5,987,988	4,349,190	3,945,620	3,828,406	3,822,413	3,540,463
Expenditures:										
General Government, as restated	138,718	147,306	156,246	127,079	106,808	104,375	104,963	102,803	94,658	99,874
Education	1,467,323	1,479,776	1,404,829	1,217,208	1,079,375	1,015,113	999,426	977,720	977,833	859,072
Health, Human, and Social Services	2,740,375	2,450,255	2,101,821	2,025,975	1,550,963	1,523,558	1,531,129	1,516,592	1,487,068	1,428,259
Law, Justice, Public Protection, and Regulation	548,447	481,893	410,793	317,724	290,727	304,836	282,912	272,661	283,053	268,818
Agriculture and Natural Resources, as restated	511,231	343,980	322,355	180,575	160,413	164,876	155,168	161,734	173,111	155,006
Economic Resources	128,489	112,164	83,846	200,559	41,172	45,258	71,505	43,978	52,432	56,202
Transportation	1,168,173	1,050,376	920,046	784,714	778,681	788,580	614,680	575,332	600,346	655,752
Pandemic Response				329,736	1,274,185	116,299				
State Shared Revenue Paid to Other Governments	255,835	242,625	243,089	236,275	228,243	196,425	194,537	187,573	176,836	173,721
Capital Outlay						13,912	28,163	8,182	1,023	1,017
Debt Service:										
Principal	37,894	27,103	26,146	23,051	17,931	14,280	14,407	14,962	15,583	16,415
Interest	8,126	8,439	7,966	8,154	5,830	6,510	7,234	7,563	8,647	9,177
Bond Issuance Costs				1,289	80	65		67	322	6
Payment to Refunded Bond Escrow Agent				7,319						
Payment on Current Note Refunding				43,006						
Total Expenditures, as restated	7,004,611	6,343,917	5,677,137	5,502,664	5,534,408	4,294,087	4,004,124	3,869,167	3,870,912	3,723,319
Excess of Revenues Over (Under) Expenditures, as restated	(67,267)	107,486	251,085	(119,996)	453,580	55,103	(58,504)	(40,761)	(48,499)	(182,856)
Other Financing Sources (Uses):										
Lease Issuance	2,374	3,026	40,473	39,255						
Subscriptions	4,199	3,216	5,024					1,322	32,048	
Proceeds from Sale of Capital Assets	3,600	4,293	1,822	4,298	25,067	2,895	5,663	2,627	2,253	2,136
Insurance Proceeds	196	31	426	2,415	36	15	33	13	80	85
Bonds Issued									44,305	
Premiums on Bond Issuance									6,173	
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	
Premiums on Refunding Bonds									206	
Payments on Advance Refundings					(8,970)	(6,469)			(1,488)	
Transfers In, as restated	429,071	381,483	365,272	381,854	391,819	289,409	283,840	298,786	261,279	274,598
Transfers Out	(272,896)	(198,923)	(198,085)	(204,440)	(230,962)	(169,066)	(159,347)	(174,720)	(142,563)	(155,397)
Net Other Financing Sources (Uses), as restated	166,544	193,126	216,932	268,456	186,485	123,914	130,189	128,028	203,698	121,422
Net Change in Fund Balances, as restated	\$ 99,277	\$ 300,612	\$ 468,017	\$ 148,460	\$ 640,065	\$ 179,017	\$ 71,685	\$ 87,267	\$ 155,199	\$ (61,434)
Debt Service as a Percentage of										
Noncapital Expenditures	0.71%	0.60%	0.64%	1.58%	0.45%	0.52%	0.57%	0.62%	0.69%	0.73%

Source: South Dakota Annual Comprehensive Financial Reports (FY 2016-2025). See statistical note for discussion on restated amounts.

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

Fiscal Year 2025				
	Number of Filers	Percent of Total	Revenue Base	Percent of Total
Principal Revenue Payers				
Agriculture, Forestry, and Fishing	3,795	3.46%	\$ 615,233	1.82%
Mining	203	0.18%	95,397	0.28%
Construction	346	0.31%	31,789	0.09%
Manufacturing	6,759	6.15%	1,846,672	5.46%
Transportation and Public Utilities	3,135	2.85%	3,071,656	9.09%
Wholesale Trade	9,956	9.05%	3,006,484	8.89%
Retail Trade	47,275	42.99%	17,995,635	53.22%
Finance, Insurance, and Real Estate	2,076	1.89%	659,371	1.95%
Services	36,334	33.04%	6,458,520	19.10%
Public Administration	77	0.08%	31,848	0.10%
Total	109,956	100.00%	\$ 33,812,605	100.00%

Direct Sales Tax Rate 4.20%

Fiscal Year 2022				
	Number of Filers	Percent of Total	Revenue Base	Percent of Total
Agriculture, Forestry, and Fishing	3,614	3.47%	\$ 516,217	1.74%
Mining	217	0.21%	90,504	0.30%
Construction	362	0.35%	38,061	0.13%
Manufacturing	5,743	5.52%	1,416,531	4.76%
Transportation and Public Utilities	2,887	2.78%	3,025,158	10.17%
Wholesale Trade	9,230	8.87%	2,523,657	8.49%
Retail Trade	45,399	43.64%	16,058,298	54.00%
Finance, Insurance, and Real Estate	2,036	1.96%	687,007	2.31%
Services	34,462	33.13%	5,375,240	18.07%
Public Administration	76	0.07%	10,079	0.03%
Total	104,026	100.00%	\$ 29,740,752	100.00%

Direct Sales Tax Rate 4.50%

Fiscal Year 2019				
	Number of Filers	Percent of Total	Revenue Base	Percent of Total
Agriculture, Forestry, and Fishing	3,378	3.49%	\$ 405,756	1.78%
Mining	219	0.23%	70,449	0.31%
Construction	384	0.40%	27,292	0.12%
Manufacturing	4,820	4.98%	1,144,740	5.03%
Transportation and Public Utilities	2,642	2.73%	3,008,229	13.21%
Wholesale Trade	7,919	8.18%	1,696,169	7.45%
Retail Trade	41,642	43.00%	11,646,177	51.14%
Finance, Insurance, and Real Estate	2,254	2.33%	496,573	2.18%
Services	33,498	34.59%	4,271,983	18.76%
Public Administration	67	0.07%	4,942	0.02%
Total	96,823	100.00%	\$ 22,772,310	100.00%

Direct Sales Tax Rate 4.50%

Fiscal Year 2016				
	Number of Filers	Percent of Total	Revenue Base	Percent of Total
Agriculture, Forestry, and Fishing	3,202	3.77%	\$ 338,993	1.60%
Mining	210	0.25%	71,002	0.34%
Construction	475	0.56%	26,495	0.13%
Manufacturing	4,076	4.80%	917,873	4.34%
Transportation and Public Utilities	2,625	3.09%	2,767,864	13.09%
Wholesale Trade	7,117	8.38%	1,618,465	7.65%
Retail Trade	32,455	38.19%	11,137,027	52.66%
Finance, Insurance, and Real Estate	2,135	2.51%	432,211	2.04%
Services	32,618	38.38%	3,835,074	18.14%
Public Administration	55	0.07%	2,799	0.01%
Total	84,968	100.00%	\$ 21,147,803	100.00%

Direct Sales Tax Rate 4.50%

Fiscal Year 2024			
Number of Filers	Percent of Total	Revenue Base	Percent of Total
3,787	3.49%	\$ 601,799	1.80%
216	0.20%	112,806	0.34%
356	0.33%	41,792	0.12%
6,613	6.09%	1,863,275	5.57%
3,089	2.84%	2,938,854	8.78%
9,908	9.11%	3,092,515	9.24%
46,849	43.09%	18,055,383	53.94%
2,069	1.90%	635,292	1.90%
35,747	32.88%	6,124,922	18.30%
78	0.07%	4,159	0.01%
108,712	100.00%	\$ 33,470,797	100.00%

4.20%

Fiscal Year 2021			
Number of Filers	Percent of Total	Revenue Base	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	52.45%
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%

4.50%

Fiscal Year 2018			
Number of Filers	Percent of Total	Revenue Base	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%

4.50%

Fiscal Year 2023			
Number of Filers	Percent of Total	Revenue Base	Percent of Total
3,685	3.46%	\$ 589,112	1.80%
215	0.20%	100,484	0.31%
366	0.34%	44,247	0.14%
6,065	5.69%	2,019,810	6.18%
3,032	2.84%	3,095,440	9.48%
9,554	8.96%	3,003,526	9.19%
46,733	43.83%	17,433,451	53.36%
2,050	1.92%	642,793	1.97%
34,855	32.69%	5,736,764	17.56%
77	0.07%	3,329	0.01%
106,632	100.00%	\$ 32,668,956	100.00%

4.50%

Fiscal Year 2020			
Number of Filers	Percent of Total	Revenue Base	Percent of Total
3,504	3.53%	\$ 414,827	1.74%
206	0.21%	74,930	0.31%
368	0.37%	30,204	0.13%
5,180	5.22%	1,281,161	5.36%
2,750	2.77%	3,038,835	12.72%
8,440	8.50%	1,773,771	7.43%
42,777	43.09%	12,427,707	52.03%
1,994	2.01%	529,407	2.22%
33,983	34.23%	4,311,839	18.05%
73	0.07%	3,169	0.01%
99,275	100.00%	\$ 23,885,850	100.00%

4.50%

Fiscal Year 2017			
Number of Filers	Percent of Total	Revenue Base	Percent of Total
3,237	3.64%	\$ 348,540	1.68%
213	0.24%	63,973	0.31%
515	0.58%	31,077	0.15%
4,370	4.91%	958,294	4.61%
2,546	2.86%	2,833,338	13.63%
7,168	8.06%	1,438,813	6.92%
35,687	40.10%	10,789,651	51.89%
2,122	2.38%	451,550	2.17%
33,076	37.16%	3,873,304	18.62%
59	0.07%	3,920	0.02%
88,993	100.00%	\$ 20,792,460	100.00%

4.50%

Source: South Dakota Sales and Use Tax Report, Department of Revenue

Notes:

- 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.
- Revenue Base: 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 contractor's excise tax are included.
- Prior to June 1, 2016, a tax was imposed upon gross receipts from selling, leasing, and renting tangible personal property and the sales of services. From June 1, 2016 to June 30, 2023, all items subject to the state sales tax were taxed at 4.5% to conform to the HB 1182 passed during the 2016 Session. Beginning July 1, 2023, all items subject to the state sales tax are taxed at 4.2% to conform to the HB 1137 passed during the 2023 Session. A use tax of the same rate as the sales tax rate was imposed on goods and services that are used, stored, or consumed in South Dakota on which South Dakota sales tax was not paid. An excise tax of the same rate as the sales tax rate was imposed on farm machinery and amusement device tax.
- 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				
	2025	2024	2023	2022	2021
Governmental Activities:					
Revenue Bonds	\$ 51,355	\$ 76,683	\$ 92,314	\$ 108,247	\$ 128,869
Trust Certificates					
Leases Payable	63,846	79,248	73,666	36,281	
Subscription IT Payable	20,104	7,442	6,432		
Notes Payable	96,840	97,657	100,016	102,502	108,922
Total Governmental Activities	232,145	261,030	272,428	247,030	237,791
Business-type Activities:					
Revenue Bonds	838,923	513,104	540,247	400,989	427,310
Leases Payable	1,252	1,303	1,653	1,471	
Subscription IT Payable	76	418	834		
Total Business-type Activities	840,251	514,825	542,734	402,460	427,310
Total Primary Government	\$ 1,072,396	\$ 775,855	\$ 815,162	\$ 649,490	\$ 665,101
South Dakota Total Personal Income (r)	\$ 73,841,000	\$ 69,996,300	\$ 68,097,000	\$ 63,454,700	\$ 60,221,000
Debt as a Percentage of Personal Income	1.5%	1.1%	1.2%	1.0%	1.1%
South Dakota Population (in thousands) (r)	928	925	918	910	896
Long-Term Debt per Capita	\$ 1,155.60	\$ 838.76	\$ 887.98	\$ 713.73	\$ 742.30

	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental Activities:					
Revenue Bonds	\$ 146,764	\$ 160,839	\$ 176,322	\$ 192,360	\$ 157,847
Trust Certificates					280
Leases Payable					
Subscription IT Payables					
Notes Payable	133,352	136,417	139,181	145,681	116,289
Total Governmental Activities	280,116	297,256	315,503	338,041	274,416
Business-type Activities:					
Revenue Bonds	351,302	375,803	287,206	230,912	247,852
Leases Payable					
Subscription IT Payables					
Total Business-type Activities	351,302	375,803	287,206	230,912	247,852
Total Primary Government	\$ 631,418	\$ 673,059	\$ 602,709	\$ 568,953	\$ 522,268
South Dakota Total Personal Income (r)	\$ 52,908,800	\$ 48,013,900	\$ 45,144,000	\$ 42,989,300	\$ 41,551,500
Debt as a Percentage of Personal Income	1.2%	1.4%	1.3%	1.3%	1.3%
South Dakota Population (in thousands) (r)	888	882	875	870	861
Long-Term Debt per Capita	\$ 711.06	\$ 763.11	\$ 688.81	\$ 653.97	\$ 606.58

Source: Debt information obtained from the South Dakota Annual Comprehensive Financial Reports (FY 2016-2025)
Total Personal Income and Population data: US Bureau of Economic Analysis

Note: (a) South Dakota Total Personal Income figure for 2025 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 2020 through 2024.
Data for South Dakota Population has been revised for fiscal year 2019, 2023, and 2024.

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenue Bonds and Trust Certificates										
- Building Authority										
Revenue - Lease Payments	\$ 6,438	\$ 6,447	\$ 6,447	\$ 6,450	\$ 10,485	\$ 6,966	\$ 6,968	\$ 7,019	\$ 8,071	\$ 8,607
Less: Operating Expenses										
Net Available Revenue	\$ 6,438	\$ 6,447	\$ 6,447	\$ 6,450	\$ 10,485	\$ 6,966	\$ 6,968	\$ 7,019	\$ 8,071	\$ 8,607
Debt Service										
Principal	\$ 4,051	\$ 4,218	\$ 4,051	\$ 3,913	\$ 7,632	\$ 3,680	\$ 3,507	\$ 3,462	\$ 3,648	\$ 2,321
Interest	2,069	2,213	2,357	2,494	2,807	3,112	3,451	3,532	4,388	6,283
Total	\$ 6,120	\$ 6,431	\$ 6,408	\$ 6,407	\$ 10,439	\$ 6,792	\$ 6,958	\$ 6,994	\$ 8,036	\$ 8,604
Coverage	1.05	1.00	1.01	1.01	1.00	1.03	1.00	1.00	1.00	1.00
Revenue Bonds										
- Educational Enhancement Funding Corp.										
Revenue:										
Tobacco Settlement	\$ 19,410	\$ 20,952	\$ 23,371	\$ 23,329	\$ 21,949	\$ 20,832	\$ 20,024	\$ 46,015	\$ 22,815	\$ 25,156
Investment Earnings	619	739	508		13	341	462	257	102	68
Less: Operating Expenses										
Net Available Revenue	\$ 20,029	\$ 21,691	\$ 23,879	\$ 23,329	\$ 21,962	\$ 21,173	\$ 20,486	\$ 46,272	\$ 22,917	\$ 25,224
Debt Service										
Principal	\$ 20,900	\$ 10,985	\$ 11,450	\$ 11,035	\$ 10,300	\$ 10,600	\$ 10,900	\$ 11,500	\$ 11,935	\$ 12,535
Interest	1,711	1,138	1,187	784	2,770	3,145	3,530	3,789	4,018	4,215
Total	\$ 22,611	\$ 12,123	\$ 12,637	\$ 11,819	\$ 13,070	\$ 13,745	\$ 14,430	\$ 15,289	\$ 15,953	\$ 16,750
Coverage	0.89	1.79	1.89	1.97	1.68	1.54	1.42	3.03	1.44	1.51
Revenue Bonds										
- Clean Water State Revolving Fund										
Revenue:										
Loan Repayments	\$ 35,117	\$ 39,590	\$ 43,738	\$ 44,686	\$ 42,248	\$ 36,697	\$ 30,004	\$ 27,944	\$ 28,764	\$ 28,998
Investment Income	8,229	9,020	8,379	5,197	5,619	5,752	6,637	4,605	4,181	4,192
Other Income	2,701	2,303	1,561	2,596	2,216	1,701	1,597	1,528	1,428	1,410
Less: Operating Expenses	2,400	1,659	2,947	3,519	2,090	1,698	2,288	3,737	2,348	982
Net Available Revenue	\$ 43,647	\$ 49,254	\$ 50,731	\$ 48,960	\$ 47,993	\$ 42,452	\$ 35,950	\$ 30,340	\$ 32,025	\$ 33,618
Debt Service										
Principal	\$ 17,130	\$ 16,520	\$ 15,335	\$ 14,685	\$ 13,115	\$ 13,130	\$ 12,505	\$ 10,125	\$ 9,875	\$ 9,290
Interest	18,860	15,297	14,866	13,028	13,601	10,304	9,293	7,862	6,821	7,088
Total	\$ 35,990	\$ 31,817	\$ 30,201	\$ 27,713	\$ 26,716	\$ 23,434	\$ 21,798	\$ 17,987	\$ 16,696	\$ 16,378
Coverage	1.21	1.55	1.68	1.77	1.80	1.81	1.65	1.69	1.92	2.05
Revenue Bonds										
- Drinking Water State Revolving Fund										
Revenue:										
Loan Repayments	\$ 21,206	\$ 16,656	\$ 18,876	\$ 14,918	\$ 28,421	\$ 15,449	\$ 20,165	\$ 21,007	\$ 17,634	\$ 23,042
Investment Income	4,554	5,208	4,615	3,044	3,140	3,727	4,230	3,233	2,930	3,104
Other Income	1,358	1,127	943	1,366	1,056	1,050	921	955	916	899
Less: Operating Expenses	3,828	2,705	2,245	2,276	1,465	1,476	1,282	1,076	695	105
Net Available Revenue	\$ 23,290	\$ 20,286	\$ 22,189	\$ 17,052	\$ 31,152	\$ 18,750	\$ 24,034	\$ 24,119	\$ 20,785	\$ 26,940
Debt Service										
Principal	\$ 6,425	\$ 6,315	\$ 8,140	\$ 7,740	\$ 7,515	\$ 8,575	\$ 8,085	\$ 6,075	\$ 5,925	\$ 5,535
Interest	9,782	7,150	6,071	3,543	3,803	4,073	3,315	2,409	2,116	2,255
Total	\$ 16,207	\$ 13,465	\$ 14,211	\$ 11,283	\$ 11,318	\$ 12,648	\$ 11,400	\$ 8,484	\$ 8,041	\$ 7,790
Coverage	1.44	1.51	1.56	1.51	2.75	1.48	2.11	2.84	2.58	3.46

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
2024	340,111	1.0 %	21,977	0.7 %	925	0.8 %
2023r	336,806	0.8 %	21,826	0.6 %	918	0.9 %
2022r	334,017	0.6 %	21,704	0.2 %	910	1.6 %
2021r	332,100	0.2 %	21,666	0.2 %	896	0.9 %
2020r	331,578	0.4 %	21,626	0.3 %	888	0.7 %
2019r	330,226	0.5 %	21,562	0.4 %	882	0.8 %
2018r	328,530	0.6 %	21,474	0.4 %	875	0.6 %
2017r	326,609	0.7 %	21,381	0.5 %	870	1.0 %
2016r	324,353	0.8 %	21,274	0.5 %	861	1.1 %
2015r	321,815	0.8 %	21,166	0.6 %	852	0.5 %

Note: The Census Bureau provides a midyear population estimate for the current year. With each new release of population estimates, the Census Bureau revises estimates for years back to the last census.

r = Revised Estimates from Prior Year ACFR

* The Plains Region includes Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2025.

TOTAL PERSONAL INCOME ***(Dollars Expressed in Millions)***

YEAR	UNITED STATES	PERCENT CHANGE	PLAINS*	PERCENT CHANGE	SOUTH DAKOTA	PERCENT CHANGE
2024	\$ 24,897,613	5.6 %	\$ 1,523,446	4.2 %	\$ 69,996	2.8 %
2023r	23,577,208	6.5 %	1,461,621	5.4 %	68,097	7.3 %
2022r	22,144,814	3.1 %	1,387,123	3.9 %	63,455	5.4 %
2021r	21,484,168	9.5 %	1,335,251	10.0 %	60,221	13.8 %
2020r	19,613,059	6.9 %	1,213,927	7.0 %	52,909	10.2 %
2019	18,349,584	4.8 %	1,134,579	3.8 %	48,014	6.4 %
2018	17,514,402	5.1 %	1,093,520	4.8 %	45,144	5.0 %
2017	16,658,962	4.9 %	1,043,303	3.2 %	42,989	3.5 %
2016	15,884,741	2.7 %	1,010,852	1.4 %	41,552	1.0 %
2015	15,467,113	4.7 %	997,298	3.2 %	41,160	3.9 %

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 2020 through 2024.

r = Revised Estimates from Prior Year ACFR

* The Plains Region includes Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2025.

UNEMPLOYMENT RATE

YEAR	SOUTH DAKOTA	UNITED STATES
2024	1.8%	4.0%
2023r	1.8%	3.6%
2022r	1.9%	3.6%
2021r	2.5%	5.3%
2020r	4.1%	8.1%
2019r	2.7%	3.7%
2018	2.8%	3.9%
2017r	3.0%	4.4%
2016	3.0%	4.9%
2015	3.0%	5.3%

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
2024	\$ 73,204	4.6 %	\$ 69,319	3.5 %	\$ 75,699	2.1 %
2023r	70,002	5.6 %	66,966	4.8 %	74,155	6.3 %
2022r	66,298	2.5 %	63,910	3.7 %	69,752	3.8 %
2021r	64,692	9.4 %	61,629	9.8 %	67,174	12.7 %
2020r	59,151	6.4 %	56,134	6.7 %	59,586	9.5 %
2019r	55,567	4.2 %	52,620	3.3 %	54,408	5.5 %
2018r	53,311	4.5 %	50,922	4.4 %	51,579	4.4 %
2017r	51,006	4.1 %	48,795	2.7 %	49,408	2.3 %
2016r	48,974	1.9 %	47,515	0.8 %	48,284	(0.0)%
2015r	48,062	3.8 %	47,117	2.6 %	48,308	3.4 %

Note: Per capita personal income is total personal income divided by total midyear population estimate. Midyear population estimates. Source: U.S. Census Bureau.

r = Revised Estimates from Prior Year ACFR

* The Plains Region includes Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2025.

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

	2025p	2024r	2023r	2022	2021	2020	2019	2018	2017	2016
Mining, Logging, and Construction	31.5	30.5	29.4	27.3	26.2	25.4	24.6	24.0	23.4	23.7
Manufacturing	44.1	45.1	45.3	45.1	43.9	43.2	45.0	44.4	43.1	42.2
Trade, Transportation, and Utilities	92.2	92.5	91.7	89.2	86.9	84.0	85.9	86.5	87.0	88.0
Wholesale Trade	22.7	22.6	22.3	21.9	21.4	20.9	21.1	20.8	20.8	21.0
Retail Trade	54.1	54.1	53.8	53.0	51.6	49.7	51.2	52.3	53.0	53.7
Transportation, Warehousing, and Utilities	15.5	15.9	15.6	14.3	13.9	13.4	13.5	13.5	13.3	13.3
Information	5.3	5.2	5.2	5.2	5.1	5.1	5.5	5.6	5.7	5.8
Financial Activities	27.5	27.5	27.8	28.0	28.2	28.3	29.0	29.2	29.3	29.3
Professional and Business Services	38.1	37.3	37.3	36.8	34.6	32.8	33.2	32.3	31.5	31.4
Private Education and Health Services	79.5	78.9	76.8	75.3	74.2	73.0	73.2	72.2	71.2	70.0
Leisure and Hospitality	51.2	50.3	49.4	48.3	45.6	41.0	47.4	47.3	47.0	46.7
Other Services	19.0	18.5	18.1	17.7	17.0	16.6	16.8	16.7	16.7	16.6
Government	82.5	82.1	81.0	79.7	78.9	77.0	80.0	79.5	79.1	78.4
TOTAL	563.2	560.5	553.7	541.8	527.5	510.4	526.4	524.3	521.1	520.1
% Change in Nonfarm Employment	0.5%	1.2%	2.2%	2.7%	3.4%	-3.0%	0.4%	0.6%	0.2%	0.8%

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
2024*	29	\$ 379.2	15	\$ 561.8	44	\$ 941.0
2023*	28	1,235.1	6	210.4	34	1,445.5
2022*	17	742.0	19	1,132.8	36	1,874.8
2021*	24	896.5	16	1,316.0	40	2,212.5
2020**	382	123.5	5	1.3	387	124.8
2019**	372	324.2	0	0.0	372	324.2
2018**	304	423.3	6	26.1	310	449.4
2017**	207	387.8	4	9.3	211	397.1
2016**	163	256.6	2	0.6	165	257.2
2015**	330	406.5	2	3.4	332	409.9

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
2025 as Compared to 2016

June 2025 Rank	Industry	South Dakota Employees	Percentage of Industry Types
1	Government	84,800	17.6%
2	Health Care and Social Assistance	72,900	15.1%
3	Leisure and Hospitality	56,600	11.8%
4	Retail Trade	54,500	11.3%
5	Manufacturing	44,100	9.2%
6	Professional and Business Services	39,100	8.1%
7	Mining, Logging, and Construction	33,300	6.9%
8	Financial Activities	27,500	5.7%
9	Wholesale Trade	22,800	4.7%
10	Other Services	19,200	4.0%
11	Transportation, Warehousing, and Utilities	15,600	3.3%
12	Private Educational Services	5,800	1.2%
13	Information	5,300	1.1%
Total Nonfarm Employment		481,500	100.0%

Sources: June, 2025 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: 11/19/2025

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 2016 Rank	Industry	South Dakota Employees	Percentage of Industry Types
1	Government	79,500	18.0%
2	Health Care and Social Assistance	62,700	14.2%
3	Retail Trade	54,600	12.4%
4	Leisure and Hospitality	49,800	11.3%
5	Manufacturing	42,600	9.7%
6	Professional and Business Services	32,100	7.3%
7	Financial Activities	29,400	6.7%
8	Mining, Logging, and Construction	26,800	6.1%
9	Wholesale Trade	21,300	4.8%
10	Other Services	17,000	3.9%
11	Transportation, Warehousing, and Utilities	13,300	3.0%
12	Information	5,900	1.3%
13	Private Educational Services	5,600	1.3%
Total Nonfarm Employment		440,600	100.0%

Sources: June, 2016 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: 11/19/2025

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				
	2025	2024	2023	2022	2021
General Government	1,038	1,051	1,022	1,019	1,033
Health, Human, and Social Services	2,777	2,771	2,809	2,803	2,874
Law, Justice, Public Protection, and Regulation	2,360	2,259	2,105	2,142	2,169
Agriculture and Natural Resources	902	895	882	865	891
Transportation	1,026	1,008	993	999	990
Education	182	179	176	178	182
Economic Resources	77	81	72	67	69
State Total	8,362	8,244	8,059	8,073	8,208

Function of State Government:	Fiscal Year				
	2020	2019	2018	2017	2016
General Government	1,024	1,020	1,028	1,020	1,018
Health, Human, and Social Services	2,905	2,913	2,958	2,991	2,936
Law, Justice, Public Protection, and Regulation	2,137	2,143	2,129	2,130	2,186
Agriculture and Natural Resources	927	944	944	948	939
Transportation	991	997	1,000	998	976
Education	178	178	177	180	176
Economic Resources	71	125	125	124	156
State Total	8,233	8,320	8,361	8,391	8,387

Source: State's Budget System RB16 - June 30, 2025 *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			
	2025	2024	2023	2022
General Government				
Vehicles	2,935	2,776	2,772	2,712
Land (Acres)	762,219	762,218	762,538	762,538
Equipment	1,435	1,038	1,022	1,373
Buildings	35	35	34	33
Infrastructure	0	0	0	0
Health, Human, and Social Services				
Vehicles	21	19	14	8
Land (Acres)	656	656	656	656
Equipment	971	800	739	769
Buildings	82	82	82	82
Infrastructure	0	0	0	0
Law, Justice, Public Protection, and Regulation				
Vehicles	450	453	376	336
Land (Acres)	1,720	1,720	1,400	1,394
Equipment	1,685	1,314	1,340	1,494
Buildings	161	156	155	144
Infrastructure	0	0	0	0
Agriculture and Natural Resources				
Vehicles	346	343	349	357
Land (Acres)	364,160	363,948	363,627	363,607
Equipment	2,017	1,907	1,803	1,747
Buildings	169	173	176	160
Infrastructure	0	0	0	0
Transportation				
Vehicles	1,347	1,186	1,370	1,212
Land (Acres)	3,539	3,466	3,522	3,489
Land, ROW Roads	\$ 121,268,896	\$ 119,019,786	\$ 117,831,013	\$ 116,203,883
Land Improvements, Roads	\$ 529,014,507	\$ 529,014,507	\$ 529,014,507	\$ 529,014,507
Equipment	4,925	4,540	4,604	4,233
Buildings	228	222	221	217
Infrastructure				
-Roads: Lane Miles	8,845	8,841	8,843	8,842
-Bridges: Number of	1,844	1,819	1,819	1,819
-Railroads: Track Miles	173	173	173	173
Education				
Vehicles	0	0	0	0
Land (Acres)	187	187	187	187
Equipment	92	58	50	73
Buildings	30	30	32	32
Infrastructure	0	0	0	0
Economic Resources				
Vehicles	0	0	0	0
Land (Acres)	0	6	6	6
Equipment	3	3	2	2
Buildings	0	0	0	0
Infrastructure	0	0	0	0

Source: Survey conducted by BFM of the department's finance personnel and the Capital Asset System.

