

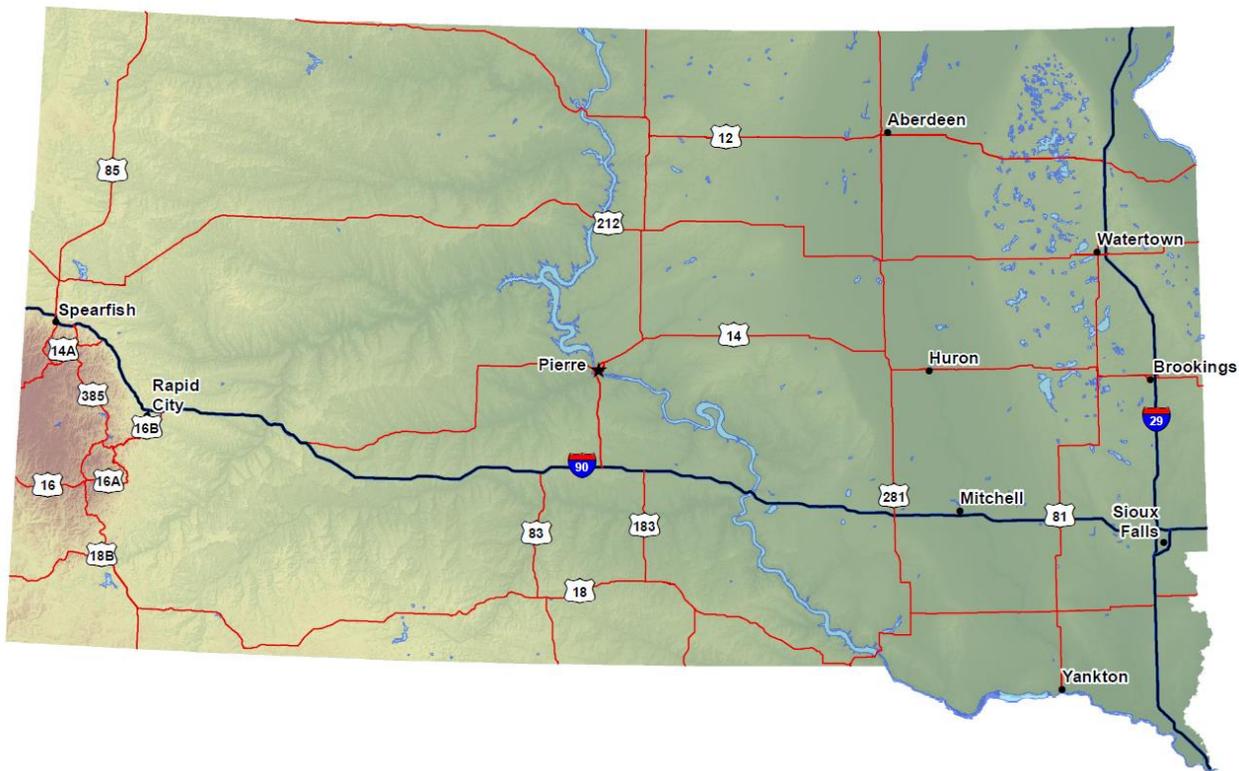


*South Dakota*

SINGLE AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020



***STATE OF SOUTH DAKOTA***  
***SINGLE AUDIT REPORT***  
***FOR THE YEAR ENDED JUNE 30, 2020***



***KRISTI NOEM, GOVERNOR***

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

***LIZA CLARK, CHIEF FINANCIAL OFFICER***  
***BUREAU OF FINANCE AND MANAGEMENT***

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



April 22, 2021

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

We submit to you herein, the *Single Audit Report of the State of South Dakota* for the fiscal year ended June 30, 2020. This report includes the financial statements for the State of South Dakota as of June 30, 2020 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,

Liza Clark, Commissioner  
Bureau of Finance and Management

Russell A. Olson, Auditor General  
Department of Legislative Audit

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*South Dakota*



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*INTRODUCTORY SECTION*

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*INTRODUCTORY SECTION*

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# DEPARTMENT OF EXECUTIVE MANAGEMENT BUREAU OF FINANCE AND MANAGEMENT

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

December 31, 2020

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

It is a privilege to present the 34th *Comprehensive Annual Financial Report* (CAFR) for the State of South Dakota (the State) for the fiscal year ended June 30, 2020.

**Report.** This report is prepared by the Bureau of Finance and Management as required by South Dakota Codified Law 4-4-6. The financial statements contained in the CAFR are prepared in conformity with generally accepted accounting principles (GAAP) applicable to government 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 reader to gain an adequate understanding of the State's financial affairs have been included.

**Independent Auditors.** The CAFR 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* (GAS) 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, 2020, and the respective changes in financial position and cash flows, where applicable, for the fiscal year then ended.

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

**Internal Controls.** Management of the State is responsible for establishing and maintaining an effective system of internal control designed to provide reasonable, but not absolute, assurance the State is achieving its operational, reporting, and compliance objectives. Those objectives include, but are not limited to, the safeguarding of assets from loss, theft, or misuse, and to ensure the reliability of financial records for the preparation of financial statements in conformity with GAAP. The system of internal control for the State is designed to meet those objectives. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefit likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

## PROFILE OF THE GOVERNMENT

**Structure.** The State entered the Union on November 2, 1889, as the 39<sup>th</sup> or 40<sup>th</sup> state (with its twin, North Dakota). South Dakota has 75,885 square miles of land and a population estimated to be 0.9 million. As established in Article II of the *Constitution of The State of South Dakota*, 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 for the fiscal year 2020 can be found immediately following this letter.

**Services.** 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 CAFR 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 pertaining to the *component units* is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position. Higher Education and the South Dakota Value Added Finance Authority do not have separately issued financial statements but are included as part of the CAFR.

**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 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, Fitch Ratings, and Moody's for the past four 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: a long history of maintaining a structurally balanced budget, maintaining ample reserve balances, low debt, a healthy pension system, no Other Post-Employment Benefits (OPEB) liability, timely and accurate financial reporting, long-term financial planning and budget forecasting, and consistent conservative fiscal operations.
- **Long-term Financial Planning.** To further strengthen the financial practices of the State, state law requires the Bureau of Finance and Management (BFM) to prepare and provide a Long-term Financial Plan, a Capital Expenditure Plan, and a Debt Limitation and Management Policy.

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

The Capital Expenditure Plan includes capital projects being considered over the course of 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 into the need and scope of each project.

The Debt Limitation and Management Policy lays out policies pertaining to 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 2020 was the 130<sup>th</sup> consecutive year the State had a balanced budget. The State has made structurally balanced budgets the norm by using one-time dollars prudently for one-time uses and not to fund ongoing obligations.

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

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

**Budget Reserves**  
(Expressed in Millions)

| As of<br>June 30 | Budget<br>Reserve | General<br>Revenue<br>Replacement<br>Fund | Property<br>Tax<br>Reduction<br>Fund | Total<br>Reserves | General Fund<br>Expenditures | Total Reserves<br>As Percentage<br>of General Fund<br>Expenditures |
|------------------|-------------------|---|--------------------------------------|-------------------|------------------------------|--|
| 2011             | \$ 43.4           | \$  | \$ 67.8                              | \$ 111.2          | \$ 1,126.5                   | 9.87%  |
| 2012             | 71.1              |   | 67.9                                 | 139.0             | 1,225.2                      | 11.35%   |
| 2013             | 95.3              |   | 67.8                                 | 163.1             | 1,278.8                      | 12.75%   |
| 2014             | 105.2             |   | 48.2                                 | 153.4             | 1,413.9                      | 10.85%   |
| 2015             | 126.7             |   | 44.6                                 | 171.3             | 1,440.0                      | 11.90%   |
| 2016             | 113.4             | 44.0                                      |                                      | 157.4             | 1,514.0                      | 10.40%   |
| 2017             | 121.3             | 44.0                                      |                                      | 165.3             | 1,598.2                      | 10.34%   |
| 2018             | 132.4             | 44.0                                      |                                      | 176.4             | 1,644.4                      | 10.73%   |
| 2019             | 145.1             | 44.0                                      |                                      | 189.1             | 1,678.8                      | 11.26%   |
| 2020             | 169.6             | 46.3                                      |                                      | 215.9             | 1,655.9                      | 13.04%   |

The combined accrual basis balance of these two reserve accounts for fiscal year 2020 was \$215.9 million. The Budget Reserve increased from \$145.1 million to \$169.6 million, while the General Revenue Replacement Fund increased from \$44.0 million to \$46.3 million. The \$26.8 million increase from the prior year was a result of spending \$34.7 million less than General Fund appropriations, offset by \$7.9 million lower than expected General Fund revenues. Approximately \$26.7 million of the General Fund savings are attributed to Coronavirus Relief Fund federal aid reported in the COVID-19 Federal fund. The combined reserve balance of \$215.9 million is approximately 13.0% of the fiscal year 2020 General Fund total expenditures. More information on the State's reserve accounts and the COVID-19 Federal Fund 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 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 into the fund, 2) sound long-term investment returns, and 3) plan benefits and liabilities are managed in accordance with statute to be sustainable based on the fixed, statutory contribution rates. SDRS is discussed later in this document.