Fiscal Year					
2021	2020	2019	2018	2017	2016
2,861	2,897	3,012	2,948	2,908	2,987
762,538	762,538	761,475	761,465	760,743	760,806
1,433	1,359	1,406	1,382	1,386	1,427
56	24	24	22	22	23
0	0	0	0	0	0
8	7	7	7	7	7
642	642	644	584	710	763
786	653	689	665	650	667
83	81	81	84	89	89
0	0	0	0	0	0
394	297	358	361	361	332
1,373	1,413	1,413	1,512	1,504	1,504
1,516	1,246	1,263	1,196	1,180	1,090
155	137	137	135	157	156
0	0	0	0	0	0
379	353	366	369	378	389
363,435	363,285	363,221	363,222	362,876	361,821
1,877	1,667	1,715	1,668	1,647	1,617
172	129	128	120	96	76
0	0	0	0	0	0
1,328	1,197	1,295	1,301	1,281	1,287
3,489	3,199	3,182	3,177	3,199	3,213
\$ 110,124,754	\$ 108,226,917	\$ 107,257,048	\$ 103,939,192	\$ 97,004,207	\$ 95,308,778
\$ 529,014,507	\$ 529,014,507	\$ 529,014,507	\$ 527,033,832	\$ 527,033,832	\$ 523,392,571
4,500	4,109	4,257	4,066	3,917	3,806
217	209	207	203	199	193
8,849	8,847	8,847	8,850	8,850	8,861
1,811	1,802	1,795	1,796	1,796	1,795
173	530	530	530	530	530
0	0	0	0	0	0
187	187	187	284	284	284
78	76	81	81	86	78
35	32	32	32	34	27
0	0	0	0	0	0
0	0	0	0	0	0
6	6	6	6	0	0
2	1	1	1	3	3
0	0	0	0	0	0
0	0	0	0	0	0

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

	Fiscal Year		
	2025	2024	2023
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 Technology			
SDPB Local Production (Hours)	2,652	2,509	3,145
Radio Calls through Digital Network	29,911,109	29,911,109	29,759,859
Bureau of Human Resources and Administration			
Health: Employees, COBRA, Retirees/Dependents	12,257 / 14,463	12,137 / 14,025	11,943 / 13,668
Pieces of Mail Handled/Year	6,706,023	6,328,023	6,188,495
Total Miles Driven	27,109,870	28,082,566	27,583,403
Revenue			
Total Active Business Licenses	104,976	103,677	102,017
Vehicles Registered	1,649,106	1,619,981	1,635,157
Misc. Special Tax Licenses	6,516	6,298	6,359
Lottery			
Licensed Lottery Retailers--Instant Only	11	11	11
Licensed Lottery Retailers--On-line	641	633	624
Legislature			
Auditor General			
Audits Performed	56	50	51
Audits Reviewed (IPA reports)	422	376	383
School and Public Lands			
Apportion Common School Interest Fund and Income to School Districts (Thousands)	\$ 10,000	\$ 10,000	\$ 10,000
Apportion Endowed Income and Interest Fund to Ten Endowed Institutions (Thousands)	\$ 2,900	\$ 2,900	\$ 2,900
Secretary of State			
Business and Secured Transaction Filings	155,824	147,261	145,612
State Treasurer			
Cash Receipts (Thousands)	\$ 8,321,182	\$ 7,830,425	\$ 7,362,410
Unclaimed Property - Claims Paid	10,860	6,768	5,979
State Auditor			
Vouchers Audited	257,540	261,726	268,473
Warrants Written	191,888	188,806	198,474
Health, Human, and Social Services			
Social Services			
Medicaid Enrolled/Month	146,542	127,664	145,350
Long Term Care Services - Clients Served	3,171	3,041	3,159
Health			
Public Health Investigations	18,536	20,370	18,172
Labor			
State Labor Force	488,287	480,238	475,065
Unemployment Rate	1.80%	2.00%	2.10%
South Dakota Retirement System			
Budget Compared to Assets	0.02%	0.03%	0.04%
Budget Compared to Benefits	0.77%	0.82%	0.74%
Veterans Benefits and Services			
South Dakota Veteran Population	62,433	62,433	63,322
State Veterans' Home			
Average Daily Census	72	70	74
Human Services			
People with Developmental Disabilities Served	2,802	2,804	2,893
People with Mental Illness Served	16,141	16,279	17,077
People with Substance Abuse Issues Served	11,452	12,251	11,552
People Receiving Vocational Rehabilitation Services	5,284	4,964	4,513

Fiscal Year						
2022	2021	2020	2019	2018	2017	2016
Annual Annual	Annual Annual	Annual Annual	Annual Annual	Annual Annual	Annual Annual	Annual Annual
3,215	3,150	3,068	3,237	3,239	3,110	3,271
26,745,228	27,376,199	27,376,199	25,879,566	27,038,877	24,549,762	29,858,306
12,050 / 13,794	12,669 / 14,228	12,897 / 14,204	13,073 / 14,311	13,240 / 14,179	13,264 / 13,730	13,242 / 13,418
6,216,662	6,852,597	6,594,534	6,783,673	7,254,250	7,448,095	7,536,209
33,549,427	28,984,851	32,786,517	37,538,989	37,677,337	38,898,000	38,344,195
98,532	94,925	91,793	89,842	85,147	84,242	82,640
1,602,358	1,639,437	1,509,538	1,527,593	1,533,549	1,484,111	1,519,080
6,204	6,004	5,878	6,059	6,757	6,663	6,612
11	9	13	13	13	13	13
623	625	614	616	636	632	610
55	54	57	56	53	54	54
358	351	352	345	316	351	333
\$ 9,840	\$ 12,823	\$ 12,695	\$ 12,112	\$ 11,282	\$ 10,196	\$ 10,227
\$ 2,900	\$ 3,000	\$ 3,412	\$ 2,813	\$ 2,642	\$ 2,410	\$ 2,267
136,563	133,507	127,036	122,122	125,600	112,454	121,302
\$ 7,957,896	\$ 6,304,280	\$ 6,971,719	\$ 5,432,711	\$ 5,205,064	\$ 5,197,293	\$ 4,955,107
9,022	11,272	6,467	4,624	5,822	3,162	5,127
276,987	262,463	257,420	285,516	281,596	279,250	288,653
226,742	234,696	236,466	239,860	250,707	257,678	270,702
140,791	128,654	115,731	116,709	118,338	119,619	118,674
3,272	3,294	3,487	3,694	3,723	3,702	3,867
13,112	9,287	11,716	28,087	21,187	16,999	13,224
468,015	467,427	463,278	460,531	457,941	455,617	453,175
3.10%	3.60%	4.10%	2.90%	3.00%	3.10%	2.80%
0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
0.80%	0.81%	0.86%	0.84%	0.86%	0.86%	0.86%
63,950	65,014	67,119	65,893	66,811	72,000	72,000
84	95	98	96	94	94	96
2,938	3,070	3,093	3,031	3,105	3,092	3,103
17,548	17,156	18,047	18,189	17,866	17,169	17,194
11,260	11,189	11,693	11,361	12,351	12,003	12,297
4,440	4,378	4,697	5,174	5,581	5,608	5,484

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

	Fiscal Year		
	2025	2024	2023
Law, Justice, Public Protection, and Regulation			
Corrections			
Adult System ADP (Average Daily Population)	3,750	3,694	3,452
Avg. Daily Population on Supervision	3,232	3,493	3,064
Juvenile Institutional and Placement ADP	165	159	188
Unified Judicial System			
Felony Offenses Filings	12,107	11,982	12,304
Class One Misdemeanor Filings	19,829	18,823	18,249
Class Two Misdemeanor Filings	107,574	100,231	93,857
Attorney General			
New Cases Opened/Closed/Pending (Thousands)	1.3 / 1.1 / 2.0	1.1 / 0.6 / 2.2	1.0 / 0.8 / 2.0
Investigations Conducted by DCI	1,704	1,498	1,483
Public Safety			
Patrol of Public Highways (Percentage)	60%	60%	60%
Driver Licenses Issued	194,677	183,957	212,667
Wildfires Suppressed (Fires/Acres)	171 / 4,099	83 / 275	77 / 5,655
Military and Veterans Affairs			
Assigned Strength of the Army Guard	3,018	2,971	2,924
Assigned Strength of the Air Guard	1,055	1,094	1,063
Appraiser Program			
New / Renewed Licenses	50 / 427	47 / 375	40 / 447
Dealer, Broker & Investment Advisor			
Agents Licensed	147,843	141,328	137,151
Renewed & Issued Insurance			
Appointments/Licenses	473,996	448,180	455,969
Revenue Boards and Commissions			
New & Renewed Licenses Issued	6,693	6,958	6,264
Public Utilities Commission			
Dockets Opened	99	124	122
Agriculture and Natural Resources			
Agriculture			
Dairy Inspections	N/A	N/A	N/A
Insect & Disease Individual Assists	N/A	N/A	N/A
Game, Fish and Parks			
Total Park Visitations	9,175,049	9,136,522	9,435,657
Acres of Walk-In Areas	1,524,714	1,433,074	1,407,005
Natural Resources			
Dollars Awarded/Number of Grants and Loans	N/A	N/A	N/A
Total Number of Regulated Facilities	N/A	N/A	N/A
Petroleum Release Compensation			
Petroleum Release Cases Initiated	N/A	N/A	N/A
Abandoned Tank Site Cases Initiated	N/A	N/A	N/A
Transportation			
Percent of Non-interstate State Highway System			
Main Lane Pavement Mileage Rated Good or Better			
on Condition Index	90	88	90
Percent of Interstate Pavement in Excellent			
Condition Based on Condition Index	54	49	46
Education			
Student K-12 Public School Fall Enrollment	137,680	138,202	138,387
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)	\$ 3.68	\$ 3.56	\$ 3.31

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						
2022	2021	2020	2019	2018	2017	2016
3,317	3,318	3,772	3,902	3,949	3,844	3,613
3,264	3,325	3,393	2,951	2,573	2,480	2,345
185	200	188	197	231	316	482
12,560	13,305	13,284	12,527	12,259	11,512	10,800
18,238	19,002	19,640	20,828	22,144	21,884	22,055
101,299	97,035	92,599	104,426	115,784	114,231	114,445
1.2 / 0.9 / 1.7	0.8 / 1.6 / 1.7	1.3 / 1.6 / 2.3	1.1 / 1.9 / 2.0	1.4 / 1.7 / 2.3	1.0 / 2.0 / 2.0	2.1 / 1.8 / 2.1
1,511	1,418	1,277	819	935	963	1,063
60%	61%	63%	60%	59%	55%	59%
214,813	214,420	169,997	163,658	196,733	196,780	203,012
217 / 17,059	241 / 39,771	324 / 3,404	259 / 4,413	731 / 65,659	748 / 74,228	614 / 17,359
3,118	3,113	3,072	3,141	3,148	3,163	3,130
1,055	1,055	1,055	1,055	1,051	1,037	1,040
52 / 415	44 / 398	23 / 402	14 / 410	14 / 387	19 / 378	36 / 410
125,738	114,553	107,764	104,188	100,956	96,156	96,262
475,286	458,624	403,025	366,307	360,232	326,870	295,526
6,443	6,126	6,591	6,396	6,939	6,688	7,161
156	160	128	180	183	152	154
N/A	395	378	458	434	635	604
N/A	N/A	1,599	1,072	412	317	305
9,304,995	9,892,484	11,255,067	7,298,423	7,646,131	7,729,787	7,509,840
1,389,000	1,389,000	1,200,000	1,270,000	1,355,000	1,331,000	1,392,000
N/A	115.6 M / 88	189.6 M / 112	155.0 M / 70	66.1 M / 66	121.6 M / 91	77.5 M / 106
N/A	N/A	N/A	29,463	29,225	29,108	29,186
N/A	20	36	34	30	42	55
N/A	32	35	36	39	45	57
90	91	87	88	86	83	82
56	52	50	56	50	50	45
137,685	136,115	136,119	135,317	133,861	132,520	130,936
N/A	N/A	N/A	N/A	\$ 400.90	\$ 257.20	\$ 400.00
N/A	N/A	N/A	N/A	1,138	163	3,000
\$ 2.84	\$ 2.57	\$ 2.75	\$ 2.65	\$ 2.64	\$ 2.46	\$ 2.36

Statistical Section

Notes to Statistical

Restatement information for the *financial trends* statisticals is discussed below. These restatements only include error corrections and not restatement due to accounting principle changes, such as GASB 84, 87, 101, and 102.

Fiscal Year 2024. A detailed correction can be found in the FY25 ACFR Note 2. Accounting Changes, Restatements, and Reclassifications:

\$11.9 million was restated regarding a correction of an error in recording construction in progress. The Governmental Activities net investment in capital assets decreased and Health, Human, and Social Services expense increased. This restatement can be found in *Net Position by Component* and *Changes in Net Position*.

Fiscal Year 2023. A detailed correction can be found in the FY24 ACFR Note 2. Accounting Changes, Restatements, and Reclassifications:

\$9.3 million was restated regarding the National Opioid Settlement due to an error in the receivable calculation. The Governmental Activities restricted net position and program revenue for Health, Human, and Social Services charges for services increased. This restatement can be found in the *Net Position by Component* and *Changes in Net Position*.

\$4.6 million was restated regarding an error in recording construction in progress. The Governmental Funds General Government Expenditures and Transfer In increased. The Governmental Activities net investment in capital assets and Transfer In increased. The Business-type Activities net investment in capital assets decreased and Transfer Out increased. This restatement can be found in the *Net Position by Component*, *Changes in Net Position*, and *Changes in Fund Balances, All Governmental Funds*.

Fiscal Year 2021. A detailed correction can be found in the FY22 ACFR Note 2. Accounting Changes, Restatements, and Reclassifications:

\$19.2 million was restated regarding an error in reporting of insurance tax receivables and revenue. The Governmental Activities other taxes revenue, unassigned fund balance, and unassigned net position increased. This restatement can be found in the *Net Position by Component*, *Changes in Net Position*, *Fund Balances*, *Governmental Funds*, and *Changes in Fund Balances, All Governmental Funds*.

\$1.2 million was restarted regarding an error in reporting of insurance tax receivables and revenue. The Governmental Activities other taxes revenue and unassigned net position increased. This restatement can be found in the *Net Position by Component* and *Changes in Net Position*.

\$0.6 million was restated regarding an error in reporting assessment revenue in the South Dakota Corn Utilization Council. This adjusted Agriculture and Natural Resources expenditures and restricted net position increased, which was carried forward to the Government Activities. This restatement can be found in the *Net Position by Component*, *Changes in Net Position*, *Fund Balances*, *Governmental Funds*, and *Changes in Fund Balances, All Governmental Funds*.

Fiscal Year 2019. A detailed correction can be found in the FY20 ACFR Note 2. Accounting Changes, Restatements, and Reclassifications:

\$8.4 million was restated regarding an error for employer tax receivable calculation. The employer assessment revenue, and unrestricted net position increased, which is carried forward to Business-type Activities charges for services. This restatement can be found in the *Net Position by Component* and *Changes in Net Position*.

Fiscal Year 2017. A detailed correction can be found in the FY18 ACFR Note 2. Accounting Changes, Restatements, and Reclassifications:

\$1.1 million was restated regarding an error in reporting revenues in the South Dakota Corn Utilization Council. The assessment revenue for Licenses, Permits, and Fees and restricted fund balance increased, which are carried forward to Governmental Activities charges for services. This restatement can be found in the *Net Position by Component, Changes in Net Position, Fund Balances, Governmental Funds, and Changes in Fund Balances, All Governmental Funds*.

\$0.3 million was restated regarding an error in reporting revenues in the South Dakota Soybean Research and Promotion Council. The assessment revenue for Licenses, Permits, and Fees and restricted fund balance increased, which are carried forward to Governmental Activities charges for services. This restatement can be found in the *Net Position by Component, Changes in Net Position, Fund Balances, Governmental Funds, and Changes in Fund Balances, All Governmental Funds*.

Fiscal Year 2016. A detailed correction can be found in the FY17 ACFR Note 2. Accounting Changes, Restatements, and Reclassifications:

\$12.8 million was restated regarding an error in capital assets that were not capitalized. The Governmental Activities net investment of capital assets increased. This restatement can be found in the *Net Position by Component and Changes in Net Position*.

\$1.1 million was restated regarding an error in reporting revenues in the South Dakota Soybean Research and Promotion Council. The assessment revenue for Licenses, Permits, and Fees and restricted fund balance increased, which are carried forward to Governmental Activities charges for services. This restatement can be found in the *Net Position by Component, Changes in Net Position, Fund Balances, Governmental Funds, and Changes in Fund Balances, All Governmental Funds*.





***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 Larry Rhoden
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, 2025, which collectively comprise the State's basic financial statements as listed in the table of contents and have issued our report thereon dated December 31, 2025, 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 31, 2025. 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 \$77,905,890 and \$4,943, respectively, in federal awards during the fiscal year ended June 30, 2025, which are not included on the accompanying Schedule of Expenditures of Federal Awards. Included in the amount expended by the South Dakota Housing Development Authority is \$16,799,726 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 these amounts as passed through to subrecipients on the accompanying Schedule of Expenditures of Federal Awards, as described in Note

3P 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

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.

A handwritten signature in black ink that reads "Russell A. Olson". The signature is written in a cursive, flowing style.

Russell A. Olson
Auditor General

March 31, 2026

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

Federal Agency Number	Federal Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
10	U.S. Department of Agriculture	\$ 337,101,485	\$ 78,195,923
11	U.S. Department of Commerce	2,020,844	74,789
12	U.S. Department of Defense	37,464,099	2,025,304
14	U.S. Department of Housing and Urban Development	8,053,796	7,733,309
15	U.S. Department of Interior	34,387,714	2,802,498
16	U.S. Department of Justice	11,305,673	5,706,143
17	U.S. Department of Labor	57,564,219	
19	U.S. Department of State	69,935	
20	U.S. Department of Transportation	705,925,702	26,104,727
21	U.S. Department of Treasury	384,739,074	290,949,299
30	U.S. Equal Employment Opportunity Commission	28,255	
39	General Services Administration	929,482	789,556
43	National Aeronautics and Space Administration	2,243,248	202,810
45	National Endowment for the Arts	1,142,380	1,023,958
45	National Endowment for the Humanities	64,738	9,013
45	Institute of Museum and Library Services	1,528,577	
47	National Science Foundation	24,159,990	6,074,691
59	U.S. Small Business Administration	1,255,098	494,400
64	U.S. Department of Veterans Affairs	7,718,570	
66	U.S. Environmental Protection Agency	34,699,210	24,743,781
81	U.S. Department of Energy	53,584,404	4,298,096
84	U.S. Department of Education	430,579,852	223,032,022
89	National Archives and Records Administration	47,043	
90	U.S. Election Assistance Commission	2,488,786	256,765
93	U.S. Department of Health and Human Services	1,576,179,699	29,291,659
95	Executive Office of the President	1,005,921	322,663
96	Social Security Administration	6,673,107	
97	U.S. Department of Homeland Security	52,492,209	44,620,942
	Total Expenditures of Federal Awards	\$ 3,775,453,110	\$ 748,752,348

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, 2025

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	\$ 183,214,403	\$ 6,238
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561			Social Services	15,933,436	6,238
<i>Total SNAP Cluster</i>					<u>199,147,839</u>	<u>6,238</u>
<i>Child Nutrition Cluster</i>						
School Breakfast Program	10.553			Education	9,290,392	9,249,520
National School Lunch Program (Note 3A)	10.555			Education	37,918,439	35,137,055
Special Milk Program for Children	10.556			Education	11,869	11,834
Summer Food Service Program for Children (Note 3A)	10.559			Education	3,674,630	3,391,414
Fresh Fruit and Vegetable Program - Administrative Review and Training Method II	10.582			Education	2,642,068	2,587,031
<i>Total Child Nutrition Cluster</i>					<u>53,537,398</u>	<u>50,376,854</u>
<i>Food Distribution Cluster</i>						
Commodity Supplemental Food Program	10.565			Education	247,713	231,366
Commodity Supplemental Food Program - CCC SUPPLY CHAIN CSFP	10.565			Education	72,919	72,919
Emergency Food Assistance Program (Administrative Costs)	10.568			Education	349,739	227,798
COVID-19 Emergency Food Assistance Program (Administrative Costs)	10.568	CRRSA and CARES		Education	443,422	440,680
Emergency Food Assistance Program (Food Commodities) (Note 3A)	10.569			Education	4,939,273	
<i>Total Food Distribution Cluster</i>					<u>6,053,066</u>	<u>972,763</u>
<i>Schools and Roads Cluster</i>						
Schools and Roads - Grants to States	10.665			State Auditor	948,270	948,270
<i>Total Schools and Roads Cluster</i>					<u>948,270</u>	<u>948,270</u>
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					29,719,882	15,339,040
<i>Plant and Animal Disease, Pest Control, and Animal Care</i>	10.025					
Plant and Animal Disease, Pest Control, and Animal Care		AP24VSD; B000C015; AP24VSD; B000C070		Agriculture and Natural Resources/SDSU	382,666	
Plant and Animal Disease, Pest Control, and Animal Care		AP23VSD; B000C020; G-50346-26	Colorado State University	SDSU	327,668	
Plant and Animal Disease, Pest Control, and Animal Care - Animal Disease Traceability (ADT)		AP24VSSPRS00C095; AP25VSSPRS00C069		Animal Industry Board	83,791	
Plant and Animal Disease, Pest Control, and Animal Care - Farmed Cervid CWD Management and Response Activities		AP22VSSPRS00C143; AP24VSSPRS00C138		Animal Industry Board	43,576	
Plant and Animal Disease, Pest Control, and Animal Care - Highly Pathogenic Avian Influenza (HPAI)		AP22VSSPRS00C109; AP25VSSPRS00C015		Animal Industry Board	10,833	
Plant and Animal Disease, Pest Control, and Animal Care - National Animal Disease Prepared National Animal Disease Preparedness and Response Program (NADPRP)		AP23VSSP0000C025		Animal Industry Board	100,901	
Plant and Animal Disease, Pest Control, and Animal Care - National Surveillance and Response for Animal Health Activities (Umbrella)		AP24VSSPRS00C083; AP25VSSPRS00C099		Animal Industry Board	103,924	
Plant and Animal Disease, Pest Control, and Animal Care - US Swine Health Improvement Plan		AP24VSSP0000C022; AP25VSSP0000C016		Animal Industry Board	46,160	
<i>Total ALN 10.025</i>					<u>1,099,519</u>	
Conservation Reserve Program	10.069	NR196740XXXXG009; NR226740XXXXC006		SDSU	15,704	
Voluntary Public Access and Habitat Incentive Program - HIP Hunting and Fishing Access	10.093			Game, Fish and Parks	226,238	
Market News	10.153			Agriculture and Natural Resources	69,500	
Market Protection and Promotion	10.163	AM23NOP0000C004; 24003888	OCIA International	SDSU	49,648	
Specialty Crop Block Grant Program - Farm Bill - SDDA Dakota Flavor Marketplace	10.170			Agriculture and Natural Resources	459,533	296,047

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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	722,503	712,822
Pandemic Relief Activities: Meat and Poultry Processing Capacity - Technical Assistance Grants	10.184	AM22LPTA0000C003; 25-0042-P0001	American Meat Science Association	SDSU	8,705	
The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	10.187			Education	156,000	156,000
Resilient Food System Infrastructure Program	10.190			Agriculture and Natural Resources	37,299	20,007
<i>Sustainable Agriculture Research and Education</i>	10.215					
Sustainable Agriculture Research and Education		2022-38640-37486; 2023-38640-39573; H009987604; H011171403; H011171422	Regents of the University of Minnesota	SDSU	38,336	5,927
Sustainable Agriculture Research and Education		2021-38640-34714; H009277429	University of Minnesota	SDSU	55,847	
<i>Total ALN 10.215</i>					<u>94,183</u>	<u>5,927</u>
Higher Education - Institution Challenge Grants Program	10.217	2023-70003-38772		SDSU	93,670	77,701
Food and Agriculture Defense Initiative (FADI)	10.304	2023-37624-40863; 2024-37624-42864		SDSU	128,017	
Agriculture and Food Research Initiative (AFRI)	10.310	2021-68018-34619; 2022-67037-36254; 2024-67038-42606		SDSU	319,788	196,839
Beginning Farmer and Rancher Development Program	10.311	2020-7017-32421		SDSU	131,095	
Women and Minorities in Science, Technology, Engineering, and Mathematics Fields	10.318	2024-38503-43665		SDSU	24,723	
Food Safety Outreach Program	10.328	2021-70020-35732; 2024-70020-42954; 024575H; 029195G	Iowa State University	SDSU	4,742	
Crop Protection and Pest Management Competitive Grants Program	10.329	2021-70006-35474; 2024-70006-43498		SDSU	118,284	
State Mediation Grants	10.435			Agriculture and Natural Resources	98,276	
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	BASE25; CIS25		Animal Industry Board	1,157,742	
<i>Cooperative Extension Service</i>	10.500					
Cooperative Extension Service		2022-48794-38652; 2023-48794-41323; 110920-19782; 115080-20145 PZL0340; 2023-41595-413; NTAE-2024-2488; NTAE-2024-2489	The Board of Trustees of the University of Illinois	SDSU	12,591	
Cooperative Extension Service		2019-4152029987; 2022-41580-37936; 2022-41590-38123; 2024-41520-43155	Extension Foundation	SDSU	51,774	
Cooperative Extension Service				SDSU	7,069,267	138,190
<i>Total ALN 10.500</i>					<u>7,133,632</u>	<u>138,190</u>