- **Comprehensive Annual Financial Report.** In 1987, the State issued its first CAFR. 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 34<sup>th</sup> consecutive year South Dakota has received an unmodified opinion on its CAFR.
- **Internal Controls.** The State has robust internal controls designed to provide reasonable assurance 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 was created in 2016. The Board'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 oversaw work of a consulting firm to draft a Statewide Internal Control Framework based on the COSO Internal Control Framework. The State is now working to implement the framework in all state agencies providing even more assurance to state leaders and citizens that they are achieving their objectives.

| As of<br>June 30 | SDRS   | Projected<br>Average of Other<br>State Retirement<br>Systems ** |
|------------------|--------|---|
| 2010             | 96.3%  | 68%   |
| 2011             | 96.4%  | 74%   |
| 2012             | 92.6%  | 72%   |
| 2013             | 100.0% | 72%   |
| 2014             | 107.3% | 77%   |
| 2015             | 104.1% | 73%   |
| 2016             | 96.9%  | 67%   |
| 2017             | 100.1% | 70%   |
| 2018             | 100.0% | 72%   |
| 2019             | 100.1% | 71%   |
| 2020             | 100.0% | 70% (est.)  |

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

**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 additional revenues to fund vital public programs and projects. During fiscal year 2020, the Lottery generated \$127.4 million of income (before transfers) and provided \$128.4 million in transfers to other funds that improve the quality of life in South Dakota. Since its inception in 1987, the Lottery has distributed \$3.1 billion to those funds.

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

SDRS funding is determined based on actuarial assumptions that are more conservative than most public pension plans, including an annual investment return assumption of 6.50% and assumed inflation of 2.25%. The actuarial value of assets is equal to the fair value of assets.

Certain SDRS benefit features, including the Cost of Living Adjustment (COLA) and the Variable Retirement Account for Generational members (those hired after June 30, 2017) vary automatically based on investment returns and system assets available to pay future benefits. SDRS COLA increases are tied to inflation and limited to the percentage that if paid in future years, results in a SDRS fair value funded ratio of at least 100%. If the automatic COLA adjustments are not able to result in a fair value funded ratio of at least 100%, corrective action recommendations are immediately required. Unfunded actuarial accrued liabilities are expected only in significant economic downturns and are expected to be temporary.

In fiscal year 2020, SDRS experienced a 1.6% (time-weighted) market return, or 4.9% less than the assumed rate of return of 6.5%. Plan investments at fair value in fiscal year 2020 were \$12.3 billion compared to \$7.9 billion in fiscal year 2011.

As previously stated, as of June 30, 2020, SDRS is fully funded with an actuarial value funded ratio and a fair value funded ratio of 100.04%. SDRS currently has no unfunded actuarial accrued liability (UAAL). The fixed statutory employer and employee contributions support benefits that vary automatically from year-to-year based on investment returns and the assets available to pay future benefits. 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 as

defined in statute, the SDRS Board of Trustees is required by statute to recommend corrective actions to the Legislature.

South Dakota Retirement System is one of the few state government retirement systems in the nation to boast a net pension asset in fiscal years 2014, 2015, 2017, 2018, 2019, and 2020 with a relatively small net pension liability in 2016.

### South Dakota Retirement System

| As of<br>June 30 | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net<br>Position | Fair<br>Value<br>Funded<br>Ratio | Primary<br>Government's<br>Proportionate<br>Share | Primary<br>Government's Net<br>Pension Asset<br>(Liability) |
|------------------|-------------------------------|--------------------------------------|----------------------------------|---|---|
| 2014             | \$9.9 billion                 | \$10.6 billion                       | 107.3%                           | 22.1%   | \$159.0 million (FY15)                                      |
| 2015             | 10.4 billion                  | 10.8 billion                         | 104.1%                           | 22.4%   | 95.2 million (FY16)   |
| 2016             | 10.8 billion                  | 10.5 billion                         | 96.9%                            | 22.3%   | (75.2 million) (FY17)                                       |
| 2017             | 11.6 billion                  | 11.6 billion                         | 100.1%                           | 21.6%   | 2.0 million (FY18)  |
| 2018             | 12.2 billion                  | 12.2 billion                         | 100.0%                           | 21.0%   | 0.5 million (FY19)  |
| 2019             | 12.5 billion                  | 12.5 billion                         | 100.1%                           | 20.7%   | 2.2 million (FY20)  |
| 2020             | 12.3 billion                  | 12.3 billion                         | 100.0%                           | 20.6% *   | 0.9 million (FY21) *  |

\* Unaudited

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

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

Additional information on the State's health and other insurance benefits can be found in *Note 12. Self-Insurance* in the Notes to the Financial Statements.

### ECONOMIC CONDITIONS AND OUTLOOK

For most of fiscal year 2020, economic activity in South Dakota remained strong. Weather and trade disputes created headwinds for the agriculture sector, but the other sectors of the State's economy remained healthy. COVID-19 upended the global economy and South Dakota was no exception. The Governor declared a state of emergency on March 13th. The governor issued an executive order encouraging the closure of schools for a short period, social distancing, remote work, and the limiting of gatherings in enclosed spaces to 10 people. However, South Dakota did not issue any state-wide lockdowns, did not close any businesses, nor mandate the wearing of masks.

While the state's economy was shocked, it was not impacted nearly as much as the rest of the nation. South Dakota's unemployment peaked at 10.9% in April compared to the national rate of 14.9%. Unemployment dropped quickly in South Dakota to 3.6% in October 2020 compared to a 6.9% nationally.

Tracking employment growth gives us a view of what is happening in terms of the number of jobs in the state. Looking at both headline unemployment and changes in overall employment are both important for understanding the underlying economic conditions in the state. Nonfarm employment, which gives us a better look into the business climate, was up 1% from February of 2019 to February 2020. When unemployment peaked in April, so did year over year losses in nonfarm employment which were down 8.2% from April of 2019. Comparatively, nonfarm employment had increased by 1.6% in February for the nation but had fallen by 13.4% in April. Nonfarm employment in the state ended fiscal year 2020 down 5.3% in June from a year prior, while dropping 8.6% nationally during the same time period. Employment continues to fare better in South Dakota with October of 2020 coming in down 3.2% from a year ago, compared to down 6.1% for the rest of the country.

Income growth is another important indicator of the State's economic health. Income growth was anemic coming out of the great recession but had increased markedly in South Dakota before the pandemic. For the 10 quarters before the

onset of the pandemic, quarterly personal income had increased by an average of 4.2% year over year. Thanks to the unprecedented steps taken by Congress to inject stimulus into the economy, and the unique approach taken in South Dakota in response to the pandemic, real personal income increased by 9.8% on a year over year basis in the second quarter of 2020. Much uncertainty remains about the potential future stimulus bills. The state expects that once these stimulus programs close, there will be a correction in personal income in the state.

Looking ahead to the next two years, South Dakota remains positioned for continued economic growth. The state's key industries, Agriculture and Tourism are well positioned with rebounding commodity prices and strong demand for domestic travel forecast. Accommodative interest rate policy from the Federal Reserve has already positively impacted the home building sector in the state which is expected to continue for the foreseeable future. This interest rate policy should also support inflation, which is a key component in sales tax growth.

### **MAJOR INITIATIVES**

With the support of the Legislature, Governor Noem has developed comprehensive funding packages to help kickstart the South Dakota economy, grow South Dakota's workforce, and revitalize our rural areas. Listed below are some of the major initiatives Governor Noem has implemented in her second year of office.

**Investing in Our Future.** Governor Noem has been committed to ensuring that South Dakota's infrastructure is prepared for the economy of tomorrow. Many of the children in elementary school today will work in jobs that do not yet exist. These jobs will no doubt require access to technology and the internet. Half of the South Dakota counties have rural areas where one in four people do not have adequate internet access. In order to help prepare the next generation for the jobs tomorrow and ensure South Dakotans have the opportunity to work and hire locally, while selling globally, the broadband gap must be closed. To address broadband access in high cost areas for the second year in a row, House Bill 1189 of the 2020 Legislative Session invested \$5.0 million in one-time funding. This funding will be used to partner with the broadband industry and will leverage additional funding in project costs. By partnering with industry leaders on emerging technologies and investing in new technology, this funding is critical in equipping the next generation for the jobs of the future. In addition, Senate Bill 40 of the Legislative Session authorized and funded the construction of the University of South Dakota Health Sciences Building to educate and train the growing healthcare workforce.