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Rural Health and Safety Education Competitive Grants Program	10.516	2024-46100-43212; 24-660-SDSU	State of West Virginia	SDSU	12,000	
Agriculture Risk Management Education Partnerships Competitive Grants Program	10.520	2021-70027-34694; 2022-70419-38561; 25-6324-0207-103; 25-6324-0228-007	The Nebraska Board of Regents University of Nebraska	SDSU	69,081	
Farm and Ranch Stress Assistance Network Competitive Grants Program	10.525	2020-70028-32728; 2023-70028-41284; 2024-70028-43552; 101598-18135; 115000-19833; 119006-20185	The Board of Trustees of the University of Illinois	SDSU	61,934	
New Beginning for Tribal Students	10.527	2020-70411-32783; 2021-70411-35208; 2024-70411-43323		SDSU	130,641	52,084
Child Nutrition-Technology Innovation Grant	10.541			Education	610,323	
COVID-19 Pandemic EBT Food Benefits (Note 3E)	10.542			Social Services	3,281	
<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)		233SD708W1003; 233SD708W1006; 233SD808W5003; 243SD708W1003; 243SD708W1006; 243SD808W5003; 253SD708W1003		Health/USD Health	19,293,193 91,048	1,231,394
COVID-19 WIC Special Supplemental Nutrition Program for Women, Infants, and Children (Note 3I)		23SD082M2008	Gretchen Swanson Center for Nutrition	Health	462,625	
<i>Total ALN 10.557</i>		208NE000W5414; 113GS			<u>19,846,866</u>	<u>1,231,394</u>
Child and Adult Care Food Program	10.558			Education	7,201,118	6,499,618
State Administrative Expenses for Child Nutrition	10.560			Education	1,433,708	
Farm to School Grant Program	10.575			Education	28,548	
WIC Grants to States (WGS)	10.578	223SD542W5412; 233SD542W5412		Health	5,647	
<i>Child Nutrition Discretionary Grants Limited Availability</i>	10.579			Education	24,960	23,286
Child Nutrition Discretionary Grants Limited Availability - NSLP Equipment				Education	7,954	7,954
COVID-19 Child Nutrition Discretionary Grants Limited Availability - NSLP Equipment					<u>32,914</u>	<u>31,240</u>
<i>Total ALN 10.579</i>						
Child Nutrition Direct Certification Performance Awards	10.589			Education	479	
COVID-19 Farm to School State Formula Grant	10.645			Education	194,710	
Cooperative Forestry Assistance	10.664			Agriculture and Natural Resources	1,167,351	338,947
Forest Legacy Program	10.676			Agriculture and Natural Resources	7,798	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Forest Stewardship Program	10.678			Agriculture and Natural Resources	10,336	5,783
Forest Health Protection - Western Bark Beetle	10.680			Agriculture and Natural Resources	40,996	
State & Private Forestry Hazardous Fuel Reduction Program	10.697			Agriculture and Natural Resources/Public Safety	376,636	
State & Private Forestry Cooperative Fire Assistance	10.698			Public Safety	2,552,415	790,159
Infrastructure Investment and Jobs Act Community Wildfire Defense Grants	10.720			Public Safety	3,196	
Infrastructure Investment and Jobs Act Temporary Bridge Program	10.721			Agriculture and Natural Resources	13	
Inflation Reduction Act - Forest Legacy Program	10.734			Agriculture and Natural Resources	1,490,254	
<i>Soil and Water Conservation</i>	10.902					
Soil and Water Conservation		NR196740XXXXG009		SDSU	102	
Soil and Water Conservation		24008615;	South Dakota Discovery	SDSU	1,662	
Soil and Water Conservation - Agroforestry Tech Assist & Windbreak Renovation		NR236740XXXC004	Center and Aquarium	Agriculture and Natural Resources	47,589	
<i>Total ALN 10.902</i>					49,353	
<i>Environmental Quality Incentives Program</i>	10.912					
Environmental Quality Incentives Program		NR196740XXXXG009		SDSU	205	
Environmental Quality Incentives Program - Agro-Forestry				Agriculture and Natural Resources	11,151	
Environmental Quality Incentives Program - Thinning				Agriculture and Natural Resources	12,519	
<i>Total ALN 10.912</i>					23,875	
Emergency Watershed Protection Program	10.923	NR19670XXXXC003		Game, Fish and Parks	174,334	
Conservation Stewardship Program	10.924	NR196740XXXXG009		SDSU	102	
Agricultural Conservation Easement Program	10.931	NR196740XXXXG009		SDSU	307	
<i>ALN UNKNOWN - U.S. Department of Agriculture</i>	10.UNKNOWN					
Challenge Cost Share Supplemental Project Agreement		24-CS-11020300-030		BHSU	14,221	
Challenge Cost Share Supplemental for Long Term Archival Services for Black Hills National Forest						
Historical Collection		20-CS-11020300-020		BHSU	3,792	
<i>Total ALN UNKNOWN - U.S. Department of Agriculture</i>					18,013	
Total U.S. Department of Agriculture					337,101,485	78,195,923
U.S. Department of Commerce						
<i>Economic Development Cluster</i>						
COVID-19 Economic Adjustment Assistance	11.307	ED22DEN3070010		Governor's Office of Economic Development	75,746	
<i>Total Economic Development Cluster</i>					75,746	
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					1,039,764	
Build to Scale - Northern Innovation and Startup Center	11.024	ED22HDQ0240150		NSU	176,925	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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 Commerce (continued)						
State Digital Equity Planning and Capacity Grant	11.032			Labor	40,833	
Broadband Equity, Access, and Deployment Program	11.035	46-20-B122		Governor's Office of Economic Development	548,423	
Economic Development Technical Assistance	11.303	ED23DEN0G0079		SDSU	121,223	74,789
Office for Coastal Management	11.473	0318.18.062467; 834647	Rutgers University	SDSU	17,930	
Total U.S. Department of Commerce					2,020,844	74,789
U.S. Department of Defense						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					7,885,771	448,188
Procurement Technical Assistance For Business Firms	12.002	SP4800-21-2-2183; SP4800-22-2-2283		USD	224,405	122,965
STARBASE Program	12.020	W912MM-24-2-4101; W912MM-24-2-4102; W912MM-25-2-4101; W912MM-25-2-4102		Military	1,445,802	1,445,802
Payments to States in Lieu of Real Estate Taxes	12.112			State Treasurer	8,349	8,349
State Memorandum of Agreement Program for the Reimbursement of Technical Services - Defense Environmental Restoration Program	12.113			Agriculture and Natural Resources	99,170	
<i>Military Construction, National Guard</i>	12.400					
Military Construction, National Guard - Sioux Falls Readiness Center		W912MM-22-2-2001		Military	3,004,173	
Military Construction, National Guard - Transient Training Officer Quarters		W912MM-21-2-2001		Military	79,934	
Military Construction, National Guard - Wagner RC		W912MM-23-2-2001		Military	27,737	
Military Construction, National Guard - Watertown VMS		W912MM-23-2-2002		Military	948,685	
<i>Total ALN 12.400</i>					4,060,529	
<i>National Guard Military Operations and Maintenance (O&M) Projects</i>	12.401					
National Guard Military Operations and Maintenance (O&M) Projects		W912MM-21-2-1001; W912MM-23-2-1001		Military	116,243	
National Guard Military Operations and Maintenance (O&M) Projects - Interservice Support Agreement: Aberdeen Armed Forces Reserve Center		W5BM2T-87001-001		Military	68,198	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ANG Environmental Program Management		W912MM-23-2-1022; W912MM-24-2-1022; W912MM-25-2-1022		Military	66,855	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ANG Facilities Operations and Maintenance Activities		W912MM-23-2-1021; W912MM-24-2-1021; W912MM-25-2-1021		Military	1,936,721	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ANG Fire Protection Activities		W912MM-22-2-1024; W912MM-23-2-1024; W912MM-24-2-1024; W912MM-25-2-1024		Military	3,235,829	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ANG Security Guard Activities		W912MM-23-2-1023; W912MM-24-2-1023; W912MM-25-2-1023		Military	1,512,710	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Administrative Services		W912MM-23-2-1014; W912MM-24-2-1014; W912MM-25-2-1014		Military	189,902	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Anti-Terrorism Program Coordinator Activities		W912MM-23-2-1010; W912MM-24-2-1010; W912MM-25-2-1010		Military	108,234	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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 - Master Cooperative Agreement: ARNG Distance Learning		W912MM-23-2-1040; W912MM-24-2-1040; W912MM-25-2-1040		Military	139,396	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Electronic Security		W912MM-22-2-1004; W912MM-23-2-1004; W912MM-24-2-1004; W912MM-25-2-1004		Military	540,396	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Environmental Resource Management		W912MM-21-2-1002; W912MM-22-2-1002; W912MM-23-2-1002; W912MM-24-2-1002; W912MM-25-2-1002		Military	444,232	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Real Property Operations and Maintenance		W912MM-22-2-1001; W912MM-24-2-1001; W912MM-25-2-1001		Military	14,022,407	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Security Guard Activities		W912MM-23-2-1003; W912MM-24-2-1003; W912MM-25-2-1003		Military	939,492	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Telecommunications		W912MM-23-2-1005; W912MM-24-2-1005; W912MM-25-2-1005		Military	323,646	
<i>Total ALN 12.401</i>					<u>23,644,261</u>	
<i>ALN UNKNOWN - U.S. Department of Defense</i>	12.UNKNOWN					
Archeological Services		W9128F17D0048		Education	6,951	
Cultural Assessment		W9128F-12-C-0087		Education	22,040	
Cultural Resources Management Plans		W9218-F-08-A-0025		Education	66,821	
<i>Total ALN UNKNOWN - U.S. Department of Defense</i>					<u>95,812</u>	
Total U.S. Department of Defense					<u>37,464,099</u>	<u>2,025,304</u>
U.S. Department of Housing and Urban Development						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					70,930	
Manufactured Housing	14.171			Public Safety	6,462	
<i>Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii</i>	14.228					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				Governor's Office of Economic Development	5,154,115	4,911,020
COVID-19 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				Governor's Office of Economic Development	<u>2,822,289</u>	<u>2,822,289</u>
<i>Total ALN 14.228</i>					<u>7,976,404</u>	<u>7,733,309</u>
Total U.S. Department of Housing and Urban Development					<u>8,053,796</u>	<u>7,733,309</u>
U.S. Department of Interior						
<i>Fish and Wildlife Cluster</i>						
Sport Fish Restoration	15.605			Game, Fish and Parks	6,255,408	87,543
Wildlife Restoration and Basic Hunter Education and Safety	15.611			Game, Fish and Parks	18,373,653	549,308
Enhanced Hunter Education and Safety	15.626			Game, Fish and Parks	<u>729,244</u>	
<i>Total Fish and Wildlife Cluster</i>					<u>25,358,305</u>	<u>636,851</u>
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					3,850,036	100,987
Distribution of Receipts to State and Local Governments - Mineral Leasing and Taylor Grazing	15.227			Education	460,159	460,159
BLM Fuels Management and Community Fire Assistance Program Activities	15.228			Public Safety	68,046	
Water Recycling and Desalination Construction Programs	15.504			Game, Fish and Parks	491,319	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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 (continued)						
Fish and Aquatic Conservation - Aquatic Invasive Species - Quagga and Zebra Mussel Action Plan (QZAP)	15.608			Game, Fish and Parks	169,514	
National Land Remote Sensing Education Outreach and Research	15.815	G23AP00683; AV23-SD-01	AmericaView, Inc.	SDSU	35,104	
Historic Preservation Fund Grants-In-Aid	15.904			Education	748,255	108,616
Outdoor Recreation Acquisition, Development and Planning	15.916			Game, Fish and Parks	3,206,976	1,495,885
Total U.S. Department of Interior					34,387,714	2,802,498
U.S. Department of Justice						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					750,154	328,144
Sexual Assault Services Formula Program	16.017			Public Safety	485,269	470,818
Rural Violent Crime Initiative	16.039	15PBJA-21-GK-03942-RURA		Attorney General	4,282	
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525	15JOVW-21-GG-01065-CAMP		USD	61,330	26,717
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540			Corrections	782,921	609,588
Missing Children's Assistance - SD Internet Crimes Against Children	16.543	2019-MC-FX-K018		Attorney General	443,381	
National Criminal History Improvement Program (NCHIP)	16.554	2019-RU-BX-K027; 2020-RU-BX-0021		Attorney General	663,554	
Crime Victim Assistance	16.575			Public Safety	3,190,994	2,891,076
Crime Victim Compensation	16.576			Public Safety	162,126	156,226
Crime Victim Assistance/Discretionary Grants	16.582	CCI-GFJ OVC-21 Child Witness-2-0-002-032-120; FFY24-1	The Center for Justice Innovation	USD	9,234	
Violence Against Women Formula Grants	16.588			Public Safety	989,094	916,987
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	15JOVW-21-GG-00844-RURA		USD	195,671	15,977
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2016-WE-AX-0003		Attorney General	3,167	
State Criminal Alien Assistance Program	16.606			Corrections	36,611	
Public Safety Partnership and Community Policing Grants	16.710	2018-AM-WX-0009; 2018-HP-WX-0009		Attorney General	81,908	
PREA Program: Strategic Support for PREA Implementation	16.735			Corrections	11,742	
Edward Byrne Memorial Justice Assistance Grant Program	16.738			Public Safety	943,714	223,445
DNA Backlog Reduction Program	16.741	2018-DN-BX-0135; 2019-DN-BX-0041; 2020-DN-BX-0082		Attorney General	569,286	
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2019-CD-BX-0031; 2020-CD-BX-0021		Attorney General	380,642	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Support for Adam Walsh Act Implementation Grant Program	16.750	2018-AW-BX-0002; 2019-AW-BX-0022; 2020-AW-BX-0012		Attorney General	224,477	
Harold Rogers Prescription Drug Monitoring Program	16.754	2022-PM-BX-0016		Health	894,325	
John R. Justice Prosecutors and Defenders Incentive Act	16.816	2020-RJ-BX-0015		Attorney General	68,575	67,165
STOP School Violence	16.839			Public Safety	308,246	
Equitable Sharing Program	16.922			Attorney General/Public Safety	22,470	
Technical Assistance Grant	16.UNKNOWN	SJI-24-T-036		Unified Judicial System	22,500	
Total U.S. Department of Justice					11,305,673	5,706,143
U.S. Department of Labor						
<i>Employment Service Cluster</i>						
Employment Service/Wagner-Peyser Funded Activities	17.207			Labor	4,673,726	
<i>Total Employment Service Cluster</i>					<u>4,673,726</u>	
<i>WIOA Cluster</i>						
WIOA Adult Program	17.258			Labor	1,435,497	
WIOA Youth Activities	17.259			Labor	1,949,647	
WIOA Dislocated Worker Formula Grants	17.278			Labor	980,164	
<i>Total WIOA Cluster</i>					<u>4,365,308</u>	
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					44,077	
Labor Force Statistics	17.002			Labor	591,459	
<i>Unemployment Insurance</i>	17.225					
Unemployment Insurance (Note 3K)				Labor	40,785,608	
COVID-19 Unemployment Insurance (Note 3K)				Labor	716,656	
<i>Total ALN 17.225</i>					<u>41,502,264</u>	
Senior Community Service Employment Program	17.235			Labor	648,372	
Trade Adjustment Assistance	17.245			Labor	65,305	
H-1B Job Training Grants	17.268	FOA-ETA-22-16		USD	425,988	
Reentry Employment Opportunities	17.270			Labor	8,924	
Work Opportunity Tax Credit Program (WOTC)	17.271			Labor	210,526	
Temporary Labor Certification for Foreign Workers	17.273			Labor	368,201	
<i>WIOA National Dislocated Worker Grants / WIA National Emergency Grants</i>	17.277					
WIOA National Dislocated Worker Grants / WIA National Emergency Grants				Labor	1,280,514	
COVID-19 WIOA National Dislocated Worker Grants / WIA National Emergency Grants				Labor	658,915	
<i>Total ALN 17.277</i>					<u>1,939,429</u>	
Registered Apprenticeship	17.285			Labor	1,553,057	
Occupational Safety and Health Susan Harwood Training Grants	17.502	24F60SH000157		SDSMT	28,273	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Consultation Agreements	17.504	CS XXXXXX CS4; CS000000CS5		SDSU	556,084	
Mine Health and Safety Grants	17.600	24R55MS000067		SDSMT	45,262	
Local Veterans' Employment Representative Program	17.804			Labor	530,865	
Employment and Training Administration Evaluations	17.UNKNOWN	A21-0058-001	West River Area Health Educational Center	USD	7,099	
Total U.S. Department of Labor					57,564,219	
U.S. Department of State						
Academic Exchange Programs - Undergraduate Programs	19.009	SECAGD22CA0052		USD	20,526	
Public Diplomacy Programs	19.040	SPE50020GR0055; 100K-DOS262-SDSMT FAA	Partners of Americas	SDSMT	24,024	
Public Diplomacy Programs for Afghanistan and Pakistan	19.501	S-AF-200-21-GR-3011; SRFUS04000_SDSU_01.22 .2023	Institute of International Education	SDSU	25,385	
Total U.S. Department of State					69,935	
U.S. Department of Transportation						
<i>FMCSA Cluster</i>						
Motor Carrier Safety Assistance	20.218			Public Safety	2,590,424	
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237	IT064601G00000		Transportation	1,237,297	
<i>Total FMCSA Cluster</i>					3,827,721	
<i>Transit Services Programs Cluster</i>						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			Transportation	1,416,262	1,362,775
COVID-19 Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			Transportation	12,437	12,437
<i>Total Transit Services Programs Cluster</i>					1,428,699	1,375,212
<i>Federal Transit Cluster</i>						
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526			Transportation	8,605,588	8,605,588
<i>Total Federal Transit Cluster</i>					8,605,588	8,605,588
<i>Highway Safety Cluster</i>						
State and Community Highway Safety	20.600			Public Safety	3,906,872	1,623,069
National Priority Safety Programs	20.616			Public Safety	934,369	163,204
<i>Total Highway Safety Cluster</i>					4,841,241	1,786,273
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					261,045	
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs (Note 3J)	20.106	510692		Transportation	1,616,918	
Highway Planning and Construction	20.205			Transportation	630,889,068	2,009,752
Highway Training and Education	20.215	693JJ32250018; FAR0036206	North Dakota State University	SDSU	27,698	
Recreational Trails Program	20.219			Game, Fish and Parks	1,602,501	582,581
Commercial Driver's License Program Implementation Grant	20.232			Public Safety	118,992	
Consolidated Rail Infrastructure and Safety Improvements	20.325			Transportation	9,682,430	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505			Transportation	184,725	184,725
<i>Formula Grants for Rural Areas and Tribal Transit Program</i>	20.509					
Formula Grants for Rural Areas and Tribal Transit Program				Transportation	10,679,147	10,679,147
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program				Transportation	1,128,588	647,088
<i>Total ALN 20.509</i>					<u>11,807,735</u>	<u>11,326,235</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608			Public Safety	1,568,057	96,185
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	53,152	
Pipeline Safety Program State Base Grant	20.700	693JK31930039PGSB		Public Utilities Commission	223,491	
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703			Public Safety	154,282	138,176
National Infrastructure Investments	20.933			Transportation	20,230,823	
Nationally Significant Freight and Highway Projects	20.934			Transportation	8,801,536	
Total U.S. Department of Transportation					<u>705,925,702</u>	<u>26,104,727</u>
U.S. Department of Treasury						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP5319		State of South Dakota	350,148,451	290,949,299
COVID-19 Coronavirus Capital Projects Fund	21.029	CPFFN0192		State of South Dakota	34,590,623	
Total U.S. Department of Treasury					<u>384,739,074</u>	<u>290,949,299</u>
U.S. Equal Employment Opportunity Commission						
Employment Discrimination_State and Local Fair Employment Practices Agency Contracts	30.002			Labor	28,255	
Total U.S. Equal Employment Opportunity Commission					<u>28,255</u>	
General Services Administration						
Donation of Federal Surplus Personal Property (Note 3B)	39.003			Bureau of Human Resources and Administration	929,482	789,556
Total General Services Administration					<u>929,482</u>	<u>789,556</u>
National Aeronautics and Space Administration						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					2,243,248	202,810
Total National Aeronautics and Space Administration					<u>2,243,248</u>	<u>202,810</u>
National Endowment for the Arts						
Promotion of the Arts Partnership Agreements	45.025			Tourism	1,142,380	1,023,958
Total National Endowment for the Arts					<u>1,142,380</u>	<u>1,023,958</u>

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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 Humanities						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					1,330	
Promotion of the Humanities Federal/State Partnership	45.129	4524; 4634; 4647; 5500; 5507	South Dakota Humanities Council	SDSU	19,865	
Promotion of the Humanities Office of Digital Humanities	45.169	HAA-300793-24		USD	43,543	9,013
Total National Endowment for the Humanities					64,738	9,013
Institute of Museum and Library Services						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					66,042	
Grants to States	45.310			Education	1,462,535	
Total Institute of Museum and Library Services					1,528,577	
National Science Foundation						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					24,159,990	6,074,691
Total National Science Foundation					24,159,990	6,074,691
U.S. Small Business Administration						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					254,414	
Small Business Development Centers	59.037	SBAHQ22B0023; SBAOEDSB230035		USD	747,244	494,400
<i>Women's Business Ownership Assistance</i>	59.043					
Women's Business Ownership Assistance - Initial Phase		SBAOEDWB220084-03		BHSU	134,771	
Women's Business Ownership Assistance - Project Grant		SBAOEDWB230218		BHSU	118,669	
<i>Total ALN 59.043</i>					<u>253,440</u>	
Total U.S. Small Business Administration					1,255,098	494,400
U.S. Department of Veterans Affairs						
Veterans State Domiciliary Care (Note 3C)	64.014			Veterans Affairs	184,240	
Veterans State Nursing Home Care (Note 3C)	64.015			Veterans Affairs	7,298,859	
Vocational and Educational Counseling for Servicemembers and Veterans	64.125	V101 (223C) P-5181		Veterans Affairs	235,471	
Total U.S. Department of Veterans Affairs					7,718,570	
U.S. Environmental Protection Agency						
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034			Agriculture and Natural Resources	328,136	
Diesel Emissions Reduction Act (DERA) State Grants	66.040			Agriculture and Natural Resources	669,771	646,119
Water Pollution Control State, Interstate, and Tribal Program Support	66.419			Agriculture and Natural Resources	224,148	
Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program	66.442			Agriculture and Natural Resources	437,000	391,820
Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))	66.444			Agriculture and Natural Resources	131,507	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Water Quality Management Planning	66.454			Agriculture and Natural Resources	117,655	16,050
Clean Water State Revolving Fund (Note 3G)	66.458			Agriculture and Natural Resources	9,429,801	8,817,297
Nonpoint Source Implementation Grants	66.460			Agriculture and Natural Resources	3,074,930	2,332,135
Drinking Water State Revolving Fund (Note 3G)	66.468			Agriculture and Natural Resources	13,997,742	12,299,839
Performance Partnership Grants	66.605			Agriculture and Natural Resources	4,228,130	50,221
Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	66.716	84066001; PSEFMP-2024-2446; PSEFMP-2025-2694	Extension Foundation	SDSU	22,324	
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802			Agriculture and Natural Resources	143,442	
Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	66.804			Agriculture and Natural Resources	326,692	
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805			Agriculture and Natural Resources	326,938	
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814	84066501; A00-0223-S035; A00-0392-S015; A22-0207-S008; A24-0113-S035; SEE FOATEXT	Kansas State University	SDSU	43,118	
State and Tribal Response Program Grants	66.817			Agriculture and Natural Resources	1,150,288	190,300
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818			Agriculture and Natural Resources	11,884	
Solid Waste Infrastructure for Recycling Infrastructure Grants	66.920			Agriculture and Natural Resources	35,704	
Total U.S. Environmental Protection Agency					34,699,210	24,743,781
U.S. Department of Energy						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					3,089,482	115,828
State Energy Program	81.041	EE0010048		Governor's Office of Economic Development	704,035	
Weatherization Assistance for Low-Income Persons	81.042			Social Services	4,348,040	4,182,268
Office of Science Financial Assistance Program	81.049	DE-SC0020216; DE-SC0022857		Science and Technology Authority	40,556,001	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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 Energy (continued)						
ALN UNKNOWN - U.S. Department of Energy	81.UNKNOWN					
Office of Science Financial Assistance Program		DE-AC05-76RL01830; F125YU6SWK59	Battelle Memorial Institute, Pacific Northwest Division	Science and Technology Authority	34,789	
Office of Science Financial Assistance Program		DE-AC02-07CH11359; 89243024CS000002; E1EUJL3KLKX5	Fermi National Accelerator Laboratory Contract	Science and Technology Authority	4,755,607	
Office of Science Financial Assistance Program		DE-AC02-05CH11231; ENBLDJUN4N73	Lawrence Berkeley National Laboratory Contract	Science and Technology Authority	96,450	
Total ALN UNKNOWN - U.S. Department of Energy					4,886,846	
Total U.S. Department of Energy					53,584,404	4,298,096
U.S. Department of Education						
Special Education Cluster (IDEA)						
Special Education Grants to States	84.027			Education	42,843,067	37,452,057
Special Education Preschool Grants	84.173			Education	1,564,259	1,192,088
Total Special Education Cluster (IDEA)					44,407,326	38,644,145
TRIO Cluster						
TRIO Student Support Services	84.042	P042A170790; P042A200408;		BHSU/SDSU/USD	908,112	
TRIO Student Support Services	84.042A	P042A200602		NSU	354,561	
TRIO Talent Search	84.044	P042A201186		USD	548,801	
TRIO Talent Search - Services to South Dakota Schools with Outstanding Need Sioux Falls	84.044	P044A220099 P044A210096		USD	256,193	
TRIO Upward Bound	84.047	P047A180585; P047A220100		SDSU/USD	702,240	
TRIO Upward Bound	84.047A	P047A171174; P047A220211		NSU	344,052	
TRIO McNair Post-Baccalaureate Achievement	84.217A	P217A230114		NSU	317,213	
Total TRIO Cluster					3,431,172	
Research and Development (Individual Federal Awards Reported at bottom of Schedule)					1,080,017	
Student Financial Assistance (Individual Federal Awards Reported at bottom of Schedule)					157,183,621	
Adult Education - Basic Grants to States	84.002			Labor	1,256,573	971,257
Title I Grants to Local Educational Agencies	84.010			Education	59,011,740	57,622,261
Migrant Education State Grant Program	84.011			Education	921,525	767,844
Higher Education Institutional Aid - Title III Part A Programs - Strengthening Institutions	84.031A	P031A210139		BHSU	499,367	
Career and Technical Education -- Basic Grants to States	84.048			Education	5,705,035	4,994,232
Fund for the Improvement of Postsecondary Education						
Fund for the Improvement of Postsecondary Education	84.116W	P116W220054; P116W240029		USD	543,947	
Fund for the Improvement of Postsecondary Education - South Dakota Biomedical Computation Collaborative	84.116Z	P116Z240151		USD	63,344	
Total ALN 84.116					607,291	
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126			Human Services	14,182,289	566,398
Rehabilitation Long-Term Training	84.129	H129B190001		SDSU	100,878	
Migrant Education Coordination Program	84.144			Education	79,131	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177			Human Services	222,555	
<i>Special Education-Grants for Infants and Families</i>						
Special Education-Grants for Infants and Families	84.181			Education	3,450,121	
COVID-19 Special Education-Grants for Infants and Families	84.181X			Education	110,053	
<i>Total ALN 84.181</i>					<u>3,560,174</u>	
School Safety National Activities	84.184	S184X230121		USD	628,240	
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187			Human Services	154,138	
Education for Homeless Children and Youth	84.196			Education	255,884	175,275
Twenty-First Century Community Learning Centers	84.287			Education	7,085,667	6,521,433
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325R	H325R230058		USD	212,221	
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	H326T180053		USD	116,328	
Rural Education	84.358			Education	313,948	294,029
English Language Acquisition State Grants	84.365			Education	1,101,742	968,938
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367			Education	12,079,789	11,553,065
Grants for State Assessments and Related Activities	84.369			Education	2,865,599	
Comprehensive Literacy Development	84.371C			Education	110,995	
<i>Student Support and Academic Enrichment Program</i>						
Student Support and Academic Enrichment Program	84.424A			Education	6,514,843	6,354,269
Student Support and Academic Enrichment Program	84.424F			Education	1,112,475	1,110,722
<i>Total ALN 84.424</i>					<u>7,627,318</u>	<u>7,464,991</u>
<i>COVID-19 Education Stabilization Fund</i>						
COVID-19 Education Stabilization Fund - ARP - Elementary and Secondary School Emergency Relief Fund	84.425U	ARP		Education	98,376,976	85,584,461
COVID-19 Education Stabilization Fund - ARP - Emergency Assistance to Non-Public Schools	84.425V	ARP		Education	6,541,801	6,306,913
COVID-19 Education Stabilization Fund - ARP - Homeless Children and Youth	84.425W	ARP		Education	742,487	596,780
<i>Total ALN 84.425</i>					<u>105,661,264</u>	<u>92,488,154</u>
National Assessment of Educational Progress (NAEP)	84.902			Education	118,025	
Total U.S. Department of Education					<u>430,579,852</u>	<u>223,032,022</u>
National Archives and Records Administration						
National Historical Publications and Records Grants	89.003	035300.364426.01	Mississippi State University	USD	47,043	
Total National Archives and Records Administration					<u>47,043</u>	
U.S. Election Assistance Commission						
Help America Vote Act Requirements Payments	90.401			Secretary of State	258,038	256,765
HAVA Election Security Grants	90.404			Secretary of State	2,230,748	
Total U.S. Election Assistance Commission					<u>2,488,786</u>	<u>256,765</u>

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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						
<i>Aging Cluster</i>						
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044			Human Services	1,977,391	589,893
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044			Human Services	1,001,820	559,305
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045			Human Services	5,087,057	4,582,147
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045			Human Services	75,942	17,268
Nutrition Services Incentive Program	93.053			Human Services	744,156	744,156
<i>Total Aging Cluster</i>					8,886,366	6,492,769
<i>CCDF Cluster</i>						
Child Care and Development Block Grant	93.575			Social Services	25,620,163	3,996,326
COVID-19 Child Care and Development Block Grant	93.575			Social Services	11,556,929	2,869,230
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596			Social Services	7,983,964	
COVID-19 Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596			Social Services	9,332	
<i>Total CCDF Cluster</i>					45,170,388	6,865,556
<i>Head Start Cluster</i>						
Head Start	93.600	08CH010864		Education/USD	3,396,002	
<i>Total Head Start Cluster</i>					3,396,002	
<i>Medicaid Cluster</i>						
State Medicaid Fraud Control Units	93.775	2001SD5050; 2101SD5050 05-2405-SD-5000; 05-2405-SD-IMPACT; 05-2505-SD-5000		Attorney General	810,236	
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare Grants to States for Medicaid	93.777			Health	1,712,865	
COVID-19 Grants to States for Medicaid - 6.2% FFCRA Increase	93.778			Social Services	1,193,297,812	
<i>Total Medicaid Cluster</i>	93.778			Social Services	61,684,358	
					1,257,505,271	
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					15,000,950	2,472,877
<i>Student Financial Assistance (Individual Federal Awards Reported at bottom of Schedule)</i>					13,745,120	
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041			Human Services	42,667	
<i>Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals</i>	93.042					
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals				Human Services	155,499	
COVID-19 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals				Human Services	8,049	
<i>Total ALN 93.042</i>					163,548	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043			Human Services	131,270	54,580
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048			Human Services	298,444	187,627
<i>National Family Caregiver Support, Title III, Part E</i>	93.052					
National Family Caregiver Support, Title III, Part E				Human Services	1,063,167	176,619
COVID-19 National Family Caregiver Support, Title III, Part E				Human Services	164,822	101,409
COVID-19 National Family Caregiver Support, Title III, Part E - (PHC6) American Rescue Plan (ARP) for Preventive Health under Title III-D of the OAA				Human Services	116,212	83,712
<i>Total ALN 93.052</i>					1,344,201	361,740
Public Health Emergency Preparedness	93.069	NU90TP922021; NU90TU000023		Health	4,888,201	102,674
Medicare Enrollment Assistance Program	93.071			Human Services	166,358	132,655

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Lifespan Respite Care Program	93.072			Human Services	21,580	
Cooperative Agreements to Promote Adolescent Health through School-Based Surveillance and Risk Behavior Reduction	93.079	NU87DP000044; NU87PS004310		Health	45,095	
Guardianship Assistance	93.090			Social Services	214,218	
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	2201SDPREP; 2301SDPREP		Health	260,087	205,489
Area Health Education Centers - Point of Service Maintenance and Enhancement Awards	93.107	U77HP26850		USD	450,922	311,133
<i>Special Projects of Regional and National Significance</i>	93.110					
Special Projects of Regional and National Significance		A3050003; T73MC00037; U4CMC49933; U7E42170		SDSU/USD	1,440,758	
Special Projects of Regional and National Significance - SD State Systems Development Initiative and Children's Oral Healthcare Access Program		H1800046; U7A53394; UC153083		Health	760,041	
<i>Total ALN 93.110</i>					<u>2,200,799</u>	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	NU52PS10298; NU52PS910204		Health	205,344	
Nurse Anesthetist Traineeship	93.124	A2249330		USD	18,622	
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	U6811439		Health	211,138	
Injury Prevention and Control Research and State and Community Based Programs - Sexual Violence Prevention and Education	93.136	NU17CE010164; NU17CE010209; NUF2CE002594		Health	1,902,094	97,014
Projects for Assistance in Transition from Homelessness (PATH)	93.150			Social Services	290,009	276,650
COVID-19 Grants to States for Loan Repayment	93.165	H5646829		Health	631,492	
Graduate Psychology Education	93.191	D4045684		USD	466,829	100,581
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	NUE2EH001423		Health	413,449	
Family Planning Services	93.217	FPHPA006547		Health	893,141	448,977
Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	93.235	2301SDSRAE		Health	67,663	43,151
State Rural Hospital Flexibility Program	93.241	U2W33329		Health	673,803	
<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		H79TI085530; H79TI087291		Social Services/USD	1,776,977	80,355
Substance Abuse and Mental Health Services Projects of Regional and National Significance		3H79TI086756-01S1	Tripp County	USD	40,625	
Substance Abuse and Mental Health Services Projects of Regional and National Significance - Strategic Prevention Capacity Building				Social Services	84,145	
<i>Total ALN 93.243</i>					<u>1,901,747</u>	<u>80,355</u>
Early Hearing Detection and Intervention	93.251	H61MC33906		USD	285,046	
Occupational Safety and Health Program	93.262	6 U54OH008085-19-03; G-20392-02	Colorado State University	SDSU	19,994	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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	16,390,440	34,641
COVID-19 Immunization Cooperative Agreements		NH23IP922581		Health	1,342,456	
<i>Total ALN 93.268</i>					<u>17,732,896</u>	<u>34,641</u>
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	283-02-9026		Social Services	33,566	
Small Rural Hospital Improvement Grant Program	93.301	H3H00021		Health	594,260	594,256
Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas	93.319	NU58DP007339		SDSU	380,418	
<i>Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</i>	93.323					
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		NU50CK000512;		Health	1,533,126	
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		NU51CK000356		Health	15,344,753	95,211
<i>Total ALN 93.323</i>		NU50CK000512			<u>16,877,879</u>	<u>95,211</u>
State Health Insurance Assistance Program	93.324			Human Services	284,911	145,881
The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	93.334	NU58DP007524		Health	250,656	
Behavioral Risk Factor Surveillance System	93.336	NU58DP007873		Health	260,191	
<i>Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response</i>	93.354					
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response		NU90TP922282		Health	288,001	
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response		NU90TP922169		Health	2,615,442	102,880
<i>Total ALN 93.354</i>					<u>2,903,443</u>	<u>102,880</u>
<i>Nurse Education, Practice Quality and Retention Grants</i>	93.359					
Nurse Education, Practice Quality and Retention Grants		US647230		USD	357,694	
Nurse Education, Practice Quality and Retention Grants		1 US6HP47221-01; 001	Avera Health	SDSU	156,684	
		T1Q47315;				
Nurse Education, Practice Quality and Retention Grants		G323-23-WA100	Montana State University	SDSU	61,067	
<i>Total ALN 93.359</i>					<u>575,445</u>	
ACL Independent Living State Grants	93.369			Human Services	320,458	310,724
National and State Tobacco Control Program	93.387	NU58DP006819		Health	716,327	
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	NH75OT000041		Health	3,552,315	
The State Flexibility to Stabilize the Market Grant Program	93.413			Labor	265,597	
The National Cardiovascular Health Program	93.426	NU58DP007438		Health	1,074,803	
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	42,647	
ACL Assistive Technology	93.464			Human Services	510,121	510,121
Family Violence Prevention and Services/Culturally Specific Domestic Violence and Sexual Violence Services	93.496	90EV0582-01-00	South Dakota Network Against Family Violence and Sexual Assault	USD	27,949	
COVID-19 Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports	93.497	2202SDFSC6		Public Safety	487,321	473,215

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
MaryLee Allen Promoting Safe and Stable Families Program	93.556			Social Services	1,298,701	
Temporary Assistance for Needy Families	93.558			Social Services	22,591,431	
Child Support Services (Note 3M)	93.563			Social Services	8,361,770	
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566			Social Services	407,576	
<i>Low-Income Home Energy Assistance</i>	93.568					
Low-Income Home Energy Assistance				Social Services	23,380,657	1,527,370
Low-Income Home Energy Assistance - Supplemental Funding				Social Services	3,220,626	
<i>Total ALN 93.568</i>					<u>26,601,283</u>	<u>1,527,370</u>
Community Services Block Grant	93.569			Social Services	3,502,206	3,360,120
State Court Improvement Program	93.586	2302SDSCIP; 2402SDSCIP		Unified Judicial System	286,133	119,963
<i>Community-Based Child Abuse Prevention Grants</i>	93.590					
Community-Based Child Abuse Prevention Grants - Child Abuse Prevention and Treatment				Social Services	142,257	
COVID-19 Community-Based Child Abuse Prevention Grants				Social Services	85,443	
<i>Total ALN 93.590</i>					<u>227,700</u>	
			South Dakota Network Against Family Violence and Sexual Assault			
Family Violence Prevention and Services/State Domestic Violence Coalitions	93.591	HHS ARP 2		USD	8,610	
Grants to States for Access and Visitation Programs	93.597			Public Safety	95,523	95,523
Chafee Education and Training Vouchers Program (ETV)	93.599			Social Services	168,868	
Adoption and Legal Guardianship Incentive Payments Program	93.603			Social Services	235,997	
<i>Developmental Disabilities Basic Support and Advocacy Grants</i>	93.630					
Developmental Disabilities Basic Support and Advocacy Grants				Human Services	410,442	220,487
COVID-19 Developmental Disabilities Basic Support and Advocacy Grants				Human Services	37,394	
<i>Total ALN 93.630</i>					<u>447,836</u>	<u>220,487</u>
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	90DDUC0024		USD	523,570	
Children's Justice Grants to States	93.643			Social Services	63,922	
Stephanie Tubbs Jones Child Welfare Services Program	93.645			Social Services	674,670	
Foster Care Title IV-E	93.658			Social Services	9,484,965	7,139
Adoption Assistance	93.659			Social Services	9,896,349	
Social Services Block Grant	93.667			Social Services	4,738,862	
<i>Child Abuse and Neglect State Grants</i>	93.669					
Child Abuse and Neglect State Grants				Social Services	529,740	
COVID-19 Child Abuse and Neglect State Grants				Social Services	105,602	
<i>Total ALN 93.669</i>					<u>635,342</u>	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671			Public Safety	827,056	786,803
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services				Public Safety	23,672	17,709
COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services					850,728	804,512
Total ALN 93.671						
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674			Social Services	638,030	
Mental and Behavioral Health Education and Training Grants	93.732	23M01HP52159		USD	682,923	
COVID-19 Elder Abuse Prevention Interventions Program	93.747			Human Services	397,876	
Children's Health Insurance Program	93.767			Social Services	37,099,076	
Opioid STR	93.788			Social Services	4,850,279	421,366
Money Follows the Person Rebalancing Demonstration	93.791			Social Services	4,519,290	
State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	93.796	05-2405-SD-5001; 05-2505-SD-5001		Health	1,275,437	
Organized Approaches to Increase Colorectal Cancer Screening	93.800	NU58DP006763		Health	543,364	109,633
Section 223 Demonstration Programs to Improve Community Mental Health Services - South Dakota CCBHC Planning Grant	93.829			Social Services	2,641	
Maternal, Infant and Early Childhood Home Visiting Grant	93.870					
Maternal, Infant and Early Childhood Home Visiting Grant		X1046892; X1050329		Health	1,831,293	853,986
COVID-19 Maternal, Infant and Early Childhood Home Visiting Grant		X1141903; X1145284		Health	23,894	10,668
Total ALN 93.870					1,855,187	864,654
National Bioterrorism Hospital Preparedness Program	93.889	U3REP190559; U3REP240760		Health	602,655	265,624
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	NU58DP007120		Health	1,741,404	
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912					
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement		DE353721; G3949507; GA1RH39598; H7N42565; TR145930	SDSU		1,065,701	
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement		5 DO6RH49188-02	South Dakota Association of Healthcare Organizations	USD	10,243	
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement - Rural Health Outreach and Rural Network Development Program		24P10RH53743		USD	55,954	
Total ALN 93.912					1,131,898	
Grants to States for Operation of State Offices of Rural Health	93.913	H9500127		Health	240,615	
HIV Care Formula Grants - Ryan White Care Act Title II	93.917	X0700010; X090218		Health	92,635	
HIV Prevention and Surveillance Activities-Health Department Based	93.940	NU62PS924534; NU62PS924825		Health	1,003,142	387,269

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	NU58DP007568; NU58DP007697; NU58DP007811; U01DP006618 U01DP006606; 3391 LH 6624 01	State of North Dakota	Health SDSU	744,431 26,106	
Total ALN 93.946					770,537	
Block Grants for Community Mental Health Services	93.958			Social Services	2,150,165	60,433
Block Grants for Community Mental Health Services				Social Services	1,014,669	235,614
Total ALN 93.958					3,164,834	296,047
Block Grants for Prevention and Treatment of Substance Abuse	93.959			Social Services	138,785	32,923
Block Grants for Prevention and Treatment of Substance Abuse - FAIN B08TI084671		B08TI084671		Social Services	6,332,592	
Block Grants for Prevention and Treatment of Substance Abuse - FAIN B08TI087065		B08TI087065		Social Services	658,625	
Block Grants for Prevention and Treatment of Substance Abuse - FAIN B08TI088132		B08TI088132		Social Services	1,523,613	224,947
COVID - 19 Block Grants for Prevention and Treatment of Substance Abuse - FAIN B08TI083967		B08TI083967		Social Services	8,653,615	257,870
Total ALN 93.959						
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967			Health	871,972	
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health		NE11OE000033		Health	1,552,743	16,678
COVID-19 Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health		NE11OE000033		Health	2,424,715	16,678
Total ALN 93.697						
PPHF Geriatric Education Centers	93.969	UND0029604-S1	University of North Dakota	USD	42,042	
Health Professions Recruitment Program for Indians	93.970	NU11IHS0065; NU11IHS0070		SDSU	258,098	
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977			Health	238,881	
Sexually Transmitted Diseases (STD) Prevention and Control Grants		NH25PS005161		Health	397,915	
COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants		NH25PS005161			636,796	
Total ALN 93.977						
Cooperative Agreements for Diabetes Control Programs	93.988	NU58DP007415		Health	1,135,166	
Preventive Health and Health Services Block Grant	93.991	NB01PW000039; NB01TO000045		Health	442,608	
Maternal and Child Health Services Block Grant to the States	93.994	B0447446; B0452953		Health	2,069,733	36,647
Total U.S. Department of Health and Human Services					1,576,179,699	29,291,659
Executive Office of the President						
High Intensity Drug Trafficking Areas Program	95.001	G19MW0004A; G20MW0004A		Attorney General	1,005,921	322,663
Total Executive Office of the President					1,005,921	322,663
Social Security Administration						
Disability Insurance/SSI Cluster						
Social Security Disability Insurance	96.001	04-0804SDDI00		Human Services	6,673,107	
Total Disability Insurance/SSI Cluster					6,673,107	
Total Social Security Administration					6,673,107	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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 Homeland Security						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					203,341	
Non-Profit Security Program	97.008			Public Safety	2,197,359	2,161,090
Boating Safety Financial Assistance	97.012			Game, Fish and Parks	1,119,337	
Disaster Grants - Public Assistance (Presidentially Declared Disasters) (Note 3N)	97.036			Public Safety	33,223,352	30,150,624
Hazard Mitigation Grant	97.039			Public Safety	6,133,146	6,085,900
National Dam Safety Program	97.041			Agriculture and Natural Resources	280,881	
<i>Emergency Management Performance Grants</i>	97.042					
Emergency Management Performance Grants				Public Safety	2,903,931	1,238,381
COVID-19 Emergency Management Performance Grants				Public Safety	1,335	
<i>Total ALN 97.042</i>					<u>2,905,266</u>	<u>1,238,381</u>
BRIC: Building Resilient Infrastructure and Communities	97.047			Public Safety	1,505,304	1,457,994
Homeland Security Grant Program	97.067			Public Safety	4,924,223	3,526,953
Total U.S. Department of Homeland Security					<u>52,492,209</u>	<u>44,620,942</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 3,775,453,110</u>	<u>\$ 748,752,348</u>
Research and Development Cluster						
<i>U.S. Department of Agriculture</i>						
Agricultural Research Basic and Applied Research	10.001	59-0206-2-143		SDSU	\$ 2,236	\$
Agricultural Research Basic and Applied Research	10.001	58-6044-4-004		SDSU	3,289	3,289
Agricultural Research Basic and Applied Research	10.001	58-3060-9-048		SDSU	5,162	
Agricultural Research Basic and Applied Research	10.001	58-8042-0-074		SDSU	7,199	
Agricultural Research Basic and Applied Research	10.001	58-6040-4-044		SDSU	10,009	
Agricultural Research Basic and Applied Research	10.001	59-0206-2-091		SDSU	11,151	
Agricultural Research Basic and Applied Research	10.001	58-6060-4-007		SDSU	11,288	
Agricultural Research Basic and Applied Research	10.001	58-3060-9-049		SDSU	13,359	
Agricultural Research Basic and Applied Research	10.001	58-3012-3-019		SDSU	17,965	
Agricultural Research Basic and Applied Research	10.001	58-0206-0-200		SDSU	25,963	
Agricultural Research Basic and Applied Research	10.001	58-3060-4-045		SDSU	29,691	
Agricultural Research Basic and Applied Research	10.001	58-6066-4-032		SDSU	37,601	
Agricultural Research Basic and Applied Research	10.001	58-5010-3-012		SDSU	40,822	
Agricultural Research Basic and Applied Research	10.001	59-0206-4-045		SDSU	42,646	
Agricultural Research Basic and Applied Research	10.001	59-0206-2-090		SDSU	58,192	
Agricultural Research Basic and Applied Research	10.001	58-0206-4-020		SDSU	75,448	
Agricultural Research Basic and Applied Research	10.001	59-0206-2-137		SDSU	82,983	
Agricultural Research Basic and Applied Research	10.001	59-0206-2-153		SDSU	101,167	
Agricultural Research Basic and Applied Research	10.001	58-3060-2-043		SDSU	108,359	
Agricultural Research Basic and Applied Research	10.001	59-0206-2-118		SDSU	144,068	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22VSSP0000C062		SDSU	13,562	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22VSD; B000C066		SDSU	208,559	155,984
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23OA000000C005		SDSU	1,031,672	721,986
Conservation Reserve Program	10.069	2501.20.066948	National Fish and Wildlife Foundation	SDSU	6	
Wetlands Reserve Program	10.072	NR213A750009C001; NR213A750009C001-3	University of Arkansas, Fayetteville Campus	SDSU	105,102	
Specialty Crop Block Grant Program - Farm Bill	10.170	21SCBPSD1080; 2021HR133CAW1	CAW Industries, Inc.	SDSU	14,654	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Specialty Crop Block Grant Program - Farm Bill	10.170	24008481; 21SCBPMT1081	State of Montana	SDSU	15,617	
Acer Access Development Program	10.174	23ACERUT1028; 205196-887	Utah State University	SDSU	60,906	
Regional Food System Partnerships	10.177	AM22RFSPSD1056; 3M3186	Dakota Rural Action Board of Trustees of Michigan State University	SDSU	41,721	
Grants for Agricultural Research, Special Research Grants	10.200	630496		SDSU	23,457	
Cooperative Forestry Research	10.202			SDSU	126,667	
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203			SDSU	1,191,157	
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	415-49-02		SDSU	2,400,032	
Animal Health and Disease Research	10.207			SDSU	21,490	
Small Business Innovation Research (SBIR) Program / Small Business Technology Transfer (STTR) Program	10.212	SC 23-04	Shende LLC	SDSMT	640	
Small Business Innovation Research (SBIR) Program / Small Business Technology Transfer (STTR) Program	10.212	2024-51406-43578; 2024-001	Chen	SDSU	25,951	
Sustainable Agriculture Research and Education	10.215	2021-38640-34714; H009277417	Regents of the University of Minnesota	SDSU	58,566	5,144
Sustainable Agriculture Research and Education	10.215	2023-38640-39573; H011114523	Regents of the University of Minnesota	SDSU	85,331	71,526
Sustainable Agriculture Research and Education	10.215	2022-38640-37486; H009987613	Regents of the University of Minnesota	SDSU	107,467	81,536
Higher Education - Institution Challenge Grants Program	10.217	2024-70003-43595		SDSU	32,653	
Higher Education - Institution Challenge Grants Program	10.217	2020-70003-30933		SDSU	115,651	62,950
Biotechnology Risk Assessment Research	10.219	2021-33522-35486		SDSU	110,050	
Open Data Standards	10.233	2023-77039-41033; 3M5071	Nave Analytics, Inc.	SDSU	18,518	
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250	58-4000-2-0096		SDSU	17,162	8,548
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250	58-3000-1-0088		SDSU	28,871	
Integrated Programs	10.303	Adv Fund	University of California/Davis	SDSU	4,372	
Integrated Programs	10.303	2022-51106-37925 2022-37621-3826;		SDSU	241,593	4
Food and Agriculture Defense Initiative (FADI)	10.304	A23-0126-S006 2023-51300-40916;	Kansas State University	SDSU	28,287	
Organic Agriculture Research and Extension Initiative	10.307	158619-22493 2022-51181-38240;	Cornell University	SDSU	43,782	
Specialty Crop Research Initiative	10.309	A010138704	University of Minnesota	SDSU	48,642	
Agriculture and Food Research Initiative (AFRI)	10.310	2024-67019-42242		SDSMT	39,376	
Agriculture and Food Research Initiative (AFRI)	10.310	20216701634460		SDSU	1,597	
Agriculture and Food Research Initiative (AFRI)	10.310	2018-67020-27809		SDSU	1,981	
Agriculture and Food Research Initiative (AFRI)	10.310	2023-67015-39883; 027233A	Iowa State University	SDSU	4,279	
Agriculture and Food Research Initiative (AFRI)	10.310	2022-67021-38911 25-131-101042-010;	Florida Institute of Technology	SDSU	9,639	
Agriculture and Food Research Initiative (AFRI)	10.310	2024-67021-42490	Old Dominion University	SDSMT	12,089	
Agriculture and Food Research Initiative (AFRI)	10.310	20216701634829		SDSU	15,887	
Agriculture and Food Research Initiative (AFRI)	10.310	20216701534419; FAR0034492	North Dakota State University	SDSU	16,120	
Agriculture and Food Research Initiative (AFRI)	10.310	20216701933431; M2101017	Texas A&M University	SDSU	29,148	
Agriculture and Food Research Initiative (AFRI)	10.310	2023-67022-39594		SDSU	32,372	
Agriculture and Food Research Initiative (AFRI)	10.310	2024-67014-42322		SDSU	38,196	
Agriculture and Food Research Initiative (AFRI)	10.310	2023-67013-39304; 027027A	Iowa State University	SDSU	38,880	
Agriculture and Food Research Initiative (AFRI)	10.310	2022-67016-36201; 2-570300.SDSU	State of Oklahoma	SDSU	46,176	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

						Amount Passed
Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Through to Non-State Agencies
Research and Development Cluster (continued)						
Agriculture and Food Research Initiative (AFRI)	10.310	2024-67014-42582		SDSU	58,335	
Agriculture and Food Research Initiative (AFRI)	10.310	2024-69015-42739		SDSU	68,305	35,245
Agriculture and Food Research Initiative (AFRI)	10.310	2021-67022-33469		SDSU	77,104	34,481
Agriculture and Food Research Initiative (AFRI)	10.310	20216702034246		SDSU	91,033	
Agriculture and Food Research Initiative (AFRI)	10.310	2022-67021-37601		SDSU	99,187	
Agriculture and Food Research Initiative (AFRI)	10.310	2024-67016-42630		SDSU	101,280	
Agriculture and Food Research Initiative (AFRI)	10.310	2022-67013-41793; C00086208-2	Curators of the University of Missouri	SDSU	109,893	
Agriculture and Food Research Initiative (AFRI)	10.310	2023-67014-39618		SDSU	123,340	26,415
Agriculture and Food Research Initiative (AFRI)	10.310	2020-68018-30656		SDSU	123,790	
Agriculture and Food Research Initiative (AFRI)	10.310	2022-67022-37023		SDSU	145,384	
Agriculture and Food Research Initiative (AFRI)	10.310	2023-68008-40546		SDSU	146,909	63,728
Agriculture and Food Research Initiative (AFRI)	10.310	2023-67023-4029; A23-0509-S002	Kansas State University	SDSU	152,866	
Agriculture and Food Research Initiative (AFRI)	10.310	2019-67032-29308		SDSU	169,209	
Agriculture and Food Research Initiative (AFRI)	10.310	2023-67021-40549		SDSU	173,299	
Agriculture and Food Research Initiative (AFRI)	10.310	2022-69015-36283		SDSU	190,156	159,467
Agriculture and Food Research Initiative (AFRI)	10.310	2023-67013-39540		SDSU	197,825	4,561
Agriculture and Food Research Initiative (AFRI)	10.310	2022-68013-36439; A22-1483-S01	University of California/Davis	SDSU	198,003	
Agriculture and Food Research Initiative (AFRI)	10.310	2021-67016-33497		SDSU	216,831	
Agriculture and Food Research Initiative (AFRI)	10.310	2022-69014-36670		SDSU	305,749	
Sun Grant Program	10.320	2019-38502-30120		SDSU	500,946	500,946
Sun Grant Program	10.320	2020-38502-32916		SDSU	5,848,213	5,238,294
Alfalfa Seed and Alfalfa Forage Systems Program	10.330	20227000538225; FAR0036164	North Dakota State University			
Gus Schumacher Nutrition Incentive Program	10.331	2022-70424-38498		SDSU	126,159	
Rural Health and Safety Education Competitive Grants Program	10.516	2020-46100-32816		SDSMT	210,280	96,726
Equipment Grants Program (EGP)	10.519	2023-70410-41209		SDSU	27,360	16,227
Forestry Research	10.652			SDSU	2,975	
Partnership Agreements	10.699	24-CS-11020300-040		SDSMT	6,895	
Research Joint Venture and Cost Reimbursable Agreements	10.707	22-JV-11221632-051		SDSU	7,519	
Research Joint Venture and Cost Reimbursable Agreements	10.707	24-JV-11242305-111		SDSU	19,367	
Research Joint Venture and Cost Reimbursable Agreements	10.707	24-CS-11221639-052		SDSMT	25,527	
Infrastructure Investment and Jobs Act Restoration/Revegetation	10.717	23-CS-11020300-041		SDSU	39,092	
Infrastructure Investment and Jobs Act Restoration/Revegetation	10.717	24-CS-11020000-026		SDSU	6,817	
Soil and Water Conservation	10.902	NR206740XXXXG002		SDSU	40,286	
Soil Survey	10.903	NR203A750025C008		SDSU	55,177	
Environmental Quality Incentives Program	10.912	NR236740XXXXG003		SDSU	45,801	
Environmental Quality Incentives Program	10.912	NR216740XXXXG005		SDSU	30,096	
Environmental Quality Incentives Program	10.912	NR243A750011G046		SDSU	32,781	
Environmental Quality Incentives Program	10.912	NR243A750011G027		SDSU	68,001	
Environmental Quality Incentives Program	10.912	NR243A750011G006		SDSU	84,398	
Environmental Quality Incentives Program	10.912	NR223A750013G033		SDSU	115,787	40,185
Environmental Quality Incentives Program	10.912	NR216740XXXXG007		SDSU	116,576	
Environmental Quality Incentives Program	10.912	NR216740XXXXC003		SDSU	176,780	24,038
Environmental Quality Incentives Program	10.912	NR233A750011G019		SDSMT	196,346	96,111
Conservation Stewardship Program	10.924	NR216740XXXXC001		SDSU	372,746	
Partnerships for Climate-Smart Commodities	10.937	NR233A750004G076; PO-01000235	Gevo, Inc.		153,190	
Partnerships for Climate-Smart Commodities	10.937	NR233A750004G018		SDSU	184,822	
Expanding Soil Health Through Carbon Markets RCPP	10.UNKNOWN	NRCS-CPA-1273-SA1; 6500.05.2	American Coalition for Ethanol	SDSU	10,855,303	7,891,649
Forestry Research	10.UNKNOWN	22-CA-11221638-201; FO-SFG-2673		SDSU	236,208	
Paleontology Program	10.UNKNOWN	24-CS-11132428-269	NCASI Foundation	SDSMT	38,205	
Total U.S. Department of Agriculture				SDSMT	11,255	
					29,719,882	15,339,040