**Investing in Our Workforce.** The Governor strives to attract and retain the best and brightest to work for state government. With her support, during the 2020 legislative session, the legislature adopted a 2% market adjustment for state employee salaries. The Governor also proposed, and the legislature adopted funding to keep the state employee health plan structurally balanced.

**Investing in Our Families.** The Governor believes that strong families are the key to a stronger future. The adopted budget provides additional funding to support required training needs for individuals interested in becoming foster or adoptive parents. Funding was also added to provide comprehensive services for child maltreatment victims across South Dakota and to prepare female offenders in the women's prison as they are released to their families and communities.

In April 2020, South Dakota received \$1.25 billion in Coronavirus Relief Fund (CRF) as part of the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. This grant to South Dakota is being used to help off-set the costs of the COVID-19 pandemic. These funds have positioned the State to provide grants to counties, cities, businesses, and individuals as well as off-setting COVID-19 costs of the State. Current CRF grant programs include:

**Small Business and Healthcare Provider Relief Program grants.** For the initial program, the State set aside up to \$580 million in CRF to assist small businesses, community-based healthcare providers, and non-profits negatively impacted by the COVID-19 pandemic.

There are five components of this program:

- The Small Business COVID Interruption program will provide up to \$400 million to help eligible South Dakota small businesses that have experienced a reduction in business as a result of the pandemic.
- The Small Business Startup program will provide up to \$10 million in direct grants to recently started eligible South Dakota businesses whose growth has been impacted as a result of the pandemic.
- The Acute Care in Hospitals program will provide up to \$15 million to eligible hospitals that are licensed by the state to provide acute inpatient care.
- The Small Nonprofit COVID Interruption program will provide up to \$40 million to eligible South Dakota small non-profits who have experienced negative impacts as a result of the pandemic.
- The Community Based Healthcare Providers program will provide up to \$115 million for eligible community providers who have experienced a reduction in business as a result of the pandemic.

**Re-employment Assistance.** South Dakota utilized \$45.6 million of the CRF dollars to replenish the South Dakota Unemployment Insurance Compensation Trust Fund. The CARES Act allows for states to utilize CRF dollars to replenish depleted unemployment trust funds which will allow the state to avoid a tax increase on South Dakota employers. The State will make another payment to the Fund prior to the end of the calendar year.

**Public and Private K-12 School grants.** South Dakota is using up to \$75 million of its CRF allocation as grants to public and private schools in South Dakota. Each will receive \$500 per student to help combat additional expenses relating to the COVID-19 pandemic. These grants are in addition to the \$41 Million the schools also received from the U.S. Department of Education's Elementary & Secondary Schools Emergency Relief Funds.

**Housing Assistance grants.** The State awarded \$10 million in CRF to the South Dakota Housing Development Authority (SDHDA) to assist South Dakotans who have been financially impacted by COVID-19 and need help with rent, mortgage, or utility expenses.

**K-12 Connect grants.** South Dakota launched K-12 Connect, a program to provide internet service at no cost to eligible households of K-12 students for the remainder of the 2020-21 school year. This program aims to minimize the potential learning gap by ensuring all students have access to distance learning instruction and schoolwork.

**Local Government COVID Assistance grants.** The State created the Local Government COVID Recovery Fund allocating \$200 million to city and county governments from the State of South Dakota's overall federal allocation. Consistent with U.S. Treasury guidance, the \$200 million allocation was divided on a statewide basis into two categories: (1) cities (based on the percentage of South Dakota's population living in cities and towns) and (2) counties (based on the percentage of South Dakota's remaining population). Cities and counties then received an allocation from their respective category in proportion to their share of the state's overall population. The State is disbursing these funds to cities and counties through reimbursement of allowable expenditures.

**Higher Education grants.** The state has set aside more than \$20 million dollars for the State's universities and technical colleges and \$6 million for in-state private universities. These grants will help defray COVID costs of postsecondary institutions and student expenses relating to disruptions to their education due to COVID-19.

## **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 comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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 CAFR required the collective efforts of many financial 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, Amy Macy, Lori Sears, Dominique Ruppelt, Mark Edwardson, Brian Englund, Jacob Harris, Randi Olson, Tiffany Ripperda, Torin Peterson, Robert Norwick, and Adam Hansen 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,



Liza Clark, Chief Financial Officer  
Bureau of Finance and Management



Government Finance Officers Association

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**State of South Dakota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2019**

*Christopher P. Morrill*

Executive Director/CEO

# ***SOUTH DAKOTA FY2020 PRINCIPAL STATE OFFICIALS***

## ***EXECUTIVE BRANCH***

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

## ***CONSTITUTIONAL OFFICERS***

The Honorable Jason R. Ravensborg, Attorney General  
The Honorable Steve Barnett, Secretary of State  
The Honorable Josh Haeder, Treasurer  
The Honorable Rich Sattgast, Auditor  
The Honorable Ryan Brunner, Commissioner, School and Public Lands

## ***PUBLIC UTILITIES COMMISSION***

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

## ***LEGISLATIVE BRANCH***

The Honorable Brock Greenfield  
Senate President Pro Tempore

The Honorable Steve Haugaard  
Speaker of the House

The Honorable Kris Langer  
Senate Majority Leader

The Honorable Troy Heinert  
Senate Minority Leader

The Honorable Lee Qualm  
House Majority Leader

The Honorable Jamie Smith  
House Minority Leader

## ***JUDICIAL BRANCH***

The Honorable David E. Gilbertson  
Chief Justice

The Honorable Janine M. Kern  
Associate Justice

The Honorable Steven R. Jensen  
Associate Justice

The Honorable Mark E. Salter  
Associate Justice

The Honorable Patricia J. DeVaney  
Associate Justice

# ***SOUTH DAKOTA FY2020 FUNCTIONS OF STATE GOVERNMENT***

## ***GENERAL GOVERNMENT***

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

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

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

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

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

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

Agriculture  
Game, Fish and Parks  
Environment and Natural Resources

## ***TRANSPORTATION***

Transportation

## ***EDUCATION***

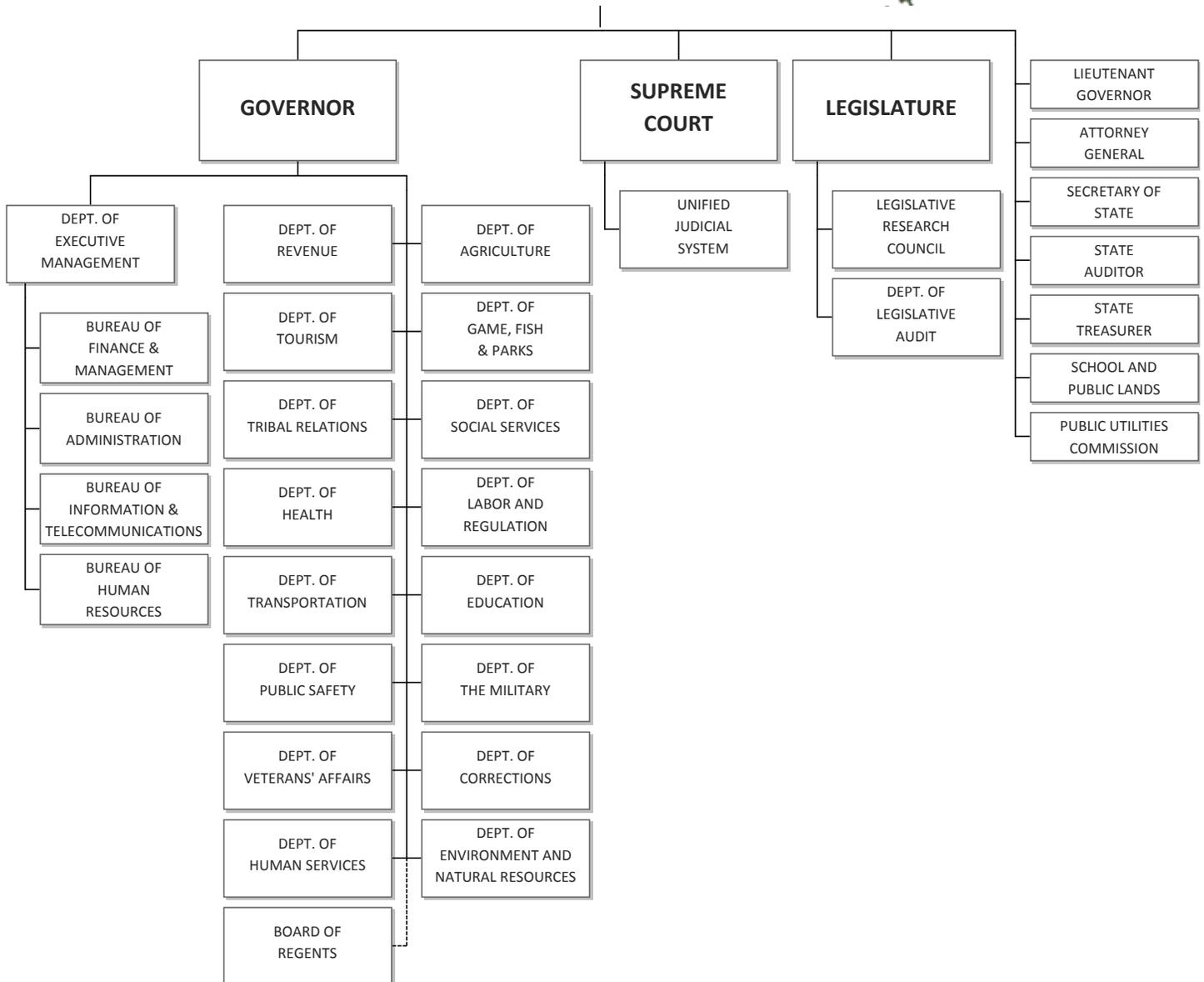
Education  
Elementary, Secondary, and Vocational  
Schools  
Higher Education  
State Aid to Universities