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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. Department of Commerce</i>						
Economic Adjustment Assistance	11.307	05-79-06192; URI 119700		SDSU	743,987	
Cooperative Institute (Inter-Agency Funded Activities)	11.405	NA22NES4050020D; 119644-Z7644201	State of Maryland	SDSU	52,157	
Cooperative Institute (Inter-Agency Funded Activities)	11.405	NA22NES4050021I; 119676-Z7650201	State of Maryland	SDSU	75,697	
Climate and Atmospheric Research	11.431	NA23OAR4310465 NA19NES4320002;		SDSU	138,780	
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	89814-Z7554210	State of Maryland	SDSU	1,291	
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	NA24NESX432C0001T101;	State of Maryland	SDSU	27,852	
<i>Total U.S. Department of Commerce</i>					<u>1,039,764</u>	
<i>U.S. Department of Defense</i>						
Basic and Applied Scientific Research	12.300	N00174-22-1-0019		SDSMT	64,041	
Basic and Applied Scientific Research	12.300	N00174-20-1-0021		SDSMT	10,108	
Basic and Applied Scientific Research	12.300	N00174-22-1-0029		SDSMT	68,414	
Science, Technology, Engineering & Mathematics (STEM) Education, Outreach and Workforce Program	12.330	N00014-23-1-2490; 23024-84205-2	Texas State University	SDSMT	27,182	
Scientific Research - Combating Weapons of Mass Destruction	12.351	HDTRA12020001		SDSMT	117,279	
Military Medical Research and Development	12.420	W81XWH2110089 FA9550-22-1-0363;		USD	67,888	
Basic Scientific Research	12.431	UNR-23-07	University of Nevada Reno	SDSMT	50,722	
Basic Scientific Research	12.431	W911NF2220005; 11.3	VRC Metal Systems	SDSMT	266,226	
Basic Scientific Research	12.431	FA9550-23-1-0495 Site Agreement dated 03/22/24		USD	398,418	
Basic, Applied, and Advanced Research in Science and Engineering	12.630			SDSMT	36,000	
Information Security Grants	12.902			DSU	66,220	
Information Security Grants - NSA Cyber Scholarship Program at DSU	12.902			DSU	4,000	
GenCyber Grants Program	12.903			DSU	227,018	
CyberSecurity Core Curriculum	12.905	253308-25DSU	University of Arkansas, Fayetteville	DSU	31,132	
CyberSecurity Core Curriculum - Cyber Curriculum & Research	12.905			DSU	170,520	
CyberSecurity Core Curriculum - NCAE-C CPNC Credit Transfer Sub	12.905			DSU	22,176	
CyberSecurity Core Curriculum - NCAE-C Faculty Development	12.905			DSU	251,544	
CyberSecurity Core Curriculum - NCAE-C UWF	12.905			DSU	133,664	
Research and Technology Development	12.910	140D0423C0021; 0000870167	Battelle Memorial Institute	SDSMT	197,542	
AFCEC - CTN	12.UNKNOWN	FA890322C0031		SDSMT	123,851	
Basic Scientific Research	12.UNKNOWN	W9128F21P0094 2023165-142357;		SDSMT	23,300	
Commercial Technologies for Maintenance Activities Program	12.UNKNOWN	2023265-142357-S02 W15QKN-18-9-1008;	Solvus Global LLC	SDSMT	148,389	
Demonstration of an Idaho Based Antimony Trisulfide Domestic Supply Chain	12.UNKNOWN	Reverse Contract #24-02 HR001124C0362;	Perpetua Resources Idaho	SDSMT	151,279	
Develop and Implement Capture the Flag Challenges for Cybersecurity Education	12.UNKNOWN	BAA HR001124C0362	Arizona State University	DSU	660,161	
JHU APL	12.UNKNOWN	HR001122D0001 SA-DAKSTE-1917.1029-	Johns Hopkins University	DSU	92,934	
MIL Corporation	12.UNKNOWN	DAITA		DSU	18,984	
Pilot-Scale, Portable Water Treatment Train for Remediation of PFAS Contamination	12.UNKNOWN	FA890321C0010		SDSMT	209,167	
Rapid Sustainment Office	12.UNKNOWN	FA868423CB003 W52P1J093032;	Rocky Mountain Scientific Laboratory	SDSMT	727,982	448,188
Research and Development	12.UNKNOWN	Reverse Contract #21-05		SDSMT	63,155	
Research and Development	12.UNKNOWN	W913E521C0007		SDSMT	2,834,001	
"RO MAC - Rapid Sustainment Directorate Multi-Award Contract"	12.UNKNOWN	FA800324D0059		SDSMT	1,000	
Small Business Innovation Research	12.UNKNOWN	FA864924P0663; AIR005	Novum Nano	SDSMT	25,000	
Small Business Innovation Research	12.UNKNOWN	N6833521C0330; 12.09.02	VRC Metal Systems	SDSMT	42,412	
Small Business Innovation Research	12.UNKNOWN	N6833524C0422; NAV010	VRC Metal Systems	SDSMT	43,000	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Small Business Innovation Research	12.UNKNOWN	HDTRA124C0030; A-30239G-500-02-SC2100	TRI Austin, Inc.	SDSMT	819	
Small Business Innovation Research	12.UNKNOWN	N6833521C0330; NAV003 W15QKN-24-C-0045;	VRC Metal Systems	SDSMT	11,102	
Small Business Technology Transfer	12.UNKNOWN	Reverse Contract #24-03	Nalas Engineering Services	SDSMT	58,948	
Small Business Technology Transfer	12.UNKNOWN	FA864924P1095; AIR006 N68936-23-C-0005;	Novum Nano	SDSMT	195,712	
Small Business Technology Transfer	12.UNKNOWN	Reverse Contract 23-08 W912HQ-23-P-0072;	Lynntech, Inc.	SDSMT	188,271	
Strategic Environmental Research and Development Program	12.UNKNOWN	SDSMT-080123 W52P1J-09-G-0001;	Innovative Materials and Processes, Inc.	SDSMT	14,206	
Supercritical Fluid Extraction of IMX Material	12.UNKNOWN	AO 100-SDSM	American Ordnance LLC	SDSMT	42,004	
Total U.S. Department of Defense					7,885,771	448,188
U.S. Department of Housing and Urban Development						
Lead Technical Studies Grants	14.902	SDHHU0074-22		USD	35,465	
Healthy Homes Technical Studies Grants	14.906	SDHHU0074-22		USD	35,465	
Total U.S. Department of Housing and Urban Development					70,930	
U.S. Department of Interior						
Environmental Quality and Protection	15.236			SDSMT	48,274	
Environmental Quality and Protection	15.236			SDSMT	79,792	
Environmental Quality and Protection	15.236			SDSMT	96,938	
Aquatics Resources Management	15.244			SDSMT	80,437	
Aquatics Resources Management	15.244	L23AC00261		SDSU	130,807	
Aquatics Resources Management	15.244	L23AC00334		SDSU	241,837	
Plant Conservation and Restoration Management	15.245	L21AC10524-00		SDSU	448	
Plant Conservation and Restoration Management	15.245	L23AC00671-00		SDSU	17,947	
Plant Conservation and Restoration Management	15.245	L23AC00672-00		SDSU	35,495	
Threatened and Endangered Species	15.246	L22AC00615		SDSU	22,020	
Wildlife Resource Management	15.247	L22AC00525		SDSU	44,669	
Science and Technology Projects Related to Coal Mining and Reclamation	15.255			SDSMT	44,797	
Science and Technology Projects Related to Coal Mining and Reclamation	15.255	S24AC00046		SDSU	53,616	
Science and Technology Projects Related to Coal Mining and Reclamation	15.255	S23AC00020		SDSMT	55,842	
Cultural Resources Management	15.511	R21AC10453-00		SDSMT	6,398	
Fish and Aquatic Conservation - Aquatic Invasive Species	15.608	F23AP02373; 25-07-226874	Southern Illinois University	SDSU	9,789	
Fish and Aquatic Conservation - Aquatic Invasive Species	15.608	F22AP02732; 24-09-226690	Southern Illinois University	SDSU	19,919	
Fish and Aquatic Conservation - Aquatic Invasive Species	15.608	F23AP02498	Kansas Department of Wildlife and Parks	SDSU	137,027	
Multistate Conservation Grant	15.628	F23AP00411		SDSU	37,345	
State Wildlife Grants	15.634			Game, Fish and Parks	685,003	21,133
Migratory Bird Joint Ventures	15.637	F21AC02848-00		SDSU	46,206	
Migratory Bird Joint Ventures	15.637	F15AC01071	Nebraska Community Foundation	SDSU	97,558	
National Wildlife Refuge System Enhancements	15.654			Game, Fish and Parks	481,303	
Endangered Species Recovery Implementation	15.657	F22AC00780		USD	4,242	
Great Lakes Restoration	15.662	F23AP02291; 25-08-226875	Southern Illinois University	SDSU	27,572	
Great Lakes Restoration	15.662	F22AP02766; 24-08-226678	Southern Illinois University	SDSU	56,219	
NFWF-USFWS Conservation Partnership	15.663	0405.24.081674; PLZ0357	University of New Hampshire	SDSU	9,341	
Fish and Wildlife Coordination and Assistance	15.664	F24AP00331		SDSU	32,221	
White-nose Syndrome National Response Implementation	15.684			Game, Fish and Parks	8,944	
Assistance to State Water Resources Research Institutes	15.805	G25AP00155		SDSU	6,257	
Assistance to State Water Resources Research Institutes	15.805	G24AP00034		SDSU	27,056	
Assistance to State Water Resources Research Institutes	15.805	G21AP10599-00		SDSU	53,553	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
U.S. Geological Survey Research and Data Collection	15.808	G23AC00383-00		USD	53,971	
U.S. Geological Survey Research and Data Collection	15.808	G19AC00177		SDSU	177,966	
U.S. Geological Survey Research and Data Collection	15.808	G24AC00653		SDSU	461,038	
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	78	
U.S. Geological Survey Research and Data Collection - Dragonfly Mercury Project	15.808			USD	8,471	
National Cooperative Geological Mapping	15.810			SDSMT	24,173	
Cooperative Research Units	15.812	G22AC00460		SDSU	26,791	
Cooperative Research Units	15.812	G24AC00388		SDSU	35,799	
National and Regional Climate Adaptation Science Centers	15.820	G22AC00386; 1562687	The Regents of the University of Colorado	SDSU	116,804	79,854
National and Regional Climate Adaptation Science Centers	15.820	G18AC00325; 1559604	Colorado/Boulder	SDSU	20,777	
Cooperative Research and Training Programs – Resources of the National Park System	15.945	P23AC00698		SDSU	15,164	
Cooperative Research and Training Programs – Resources of the National Park System	15.945	P23AC01461		SDSU	125,980	
Cooperative Research and Training Programs – Resources of the National Park System - Expand						
Missouri River Intern Program	15.945	P20AC00365		USD	21,613	
National Park Service Conservation, Protection, Outreach, and Education	15.954	P24AC00468		SDSU	62,539	
<i>Total U.S. Department of Interior</i>					<u>3,850,036</u>	<u>100,987</u>
<i>U.S. Department of Justice</i>						
OVW Research and Evaluation Program	16.026	15JOVW-23-GG-04441-RURA		USD	103,868	32,018
OVW Research and Evaluation Program - Healing among Rural & Indigenous Women Victims of Domestic Violence: A Mixed-Methodological Analysis	16.026	2020-SI-AX-0008		USD	24,171	10,470
OVW Research and Evaluation Program - Indigenous-led Research on Sex Trafficking among Native Americans in Western South Dakota	16.026	15JOVW-22-GG-04763-MUMU		USD	174,001	87,871
Forensics Training and Technical Assistance Program	16.044	15PNIJ-23-GG-04232-MUMU		SDSU	118,335	71,988
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	15PNIJ-23-GG-04232-MUMU		SDSU	155,094	94,351
National Institute of Justice Research, Evaluation, and Development Project Grants - Addressing Violence towards Youth and Young Adults in Indigenous Communities	16.560	15PNIJ-21-GG-02808-RESS		USD	33,842	31,446
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	2019-MJ-GX-K014-B	Avera Rural Health	USD	92,841	
Byrne Criminal Justice Innovation Program	16.817	25-0208	City of Rapid City	USD	10,500	
National Sexual Assault Kit Initiative	16.833	2019-AK-BX-0033	The Network	USD	8,435	
Comprehensive Opioid, Stimulant, and other Substances Use Program - Minnehaha County - COSSAP Grant	16.838	Minnehaha_USD 1000	Minnehaha County	USD	29,067	
<i>Total U.S. Department of Justice</i>					<u>750,154</u>	<u>328,144</u>
<i>U.S. Department of Labor</i>						
Mine Health and Safety Grants	17.600	23R55MS000049-01-00		SDSMT	34,987	
Brookwood-Sago Grant	17.603	696301	University of Arizona	SDSMT	4,489	
RTI Registered Apprenticeship Program	17.UNKNOWN	1605C2-23-C-0014	Research Triangle Institute	DSU	4,601	
<i>Total U.S. Department of Labor</i>					<u>44,077</u>	
<i>U.S. Department of Transportation</i>						
Highway Planning and Construction	20.205	4000(235); HFHWY00396; 25243052	State of Alaska	SDSU	15,657	
Highway Planning and Construction	20.205	25233049; HFHWY00301; 4000(219)	State of Alaska	SDSU	22,417	
National Priority Safety Programs	20.616	69A3752130000405DSDM		SDSMT	2,950	
University Transportation Centers Program	20.701	69A3551947137; 135461; SPC001611	Washington State University	SDSU	30	
University Transportation Centers Program	20.701	69A3551747108; FAR0028874	North Dakota State University	SDSU	5,042	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
University Transportation Centers Program	20.701	69A3552348308; FAR0037392	North Dakota State University	SDSU	214,949	
<i>Total U.S. Department of Transportation</i>					<u>261,045</u>	
<i>National Aeronautics and Space Administration</i>						
Science	43.001	80NSSC21K1157		SDSU	591	
Science	43.001	80NSSC20K1337		SDSU	14,032	1,393
		80NSSC23K1256;				
Science	43.001	136220-Z6565201	University of Maryland	SDSMT	14,952	
Science	43.001	SUB00003351	University of Georgia	USD	40,326	
		80NSSC24K0091;				
Science	43.001	SA075273280; PO136868	State of Maryland	SDSU	91,776	
Science	43.001	80NSSC24K0042		SDSU	103,781	
Science	43.001	80NSSC21K1142		SDSU	145,510	
Science	43.001	80NSSC23K0249		SDSU	179,946	16,358
Science	43.001	80NSSC21K1962		SDSU	229,449	42,223
		80NSSC24PB255;				
Aeronautics	43.002	SDSU-01	AeroFly LLC	SDSU	25,528	
Office of Stem Engagement (OSTEM)	43.008			SDSMT	28,764	
Office of Stem Engagement (OSTEM)	43.008	80NSSC24M0142		SDSMT	46,688	
Office of Stem Engagement (OSTEM)	43.008	80NSSC24M0116		SDSMT	64,459	
Office of Stem Engagement (OSTEM)	43.008	80NSSC21M0326		SDSMT	127,817	
Office of Stem Engagement (OSTEM)	43.008	80NSSC23M0072		SDSMT	219,093	
Office of Stem Engagement (OSTEM) - Education	43.008	80NSSC22M0045		SDSMT	182,296	
Office of Stem Engagement (OSTEM) - Education	43.008	80NSSC20M0040		SDSMT	713,938	142,836
		80NSSC21K1900;				
Space Technology	43.012	R52894-22-00926	Wichita State University	SDSU	14,302	
<i>Total National Aeronautics and Space Administration</i>					<u>2,243,248</u>	<u>202,810</u>
<i>National Endowment for the Humanities</i>						
Promotion of the Humanities Federal/State Partnership	45.129	4635; SO-289855-23	South Dakota Humanities Council	BHSU	1,330	
<i>Total National Endowment for the Humanities</i>					<u>1,330</u>	
<i>Institute of Museum and Library Services</i>						
Museums for America	45.301	MA-251772-OMS-22		SDSMT	16,331	
Museums for America	45.301			SDSMT	49,711	
<i>Total Institute of Museum and Library Services</i>					<u>66,042</u>	
<i>National Science Foundation</i>						
Engineering	47.041	2431980-EFMA; 10002527-008	Purdue University	SDSU	5,865	
Engineering	47.041	2418754		SDSMT	10,533	
Engineering	47.041	2349298		SDSMT	13,300	
Engineering	47.041	2427079		SDSMT	15,068	
Engineering	47.041	2349297		USD	15,730	
Engineering	47.041	2349296		SDSU	16,817	
Engineering	47.041	2144240		SDSMT	18,266	
Engineering	47.041	2301411		SDSMT	42,219	
Engineering	47.041	2302013		SDSMT	44,326	
Engineering	47.041			SDSMT	61,580	
Engineering	47.041	2033522		SDSU	62,176	
Engineering	47.041	2339001		SDSU	62,351	5,338
Engineering	47.041	2308712		SDSU	65,014	
Engineering	47.041	2347673		SDSU	66,514	
Engineering	47.041	2308711		SDSMT	76,748	
Engineering	47.041	2403663		SDSU	76,991	
Engineering	47.041	2143972		SDSMT	112,781	
Engineering	47.041	2403660		SDSU	130,830	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Engineering	47.041	CNS-2202706; 480771-19845	Virginia Polytechnic Institute and State University	SDSU	161,740	
Engineering	47.041	2327715		SDSMT	191,312	98,412
Engineering	47.041			SDSMT	193,941	
Engineering	47.041	FY2025-032 - KU	University of Kansas Center for Research	USD	316,031	
Engineering	47.041	2052631		SDSMT	545,548	137,243
Engineering	47.041	2408272		SDSMT	798,699	
Mathematical and Physical Sciences	47.049	1913746; 203689SDS	University of Notre Dame	SDSMT	1,500	
Mathematical and Physical Sciences	47.049	2532413		SDSU	1,640	
Mathematical and Physical Sciences	47.049	2515675		SDSU	3,871	
Mathematical and Physical Sciences	47.049	WSU241111; P1105548	Wayne State	SDSMT	8,103	
Mathematical and Physical Sciences	47.049	1806826		SDSMT	17,138	
Mathematical and Physical Sciences	47.049	2003856		SDSU	17,743	
Mathematical and Physical Sciences	47.049	2418909		SDSU	30,174	
Mathematical and Physical Sciences	47.049	PHY 2447788		BHSU	39,120	
Mathematical and Physical Sciences	47.049	2428037		SDSU	59,824	2,685
Mathematical and Physical Sciences	47.049	PHY-2150517		BHSU	63,471	
Mathematical and Physical Sciences	47.049			DSU	72,735	
Mathematical and Physical Sciences	47.049	2150356		SDSMT	80,124	
Mathematical and Physical Sciences	47.049	205104SDSMT	University of Notre Dame	SDSMT	84,035	
Mathematical and Physical Sciences	47.049	2310027		USD	91,055	
Mathematical and Physical Sciences	47.049	2316812		USD	96,782	
Mathematical and Physical Sciences	47.049	2247635		USD	107,556	
Mathematical and Physical Sciences	47.049	2411825		USD	142,491	
Mathematical and Physical Sciences	47.049	UDR0000261	University of Delaware	SDSMT	175,973	
Mathematical and Physical Sciences	47.049	1812654; AWD068599	University of Chicago	SDSMT	182,844	
Mathematical and Physical Sciences - CAREER: Understanding Structure-Function Relationships of Polyoxovanadate-Alkoxide Clusters from a Bottom-Up Perspective	47.049	2145657		USD	6,192	
Mathematical and Physical Sciences - Germanium-Based Neutrinoless DoubleBeta Decay Searches	47.049	PHY-2111140		USD	1,390	
Mathematical and Physical Sciences - REU Site: Molecules Meet Materials	47.049	CHE-2150083		USD	74,896	
		ICER-2026916;				
Geosciences	47.050	1(GG015549)	Columbia University	SDSMT	285	
Geosciences	47.050	217081-SDSMT-2324	Macalester	SDSMT	1,350	
Geosciences	47.050	2336082		SDSMT	15,778	
Geosciences	47.050	2311532		SDSMT	96,472	
Geosciences	47.050	2049293		SDSU	101,720	
Geosciences	47.050	2136809		SDSMT	18,893	
Geosciences	47.050	2218919		SDSMT	54,747	
Geosciences	47.050	2148990		SDSMT	57,330	
Geosciences	47.050	2135828		SDSMT	91,756	
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	16,421	
Computer and Information Science and Engineering	47.070	2348443		SDSU	5,822	
Computer and Information Science and Engineering	47.070	1950448		SDSU	11,839	
Computer and Information Science and Engineering	47.070	2348422		SDSU	32,721	
Computer and Information Science and Engineering	47.070	2007367		SDSMT	42,038	
Computer and Information Science and Engineering	47.070	2139232		SDSMT	91,573	
Computer and Information Science and Engineering	47.070	2227656		SDSU	180,872	85,638
Computer and Information Science and Engineering	47.070	2216311		SDSU	350,377	
Biological Sciences	47.074	2321398; RC115489SDSMT	Michigan State University	SDSMT	2,018	
Biological Sciences	47.074	2437396		SDSU	7,270	
Biological Sciences	47.074	1546869; ERS# 39492	Saint Louis University	SDSU	14,400	
Biological Sciences	47.074	2247625; 633259-SDSU	Jackson State University	SDSU	16,605	
Biological Sciences	47.074	2431714		SDSU	26,201	
Biological Sciences	47.074	2334543		SDSU	39,690	
Biological Sciences	47.074	2428547		USD	41,572	
Biological Sciences	47.074	1922542		SDSU	62,741	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Biological Sciences	47.074	2423142		SDSMT	63,907	
Biological Sciences	47.074	2334732		SDSU	104,643	
Biological Sciences	47.074	2338915		USD	192,302	
Biological Sciences	47.074	2240028		SDSU	305,842	
Biological Sciences - Career: Mechanisms and Drivers Underlying Thermal Specialization Patterns in Elastic Recoil and Muscle Powered Movements	47.074	IOS-2144252		USD	75,954	
Biological Sciences - Collaborative Research: Costs and Trade-offs of Phenotypically Flexible Responses to Winter Temperature Variability in Birds	47.074	IOS-2224554		USD	208,303	
Biological Sciences - NSF 20-506 Macrosystems Biology and NEON-Enabled Science	47.074	DEB-2106067		USD	23,810	
Social, Behavioral, and Economic Sciences	47.075	2200523		SDSU	5,841	
STEM Education (formerly Education and Human Resources)	47.076	2349313		SDSMT	52,480	
STEM Education (formerly Education and Human Resources)	47.076	1828492		SDSU	170	
STEM Education (formerly Education and Human Resources)	47.076	2140744		SDSMT	7,586	
STEM Education (formerly Education and Human Resources)	47.076	2021135		SDSMT	10,874	
STEM Education (formerly Education and Human Resources)	47.076	HRD1826637; SDT-18-1	Salish Kootenai	SDSMT	11,107	
STEM Education (formerly Education and Human Resources)	47.076	DUE 2243410		BHSU	26,962	
STEM Education (formerly Education and Human Resources)	47.076	2120156		SDSMT	44,827	
STEM Education (formerly Education and Human Resources)	47.076	DGE-1828288		USD	59,702	
STEM Education (formerly Education and Human Resources)	47.076	2209594		SDSU	119,929	36,127
STEM Education (formerly Education and Human Resources)	47.076	1828462		SDSMT	127,453	
STEM Education (formerly Education and Human Resources)	47.076	1930415		SDSU	163,422	
STEM Education (formerly Education and Human Resources)	47.076	2028340		SDSMT	187,309	
STEM Education (formerly Education and Human Resources)	47.076	1950255		SDSU	191,557	
STEM Education (formerly Education and Human Resources)	47.076	DUE 2221350		BHSU	254,069	
STEM Education (formerly Education and Human Resources)	47.076	2121601		SDSMT	278,323	
STEM Education (formerly Education and Human Resources) - GROWSTEM - Building a Sense of Belonging Through Engagement	47.076			DSU	55,709	
STEM Education (formerly Education and Human Resources) - GROWSTEM - Building a Sense of Belonging Through Engagement Scholarship	47.076			DSU	65,738	
STEM Education (formerly Education and Human Resources) - Leveraging Computational Thinking to Increase Computer Science within Elementary Classrooms	47.076	DRL-2031526		BHSU	152,184	
STEM Education (formerly Education and Human Resources) - Leveraging Computational Thinking to Increase Computer Science within Elementary Classrooms	47.076	PG23-66474-04; HRD 2217344	University of Montana	BHSU	320,620	
STEM Education (formerly Education and Human Resources) - NRT	47.076			DSU	11,465	
STEM Education (formerly Education and Human Resources) - SFS Cyber Corp General Renewal	47.076			DSU	511,205	
STEM Education (formerly Education and Human Resources) - SFS Cyber Corp Sch Renewal	47.076			DSU	109,886	
Polar Programs	47.078	2302105		SDSU	8,620	
Polar Programs	47.078	2113692		SDSU	49,535	
Polar Programs	47.078	2230351		SDSU	112,335	
Office of International Science and Engineering - PIRE: Advanced Germanium Detectors and Technologies for Underground Physics	47.079	OISE-1743790		USD	163,768	47,655
Integrative Activities	47.083	2412060		SDSU	8,014	
Integrative Activities	47.083			Board of Regents	12,326	
Integrative Activities	47.083	2247625; 633259-SDSU	Jackson State University	SDSU	16,605	
Integrative Activities	47.083	2427805		USD	17,001	
Integrative Activities	47.083			DSU	21,449	
Integrative Activities	47.083	2132223		SDSMT	32,555	
Integrative Activities	47.083	2412057		USD	35,204	
Integrative Activities	47.083	2327384		SDSU	39,056	
Integrative Activities	47.083			SDSMT	45,587	
Integrative Activities	47.083	2418346		USD	51,915	
Integrative Activities	47.083	2447877		SDSMT	67,297	
Integrative Activities	47.083	2324648		SDSU	70,668	
Integrative Activities	47.083	1833069		SDSMT	79,431	
Integrative Activities	47.083	701187	University of Arizona	SDSMT	95,455	
Integrative Activities	47.083			Board of Regents	136,038	108,719
Integrative Activities	47.083	2408194		USD	141,396	
Integrative Activities	47.083	2418752		SDSMT	181,678	
Integrative Activities	47.083	1906383; G360-22-W9687	Montana State University	SDSMT	185,847	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Integrative Activities	47.083	2316400		SDSU	237,609	
Integrative Activities	47.083	2416911		SDSU	407,242	47,934
Integrative Activities	47.083	2346643		USD	466,206	
Integrative Activities	47.083	A22-0449-S001	Kansas State University	SDSMT	511,279	
Integrative Activities	47.083	1920954		SDSMT	561,369	456,473
Integrative Activities	47.083	2216311		SDSU	628,331	
Integrative Activities	47.083	OIA 2412055		BHSU	656,969	18,723
Integrative Activities	47.083			SDSMT	768,076	
Integrative Activities	47.083	2316502		SDSU	833,615	255,769
Integrative Activities	47.083	2019597		SDSMT	1,727,898	1,631,320
Integrative Activities	47.083			Board of Regents	5,027,338	3,118,609
Integrative Activities	47.083	NSF OIA-2229746		USD	51,121	
Integrative Activities - Career: Mechanisms and Drivers Underlying Thermal Specialization						
Patterns in Elastic Recoil and Muscle Powered Movements	47.083	IOS-2144252		USD	100,683	
Integrative Activities - CAREER: Understanding Structure-Function Relationships of						
Polyoxovanadate-Alkoxide Clusters from a Bottom-Up Perspective	47.083	2145657		USD	6,192	
Integrative Activities - RII-BEC: Grounding Science Education in Indigenous Knowledges, Food						
Systems, and Sustainability	47.083	OIA-2225845		USD	186,424	
NSF Technology, Innovation, and Partnerships	47.084	2234590		SDSMT	7,257	
NSF Technology, Innovation, and Partnerships	47.084	2517512; 25010-01	University of New England	SDSMT	14,970	
NSF Technology, Innovation, and Partnerships	47.084	2342430		USD	16,267	
NSF Technology, Innovation, and Partnerships	47.084	2435692		USD	30,226	
NSF Technology, Innovation, and Partnerships	47.084	2426722		USD	31,036	
NSF Technology, Innovation, and Partnerships	47.084	2431845		SDSU	44,209	7,334
NSF Technology, Innovation, and Partnerships	47.084	2222991; Virolock	National Science Foundation	SDSU	49,501	
NSF Technology, Innovation, and Partnerships	47.084			DSU	66,249	
NSF Technology, Innovation, and Partnerships	47.084	2306532		SDSMT	69,171	
NSF Technology, Innovation, and Partnerships			North Dakota State			
	47.084	2229452; FAR0036380	University	SDSU	81,855	
NSF Technology, Innovation, and Partnerships			North Dakota State			
	47.084	FAR0036379	University	SDSMT	160,421	
NSF Technology, Innovation, and Partnerships	47.084			SDSMT	168,192	16,712
NSF Technology, Innovation, and Partnerships - NSF I-Corps Hub (Track 2): Great Plains Region	47.084	FAR0036378	North Dakota State	USD	91,817	
<i>Total National Science Foundation</i>					<u>24,159,990</u>	<u>6,074,691</u>
<i>U.S. Small Business Administration</i>						
Cybersecurity for Small Business Pilot Program	59.079			DSU	254,414	
<i>Total U.S. Small Business Administration</i>					<u>254,414</u>	
<i>U.S. Department of Energy</i>						
Office of Science Financial Assistance Program	81.049	DE-SC0015657		USD	2,579	
		DE-SC0021126;				
Office of Science Financial Assistance Program	81.049	UTA20-001014	University of Texas at Austin	SDSU	15,009	
Office of Science Financial Assistance Program	81.049	DE-SC0025587		SDSMT	17,215	
Office of Science Financial Assistance Program	81.049	DE-SC0025446		BHSU	20,215	
Office of Science Financial Assistance Program	81.049	SDSMT-GPTWA 25-07		SDSMT	25,360	
Office of Science Financial Assistance Program	81.049	DE-SC0024492		USD	28,653	
Office of Science Financial Assistance Program	81.049	DE-SC0023026		SDSMT	68,362	
Office of Science Financial Assistance Program	81.049	DE-SC0025545		USD	84,122	
		SUBK0019563;				
Office of Science Financial Assistance Program	81.049	DE-SC0024482	Regents of the University of			
Office of Science Financial Assistance Program	81.049	SC0025326	Michigan	BHSU	87,479	
				USD	108,416	
		DE-SC0020281;				
Office of Science Financial Assistance Program	81.049	UAF 20-0069	University of Alaska	SDSU	140,335	
Office of Science Financial Assistance Program	81.049	DE-SC0025585	Fairbanks	SDSMT	146,853	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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 Science Financial Assistance Program	81.049	DE-SC0024284;	The Nebraska Board of Regents University of Nebraska	SDSU	156,512	
Office of Science Financial Assistance Program	81.049	45-0516-1005-205		SDSMT	170,734	
Office of Science Financial Assistance Program	81.049	DE-SC0024450		USD	258,608	42,310
Office of Science Financial Assistance Program	81.049	DE-SC0024519		SDSMT	503,416	
Office of Science Financial Assistance Program - CASPT2 Geometries, Spectra, and Relativistic Electronic Structures of Actinide Species	81.049	DE-SC0014223				
Office of Science Financial Assistance Program - Design of a Cryogenic Scintillation Neutrino Detector at the Spallation Neutron Source	81.049	DE-SC0023022		USD	22,852	
	81.049	DE-SC0022167		USD	136,415	
Renewable Energy Research and Development	81.087	DEEE0008521;	University of Illinois	SDSU	43,416	
		093139-17520				
Renewable Energy Research and Development	81.087	DE-EE0008923;	Colorado School of Mines	SDSMT	95,231	
Renewable Energy Research and Development	81.087	G-64006-01		SDSMT	112,334	73,518
		DE-EE0008252				
Nuclear Energy Research, Development and Demonstration	81.121	C3899	Los Alamos National Laboratory - Triad National Security LLC	SDSMT	43,866	
Electricity Research, Development and Analysis	81.122	89243324PFE000810		SDSMT	26,632	
Advanced Research Projects Agency - Energy	81.135	DE-AR0001226;	The Nebraska Board of Regents University of Nebraska	SDSU	5,589	
		25-6211-0073-031				
Basic and Applied Scientific Research	81.UNKNOWN	DE-AC02-05CH11231;	Lawrence Berkeley National Laboratory	SDSMT	41,555	
		7410532				
Basic Research and Development	81.UNKNOWN	DE-AC05-00OR22725;	UT Battelle LLC	SDSMT	144,913	
Basic Research and Development	81.UNKNOWN	4000166153	UT Battelle LLC	SDSMT	311,086	
		4000206922				
Deep Underground Neutrino Experiment (DUNE)	81.UNKNOWN	DE-AC02-07CH11359;	Fermi National Laboratory	SDSMT	4,308	
		668098				
Deep Underground Neutrino Experiment (DUNE)	81.UNKNOWN	DE-AC02-07CH11359;	Fermi National Laboratory	SDSMT	7,397	
		664706				
Deep Underground Neutrino Experiment (DUNE)	81.UNKNOWN	DE-AC02-07CH11359;	Fermi National Laboratory	SDSMT	39,615	
		687391				
Restore Natural Recruitment of Kootenai River White Sturgeon	81.UNKNOWN	76826; 2002-002-00	Kootenai Tribe of Idaho	SDSMT	112,902	
Small Business Innovation Research	81.UNKNOWN	DE-SC0018577; 27.04.03	VRC Metal Systems	SDSMT	61,871	
		89233218CNA000001;				
Small Business Technology Transfer Program	81.UNKNOWN	17526	Triad National Security LLC	SDSMT	45,632	
Total U.S. Department of Energy					3,089,482	115,828
U.S. Department of Education						
Fund for the Improvement of Postsecondary Education - Office of Postsecondary Education	84.116	P116W240061		BHSU	112,926	
Statewide Longitudinal Data Systems	84.372A			Education	967,091	
Total U.S. Department of Education					1,080,017	
U.S. Department of Health and Human Services						
Food and Drug Administration Research	93.103	U18FD006558		SDSU	21,238	
Food and Drug Administration Research	93.103	U18FD006181		SDSU	73,498	
Food and Drug Administration Research	93.103	U19FD007117		SDSU	108,905	
		1 R01 DE029159-01A1;				
Oral Diseases and Disorders Research	93.121	S01768-01	University of Iowa	SDSMT	51,082	
Emergency Medical Services for Children	93.127	23H33MC06693		USD	201,955	
Human Genome Research	93.172	R01HG010805		SDSU	111,384	
Mental Health Research Grants	93.242	R21MH134106		USD	87,115	
Mental Health Research Grants - Characterization of Trophic Factor Induced Antidepressant Action	93.242	R01MH106640		USD	405,906	
Mental Health Research Grants - PTSD, AUD, and Interpersonal Conflict: Within-Person Associations	93.242	R01MH122954		USD	506,915	186,059
Mental Health Research Grants - Sex Differences in the Neurobiological Significance of Orexin Stress Signaling	93.242	R15MH125306		USD	8,979	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Mental Health Research Grants - Targeting HIV Myeloid Reservoirs in the CNS by IAP and TREM1 Inhibition	93.242	R01MH128021		USD	530,295	
Occupational Safety and Health Program	93.262	2 U54OH010170-11-00; 604115-00	Marshfield Clinic Research Institute	SDSU	623	
Occupational Safety and Health Program	93.262	P009439403	Regents of the University of Minnesota	SDSMT	643	
Occupational Safety and Health Program	93.262	6 U54OH010170-12-04; S006623-UM	The Pennsylvania State University	SDSU	7,339	
Alcohol Research Programs	93.273	R01AA027206		USD	89,374	
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	117,507	
Alcohol Research Programs - Influence of Early Developmental Ethanol Exposure on Genes, the mTOR Signaling Pathway and Behavior	93.273	R00AA027567		USD	211,842	
Drug Use and Addiction Research Programs - Summer Program for Undergraduate Research in Addiction	93.279	1R25DA033674		USD	39,818	
Trans-NIH Research Support	93.310	609373	Oak Ridge Associated Universities	USD	4,988	
Trans-NIH Research Support	93.310	3OT2OD032581-01S1; RF00280-SUB00313	University of North Texas Health Science Center Fort Worth	SDSU	398,151	98,318
Trans-NIH Research Support - Midwest Biomedical Accelerator Consortium	93.310	C00066571-11	University of Missouri	USD	23,676	1,053
Research Infrastructure Programs	93.351	1R24OD035488-01		SDSU	25,808	
Nursing Research	93.361	R21NR020383		SDSU	103,614	60,281
Cancer Cause and Prevention Research	93.393	7R01CA240080-04; 1(GG017963-01)	The Trustees of Columbia University in the City of New York	SDSU	8,360	
Cancer Cause and Prevention Research	93.393	R01CA288301		USD	175,652	
Cancer Treatment Research	93.395	R03CA290549		USD	55,667	8,838
Cancer Biology Research	93.396	7R01CA259581; GR-0010120-022686	St. Jude Children's Research Hospital, Inc.	SDSU	18,978	
Cancer Biology Research	93.396	1R15CA274349-01		SDSMT	53,107	
Cardiovascular Diseases Research	93.837	R01HL147105		USD	20,063	
Cardiovascular Diseases Research - Cardiac Pathophysiology of Proteasome Phosphoregulation	93.837	R01HL153614		USD	146,775	
Cardiovascular Diseases Research - PKG and PKA Duo-Activation to Treat Cardiac Proteotoxicity	93.837	R01HL072166		USD	455,954	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R15DK125940		SDSU	101,768	1,448
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	178,631	
Extramural Research Programs in the Neurosciences and Neurological Disorders - FOXOs in Ischemic Stroke	93.853	R01NS124846		USD	11,100	
Extramural Research Programs in the Neurosciences and Neurological Disorders - Modulating Low- Frequency Cortical Population Dynamics to Augment Motor Function After Stroke	93.853	12099sc 7R01AI141889-03;	University of California, San Francisco	USD	71,335	
Allergy and Infectious Diseases Research	93.855	3200003741-21-205 1R01AI153422-01; CON-80003239	University of Kentucky	SDSU	700	
Allergy and Infectious Diseases Research	93.855	(GR113223)	Yale University	SDSU	8,715	
Allergy and Infectious Diseases Research	93.855	5R01AI185093-02; SDSMTAI185093	Penn State	SDSMT	24,690	
Allergy and Infectious Diseases Research	93.855	R01AI152109; S006689-SDSU	Stellenbosch University	SDSU	47,378	
Allergy and Infectious Diseases Research	93.855	U01AI148153		SDSU	269,610	125,462
Allergy and Infectious Diseases Research - Biological Vector Borne Transmission of Salmonella by Cockroaches	93.855	R01AI171014		USD	133,050	
Biomedical Research and Research Training	93.859	34-5250-2040-766	University of Nebraska Medical Center	USD	6,799	
Biomedical Research and Research Training	93.859	FY2024-004	Continuum Educational Technologies, PBC	USD	13,493	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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)						
Biomedical Research and Research Training	93.859	1P30GM154633-01; CY23-116-SDSU	Sanford Research	SDSU	17,919	
Biomedical Research and Research Training	93.859	1P30GM145398-01A1; CY22-124 SDSU PILOT	Sanford Research	SDSU	21,653	
Biomedical Research and Research Training	93.859	FY2024-007 UT2GM148086; FY2024- 008	Continuum Educational Technologies, PBC	USD	25,000	
Biomedical Research and Research Training	93.859	FY2024-006 UND0029621-S1	Continuum Educational Technologies, PBC	SDSU	27,732	
Biomedical Research and Research Training	93.859	CY23-116-USD	University of North Dakota	USD	30,000	
Biomedical Research and Research Training	93.859	5P30GM145398-02; CY22-124 SDSU XIAN PILOT	Sanford Research	USD	31,997	
Biomedical Research and Research Training	93.859	R01HG013534	Sanford Research	SDSU	50,000	
Biomedical Research and Research Training	93.859	UND0029621-S2	University of North Dakota	SDSU	62,431	
Biomedical Research and Research Training	93.859	1R15GM154230-01	BHSU	SDSU	71,108	
Biomedical Research and Research Training	93.859	P20GM103620; SR-2022-01	Sanford Research	USD	101,421	
Biomedical Research and Research Training	93.859	P20GM109024; FAR0036600	SDSMT	BHSU	114,128	
Biomedical Research and Research Training	93.859	P20GM135008	North Dakota State University	SDSU	120,576	
Biomedical Research and Research Training	93.859	P20GM103443	SDSU	SDSU	121,416	
Biomedical Research and Research Training - Biomedical Technology - BRIN (Biomedical Research Infrastructure Network) for SD	93.859	SRN-2021-03 T32GM136503	Sanford Research	USD	137,150	
Biomedical Research and Research Training - Center for Biobehavioral Mechanisms of Eating Behavior	93.859	156038 27150 USD Sub	Lafayette College	USD	1,681,635	
Biomedical Research and Research Training - G-RISE	93.859	7R01AG074283-02; SA0002912	The University of Texas Health Science Center at Houston	SDSU	5,316,961	1,152,156
Child Health and Human Development Extramural Research - Using Structured Video Chat to Improve Relationships Between Young Children and Remote Grandparents	93.865	R03AG088758 RF1AG072510 U01FD007156	SDSU	SDSU	14,562	
Aging Research	93.866	30T2OD032581-01S1; RF00280-SUB00313	University of North Texas Health Science Center Fort Worth	SDSU	233,601	
Aging Research	93.866	75D30124C20308	SDSMT	SDSU	59,877	
Aging Research - Priming the Proteasome to Protect Against Aging and Alzheimer's Disease	93.866	75D30119C06090	SDSMT	SDSU	984,183	
Antimicrobial Resistance Surveillance in Retail Food Specimens	93.876			SDSU	190,541	571,573
Developing Explainable Machine Learning and Computational Methods for Identifying Geographic and Racial Disparities in End-Stage Renal Disease	93.UNKNOWN				249,115	37,961
Occupational Safety and Health Program	93.UNKNOWN				115,254	89,634
Safe Integrated Engineering in Mining	93.UNKNOWN				208,717	140,094
Total U.S. Department of Health and Human Services					15,000,950	2,472,877
U.S. Department of Homeland Security						
Assistance to Firefighters Grant	97.044	EMW-2023-FP-00535	The University of West Florida	SDSU	91,325	
CyberSkills2Work	97.UNKNOWN	70RCSJ24P00000031	DSU		112,016	
Total U.S. Department of Homeland Security					203,341	
Total Research and Development Cluster					\$ 89,720,473	\$ 25,082,565

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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
Student Financial Assistance Cluster						
<i>U.S. Department of Education</i>						
Federal Supplemental Educational Opportunity Grants	84.007	P007A243840		BHSU/DSU/NSU/SDSMT/ SDSU/USD	\$ 1,896,347	\$
Federal Work-Study Program	84.033	P033A233840; P033A243840		BHSU/DSU/NSU/SDSMT/ SDSU/USD	1,946,924	
Federal Perkins Loan Program_Federal Capital Contributions (Notes 3D and 3F)	84.038			BHSU/DSU/NSU/SDSMT/ SDSU/USD	2,321,263	
Federal Pell Grant Program	84.063	P063P232214; P063P242214; P063P252214		BHSU/DSU/NSU/SDSMT/ SDSU/USD	34,783,201	
Federal Direct Student Loans (Note 3H)	84.268	P268K152214; P268K162214		BHSU/DSU/NSU/SDSMT/ SDSU/USD	115,968,793	
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	P379T252214		BHSU/DSU/NSU/SDSU	267,093	
<i>Total U.S. Department of Education</i>					<u>157,183,621</u>	
<i>U.S. Department of Health and Human Services</i>						
Nurse Faculty Loan Program (NFLP) (Note 3F)	93.264	P379T092217		SDSU	581,706	
Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students (Note 3F)	93.342	P379T092219		SDSU/USD	9,788,081	
Nursing Student Loans (Note 3F)	93.364			SDSU/USD	2,707,403	
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	T08HP39273		SDSU	667,930	
<i>Total U.S. Department of Health and Human Services</i>					<u>13,745,120</u>	
Total Student Financial Assistance Cluster					\$ 170,928,741	\$

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, 2025

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 and its component units for the fiscal year ended June 30, 2025, except for the programs administered by the South Dakota Housing Development Authority (SDHDA) and South Dakota Ellsworth Development Authority (SDEDA), which have elected to have their own Single Audits as described in Note 3P.
- B. Basis of Presentation** - The information on the Schedule is presented in accordance with Uniform Guidance.
1. **Federal award** is defined in the Uniform Guidance as either (1) the Federal financial assistance or cost-reimbursement that a non-Federal entity receives directly from a Federal agency or indirectly from a pass-through entity, or (2) the grant agreement, cooperative agreement, other agreement for assistance, or the cost-reimbursement contract awarded instruments. This definition excludes any other contract that a Federal agency uses to buy goods or services from a contractor, or a contract to operate government-owned, contractor-operated facilities. The federal award establishes the terms and conditions of the award.
 2. **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.
 3. **Assistance Listing** is the publicly available listing of Federal assistance programs managed and administered by the General Services Administration.
 4. **Assistance Listing number (ALN)** is a unique five-digit number assigned to identify an Assistance Listing. 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'.
 5. **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 details for each individual award from the federal awarding agencies at the bottom of the Schedule.
 6. **Pandemic Funding** - Program expenditures of funds awarded in response to the Coronavirus Pandemic are identified with "COVID-19" in the Program Title.

STATE OF SOUTH DAKOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

7. 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 \$11,000,000 in expenditures, disbursements, or issuances for the fiscal year ended June 30, 2025. Type B programs for the State are those which are less than \$11,000,000 in expenditures/disbursements/issuances for the fiscal year ended June 30, 2025.

C. Basis of Accounting - The information presented on the Schedule is presented on the cash basis of accounting, which is consistent with other federal grant reports. 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 and its component units 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 15 percent de minimis cost rate during fiscal year 2025 for ALN 47.083 *Integrative Activities*.

D. Expenditures and Expenses - All federal expenditures included on 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 \$7,724,475 (\$2,773,452 under ALN 10.555, \$11,750 under ALN 10.559, and \$4,939,273 under 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.** The Donation of Federal Surplus Personal Property program (ALN 39.003) reported on the Schedule totaled \$929,482, which represents 23.3% of the original acquisition cost of the federal surplus property received by the State. Of that amount, \$789,556 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 the Veterans State Domiciliary Care program (ALN 64.014) and the Veterans State Nursing Home Care program (ALN 64.015) represent cash received. Federal reimbursements are based on approved rates for services provided, rather than reimbursement for specific expenditures.
- D.** The Federal Perkins Loan Program (ALN 84.038) amounts 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 \$183,214,403 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 \$3,281 and are also reported on the Schedule.

STATE OF SOUTH DAKOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

- 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, 2025
		Administrative Expense	Loan Disbursement	
84.038	Federal Perkins Loan Program	\$ 7,437	\$	\$ 2,313,826
93.264	Nurse Faculty Loan Program		196,051	581,706
93.342	Health Professions Student Loans/Loans for Disadvantaged Students		1,381,673	9,788,081
93.364	Nursing Student Loans		478,257	2,707,403

- 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 \$652,504 and loan disbursements totaling \$8,777,297 for ALN 66.458, and \$1,745,903 in administrative expenses and \$12,251,839 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	\$ 27,113,745
Direct Unsubsidized Loans	70,395,434
Direct PLUS & G PLUS Program Loans	18,459,614

- I.** During the fiscal year ended June 30, 2025, the South Dakota Department of Health (DOH) received \$3,119,454 in cash rebates from infant formula manufacturers on sales of formula to participants in the WIC Special Supplemental Nutrition Program for Women, Infants, and Children (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 3,528 more people during fiscal year 2025.
- J.** The South Dakota Department of Transportation (SDDOT) acts as a channeling state for the various Airport Improvement Program (ALN 20.106) grants 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 2025 for the channeling grants amounted to \$40,496,423 and \$4,299,517 (COVID-19). These monies are not reflected on the Schedule as expenditures of federal awards of the State. The \$1,616,918 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 airports.
- K.** The Unemployment Insurance section of the Schedule (ALN 17.225) includes the amount of the State's expenditure for unemployment insurance benefits of \$33,970,699 the amount of federal unemployment insurance benefits of \$1,293,178, and the amount of administrative expense of \$5,521,731, as required by the U.S. Department of Labor and the Inspector General. An additional \$716,656 of pandemic unemployment assistance was received for COVID-19, which is also reported under ALN 17.225.

STATE OF SOUTH DAKOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

- L.** 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 2025, the South Dakota Department of Tourism had \$221,709 in expenditures from the trust fund in support of DOE programs and received \$1,074,152 in loan payments. These expenditures are not included on the Schedule.
- M.** The amount of expenditures reported for the Child Support Services program (ALN 93.563) was not reduced by \$1,569,711 which is the federal share of prior quarters' Title IV-A collections retained to fund the Child Support Services program during fiscal year 2025.
- N.** After a Presidentially Declared Disaster, the Federal Emergency Management Agency (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 require state matching funds. For the year ended June 30, 2025, the amount included in the accompanying schedule for Disaster Grants - Public Assistance (Presidentially Declared Disasters) (ALN 97.036) includes \$1,607,812 of approved eligible expenditures that were incurred in previous years.
- O.** (Unaudited) The State of South Dakota did not utilize any inventory to assist in the response to the global COVID-19 pandemic. The State maintained a balance of \$579,290 from prior fiscal years and did not receive any additional inventory during the fiscal year 2025. Since donated Personal Protective Equipment (PPE) has no impact on the single audit, this disclosure was not subject to audit procedures as part of the Single Audit.
- P.** SDHDA and SDEDA are discretely presented component units of the State. The SDHDA and SDEDA have chosen to have their own separate Single Audits performed and reported their federal expenditures, including loan information, in their own SEFAs. For SEFA reporting, the SDHDA was treated as a subrecipient of Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027), for which SDHDA received \$16,799,726 from the State during the fiscal year ended June 30, 2025. 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***



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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 Larry Rhoden
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, 2025, 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 31, 2025. 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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.

However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

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 response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 31, 2025



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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 Larry Rhoden
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, 2025. 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."

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 identified in the Summary of the Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2025.

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

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 \$77,905,890 and \$4,943, respectively, in federal awards during the fiscal year ended June 30, 2025, 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, where required, in accordance with the audit requirements of the Uniform Guidance.

Responsibilities of Management for Compliance

The State's management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls 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 items 2025-003 through 2025-012. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the State's response to the findings identified in our audit, as provided 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 did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs" as items 2025-003 through 2025-005 and 2025-011 through 2025-012 to be material weaknesses.

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 consider the deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs" as items 2025-006 and 2025-008 through 2025-010 to be significant deficiencies.

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
Pierre, South Dakota

March 31, 2026





***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, 2025
Index

Summary of Auditor's Results			<u>Page</u> 234
Schedule of Findings and Questioned Costs			236
<u>Summary of Findings and Questioned Costs for Federal Awards:</u>			
<u>State Agency</u>	<u>Federal Agency</u>	<u>Finding Number</u>	<u>Page</u>
<i>Non-Compliance Findings:</i>			
Department of Human Services	DHHS	2025-003	241
Department of Human Services	DHHS	2025-004	243
Department of Human Services	DHHS	2025-005	245
Department of Human Services	Education	2025-006	247
Department of Social Services/Department of Health	DHHS	2025-007	250
Department of Social Services	DHHS	2025-008	252
Department of Social Services	DHHS	2025-009	254
Department of Social Services	DHHS	2025-010	256
Department of Social Services	DHHS	2025-011	258
Department of Social Services	DHHS	2025-012	261
<i>Material Weakness:</i>			
Department of Human Services	DHHS	2025-003	241
Department of Human Services	DHHS	2025-004	243
Department of Human Services	DHHS	2025-005	245
Department of Social Services	DHHS	2025-011	258
Department of Social Services	DHHS	2025-012	261
<i>Significant Deficiencies:</i>			
Department of Human Services	Education	2025-006	247
Department of Social Services	DHHS	2025-008	252
Department of Social Services	DHHS	2025-009	254
Department of Social Services	DHHS	2025-010	256
<u>Summary of State Audit Findings:</u>			
<i>Financial Statement Findings – Material Weaknesses:</i>			
Board of Economic Development		2025-001	236
Soybean Research and Promotion Council		2025-013	264
Soybean Research and Promotion Council		2025-014	265
<i>Financial Statement Findings – Significant Deficiencies:</i>			
Department of Revenue		2025-002	238
Corn Utilization Council		2025-015	266
Corn Utilization Council		2025-016	267
Wheat Utilization, Research and Market Development Commission		2025-017	268
Wheat Utilization, Research and Market Development Commission		2025-018	269

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

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?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	Yes
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:

Assistance

Listing

Numbers

Name of Federal Program or Cluster

	Medicaid Cluster
	Aging Cluster
	CCDF Cluster
	Student Financial Assistance Cluster
	Fish and Wildlife Cluster
12.401	National Guard Military Operations and Maintenance (O&M) Projects
64.015	Veterans State Nursing Home Care
66.468	Drinking Water State Revolving Fund
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States
93.268	Immunization Cooperative Agreements
93.558	Temporary Assistance for Needy Families

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

93.658	Foster Care Title IV-E
93.659	Adoption Assistance
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between Type A and Type B programs - \$11,000,000

Auditee Qualified as low-risk auditee?	No
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**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

BOARD OF ECONOMIC DEVELOPMENT

CURRENT AUDIT FINDING AND RECOMMENDATION

Financial Statement Audit Finding:

Finding No. 2025-001: Ineffective Internal Controls Over Financial Reporting

Type of Finding: Material Weakness

Criteria:

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

Condition:

The Revolving Economic Development Initiative Fund incorrectly reported cash transfers from other funds.

Cause:

The Revolving Economic Development Initiative Fund reported \$7,164,868 of transfers in from the Governor's Office of Economic Development Special Revenue Fund as operating revenue. Generally Accepted Accounting Principles require these transfers to be reported separately, after nonoperating revenues and expenses, on the Statement of Revenues, Expenses and Changes in Net Position. These transfers were also reported as cash flows from operating activities rather than cash flows from noncapital financing activities on the Statement of Cash Flows. Controls in place were not adequate to identify and correct this error.

Effect:

The Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows for the Revolving Economic Development Initiative Fund were materially misstated. This misstatement was corrected by management as a result of the audit.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend that controls be evaluated to ensure material misstatements are prevented in the future.

Views of Responsible Officials:

The Board of Economic Development reported the transfers in question in good faith as operating revenue based on authoritative guidance received from the State's fiscal accounting experts and from the third-party accounting firm that advises on financial reporting for the Revolving Economic Development Initiative Fund. In the view of the Chairman, the actions taken by staff are reasonable and justifiable based on the guidance received from those State fiscal accounting experts, the legal status of the REDI Fund, and the third-party accountant's advice concerning the financial statements.

STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025

BOARD OF ECONOMIC DEVELOPMENT
(Continued)

Classification of this issue as rising to the level of a material weakness would require the issue to create a “reasonable possibility” of a material misstatement. The Board Chair believes the above-mentioned circumstances, and the resulting probability and magnitude of the potential misstatement stemming from the issue identified, would also permit DLA to choose to classify the issue as a note to the financial statements, as there is no financial impact from this misstatement in the REDI Fund financial statements. The absence of an actual material misstatement, combined with the presence of effective compensating controls, could further support determination by DLA that the risk is not material. Nevertheless, Management and the Board Chair understand that Management and auditors may at times respectfully disagree on the subjective impact of an issue identified during the course of an audit. Therefore, in the interest of finalizing the Fund’s audit and returning to its regular business, Management will nevertheless concur with DLA’s finding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

DEPARTMENT OF REVENUE

CURRENT AUDIT FINDING AND RECOMMENDATIONS

Financial Statement Audit Finding:

Finding No. 2025-002: Ineffective Internal Controls Over the Calculation of Motor Vehicle Excise Tax

Type of Finding: Significant Deficiency

Criteria:

The Government Accountability Office – Standards for Internal Control in the Federal Government defines internal control as:

... a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

The Government Accountability Office – Standards for Internal Control in the Federal Government principles of internal control 10 through 12 states:

- 10. Management should design control activities to achieve objectives and respond to risks.
- 11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
- 12. Management should implement control activities through policies.

South Dakota Codified Law (SDCL) 32-5B-1 states, in part:

In addition to all other license and registration fees for the use of the highways, a person shall pay an excise tax at the rate of four percent on the purchase price of any motor vehicle, as defined by § 32-3-1 or 32-5B-21, purchased or acquired for use on the streets and highways of this state and required to be registered under the laws of this state. A person shall pay an excise tax at the rate of four percent on the purchase of an off-road vehicle as defined by § 32-3-1 and required to be titled pursuant to § 32-20-12.

...

SDCL 32-5B-4 states, in part:

For the purposes of this chapter, the purchase price is:

- (1) For a new motor vehicle sale or lease, the total consideration whether received in money or otherwise. However, when a motor vehicle is taken in trade as a credit or part payment on a new motor vehicle, the credit or trade-in value allowed by the seller shall be deducted from the total consideration for the new motor vehicle to establish the purchase price;

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF REVENUE
(Continued)**

- (2) For a used motor vehicle sold or leased by a licensed motor vehicle dealer, the total consideration for the used motor vehicle whether received in money or otherwise. However, when a motor vehicle is taken in trade by the dealer as a credit or part payment on a used motor vehicle, the credit or trade-in value allowed by the dealer shall be deducted from the consideration so that the net consideration is established; ...

Condition:

The 605Drive system is used by the Department of Revenue (DOR) to title and register vehicles effective February 17, 2025. The system calculates all fees and maintains documentation for titles and registrations.

In certain cases, trade in values were incorrect within the system which affected the taxable values used during the excise tax calculations. Cases with this condition were caused by either incorrect data entry or improper data conversion into the 605Drive system.

Cause:

Internal controls over the accuracy of data in determining taxable value in motor vehicle excise tax transactions, as they relate to trade in values, were not operating effectively within the County Title Transaction process. Additionally, the secondary control of a title processor review was also not effective in identifying the issues in certain instances.

Effect:

Motor vehicle excise tax was calculated incorrectly resulting in overpayments to the State.

Further Information:

A sample of 112 transactions amounting to \$139,171.30 was tested out of a total of 750,005 transactions processed through the 605Drive system during Fiscal Year 2025. These transactions were made up of motor vehicle fees as well as motor vehicle excise taxes. Three transactions were noted to have errors relating to the trade-in value resulting in motor vehicle excise tax overpayments totaling \$1,400.00.

Repeat Finding from Prior Year:

No.

Recommendations:

We recommend that the DOR implement a thorough review of the internal controls relating to the titling and registering of motor vehicles, including those internal controls imbedded within the 605Drive system, to ensure accuracy of the transactions. These controls should be monitored and reviewed regularly to evaluate their results.

We recommend a thorough review be performed by the DOR to identify additional overpayments, which when identified, we recommend be refunded to the taxpayers.

Views of Responsible Officials:

The Department of Revenue (DOR) concurs with the finding.

STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025

DEPARTMENT OF REVENUE
(Continued)

The 605Drive system went live on Monday, February 17, 2025, following the completion of data migration from the legacy SDCars system on Friday, February 14. On Tuesday, February 18, it was determined that trade-in values from the converted dealer pre-applications did not transfer correctly into the new system and still required manual entry of trade-in values for converted dealer pre-applications.

As customers visited county treasurer offices to complete vehicle registration and titling transactions, some of these errors were not identified, resulting in incorrect taxable values, and consequently, overpayments of motor vehicle excise tax. Additionally, subsequent reviews by title processors at the central office did not detect these discrepancies, and titles were issued based on inaccurate data.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

DEPARTMENT OF HUMAN SERVICES

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Finding:

Finding No. 2025-003: Inadequate Internal Controls over Cost Principles – Allocated Salaries and Wages

Type of Finding: Material Weakness and Non-Compliance

Assistance Listing Title: Aging Cluster (Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers; COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers; Special Programs for the Aging, Title III, Part C, Nutrition Services; COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services; Nutrition Services Incentive Program)

Assistance Listing Number: 93.044, 93.045, 93.053

Federal Award Number: 2101SDSSC6, 2101SDCMC6, 2301SDOACM, 2401SDOASS, 2401SDOACM, 2401SDOAH, 2401SDOANS, 2501SDOASS, 2501SDOACM, 2501SDOAH, 2501SDOANS

Federal Award Year: FFY21, FFY23, FFY24, FFY25

Federal Agency: Department of Health and Human Services

Category of Finding: Allowable Costs/Cost Principles

COVID-19 Funding: Cluster includes some COVID-19 funding to an existing program

Criteria:

The Code of Federal Regulations (CFR) at 2 CFR 200.430g(1), requires that:

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

...

(vi), Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

2 CFR 200.430g(5) allows states to use substitute processes or systems for allocating salaries and wages to Federal awards in place of the records described in paragraph (g)(1) of this section, if approved by the cognizant agency for indirect cost. The Department of Human Services (DHS) allocated some personal service costs to Aging Cluster programs using these substitute processes.

Condition:

Since State Fiscal Year (FY) 2017, the DHS has used a specific process to allocate certain personal service costs to the Aging Cluster as described in their Cost Allocation Plan (CAP). This CAP was approved by their cognizant agency, the United States Department of Health and

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF HUMAN SERVICES
(Continued)**

Human Services (HHS), for FY2018, with the most recent certification for its continued use issued for FY2022.

The DHS charged certain personal service costs to the Aging Cluster before obtaining approval from HHS for continued use of its CAP for FY 2023, FY2024, and FY2025.

Cause:

Inadequate internal controls and staff turnover resulted in failure to submit a current CAP to the cognizant agency for approval.

Effect:

Allocating personal service costs to Aging Cluster programs prior to submitting and obtaining approval of a CAP as required by 2 CFR 200.430g exposed the department to risk of potential federal grant disallowances.

Questioned Costs:

None.

Further Information:

As a result of the audit, DHS submitted a letter to the HHS certifying that the procedures approved in the FY2017 CAP had not changed for FY2023, FY2024, and FY2025. HHS acknowledged this certification on February 25, 2026, and advised DHS to continue using the procedures outlined in their approved public assistance cost allocation plan.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend the Department establish controls to ensure timely submission of an updated CAP for future periods.

Views of Responsible Officials:

The Department of Human Services concurs with the audit finding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

DEPARTMENT OF HUMAN SERVICES
(Continued)

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Finding:

Finding No. 2025-004: Inadequate Internal Controls over Federal Funding Accountability and Transparency Act (FFATA) Reporting

Type of Finding: Material Weakness and Non-Compliance

Assistance Listing Title: Aging Cluster (Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers; COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers; Special Programs for the Aging, Title III, Part C, Nutrition Services; COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services; Nutrition Services Incentive Program)

Assistance Listing Number: 93.044, 93.045, 93.053

Federal Award Number: 2101SDSSC6, 2101SDCMC6, 2301SDOACM, 2401SDOASS, 2401SDOACM, 2401SDOAH, 2401SDOANS, 2501SDOASS, 2501SDOACM, 2501SDOAH, 2501SDOANS

Federal Award Year: FFY21, FFY23, FFY24, FFY25

Federal Agency: Department of Health and Human Services

Category of Finding: Reporting

COVID-19 Funding: Cluster includes some COVID-19 funding to an existing program

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 or subaward amendment obligation was made.

Condition:

During State Fiscal Year 2025 (FY25), the Department of Human Services (DHS) received funding under the Aging Cluster and made multiple first-tier subawards to provide support services or nutrition services. The required reporting under FFATA was not performed for any subawards under this cluster.

For Aging Cluster subawards over \$30,000, with a portion funded during FY25, we identified the following:

Number of Transactions Tested	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
28	28	0	0	0

Dollar Amount of Transactions Tested	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
\$ 10,344,611.13	\$ 10,344,611.13	\$ 0.00	\$ 0.00	\$ 0.00

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF HUMAN SERVICES
(Continued)**

Cause:

Inadequate internal controls and staff turnover resulted in non-compliance with FFATA reporting requirements.

Effect:

Incomplete 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 Human Services concurs with the audit finding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

DEPARTMENT OF HUMAN SERVICES
(Continued)

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Finding:

Finding No. 2025-005: Inadequate Internal Controls over Certification of Maintenance of Effort Reporting

Type of Finding: Material Weakness and Non-Compliance

Assistance Listing Title: Aging Cluster (Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers; COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers; Special Programs for the Aging, Title III, Part C, Nutrition Services; COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services; Nutrition Services Incentive Program)

Assistance Listing Number: 93.044, 93.045, 93.053

Federal Award Number: 2101SDSSC6, 2101SDCMC6, 2101SDHDC6, 2201SDOACM, 2201SDOAH, 2301SDOASS, 2301SDOACM, 2301SDOAH, 2301SDOANS, 2401SDOASS, 2401SDOACM, 2401SDOAH, 2401SDOANS

Federal Award Year: FFY21, FFY22, FFY23, FFY24

Federal Agency: Department of Health and Human Services

Category of Finding: Reporting

COVID-19 Funding: Cluster includes some COVID-19 funding to an existing program

Criteria:

Title 45 of the U.S. Code of Federal Regulations (CFR) 1321.9(c)(2)(vi), requires that each fiscal year, in order to meet maintenance of effort (MOE) requirements, the State agency "must expend for both services and administration at least the average amount of State funds reported and certified as expended under the State plan for these activities for the three previous fiscal years for Title III." An authorized State official must certify annually to the Administration for Community Living that prior fiscal year expenditure requirements have been met by submitting the Office of Management and Budget (OMB) Certification of Maintenance of Effort Form (OMB No. 0985-0083).

Condition:

The MOE expenditures for the Federal Fiscal Year ending September 30, 2024, were not certified by the August 1, 2025, deadline through submission of the OMB Certification of Maintenance of Effort Form.

Cause:

Inadequate internal controls, staff turnover, and a change in the Federal correspondence process resulted in the proper forms not being submitted.

Effect:

The South Dakota Department of Human Services was not in compliance with OMB Certification of MOE reporting requirements.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF HUMAN SERVICES
(Continued)**

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 Human Services concurs with the audit finding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

DEPARTMENT OF HUMAN SERVICES
(Continued)

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Finding:

Finding No. 2025-006: Inadequate Internal Controls over Supporting Documentation and Accuracy of Performance Reporting

Type of Finding: Significant Deficiency and Non-Compliance

Assistance Listing Title: Rehabilitation Services Vocational Rehabilitation Grants to States

Assistance Listing Number: 84.126

Federal Award Number: H126A240062, H126A240084, H126A250062, H126A250084

Federal Award Year: FFY24, FFY25

Federal Agency: Department of Education

Category of Finding: Reporting

Criteria:

The Department of Human Service (DHS) administers the Vocational Rehabilitation (VR) program authorized by the Rehabilitation Act of 1973, as amended. The program requires the DHS to submit the quarterly *Case Service Report (RSA-911)* containing specific data elements for each client. These data elements are to be supported by documentation contained in the client's case file.

Documentation to be maintained in each client case file is described in Title 34 of the Code of Federal Regulations (CFR) 361.47. Paragraph (a) of this section requires the case file to contain documentation regarding eligibility determination, the individualized employment plan (IEP) for the client, wage rates in the case of employment, case closure, and various other specific documentation requirements. Paragraph (b) of 34 CFR 361.47 requires the State to determine the type of documentation that must be maintained for each applicant and eligible individual in order to meet the requirements of Paragraph (a).

The DHS has developed a *VR Counselor Manual* to comply with the provisions of 34 CFR 361.47(b). This manual contains policies regarding documentation that must be retained in each client's electronic case file, including a certificate of eligibility, the case closure letter where applicable, and employment verification documents.

The US Department of Education – Rehabilitation Services has provided specific instruction to State Vocational Rehabilitation (VR) agencies regarding case file documentation in its Administration Dear College Letter (DCL-23-04) which states:

The requirements in 34 C.F.R. § 361.47 and 34 C.F.R. § 361.56, taken together, require VR agencies to maintain supporting documentation in an individual's case file, particularly regarding eligibility determinations, development of the IPE, VR services provided, and case closure. It is important to note that the use of a case management system does not remove the requirement for the VR agency to maintain either hard copies or scanned copies of required supporting documentation in the individual's

STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025

DEPARTMENT OF HUMAN SERVICES
(Continued)

service record. A case management system is merely a data entry process and it is susceptible to data entry errors.

Condition:

The Department maintains an official file for each case in a combination of electronic records (paperless file) and information entered into a case management system for each applicant and eligible individual. The data required for the completion of the RSA-911 reports is sourced from the case management system, while the electronic case file serves as the repository for underlying supporting information.

The Office of Management and Budget (OMB) 2025 Compliance Supplement identifies the following key line items as critical information subject to audit, where the information reported must match supporting documentation:

1. Date of Application (element 7)
2. Date of Eligibility Determination (element 38)
3. Date of Initial Individualized Plan for Employment (IPE) (element 398)
4. Start Date of Employment in Primary Occupation (element 350)
5. Employment Outcome at Exit (element 356)
6. Date of Exit (element 353)
7. Hourly Wage at Exit (element 359)

We reviewed a sample of clients from the September, 2024 and December, 2024 RSA-911 reports to ensure the information contained in the key line item data fields agreed to supporting documentation. Discrepancies in the supporting documentation were noted in the following areas: certificate of eligibility, the case closure letter, and employment verification documents. Our sample of clients was expanded for those key line items. Additional discrepancies were noted in the expanded sample. The list below summarizes these key line elements that had discrepancies between the reported data field and the supporting documentation:

- **Date of Eligibility Determination** – Of 151 fields reported within our sample, we noted five cases where the eligibility date reported could not be verified to an eligibility certificate.
- **Start Date of Employment in Primary Occupation** – Of 71 fields reported within our sample, we noted three cases where the start date of employment on the underlying support provided did not agree to the employment start date that was reported on the RSA-911.
- **Hourly Wage at Exit** – Of 65 fields reported within our sample, we noted seven cases where the hourly wage at exit on the underlying support provided did not agree to the hourly wage that was reported on the RSA-911, and an additional four cases where the underlying support was not on file for the hourly wage that was reported on the RSA-911.

Additionally, the *VR Counselor Manual* requires all case closure letters to be scanned for inclusion in the electronic case file. For four clients in our sample whose cases had been closed, there was no closure letter contained in the scanned file.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF HUMAN SERVICES
(Continued)**

Cause:

The Department did not have adequate controls in place to ensure the maintenance of documentation supporting quarterly RSA-911 *Case Service Reports*.

Effect:

As a result, there was an increased risk of inaccurate data being submitted in RSA-911 reports.

Questioned Costs:

None.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend the Department strengthen internal controls to ensure all case files contain adequate documentation to support information submitted in RSA-911 reports.

Views of Responsible Officials:

The Department of Human Services concurs with the audit finding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

DEPARTMENT OF SOCIAL SERVICES/DEPARTMENT OF HEALTH

CURRENT AUDIT FINDING AND RECOMMENDATION

Federal Compliance Audit Finding:

Finding No. 2025-007: Timeliness of Health and Safety Survey Requirements

Type of Finding: Non-Compliance

Assistance Listing Title: Medicaid Cluster (State Medicaid Fraud Control Units; State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare; Grants to States for Medicaid)

Assistance Listing Number: 93.775, 93.777, 93.778

Federal Award Numbers: 2405SD5MAP, 2505SD5MAP

Federal Award Year: FFY2024, FFY2025

Federal Agency: Department of Health and Human Services

Category of Finding: Special Tests and Provisions

COVID-19 Funding: Cluster includes some COVID-19 funding to an existing program

Criteria:

42 Code of Federal Regulations (CFR) 431.610(b) requires the Medicaid State Plan to designate the state authority responsible for establishing and maintaining health standards for private or public institutions that provide services to Medicaid beneficiaries. As the state agency responsible for administering the Medicaid program in South Dakota, the Department of Social Services (DSS) has designated the Department of Health (DOH) as the state agency responsible for establishing health and safety standards and performing the related surveys of Medicaid providers.

42 CFR 431.610(g)(2) states that survey agencies must “Have qualified personnel perform on-site inspections periodically as appropriate based on the timeframes in the correction plan and - (i) At least once during each certification period or more frequently if there is a compliance question; and (ii) For non-State operated NFs [nursing facilities], within the timeframes specified in § 488.308 of this chapter.”

42 CFR 488.308 (a) requires the survey agency to conduct a standard survey of each nursing facility and skilled nursing facility no later than 15 months after the last day of the previous standard survey.

The Fiscal Year 2025 Mission and Priorities Document issued by the Centers for Medicare and Medicaid Services (CMS) requires that no more than five years elapse between surveys for any particular non-deemed hospital, psychiatric hospital, or critical access hospital and no more than 15.9 months elapse between completed surveys for any particular nursing home.

Condition:

The DOH did not complete health and safety inspection surveys within the required time frame for two out of a nonstatistical sample of twenty-seven hospitals and nursing facilities tested. Further review of DOH survey tracking documents indicated that an additional five hospitals and nursing facilities did not have inspection surveys performed within the required time frame.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF SOCIAL SERVICES/DEPARTMENT OF HEALTH
(Continued)**

While the DOH has controls in place to track the surveys required, they did not have staff available to perform those seven reviews within the time frame required by CMS. The completion dates of those seven surveys ranged from two days late to roughly six months past required timeframes.

Additional Information to provide perspective:

At the time of the audit, there were 256 facilities subject to health and safety certifications, although some of these are subsidiaries grouped with another facility and surveyed as one unit. The dynamic nature of health system consolidation and closures, the federally approved pandemic backlog review schedule, and scheduling variances among different facilities make it difficult to ascertain a population of reviews required during the fiscal year under audit. Exceptions noted in the audit finding did not include facilities inspected late that had already been identified on a federally approved Covid-19 backlog schedule.

Cause:

Lack of resources, increases in required complaint investigations, and staff vacancies at the DOH along with inspection backlogs created by the Covid-19 pandemic resulted in DOH not having enough staff available to complete the surveys within the timeframes required by CMS.

Effect:

As a result of the noncompliance with CMS timing requirements for provider health and safety surveys, there was increased risk of the DSS making payments for Medicaid services to providers that do not meet prescribed health and safety standards.

Questioned Costs:

None.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend the DOH complete health and safety inspection surveys within the timeframe required by federal regulations.

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, 2025**

DEPARTMENT OF SOCIAL SERVICES

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Finding:

Finding No. 2025-008: Inadequate Internal Controls over Special Tests and Provisions

Type of Finding: Significant Deficiency and Non-compliance

Assistance Listing Title: Medicaid Cluster (State Medicaid Fraud Control Units; State Survey and Certification of Health Care Providers and Suppliers; Grants to States for Medicaid)

Assistance Listing Numbers: 93.775, 93.777, 93.778

Federal Award Numbers: 2405SD5MAP, 2505SD5MAP

Federal Award Years: FFY2024, FFY2025

Federal Agency: Department of Health and Human Services

Category of Finding: Special Tests and Provisions

COVID-19 Funding: Cluster includes some COVID-19 funding to an existing program

Criteria:

Title 45 of the Code of Federal Regulations (CFR), Section 95.605 defines automated data processing (ADP) as “data processing performed by a system of electronic or electrical machines so interconnected and interacting as to minimize the need for human assistance or intervention.”

45 CFR 95.621(f) states:

- (1) *ADP System Security Requirement.* State agencies are responsible for the security of all ADP projects under development, and operational systems involved in the administration of HHS programs. State agencies shall determine the appropriate ADP security requirements based on recognized industry standards or standards governing security of Federal ADP systems and information processing.”
- (3) *ADP System Security Reviews.* State agencies shall review the ADP system security of installations involved in the administration of HHS programs on a biennial basis. At a minimum, the reviews shall include an evaluation of physical and data security operating procedures, and personnel practices.

Condition:

The Department of Social Services (DSS) did not perform the required biennial ADP risk analysis and system security review in FY25. The last such review was completed in FY22.

Cause:

Controls were not adequate to ensure that the required ADP risk analysis and system security review was performed biennially.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF SOCIAL SERVICES
(Continued)**

Effect:

As a result of this control deficiency, the DSS was not in compliance with HHS requirements for performing ADP risk analysis and system security reviews. Without the required reviews the DSS was exposed to increased risk related to ADP system security and potential sanctions from the federal awarding agency.

Questioned Costs:

None.

Repeat Finding from Prior Year:

Yes.

Recommendation:

We recommend that internal controls be strengthened over the initiation and completion of a biennial ADP system security review.

Views of Responsible Officials:

The required system security review was completed in December 2025.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

DEPARTMENT OF SOCIAL SERVICES
(Continued)

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Finding:

Finding No. 2025-009: Inadequate Internal Controls over Maintenance of Effort Requirements

Type of Finding: Significant Deficiency and Non-compliance

Assistance Listing Title: Block Grants for Prevention and Treatment of Substance Abuse; COVID-19 Block Grants for Prevention and Treatment of Substance Abuse

Assistance Listing Numbers: 93.959

Federal Award Numbers: B08TI083967, B08TI084671, B08TI087065, B08TI088132

Federal Award Years: FFY2022, FFY2023, FFY2024, FFY2025

Federal Agency: Department of Health and Human Services

Category of Finding: Level of Effort

COVID-19 Funding: Includes some COVID-19 funding to an existing program

Criteria:

States are required to spend a given amount of State funds to meet what is referred to as Maintenance of Effort (MOE) requirements for some federal programs. The MOE requirement for the Block Grants for Prevention and Treatment of Substance Abuse (BGPTSA) program is outlined in the Code of Federal Regulations (CFR) at 45 CFR 96.134(a) which states:

With respect to the principal agency of a State for carrying out authorized activities, the agency shall for each fiscal year maintain aggregate State expenditures by the principal agency for authorized activities at a level that is not less than the average level of such expenditures maintained by the State for the two year period preceding the fiscal year for which the State is applying for the grant. The Block Grant shall not be used to supplant State funding of alcohol and other drug prevention and treatment programs.

Condition:

The Department of Social Services (DSS) did not meet MOE requirements for the BGPTSA program for State Fiscal Year (FY) 2025. The MOE requirement for this program for FY2025 was \$26,419,575.30. General fund expenditures eligible to meet the MOE requirement totaled \$24,752,507.31. This resulted in DSS being \$1,667,067.99 below the required MOE for FY2025.

Cause:

Some services previously provided using the MOE for the BGPTSA program began being charged to Medicaid after expansion of the Medicaid program in FY2024. Controls were not adequate to ensure the applicable MOE requirement was still met for FY25 with this shift in funding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF SOCIAL SERVICES
(Continued)**

Effect:

As a result of the noncompliance with MOE requirements, there is an increased risk of future reductions in the State's allotment for funding under the BGPTSA program.

Questioned Costs:

None with regard to Federal funds expended. The shortage in MOE amounted to \$1,667,067.99 for FY2025.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend the DSS implement controls to ensure compliance with MOE requirements for future periods.

Views of Responsible Officials:

The Department of Social Services concurs with the finding.

In State Fiscal Year 2025, the variance in the State's Maintenance of Effort (MOE) calculation is attributable to a structural change in the financing of behavioral health treatment services following the expansion of Medicaid eligibility in FY2024. As a result, certain substance use disorder treatment services that were historically funded through direct State general fund appropriations and counted toward MOE are now reimbursed through the Medicaid program.

The Department actively monitors MOE throughout the fiscal year and identified, based on expenditure trends, that the State would fall short of the required MOE threshold for FY2025. This projected shortfall was driven by the shift in funding mechanisms rather than a reduction in services or State support. Services continued to be delivered at or above prior levels, with State resources supporting these services through Medicaid state share.

DSS has actively been working with our federal oversight agency to request a waiver of the required MOE requirement. Feedback received from the grant administrator on the Department's draft waiver request was very positive. DSS is presently waiting a formal response from its federal oversight agency.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

DEPARTMENT OF SOCIAL SERVICES
(Continued)

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Finding:

Finding No. 2025-010: Inadequate Internal Controls over Federal Funding Accountability and Transparency Act (FFATA) Reporting

Type of Finding: Significant Deficiency and Non-Compliance

Assistance Listing Title: CCDF Cluster – Child Care and Development Block Grant, COVID-19 Child Care and Development Block Grant

Assistance Listing Number: 93.575

Federal Award Numbers: 2101SDCDC6, 2201SDCCDD, 2301SDCCDD

Federal Award Year: FFY2021, FFY2022, FFY2023

Federal Agency: Department of Health and Human Services

Category of Finding: Reporting

COVID-19 Funding: Cluster includes some COVID-19 funding to an existing program

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 or subaward amendment obligation was made.

Condition:

During State Fiscal Year 2025 (FY25), the Department of Social Services (DSS) received funding under the Child Care and Development Block Grant (CCDBG) and allowed the Governor's Office of Economic Development (GOED) to administer some of the grant awards to subrecipients. Both agencies made multiple subawards to subrecipients for program purposes.

For the sample of CCDBG subawards over \$30,000, with a portion funded during FY25, we identified the following:

Number of Transactions Tested	Subaward not Reported	Report not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
7	4	2	0	0

Dollar Amount of Transactions Tested	Subaward not Reported	Report not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
\$ 3,345,081.00	\$ 1,237,801.00	\$ 1,925,697.00	\$ 0.00	\$ 0.00

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF SOCIAL SERVICES
(Continued)**

The award in our sample that was properly reported and the two awards identified as not being reported timely were administered by the DSS. The four awards identified as not being reported were administered by the GOED and not reported until after our inquiry during the audit. They were subsequently reported as a result of the audit.

Additional Information to provide perspective:

In FY2025, payments totaling more than \$30,000 under CCDBG were made to 21 subrecipients subject to FFATA reporting requirements. A cursory review of the information reported across the population indicates our sample results are reflective of the population.

Cause:

Inadequate internal controls and communication gaps between the DSS and the GOED resulted in non-compliance with FFATA reporting requirements.

Effect:

Incomplete 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 concurs with this finding and agrees that improvements are needed to ensure consistent and timely FFATA reporting, particularly in situations where subawards are administered through partner agencies. All reports related to the Child Care and Development Block Grant and the Child Care COVID-19 Child Care and Development Block Grant have been in the FSRS System.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

DEPARTMENT OF SOCIAL SERVICES
(Continued)

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Finding:

Finding No. 2025-011: Inadequate Internal Controls over Obligating Funds within the Availability Period

Type of Finding: Material Weakness and Non-Compliance

Assistance Listing Title: CCDF Cluster – Child Care and Development Block Grant, COVID-19 Child Care and Development Block Grant

Assistance Listing Number: 93.575

Federal Award Numbers: 2101SDCDC6, 2201SDCCDD, 2301SDCCDD

Federal Award Year: FFY2021, FFY2022, FFY2023

Federal Agency: Department of Health and Human Services

Category of Finding: Period of Performance

COVID-19 Funding: Cluster includes some COVID-19 funding to an existing program

Criteria:

The Notice of Award Number 2101SDCDC6 for the American Rescue Plan Discretionary Supplemental Funds states that “funds must be obligated by September 30, 2023, and liquidated by September 30, 2024,” and that any Federal funds not obligated and expended by those deadlines “will be recouped by ACF.”