## ***ECONOMIC RESOURCES***

Tourism  
Economic Development  
Tribal Relations

## ***PANDEMIC RESPONSE***

COVID-19 Federal







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# ***FINANCIAL SECTION***

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# ***FINANCIAL SECTION***

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

RUSSELL A. OLSON  
 AUDITOR GENERAL

## INDEPENDENT AUDITOR'S REPORT

The Honorable Kristi Noem  
 Governor of South Dakota

and

Members of the Legislature  
 State of South Dakota

### Report on the Financial Statements

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 (State), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. 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 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 follows:

|   | <u>Percent of<br/>Total Assets*</u> | <u>Percent of Total<br/>Revenues/Additions</u> |
|---|-------------------------------------|--|
| Government-wide financial statements:           |                                     |  |
| Business-type activities:                       |                                     |  |
| Unemployment Insurance Fund                     | 13.7%                               | 49.2%  |
| Fund financial statements:                      |                                     |  |
| Aggregate discretely presented component units: |                                     |  |
| South Dakota Housing Development Authority      | 41.6%                               | 13.3%  |
| South Dakota Ellsworth Development Authority    | .6%                                 | .3%  |
| Foundations of Higher Education                 | 16.5%                               | 8.3%   |

|                                       |        |        |
|---------------------------------------|--------|--------|
| Major enterprise fund:                |        |        |
| Unemployment Insurance Fund           | 100.0% | 100.0% |
| Aggregate remaining fund information: |        |        |
| South Dakota Retirement System        | 89.3%  | 22.3%  |

\* including deferred outflows of resources

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for these entities, are based solely on the reports of the other auditors. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component units (foundations) of Higher Education were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, the 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, 2020, 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.

### **Emphasis of Matter**

As discussed in Note 2 to the financial statements, certain errors resulting in an understatement of employer taxes receivable as of June 30, 2019 in the Unemployment Insurance Fund, a major fund of the State, were discovered by management during the year. Accordingly, the amounts reported for beginning net position have been restated in the financial statements to correct for this error. The opinion of other auditors is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 32, the budgetary comparison schedules on pages 118 through 133, and the Schedules of Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions on pages 134 through 135 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 and Other 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 supplementary information, such as the combining and individual fund financial statements on pages 138 through 174 and the other information, such as the introductory and statistical sections on pages 1 through 11 and 175 through 195, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020 on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.



Russell A. Olson  
Auditor General

December 31, 2020



# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The following is a discussion and analysis of the State of South Dakota's (hereinafter referred to as the State) financial performance and position, providing an overview of the State's financial activities for the fiscal year ended June 30, 2020. This document begins with a one-page summary of financial highlights, followed by a more detailed overview of the financial statements and financial analysis. Please read it in conjunction with the transmittal letter found on page 1 in the *Introductory Section* of this report and with the State's financial statements that follow this section.

## **FINANCIAL HIGHLIGHTS**

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

- Total assets and deferred outflows of resources of the State exceeded its total liabilities and deferred inflows of resources at the close of the fiscal year by \$7.4 billion (reported as net position). Of this amount, \$6.0 billion is restricted for specific uses or invested in capital assets. The remaining \$1.4 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 \$371.9 million, or 5.3% from the prior fiscal year. Net position of Governmental Activities increased by \$328.2 million, or 5.3%, while net position of Business-type Activities increased by \$43.6 million, or 5.7% over the prior fiscal year.
- Discretely presented component units reported total net position of \$2.6 billion, an increase of \$140.6 million, or 5.8% from the prior fiscal year.

### **Fund Financial Statements**

- The State's governmental funds reported combined ending fund balances of \$2.3 billion, an increase of \$179.0 million, or 8.5% from the prior fiscal year. Of the \$2.3 billion in combined ending fund balance, \$587.4 million is non-spendable and \$1.1 billion is restricted by outside sources or enabling legislation. Another \$51.2 million is committed by state law and \$162.0 million has been assigned for various specific purposes. The remaining \$373.0 million is unassigned. Please refer to *Note 10. Fund Balance and Net Position* in the Notes to the Financial Statements for further explanation and breakdown of these balances. Certain resources within the \$373.0 million of the unassigned fund balance have internally imposed limitations that are discussed throughout the *Financial Analysis of the State's Funds* section of this document.
- At the end of the fiscal year, the General Fund had a fund balance of \$526.4 million. This includes total budget reserves of \$215.9 million, comprised of the Budget Reserve and the General Revenue Replacement Fund of \$169.6 million and \$46.3 million, respectively.
- The State's three trust funds (Dakota Cement Trust, Education Enhancement Trust, and Health Care Trust all reported as special revenue funds) and the State's Permanent Fund all increased in value during the fiscal year because investment earnings and transfers into these funds exceeded statutory disbursements. After transferring a combined amount of \$41.7 million to the General Fund, these funds closed the fiscal year with a combined ending fund balance of \$1.1 billion, an increase of \$11.8 million.
- Proprietary funds reported net position at fiscal year-end of \$852.3 million, an increase of \$68.5 million, or 8.7% from the prior fiscal year.

### **Long-Term Debt**

- The primary government's total long-term debt (revenue bonds and capital leases) as of June 30, 2020, totaled \$631.4 million, a decrease of \$41.6 million from the last fiscal year-end. The decrease represents the net difference between new issuances, payments, and the refunding and defeasance of outstanding debt.
- The South Dakota Building Authority issued \$7.1 million of revenue bonds for the primary government and \$65.8 million of revenue bonds for Higher Education, a discretely presented component unit of the State. These bonds were used for refunding of prior issued bonds.
- The South Dakota Housing Development Authority, a discretely presented component unit of the State, issued \$198.0 million in bonds. A portion of these bonds were used for refunding of prior issued bonds.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

- **The Statement of Net Position** presents information on all of 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 event 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 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 with the Governmental Activities. The Governmental Activities of the State include the following:
  - General government
  - Education – elementary, secondary, and vocational schools
  - Education – state support to higher education
  - Health, human, and social services
  - Law, justice, public protection, and regulation
  - Agriculture and natural resources
  - Economic resources
  - Transportation
  - Pandemic Response (new for fiscal year 2020)
  - Intergovernmental – payments to school districts
  - Intergovernmental – revenue sharing
  - Unallocated interest expense
  - Unallocated depreciation

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

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

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

Other component units are blended and reported as part of primary government or considered related organizations and 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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required by law, while others are established internally to maintain control over a particular activity. All funds of the State can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. It is important to note that these categories use different accounting approaches and should be interpreted differently.

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

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

The State maintains many individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Transportation Fund, Social Services Federal Fund, COVID-19 Federal Fund, Dakota Cement Trust Fund, and Education Enhancement Trust Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for some nonmajor governmental funds is provided in the form of 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 four are considered major funds: Lottery Fund, Clean Water State Revolving Fund, Drinking Water State Revolving Fund, and Unemployment Insurance Fund. These four 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 form of 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 state government. The accrual basis of accounting is used for fiduciary funds and is similar to the accounting used for proprietary funds. The Government-wide Financial Statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and cannot be used by the State to finance operations.

The State's fiduciary funds include pension trust funds, private purpose trust funds, and agency 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. The only special revenue funds that fit this criterion are the Transportation Fund and the Social Services Federal Fund. These schedules present the original and final appropriated expenditure budgets and estimated receipts (General Fund only) for the fiscal year. The Budgetary Comparison Schedule also lists the actual inflows and outflows, and balances stated on a budgetary basis. A variance column is included to compare the final appropriated budget with the actual budget results.

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

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

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Net Position

As presented in the following table, total assets and deferred outflows of resources of the State on June 30, 2020 were \$9.8 billion, while total liabilities and deferred inflows of resources were \$2.5 billion, resulting in combined net position (Governmental and Business-type Activities) of \$7.4 billion, a 5.3% increase from the previous year. As discussed later in this document, a significant portion of this increase is directly attributed to increases in capital assets and strong returns on investment in the State's three trust funds and the Permanent Fund.

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

|  | Governmental Activities |                     | Business-type Activities |                   | Total Primary Government |                     | % of Change |
|--|-------------------------|---------------------|--------------------------|-------------------|--------------------------|---------------------|-------------|
|  | FY2020                  | FY2019              | FY2020                   | FY2019            | FY2020                   | FY2019              |             |
| Current and Other Assets, as restated            | \$ 4,065,121            | \$ 2,609,791        | \$ 1,176,990             | \$ 1,138,357      | \$ 5,242,111             | \$ 3,748,148        | 39.9%       |
| Capital Assets                                   | 4,467,766               | 4,324,690           | 6,555                    | 6,651             | 4,474,321                | 4,331,341           | 3.3%        |
| <b>Total Assets, as restated</b>                 | <b>8,532,887</b>        | <b>6,934,481</b>    | <b>1,183,545</b>         | <b>1,145,008</b>  | <b>9,716,432</b>         | <b>8,079,489</b>    | 20.3%       |
| <b>Deferred Outflows of Resources</b>            | <b>116,960</b>          | <b>173,633</b>      | <b>10,010</b>            | <b>12,293</b>     | <b>126,970</b>           | <b>185,926</b>      | (31.7)%     |
| Current and Other Liabilities                    | 1,602,868               | 403,569             | 34,391                   | 18,018            | 1,637,259                | 421,587             | 288.4%      |
| Noncurrent Liabilities                           | 429,717                 | 422,859             | 354,389                  | 378,296           | 784,106                  | 801,155             | (2.1)%      |
| <b>Total Liabilities</b>                         | <b>2,032,585</b>        | <b>826,428</b>      | <b>388,780</b>           | <b>396,314</b>    | <b>2,421,365</b>         | <b>1,222,742</b>    | 98.0%       |
| <b>Deferred Inflows of Resources</b>             | <b>43,715</b>           | <b>36,381</b>       | <b>1,041</b>             | <b>877</b>        | <b>44,756</b>            | <b>37,258</b>       | 20.1%       |
| <b>Net Position:</b>                             |                         |                     |                          |                   |                          |                     |             |
| Net Investment in Capital Assets                 | 4,259,851               | 4,126,405           | 6,552                    | 6,650             | 4,266,403                | 4,133,055           | 3.2%        |
| Restricted                                       | 1,726,738               | 1,755,692           | 14,758                   | 5,821             | 1,741,496                | 1,761,513           | (1.1)%      |
| Unrestricted, as restated                        | 586,958                 | 363,208             | 782,424                  | 747,639           | 1,369,382                | 1,110,847           | 23.3%       |
| <b>Total Net Position, as restated</b>           | <b>\$ 6,573,547</b>     | <b>\$ 6,245,305</b> | <b>\$ 803,734</b>        | <b>\$ 760,110</b> | <b>\$ 7,377,281</b>      | <b>\$ 7,005,415</b> | 5.3%        |
| Percent of Total Primary Government Net Position | 89.1%                   | 89.1%               | 10.9%                    | 10.9%             | 100.0%                   | 100.0%              |             |

In fiscal year 2020, Governmental Activities accounted for 89.1% of the State's total net position, and Business-type activities accounted for 10.9%, unchanged from the prior fiscal year.

### Net Investment in Capital Assets

The largest component of the State's net position, \$4.3 billion or 57.8%, 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 \$133.3 million, or 3.2% increase in the State's investment in capital assets from the prior fiscal year. This increase is primarily attributed to 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 \$1.7 billion, or 23.6% of total net position, a decrease of \$157.8 million, or 8.3% from the prior fiscal year. The net position is subject to restrictions either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws/regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation on how they can be used.

A majority 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 (\$558.3 million) or expendable (\$256.1 million), and the third trust fund (Dakota Cement Trust) is restricted for education (\$333.8 million).

The combined fund balance of these four funds totals \$1.1 billion. Aside from the constitutionally authorized annual distributions, these funds can only be accessed through a constitutional amendment (Dakota Cement Trust and Permanent Fund) or by a three-fourths vote of the Legislature (Health Care Trust Fund and Education Enhancement Trust).

The remaining \$593.2 million of restricted net position is restricted for highways (\$222.8 million), agriculture and natural resources (\$86.9 million), pensions (\$71.5 million), economic development (\$55.6 million), railroads (\$24.4 million), and debt service (\$23.5 million), with the remaining amount for other purposes.

### **Unrestricted Net Position**

The remaining net position balance, \$1.4 billion, or 18.6% 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 provision, or state law. Limitations on unrestricted net position imposed by federal regulations and bond covenants include \$260.1 million within the Clean Water State Revolving Fund and \$210.2 million within the Drinking Water State Revolving Fund. Other federal and state regulation limitations include, but are not limited to, \$147.1 million for Unemployment Insurance Fund, \$119.7 million within the Revolving Economic Development and Initiative Fund, and \$8.3 million for revolving loan programs.

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

- **Budget Reserve** (\$169.6 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 at June 30, 2020 was \$169.6 million, an increase of \$24.5 million from the prior fiscal year. This transfer into the Budget Reserve, as required by law, was the result of spending \$34.7 million less than General Fund appropriations, offset by \$7.9 million lower than expected General Fund revenues. Approximately \$26.7 million of the General Fund savings are attributed to Coronavirus Relief Fund federal aid reported in the COVID-19 Federal fund.

- **General Revenue Replacement Fund** (\$46.3 million). House Bill 1050, passed during 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.

During fiscal year 2020, the GRRF increased by \$2.3 million. Similar to the transfer into the Budget Reserve, the increase to the GRRF is the result of the transfer, as required by law, of unspent General Fund appropriations, offset by lower than expected General Fund revenues, and Coronavirus Relief Fund federal aid reported in the COVID-19 Federal fund.

The unrestricted net position increased by \$396.3 million, or 40.7% during the fiscal year. A significant portion of this increase is attributed to (1) \$26.8 million combined transfers into the Budget Reserve and GRRF (as discussed above), (2) \$62.2 million and \$87.1 million increases in assigned and unassigned fund balance in the General Fund, (3) \$11.7 million increase in the Clean Water State Revolving Fund, (4) \$10.9 million increase in the Drinking Water State Revolving fund, and (5) \$9.3 million increase in the Unemployment Insurance Fund. For analysis on these four funds, please see the *Financial Analysis of the State’s Funds* section in this document. Most of the remainder is attributed to small changes in unassigned fund balance in various funds.