The allowed obligation and liquidation periods for funds granted under the Child Care and Development Fund (CCDF) are provided in Title 45 of the Code of Federal Regulations (CFR), at Section 98.60 which states:

(d) The following obligation and liquidation provisions apply to States and Territories:

- (1) Discretionary Fund allotments shall be obligated in the fiscal year in which funds are awarded or in the succeeding fiscal year. Unliquidated obligations as of the end of the succeeding fiscal year shall be liquidated within one year.
- (5) Except for Paragraph (d)(6) of this section, determination of whether funds have been obligated and liquidated will be based on:
 - (i) State or local law; or,
 - (ii) If there is no applicable State or local law, the regulation at 45 CFR 75.2, *Expenditures and Obligations*.
- (6) Obligations may include subgrants or contracts that require the payment of funds to a third party (e.g., subgrantee or contractor). However, the following are not considered third party subgrantees or contractors:

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF SOCIAL SERVICES
(Continued)**

- (i) A local office of the Lead Agency;
- (ii) Another entity at the same level of government as the Lead Agency; or
- (iii) A local office of another entity at the same level of government as the Lead Agency.

45 CFR 75.2 states:

Obligations, when used in connection with a non-Federal entity's utilization of funds under a Federal award, obligations means orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.

South Dakota Codified Law (SDCL) 20-1-1 defines *obligation* as "a legal duty by which a person is bound to do or not to do a certain thing." SDCL 20-1-2 further clarifies this definition, stating that, "An obligation arises either from: (1) The contract of the parties; or (2) the operation of law."

Condition:

During State Fiscal Year 2025 (FY25), the Department of Social Services (DSS) received funding under the Child Care and Development Fund (CCDF) and allowed the Governor's Office of Economic Development (GOED) to administer some of that funding as grant awards to subrecipients. The DSS issued multiple contracts and both agencies granted multiple subawards to subrecipients for program purposes.

Out of a nonstatistical sample of 41 payments to contractors and subrecipients amounting to \$2,035,066 made during FY25, we identified ten payments amounting to \$350,235 made under contracts or subawards that were not obligated within the obligation period required under federal regulations.

While the expenditures in our sample were not obligated within the allowable period for obligation, all of the expenditures were made within the liquidation period allowed by federal regulations. None of the expenditures in our sample were paid outside of the period in which funds must be expended.

Additional Information to provide perspective:

The amount awarded outside of the obligation period on contracts or grants in our sample totaled \$641,489. Our sample was randomly selected from a population of 468 payments made to contractors and subrecipients totaling \$22,529,116 during FY25.

Cause:

Controls were not adequate to ensure obligation requirements applicable to CCDF grant awards were met.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF SOCIAL SERVICES
(Continued)**

Effect:

Noncompliance with obligation requirements increases the risk of disallowance of federal grant funds.

Questioned Costs:

\$350,234.64

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend the Department develop written procedures defining the obligation of grant funds in accordance with federal regulations and implement monitoring controls to ensure that obligation requirements are met for future periods.

Views of Responsible Officials:

The Department obligated funds within the required timeline based on federal guidance. The Department entered into a collaborative agreement with a state component unit within the obligation period to administer a defined portion of the funds. The Department considers this agreement to represent an obligation of funds based on written confirmation from the Administration for Children and Families, the federal oversight authority.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

DEPARTMENT OF SOCIAL SERVICES
(Continued)

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Finding:

Finding No. 2025-012: Inadequate Internal Controls over Documentation of Allowability

Type of Finding: Material Weakness and Non-Compliance

Assistance Listing Title: CCDF Cluster – COVID-19 Child Care and Development Block Grant

Assistance Listing Number: 93.575

Federal Award Numbers: 2101SDCDC6

Federal Award Year: FFY2021

Federal Agency: Department of Health and Human Services

Category of Finding: Activities Allowed or Unallowed

COVID-19 Funding: Cluster includes some COVID-19 funding to an existing program

Criteria:

The American Rescue Plan Act (ARPA) (Public Law No. 117-2) provided supplemental funds for child care stabilization to support the child care sector during and after the COVID-19 public health emergency. ARPA also provided additional supplemental appropriations that could be used for broader child care purposes which were not limited to addressing coronavirus impacts. The regulations for this supplemental award are the same as those governing Discretionary Funds under the Child Care and Development Fund (CCDF).

45 CFR 75.303 requires the non-Federal entity to:

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).

45 CFR 75.305(b)(1) states in part:

Advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs... .

45 CFR 75.403(g) requires costs to be adequately documented to be allowable under Federal awards.

STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025

DEPARTMENT OF SOCIAL SERVICES
(Continued)

45 CFR 98.56(b)(1) states:

For State and local agencies...no funds shall be expended for the purchase or improvement of land, or for the purchase, construction, or permanent improvement of any building or facility. However, funds may be expended for minor remodeling, and for upgrading child care facilities to assure that providers meet State and local child care standards, including applicable health and safety requirements. ...

Condition:

The Department of Social Services (DSS) partnered with the Governor's Office of Economic Development (GOED) to develop a community based child care grant program with the GOED taking the lead in administering the program. GOED awarded these funds to several subrecipients for program purposes.

In our sample of 16 ARPA payments tested we identified the following:

- a) Five payments were made to subrecipients for activities that do not appear to be allowed under federal regulations. Two of these payments totaling \$76,798.89 were made for architectural and engineering design services on a construction project. Two other payments totaling \$3,458.70 were made to a subrecipient to prepay eighteen months of water service and prepay \$2,000.00 for an unknown amount of propane. The other payment amounted to \$4,050.00 for consulting fees on other grants which were not allowable under the implementation portion of the community based child care grants.
- b) Two invoices were not adequately supported. One invoice in the amount of \$152,080.99 was a bill from a contractor for "playground equipment" and "kitchen equipment" as part of a construction project. This invoice provided no other details as to what playground and kitchen equipment was provided, costs per item, amounts of items provided, or whether any construction and/or installation services were performed as part of the amount billed. One invoice for \$842.80 was a billing for consulting services. This invoice did not provide specific details of what work was performed, how it benefitted the program, or the dates of service.

Additional Information to provide perspective:

A sample of 16 vouchers paid with Child Care ARPA funds amounting to \$1,419,665.84 was tested out of 157 vouchers paid during State Fiscal Year 2025. The total dollar amount of payments made with CCDF Discretionary ARPA funds in FY25 was \$11,583,775.61. Total questioned costs identified below are also questioned under finding Number 2025-011.

Cause:

Internal controls were not sufficient to prevent payment for questionable or improperly supported invoices.

Effect:

As a result of these deficiencies, questionable and/or unsupported payments were made from grant funds.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF SOCIAL SERVICES
(Continued)**

Questioned Costs:

\$238,475.38

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend that internal controls be strengthened to ensure that program funds are utilized in accordance with federal regulations and adequate documentation is obtained and retained to support amounts paid.

Views of Responsible Officials:

The Department of Social Services partially concurs with the finding and recognizes that internal controls in place during the administration of the CCDF ARPA Discretionary Supplemental funded community-based childcare grant program were not sufficient to ensure full compliance with federal allowability and documentation requirements.

The program acknowledges its responsibility for oversight of federal funds administered in partnership with the Governor's Office of Economic Development (GOED). Consulting fees and design fees were allowable under the terms of the grant based on two sources: state policy and written federal guidance received by the Department. Based on that guidance, proposed expenses were approved pre-award, award, and with post-award expenditure reporting. Formal approval occurred through review of the application and award process. DSS concurs that more robust formalized and documented guidance provided to subrecipients, would enhance controls for future programs.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

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.

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Financial Statement Audit Finding:

Finding No. 2025-013: Preparation of Financial Statements with Material Audit Adjustments

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 correct.

Condition:

We were requested as auditors to draft the financial statements and accompanying notes to the financial statements. As auditors, we proposed a closing entry related to the cutoff of expenses and the related payable. This proposed adjustment may not have been identified as a result of the Council's existing internal controls.

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 an adjustment 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, 2025**

**SOYBEAN RESEARCH AND PROMOTION COUNCIL
(Continued)**

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

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Financial Statement Audit Finding:

Finding No. 2025-014: Segregation of Duties

Type of Finding: Material Weakness

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 limited staffing, which prevented an ideal segregation of duties for controls over financial reporting. The oversight and review process by management for various account reconciliations are 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, 2025**

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. 2025-015: 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:

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, 2025**

**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. 2025-016: 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, 2025**

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. 2025-017: 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 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, 2025**

**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. 2025-018: 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, 2025

BOARD OF ECONOMIC DEVELOPMENT

Finding No. 2025-001: Ineffective Internal Controls over Financial Reporting

Corrective Action Plan: While Management believes the issue identified could also be properly categorized with a note to the financial statements, our commitment to robust internal controls is unwavering. In response to the audit team's feedback, we will ensure that intragovernmental activities, contributions, and grants are properly classified based on the character and participants in each transaction, and that communication with the third-party accountant and consultation with the State's fiscal accounting experts will continue to be regular and robust regarding proper classification of transfers between the agency's operating funds. Management and the third-party accountant will discuss transactions regularly and review year-end reporting with the State's fiscal accounting experts to continually ensure proper classification.

Contact Person: Jack Valentine, Finance and Fiscal Director, Governor's Office of Economic Development

Anticipated Completion Date: This corrective action has been implemented for internal reporting purposes beginning with July 2025 statements.

DEPARTMENT OF REVENUE

Finding No. 2025-002: Ineffective Internal Controls over the Calculation of Motor Vehicle Excise Tax

Corrective Action Plan: Department of Revenue (DOR) is reviewing previously processed applications with identified conversion errors to determine whether adjustments to excise tax due are required. Refunds have been issued or are in the process of being issued where applicable. The Motor Vehicle division is working with Bureau of Human Resources and Administration (BHRA) to create a new classification titled Motor Vehicle Title Compliance Auditor. This position will be responsible for auditing the issuance of titles and specialty plates, assisting title processors with documentation and verification requirements, and identifying training needs based on trends discovered through the audit process. As part of ongoing efforts to strengthen system use and data accuracy, DOR is evaluating opportunities to enhance training and support resources. Insights gained through audits and user feedback will help inform future training initiatives and identify areas where additional guidance may be beneficial.

Contact Person: Rosa Yaeger, Director of Motor Vehicles, Department of Revenue

Anticipated Completion Date: June 30, 2026

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2025

DEPARTMENT OF HUMAN SERVICES

Finding No. 2025-003: Inadequate Internal Controls over Cost Principles – Allocated Salaries and Wages

Corrective Action Plan: Upon notification of the missing submissions, Department of Human Services (DHS) submitted a letter to the U.S. Department of Health and Human Services (HHS) certifying that the procedures approved in the FY2017 CAP had not changed for FY2023, FY2024, and FY2025. HHS acknowledged this certification on February 25, 2026, and advised DHS to continue using the procedures outlined in their approved public assistance cost allocation plan. The department has added controls to submit the annual cost allocation plan certification within 60 days after the end of each fiscal year in accordance with 45 CFR 95.509(b).

Contact Person: Tami Darnall, Chief Financial Officer, Department of Human Services

Anticipated Completion Date: February 25, 2026

Finding No. 2025-004: Inadequate Internal Controls over Federal Funding Accountability and Transparency Act (FFATA) Reporting

Corrective Action Plan: The Department of Human Services will implement the following actions to ensure compliance with FFATA reporting requirements under 2 CFR Part 170:

- Budget and Finance will perform a review of federal subawards issued during the applicable audit period and submit any required FFATA reports through SAM.gov subaward reporting module.
- The Department will develop and implement a formal FFATA Subaward Reporting Procedure establishing responsibilities and processes for identifying reportable subawards and ensuring timely reporting of subrecipient awards.
- The Internal Control Officer will perform periodic compliance validation to confirm adherence to the established procedure.

Contact Person: Tami Darnall, Chief Financial Officer, Department of Human Services

Anticipated Completion Date: May 31, 2026

Finding No. 2025-005: Inadequate Internal Controls over Certification of Maintenance of Effort Reporting

Corrective Action Plan: Upon realization of the unsubmitted certification, DHS finance staff completed the maintenance of effort calculation for the Title III grants. DHS program staff provided the form and submission instructions to DHS finance. The form was completed by DHS finance, signed by the Authorized State Official (LTSS Division Director), and has been submitted to Administration for Community Living (ACL). The department has added controls to submit this certification in accordance with the required deadline in future years. Annual calendar reminders have been put on the Outlook calendars of the DHS Budget

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2025

DEPARTMENT OF HUMAN SERVICES
(Continued)

and Finance Assistant Director, the DHS Accountant III, and the DHS Long Term Services and Support (LTSS) ACL Program Administrator.

Contact Person: Jenny Johnson, Assistant Director, Department of Human Services

Anticipated Completion Date: March 17, 2026

Finding No. 2025-006: Inadequate Internal Controls over Supporting Documentation and Accuracy of Performance Reporting

Corrective Action Plan:

1. Case File Review Focus: DRS and SBVI will strengthen case file review processes to ensure both the presence of required documentation and the accuracy of data reported in RSA-911 submissions. Case file reviews will occur annually. Reviews will specifically verify that key data elements (e.g., eligibility determination date, employment start date, hourly wage at exit, and case closure documentation) are supported by documentation in the case file. The review instrument will be revised as needed, and completion of reviews will be documented, including resolution of any identified discrepancies.
2. Training: DRS and SBVI will provide training to staff to reinforce documentation requirements and data accuracy expectations. Training will include emphasis on federal requirements under 34 CFR 361.47, proper maintenance of supporting documentation, and the importance of ensuring that data entered into the case management system aligns with source documentation. Training will also address common errors identified in the audit. Written guidance, including the VR Counselor Manual, will be reviewed and updated as needed to provide additional clarification, and key information will be reinforced through staff newsletters and ongoing training opportunities.
3. Checklist and Data Validation Controls: A case closure checklist is currently in development and will be implemented as a tool for counselors to ensure completeness and accuracy of case documentation. The checklist will require verification that all required documentation is present and that key data elements entered in the case management system agree with supporting documentation. Upon implementation, supervisors will strengthen internal controls by reviewing completed checklists and validation activities at case closure and prior to reporting, and will provide ongoing technical assistance, direction, and corrective feedback as necessary to ensure accurate reporting, proper documentation, and quality service delivery.

Contact Person: Eric Weiss, Director, Division of Rehabilitation Services, and Ronda Williams, Director, Division of Service to the Blind and Visually Impaired, Department of Human Services

Anticipated Completion Date: December 31, 2026

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2025

DEPARTMENT OF SOCIAL SERVICES/DEPARTMENT OF HEALTH

Finding No. 2025-007: Timeliness of Health and Safety Survey Requirements

Corrective Action Plan: The Department of Social Services, in coordination with the Department of Health, has evaluated the factors contributing to delays in completing required health and safety surveys within federally prescribed timeframes. The delays were primarily attributable to staffing shortages, increased complaint investigation workload, and residual impacts from the COVID-19 pandemic backlog.

To address these issues and strengthen compliance with federal requirements, the following corrective actions are being implemented:

- Staffing and Resource Enhancements: The Department of Health is actively recruiting staff to fill vacant surveyor positions and evaluating staffing levels to ensure sufficient resources are available to meet federal survey timeframes.
- Workload Prioritization: Survey scheduling processes are being refined to prioritize facilities approaching federal deadlines, while continuing to address high-priority complaint investigations.
- Backlog Reduction Efforts: The Department of Health will continue efforts to eliminate any remaining backlog and maintain compliance with federally approved schedules.
- Ongoing Coordination: The Department of Social Services will continue coordination and oversight with the Department of Health to monitor compliance with CMS requirements and address emerging risks timely. The Departments will continue to monitor survey completion timeliness and make adjustments as necessary to ensure ongoing compliance with federal regulations.
- Improved Tracking and Monitoring: Existing tracking systems will be enhanced to prevent delays.

Contact Person: Steve Rasmussen, Chief Financial Officer, Department of Social Services

Anticipated Completion Date: June 30, 2026

DEPARTMENT OF SOCIAL SERVICES

Finding No. 2025-008: Inadequate Internal Controls over Special Tests and Provisions

Corrective Action Plan: The Department has implemented or is in the process of implementing the following corrective actions to address the control deficiency:

- Scheduled Biennial Reviews: The Department has established a Data Security Team that includes representatives from the Department of Social Services and the Bureau of Information and Technology. This team is responsible for ensuring that all in-scope ADP systems undergo security reviews and risk analysis on a biennial basis. Reviews are scheduled, tracked, and completed in a timely manner in accordance with federal regulations and established security standards.

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2025

DEPARTMENT OF SOCIAL SERVICES

(Continued)

- Formal Procedures: The Department has developed and maintains written procedures that define the process for conducting ADP security reviews. The procedures include clearly established roles, responsibilities, and documentation requirements, and standardized methodologies for risk assessment and evaluation. ADP interpretation and reporting requirements are documented and developed in coordination with and shared and agreed upon by BIT.
- Assignment of Responsibility: The Department has designated staff responsible for initiating, performing, and documenting the biennial ADP reviews to ensure accountability and timely completion.
- Tracking and Reporting: The Department maintains mechanisms to track the completion of biennial reviews and the status of associated remediation efforts. Executive Summary Biannual Security Scan Reports and technical artifacts are provided by BIT to DSS Management to substantiate the scan results. Any identified vulnerabilities or deficiencies are communicated and coordinated to DSS from BIT to ensure shared awareness and alignment.
- Monitoring and Oversight: Management will monitor adherence to the biennial review schedule and follow up to ensure any identified issues are promptly addressed. The Data Security Team will report on the status of its review schedule and findings to DSS and BIT leadership.
- Documentation Retention: Completed ADP reviews and associated risk analyses will be documented and retained in accordance with federal and State record retention requirements, providing an auditable record of compliance.

These actions are designed to ensure that future ADP system security reviews are conducted on a timely basis, mitigating risk and ensuring compliance with HHS requirements.

Contact Person: Steve Rasmussen, Chief Financial Officer, Department of Social Services

Anticipated Completion Date: Completed

Finding No. 2025-009: Inadequate Internal Controls over Maintenance of Effort Requirements

Corrective Action Plan: The Department has established and implemented ongoing monitoring and internal controls over MOE calculations, including periodic forecasting, interdepartmental coordination, and management review of expenditure trends. These controls were in place during FY2025 and functioned as designed in identifying the projected MOE shortfall in advance of year-end.

The identified shortfall was driven by a structural shift in program funding due to Medicaid expansion. This is distinct from a decline in services or lack of State support. Accordingly, the Department determined that increasing State general fund expenditures solely to meet the technical MOE requirement, absent a demonstrated programmatic need, would not represent an effective or responsible use of taxpayer resources.

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2025

DEPARTMENT OF SOCIAL SERVICES
(Continued)

The Department is pursuing an allowable remedy under federal regulations by evaluating and requesting a Maintenance of Effort waiver or exemption related to the impact of Medicaid expansion on service financing. If a waiver or exemption is not granted, the State will comply with any required federal adjustments.

The Department will continue its current monitoring and control processes and will incorporate any additional federal guidance or requirements resulting from the waiver determination to ensure ongoing compliance in future periods.

Contact Person: Steve Rasmussen, Chief Financial Officer, Department of Social Services

Anticipated Completion Date: DSS has actively been working with our federal oversight agency to request a waiver of the required MOE requirement. Anticipation resolution by June 30, 2026.

Finding No. 2025-010: Inadequate Internal Controls over Federal Funding Accountability and Transparency Act (FFATA) Reporting

Corrective Action Plan: The Department has taken, or is in the process of implementing, the following corrective actions to address the identified deficiencies:

Enhanced Communications of Procedures: The Department has provided, and will continue to provide, training to staff and subrecipients on federal cost principles, allowable activities, and documentation requirements to ensure consistent compliance.

For future interagency partnerships, the Department will formalize roles, responsibilities, and compliance expectations through written agreements, including defined monitoring and review responsibilities.

Strengthened Interagency Oversight: The Department will implement reviews of FFATA reporting requirements to verify completeness and timeliness and to identify and correct issues proactively.

Contact Person: Steve Rasmussen, Chief Financial Officer, Department of Social Services

Anticipated Completion Date: Complete

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2025

DEPARTMENT OF SOCIAL SERVICES
(Continued)

Finding No. 2025-011: Inadequate Internal Controls over Obligating Funds within the Availability Period

Corrective Action Plan: Although the specific funding associated with this finding has ended, the Department will continue to strengthen controls for future federal awards:

1. Formalize Written Procedures: The Department will formalize a standard written policies and procedures defining “obligation” in accordance with federal regulations, including Federal and applicable State law. These procedures will clearly establish when funds are considered obligated for contracts, subawards, and interagency agreements.
2. Standardized and Notification of Subrecipient Requirements: The Department will develop written policies and procedures defining “obligation” and for future interagency partnerships, the Department will formalize roles, responsibilities, and compliance expectations through written agreements, including defined monitoring and review responsibilities.
3. Obligation Tracking Controls: The Department will enhance tracking procedures in alignment with Formalize Written definition of “obligation”.

The Department will evaluate the costs questioned and work with the federal awarding agency to determine appropriate resolution, if necessary.

Contact Person: Steve Rasmussen, Chief Financial Officer, Department of Social Services

Anticipated Completion Date: Complete

Finding No. 2025-012: Inadequate Internal Controls over Documentation of Allowability

Corrective Action Plan: Although the specific grant program has ended, the Department will take the following actions to address the deficiencies and prevent recurrence in future federally funded programs when working with other agencies.

1. Post-Award Review and Resolution: The Department will evaluate the questioned costs identified and work with the appropriate federal awarding agency to determine the proper resolution, including repayment if required. DSS confirmed that in addition to the invoices previously provided, the program has documentation to support detailed inventory of equipment of the equipment and supplies and playground equipment as well as amounts of product delivered.

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2025

DEPARTMENT OF SOCIAL SERVICES
(Continued)

2. Enhanced Grant Closeout Procedures: For all federal programs, the Department will implement strengthened closeout procedures, including a final review of expenditures to ensure costs are allowable, properly supported, and compliant with federal requirements prior to final reporting.
3. Standardized Subrecipient Requirements: The Department has developed standardized guidance and templates for subrecipient agreements that clearly define allowable costs, required documentation, and invoicing standards. For future interagency partnerships, the Department will formalize roles, responsibilities, and compliance expectations through written agreements, including defined monitoring and review responsibilities.
4. Improved Pre-Payment Review Controls: The Department has implemented enhanced internal controls requiring detailed review of invoices and supporting documentation prior to payment, including verification of cost allowability and program relevance.
5. Documentation and Approval Controls: DSS reviewed GOED's proposed program design and established processes for oversight.
6. Training and Technical Assistance: For future programs, the Department will ensure training to staff and subrecipients is conducted on federal cost principles, allowable activities, and documentation requirements to ensure consistent compliance.
7. Strengthened Interagency Oversight: For future interagency partnerships, the Department will formalize roles, responsibilities, and compliance expectations through written agreements, including defined monitoring and review responsibilities. The Department will implement reviews of reporting requirements to verify completeness and timeliness and to identify and correct issues proactively.

Contact Person: Steve Rasmussen, Chief Financial Officer, Department of Social Services

Anticipated Completion Date: Corrective actions related to policy, training, and internal control enhancements will be implemented during State Fiscal Year 2026 and are ongoing. Any required resolution of questioned costs will be completed in coordination with the federal awarding agency.

**STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2025**

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. 2025-013: Preparation of Financial Statements with Material Audit Adjustment

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.

Finding No. 2025-014: 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 CORN UTILIZATION COUNCIL

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

Finding No. 2025-015: 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, 2025**

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

Finding No. 2025-016: 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. 2025-017: 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. 2025-018: 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
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**STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2025**

SOUTH DAKOTA INVESTMENT COUNCIL

Finding No. 2024-001: Ineffective Internal Controls over Financial Reporting

Initial Year of Finding: Fiscal Year 2024

Status: Fully Corrected – Corrective Action was Taken

DEPARTMENT OF REVENUE

Finding No. 2024-002: Incorrect Interpretation of SDCL 32-9-15

Initial Year of Finding: Fiscal Year 2024

Status: Fully Corrected – Corrective Action was Taken

Finding No. 2024-003: Inadequate Internal Controls over SDCars System

Initial Year of Finding: Fiscal Year 2024

Status: Fully Corrected – Corrective Action was Taken

STATEWIDE FINANCIAL REPORTING PROCESS

Finding No. 2024-004: Ineffective Internal Controls over Financial Reporting

Initial Year of Finding: Fiscal Year 2023

Status: Fully Corrected – Corrective Action was Taken

DEPARTMENT OF SOCIAL SERVICES

Finding No. 2024-005: Inadequate Controls over the Payment of Claims

Initial Year of Finding: Fiscal Year 2023

Status: Fully Corrected – Corrective Action was Taken

**STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2025**

**DEPARTMENT OF SOCIAL SERVICES
(Continued)**

Finding No. 2024-006: Inadequate Internal Controls over Special Tests and Provisions

Initial Year of Finding: Fiscal Year 2024

Status: Repeat audit finding issued in Fiscal Year 2025 Single Audit – see Finding No. 2025-008

Reason for Recurrence: The issuance of the audit finding was near the end of the state's fiscal year; therefore, and system changes were not able to be completed.

Partial Corrective Action Taken: The compliance manager and team have been established. A complication of required elements has been completed. The centralized inventory framework is complete, and the team is exploring tools to automate tracking and management of these activities to ensure completion and documentation. The required biennial assessment was completed in January 2026 and system penetration testing is underway. Department of Social Services (DSS) will utilize the compliance framework and plan to ensure the next required Automatic Data Processing (ADP) assessment report is completed in 2028.

Corrective Action Planned: See Corrective Action Plan for Finding No. 2025-008.

DEPARTMENT OF PUBLIC SAFETY

Finding No. 2024-007: Inadequate Internal Controls over Monitoring of Subrecipient

Initial Year of Finding: Fiscal Year 2024

Status: Fully Corrected – Corrective Action was Taken

DEPARTMENT OF TRANSPORTATION

Finding No. 2024-008: Unallowable Cost Reimbursement under the Highway Planning and Construction Program

Initial Year of Finding: Fiscal Year 2024

Status: Fully Corrected – Corrective Action was Taken

**STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2025**

SOUTH DAKOTA SOYBEAN RESEARCH AND PROMOTIONAL COUNCIL

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

Finding No. 2024-009: Preparation of Financial Statements with Material Audit Adjustment

Initial Year of Finding: Fiscal Year 2010

Status: Repeat audit finding issued in Fiscal Year 2025 Single Audit – see Finding No. 2025-013

Reason for Recurrence: No reason given

Corrective Action Planned: See Corrective Action Plan for Finding No. 2025-013

Finding No. 2024-010: Segregation of Duties

Initial Year of Finding: Fiscal Year 2024

Status: Repeat audit finding issued in Fiscal Year 2025 Single Audit – see Finding No. 2025-014

Reason for Recurrence: No reason given

Corrective Action Planned: See Corrective Action Plan for Finding No. 2025-014

SOUTH DAKOTA CORN UTILIZATION COUNCIL

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

Finding No. 2024-011: Preparation of Financial Statements

Initial Year of Finding: Fiscal Year 2010

Status: Repeat audit finding issued in Fiscal Year 2025 Single Audit – see Finding No. 2025-015

Reason for Recurrence: No reason given

Corrective Action Planned: See Corrective Action Plan for Finding No. 2025-015

**STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2025**

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

Finding No. 2024-012: Segregation of Duties

Initial Year of Finding: Fiscal Year 2021

Status: Repeat audit finding issued in Fiscal Year 2025 Single Audit – see Finding No. 2025-016

Reason for Recurrence: No reason given

Corrective Action Planned: See Corrective Action Plan for Finding No. 2025-016

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

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

Finding No. 2024-013: Grant Expense Over Approved Budgeted Amount

Initial Year of Finding: Fiscal Year 2024

Status: Fully Corrected – Corrective Action was Taken

Finding No. 2024-014: Preparation of Full Disclosure Financial Statements

Initial Year of Finding: Fiscal Year 2021

Status: Repeat audit finding issued in Fiscal Year 2025 Single Audit – see Finding No. 2025-017

Reason for Recurrence: No reason given

Corrective Action Planned: See Corrective Action Plan for Finding No. 2025-017

Finding No. 2024-015: Lack of Proper Segregation of Duties

Initial Year of Finding: Fiscal Year 2021

Status: Repeat audit finding issued in Fiscal Year 2025 Single Audit – see Finding No. 2025-018

Reason for Recurrence: No reason given

Corrective Action Planned: See Corrective Action Plan for Finding No. 2025-018