## 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 2020:

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

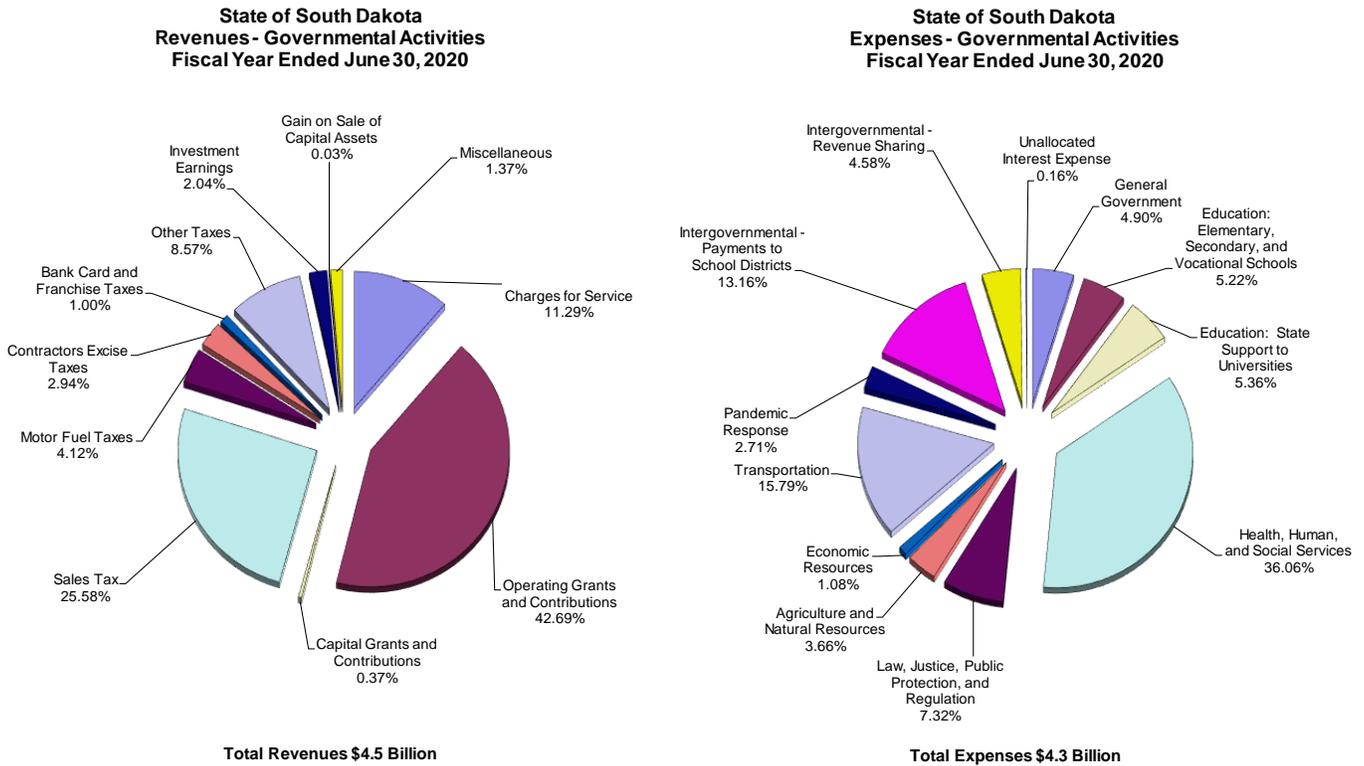
|   | Governmental Activities |                     | Business-type Activities |                   | Total Primary Government |                     | % of Change |
|---|-------------------------|---------------------|--------------------------|-------------------|--------------------------|---------------------|-------------|
|   | FY2020                  | FY2019              | FY2020                   | FY2019            | FY2020                   | FY2019              |             |
| <b>Revenues:</b>  |                         |                     |                          |                   |                          |                     |             |
| Program Revenues:   |                         |                     |                          |                   |                          |                     |             |
| Charges for Service, as restated                          | \$ 507,286              | \$ 496,098          | \$ 249,124               | \$ 263,594        | \$ 756,410               | \$ 759,692          | (0.4)%      |
| Operating Grants and Contributions                        | 1,918,543               | 1,589,862           | 261,674                  | 26,910            | 2,180,217                | 1,616,772           | 34.8%       |
| Capital Grants and Contributions                          | 16,761                  | 3,378               | 19                       | 200               | 16,780                   | 3,578               | 369.0%      |
| General Revenues:   |                         |                     |                          |                   |                          |                     |             |
| Sales Taxes   | 1,149,732               | 1,089,336           |                          |                   | 1,149,732                | 1,089,336           | 5.5%        |
| Motor Fuel Taxes  | 184,949                 | 184,027             |                          |                   | 184,949                  | 184,027             | 0.5%        |
| Contractors Excise Taxes                                  | 132,043                 | 118,873             |                          |                   | 132,043                  | 118,873             | 11.1%       |
| Bank Card and Franchise Taxes                             | 44,727                  | 35,411              |                          |                   | 44,727                   | 35,411              | 26.3%       |
| Other Taxes   | 385,180                 | 376,813             |                          |                   | 385,180                  | 376,813             | 2.2%        |
| Investment Earnings                                       | 91,816                  | 96,270              |                          |                   | 91,816                   | 96,270              | (4.6)%      |
| Gain on Sale of Capital Assets                            | 1,515                   | 1,978               |                          |                   | 1,515                    | 1,978               | (23.4)%     |
| Miscellaneous   | 61,664                  | 79,632              |                          |                   | 61,664                   | 79,632              | (22.6)%     |
| <b>Total Revenues, as restated</b>                        | <b>4,494,216</b>        | <b>4,071,678</b>    | <b>510,817</b>           | <b>290,704</b>    | <b>5,005,033</b>         | <b>4,362,382</b>    | 14.7%       |
| <b>Program Expenses:</b>                                  |                         |                     |                          |                   |                          |                     |             |
| General Government  | 209,723                 | 215,879             |                          |                   | 209,723                  | 215,879             | (2.9)%      |
| Education – Elementary, Secondary, and Vocational Schools | 223,524                 | 228,729             |                          |                   | 223,524                  | 228,729             | (2.3)%      |
| Education – State Support to Higher Education             | 229,545                 | 213,843             |                          |                   | 229,545                  | 213,843             | 7.3%        |
| Health, Human, and Social Services                        | 1,544,824               | 1,552,490           |                          |                   | 1,544,824                | 1,552,490           | (0.5)%      |
| Law, Justice, Public Protection, and Regulation           | 313,534                 | 301,008             |                          |                   | 313,534                  | 301,008             | 4.2%        |
| Agriculture and Natural Resources                         | 157,010                 | 155,789             |                          |                   | 157,010                  | 155,789             | 0.8%        |
| Economic Resources  | 45,920                  | 71,819              |                          |                   | 45,920                   | 71,819              | (36.1)%     |
| Transportation  | 676,547                 | 533,336             |                          |                   | 676,547                  | 533,336             | 26.9%       |
| Pandemic Response   | 116,299                 |                     |                          |                   | 116,299                  |                     |             |
| Intergovernmental – Payments to School Districts          | 563,878                 | 559,484             |                          |                   | 563,878                  | 559,484             | 0.8%        |
| Intergovernmental – Revenue Sharing                       | 196,425                 | 194,537             |                          |                   | 196,425                  | 194,537             | 1.0%        |
| Unallocated Interest Expense                              | 6,861                   | 7,524               |                          |                   | 6,861                    | 7,524               | (8.8)%      |
| Unallocated Depreciation                                  | 53                      | 53                  |                          |                   | 53                       | 53                  | 0.0%        |
| Lottery   |                         |                     | 50,484                   | 51,016            | 50,484                   | 51,016              | (1.0)%      |
| Clean Water State Revolving                               |                         |                     | 13,516                   | 11,662            | 13,516                   | 11,662              | 15.9%       |
| Drinking Water State Revolving                            |                         |                     | 9,349                    | 8,222             | 9,349                    | 8,222               | 13.7%       |
| Unemployment Insurance                                    |                         |                     | 241,343                  | 26,403            | 241,343                  | 26,403              | 814.1%      |
| Other   |                         |                     | 30,696                   | 28,928            | 30,696                   | 28,928              | 6.1%        |
| <b>Total Expenses</b>                                     | <b>4,284,143</b>        | <b>4,034,491</b>    | <b>345,388</b>           | <b>126,231</b>    | <b>4,629,531</b>         | <b>4,160,722</b>    | 11.3%       |
| Excess (Deficiency) Before Transfers, as restated         | 210,073                 | 37,187              | 165,429                  | 164,473           | 375,502                  | 201,660             |             |
| Special Items - Impairment of Capital Asset               | (3,636)                 | (4,702)             |                          |                   | (3,636)                  | (4,702)             |             |
| Transfers   | 121,805                 | 125,977             | (121,805)                | (125,977)         |                          |                     |             |
| Change in Net Position, as restated                       | 328,242                 | 158,462             | 43,624                   | 38,496            | 371,866                  | 196,958             |             |
| Net Position – Beginning, as restated                     | 6,245,305               | 6,086,843           | 760,110                  | 721,614           | 7,005,415                | 6,808,457           |             |
| <b>Net Position – Ending, as restated</b>                 | <b>\$ 6,573,547</b>     | <b>\$ 6,245,305</b> | <b>\$ 803,734</b>        | <b>\$ 760,110</b> | <b>\$ 7,377,281</b>      | <b>\$ 7,005,415</b> |             |
| Percent Change in Total Net Position from prior year      | 5.3%                    |                     | 5.7%                     |                   | 5.3%                     |                     |             |

### Governmental Activities:

The State's net position for Governmental Activities at the end of fiscal year 2020 was \$6.6 billion. This represents an increase of 5.3% or \$328.2 million from the prior fiscal year.

The \$328.2 million increase in the State's net position for Governmental Activities was the result of the net effect of the following: (1) \$4.5 billion revenues (an increase from the prior fiscal year of \$422.5 million); less (2) \$4.3 billion expenses (an increase from the prior fiscal year of \$249.7 million); (3) less \$3.6 million for special items; plus (4) net transfers of \$121.8 million (primarily from the South Dakota Lottery Fund).

The following two charts illustrate the above program revenues and expenses for Governmental Activities for fiscal year ending June 30, 2020:



This fiscal year, the State received 42.2% of its revenues from taxes (sales, motor fuel, contractors excise, bank card, bank franchise, and other taxes), and 42.7% from federal grants and contributions. Charges for service accounted for 11.3%.

In fiscal year 2020, health, human, and social services (taking care of people) accounted for 36.1% of the State's expenses, followed by 23.8% to education (K-12 and post-secondary), 15.8% to transportation (constructing and maintaining roads and bridges), and 7.3% for law, justice, public protection, and regulation (protecting people).

Significant changes in revenues include a \$73.6 million increase in sales, use, and contractors excise tax. This increase is due to a steadily growing South Dakota economy and increasing construction activity. South Dakota, like the rest of the nation, experienced economic slowdown due to the pandemic. However, South Dakota did not mandate any state-wide lockdowns or business closures, allowing the South Dakota economy to grow during the year. Additionally, federal pandemic stimulus injected into the South Dakota economy encouraged spending. Another significant increase in revenue includes a \$328.7 million increase in federal grants and contributions attributed to increases in the transportation and COVID-19 funding. All of these increases are further discussed in General Fund, Transportation, and COVID-19 Federal fund analysis of the *Financial Analysis of the State's Funds* section in this document.

Most of the increase in expenses is attributed to an increase of \$143.2 million in Transportation and \$116.3 million increase in Pandemic Response functions of government. These increases are further explained in the Transportation and COVID-19 Federal fund analysis of the *Financial Analysis of the State's Funds* section in this document.

**Business-type Activities:**

Net position of the Business-type Activities at the end of fiscal year 2020 was \$803.7 million, an increase of \$43.6 million due to total revenues exceeding total expenses and transfers out. Although net position for Business-type Activities only accounts for roughly 10.9% of the total net position, Business-type Activities provided \$121.8 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 \$2.3 billion, an increase of \$179.0 million during the fiscal year. Of this amount, approximately 25.8%, or \$587.4 million of the combined ending fund balance is non-spendable; either due to its form or legal constraints. The non-spendable portion is predominately made up of the Education Enhancement Trust, the Health Care Trust, and the Permanent funds to be held as permanent investments. Approximately 48.4%, or \$1.1 billion of the combined ending fund balance is restricted by outside sources or enabling legislation. Another 2.3%, or \$51.2 million of the combined balance is committed by state law and 7.1%, or \$162.0 million, has been assigned internally for specific purposes. The remaining \$373.0 million, or 16.4% is reported as unassigned in accordance with GASB Statement 54. Certain resources within the \$373.0 million of the unassigned fund balance have other internally imposed limitations as discussed below. For additional explanation and breakdown of these balances, see *Note 10. Fund Balance and Net Position* in the Notes to the Financial Statements.

State of South Dakota  
Governmental Fund Balance as of June 30, 2020  
(Expressed in Thousands)

|                            | General Fund      | Transportation    | Social Services Federal | COVID-19 Federal | Dakota Cement Trust | Education Enhancement Trust | Nonmajor          | Total               | % of Total Fund Balance |
|----------------------------|-------------------|-------------------|-------------------------|------------------|---------------------|-----------------------------|-------------------|---------------------|-------------------------|
| Nonspendable               | \$ 5,300          | \$ 17,632         | \$ 1,232                | \$ 1,233         | \$                  | \$ 410,924                  | \$ 151,075        | \$ 587,396          | 25.8%                   |
| Restricted                 | 3,382             | 217,161           |                         | 1                | 333,809             | 197,273                     | 350,620           | 1,102,246           | 48.4%                   |
| Committed                  |                   |                   |                         |                  |                     |                             | 51,243            | 51,243              | 2.3%                    |
| Assigned                   | 136,363           |                   | 1,623                   |                  |                     |                             | 23,970            | 161,956             | 7.1%                    |
| Unassigned                 | 381,326           |                   |                         |                  |                     |                             | (8,359)           | 372,967             | 16.4%                   |
| <b>Total Fund Balances</b> | <b>\$ 526,371</b> | <b>\$ 234,793</b> | <b>\$ 2,855</b>         | <b>\$ 1,234</b>  | <b>\$ 333,809</b>   | <b>\$ 608,197</b>           | <b>\$ 568,549</b> | <b>\$ 2,275,808</b> |                         |
| % Change from prior year   | 39.6%             | 3.9%              | 7.6%                    |                  | 0.5%                | 1.4%                        | 1.7%              | 8.5%                |                         |

The following governmental funds are major funds and had significant impact on the State's financial position during fiscal year 2020:

**General Fund** (\$526.4 million). 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 a majority of its operating cash from sales and use tax and contractor's excise tax revenue. Other General Fund significant 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<br>Change |   | General Fund               |                            | % of<br>Change |
|                                     | FY2020                     | FY2019                     |                |   | FY2020                     | FY2019                     |                |
| <b>Revenue:</b>                     |                            |                            |                | <b>Expenditures:</b>                            |                            |                            |                |
| Taxes:                              |                            |                            |                | Current:  |                            |                            |                |
| Sales and Use Tax                   | \$ 1,110,422               | \$ 1,044,574               | 6.3%           | General Government                              | \$ 59,980                  | \$ 62,172                  | (3.5)%         |
| Contractor's Excise Tax             | 126,920                    | 112,682                    | 12.6%          | Education (all)                                 | 824,380                    | 803,868                    | 2.6%           |
| Insurance Company Tax               | 83,703                     | 78,553                     | 6.6%           | Health, Human, and Social Services              | 520,353                    | 551,478                    | (5.6)%         |
| Cigarette Excise Tax                | 40,885                     | 40,501                     | 1.0%           | Law, Justice, Public Protection, and Regulation | 159,126                    | 167,051                    | (4.7)%         |
| Bank Tax                            | 44,693                     | 34,706                     | 28.8%          | Agriculture and Natural Resources               | 18,026                     | 17,122                     | 5.3%           |
| Tourism Tax                         | 24,985                     | 25,141                     | (0.6)%         | Economic Resources                              | 23,466                     | 29,170                     | (19.6)%        |
| Alcohol Beverage Tax                | 19,231                     | 19,919                     | (3.5)%         | State Shared Revenue Paid                       |                            |                            |                |
| Mineral Tax                         | 8,640                      | 4,777                      | 80.9%          | to Other Governments                            | <u>50,607</u>              | <u>47,967</u>              | 5.5%           |
| Other                               | 13,044                     | 11,987                     | 8.8%           | <b>Total Expenditures</b>                       | <b><u>\$ 1,655,938</u></b> | <b><u>\$ 1,678,828</u></b> | <b>(1.4)%</b>  |
| Licenses, Permits, and Fees         | 11,947                     | 12,247                     | (2.5)%         |   |                            |                            |                |
| Fines, Forfeits, and Penalties      | 303                        | 551                        | (45.0)%        |   |                            |                            |                |
| Use of Money and Property           | 42,616                     | 29,458                     | 44.7%          |   |                            |                            |                |
| Sales and Services                  | 21,049                     | 22,183                     | (5.1)%         |   |                            |                            |                |
| Administering Programs              | 1                          | 8                          | (87.5)%        |   |                            |                            |                |
| Unclaimed Property Remittance       | 31,301                     | 53,285                     | (41.3)%        |   |                            |                            |                |
| Other Revenue                       | 14,861                     | 14,742                     | 0.8%           |   |                            |                            |                |
| <b>Total Revenue</b>                | <b><u>\$ 1,594,601</u></b> | <b><u>\$ 1,505,314</u></b> | <b>5.9%</b>    |   |                            |                            |                |
| <b>Transfers In:</b>                |                            |                            |                | <b>Transfers Out:</b>                           |                            |                            |                |
| South Dakota Lottery Fund           | \$ 123,735                 | \$ 123,016                 | 0.6%           | Public Safety - Emergency Management Fund       | \$ 9,918                   | \$ 1,051                   | 843.7%         |
| Securities and Insurance Fund       | 56,435                     | 56,798                     | (0.6)%         | Transportation Fund                             | 4,076                      | 54                         | 7448.2%        |
| Education Enhancement Trust Fund    | 22,516                     | 21,335                     | 5.5%           | Building Authority                              | 3,195                      | 3,345                      | (4.5)%         |
| Dakota Cement Trust Fund            | 13,005                     | 12,683                     | 2.5%           | Vocational Education Facilities Fund            | 2,318                      | 2,327                      | (0.4)%         |
| South Dakota Gaming Commission Fund | 5,420                      | 5,660                      | (4.2)%         | Labor Fund                                      | 1,758                      | 1,849                      | (4.9)%         |
| Health Care Trust Fund              | 5,677                      | 5,520                      | 2.8%           | Education Enhancement Trust Fund                | 1,125                      |                            |                |
| All Other Transfers In              | 9,364                      | 9,454                      | (1.0)%         | All Other Transfers Out                         | <u>3,316</u>               | <u>13,346</u>              | (75.2)%        |
| <b>Total Transfers In</b>           | <b><u>\$ 236,152</u></b>   | <b><u>\$ 234,466</u></b>   | <b>0.7%</b>    | <b>Total Transfers Out</b>                      | <b><u>\$ 25,706</u></b>    | <b><u>\$ 21,972</u></b>    | <b>17.0%</b>   |

The General Fund experienced an increase in revenues of \$89.3 million or 5.9% from the prior fiscal year. A majority of this increase is attributed to a \$80.1 million increase in sales, use, and contractors excise tax (6.9% increase). This increase is due to a steady growing South Dakota economy and increasing construction activity. As previously indicated, South Dakota, like the rest of the nation, experienced economic slowdown due to the pandemic. However, South Dakota did not mandate any state-wide lockdowns or business closures, allowing the South Dakota economy to grow during the year. Additionally, federal pandemic stimulus injected into the South Dakota economy encouraged spending.

The General Fund total expenditures decreased 1.4% from the prior fiscal year. This \$22.9 million decrease was attributed to \$31.1 million decrease in Health, Human and Social Services and \$7.9 million decrease in Law, Justice, Public Protection, and Regulation functions of government because CARES Act funding covering some of the March to June 2020 payroll expenditures in these areas. These decreases were offset by a 2.6% or \$20.5 million increase in continuing support to K-12 school districts and Higher Education.

At the end of the fiscal year, the total fund balance of the General Fund was \$526.4 million, an increase of \$149.2 million, or 39.6% from the prior fiscal year.

Significant changes in the General Fund balance include the following:

- Assigned ending fund balance of \$136.4 million increased by \$62.2 million, or 83.9% from the prior fiscal year. A significant portion of this increase is attributed to fund balance assigned to Higher Education; and Health and Public assistance. This increase is the result of increases in encumbrances and legislatively approve budget carryovers.
- Unassigned ending fund balance of \$381.3 million increased by \$87.1 million, or 29.6% from the prior fiscal year. Most of this increase is attributed to increases in the Budget Reserve and GRRF as previously discussed, \$26.0 million in sales tax receivable from a large business, and \$12.8 million in unclaimed escheat property.

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: \$169.6 million in the Budget Reserve and \$46.3 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, \$148.1 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, \$146.0 million was tax revenue recognized as revenue in the General Fund in fiscal year 2020 for financial reporting purposes, but not distributed on a cash basis to the General Fund until fiscal year 2021. This revenue was budgeted for and will be used in fiscal year 2021 cash basis operations.

More detailed information on the General Fund's fund balance can be found in *Note 10. 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 8.2% of the total General Fund operating expenditures, while the unassigned fund balance (including the Budget Reserve and GRRF) represents 23.0% of that same amount or 31.2% in total.

**Transportation** (\$234.8 million). The Transportation Fund is a major special revenue fund that accounts for the construction and maintenance of the State's highways and bridges, and funds public transportation. Its revenue is comprised of federal grants, state motor fuel taxes, and state motor vehicle excise taxes. All revenues of the Transportation Fund are used and expended under the direction of the State's Department of Transportation. The total fund balance at the end of the current fiscal year for this fund was \$234.8 million, an increase of \$8.9 million, or 3.9% from the prior fiscal year.

Total revenues for the Transportation Fund increased by \$157.3 million or 24.4% from the prior fiscal year while total expenditures increased by \$173.3 million, or 27.7%. These increases are the result of an increase in federally supported highway construction projects as compared to the prior fiscal year. This variation in construction activity is a normal fluctuation in the four-year Statewide Transportation Improvement Plan.

**Social Services Federal** (\$2.9 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 with the goal of fostering independence and personal responsibility. This fund is administered by the State's Department of Social Services. Some of the major grants included in this fund are Medicaid, Low Income Heating and Energy Assistance Payments, Temporary Assistance to Needy Families, State Children's Health Insurance Program, State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, Child Care and Development Fund Mandatory, 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. The majority 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 \$2.9 million, relatively unchanged from the prior fiscal year.

Total program revenue of \$629.7 million decreased by \$5.0 million, or 0.8% and expenditures of \$629.3 million decreased by \$4.7 million, or 0.7% from the prior fiscal year. These decreases are predominantly attributed to a decrease in the utilization of the Medicaid program due to COVID-19 pandemic.

**COVID-19 Federal** (\$1.2 million). The COVID-19 Federal fund is a major special revenue fund created in fiscal year 2020 to account for all federal grants received for the COVID-19 pandemic. A majority of the activity in this fund is South Dakota's allocation of the Coronavirus Relief Fund (CRF) as created by the CARES Act. Other COVID-19 related activity in this fund includes the 6.2% increased FMAP from the Families First Coronavirus Response Act and 29 other federal funding sources for pandemic related programs.

In April of 2020, the State received two cash payments totaling \$1.25 billion of CRF from the U.S. Department of Treasury in accordance with the CARES Act. At the time of cash receipt, limited federal guidance was available and CRF related expenditures to the fund were slow to materialize. As fiscal year 2020 closed, the U.S. Department of Treasury began to issue federal guidance for CRF. Taking a fiscally conservative approach, the State began to account for allowable CRF expenditures in the COVID-19 Federal fund that were originally paid for with cash from the General Fund, some internal service funds, and various other funds. These timing issues created \$24.5 million of interfund receivables and payables in the COVID-19 Federal fund. See *Note 5. Interfund Transactions* in the Notes to the Financial Statements for more information relating to interfund receivables and payables.

As of June 30, 2020, the COVID-19 Federal fund reported total expenditures of \$116.3 million. Of that, \$57.4 million, or 49.4% were for the CRF grant, mostly personal services and contractual services expenditures of the State. Additionally,

\$23.6 million of the CRF expenditures are reported with a corresponding due to other funds. Because the CRF grant was an upfront cash payment of \$1.25 billion, this fund reported unearned revenue of \$1.1 billion. A majority of the CRF expenditures (grants to cities, counties, schools, universities, small businesses, etc.) in this fund did not materialize until after the close of fiscal year 2020.

An additional \$28.4 million of expenditures, or 24.4% of the COVID-19 Federal fund total expenditures are for the 6.2% increased FMAP from the Families First Coronavirus Response Act. The remaining \$30.4 million, or 26.2% of total expenditures in this fund are for 29 additional funding sources relating to federal funding for pandemic programs.

At the close of the fiscal year, the COVID-19 Federal fund had a fund balance of \$1.2 million.

**Dakota Cement Trust Fund** (\$333.8 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 \$13.0 million to the General Fund in fiscal year 2020 and \$12.7 million in fiscal year 2019.

The fund balance in the Dakota Cement Trust Fund at June 30, 2020, was \$333.8 million and is restricted for education. This is an increase of \$1.7 million from the previous fiscal year. The increase resulted primarily from strong net investment income of \$15.8 million which exceeded the statutory required transfer to the General Fund of \$13.0 million.

**Education Enhancement Trust Fund** (\$608.2 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 \$22.5 million to the General Fund in fiscal year 2020 and \$21.3 million in fiscal year 2019.

The fund balance in the Education Enhancement Trust Fund at June 30, 2020 was \$608.2 million, an increase of \$8.3 million from the prior fiscal year. The increase resulted from strong net investment income of \$24.4 million and a \$8.4 million transfer in from the Tobacco Securitization Fund, which exceeded the statutory required transfer out to the General Fund of \$22.5 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 2020:

**Lottery Fund** (\$5.1 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 total net position of \$5.1 million, a decrease of \$1.0 million in comparison with the prior fiscal year. Pursuant to state law, the State Lottery Fund distributed approximately \$123.7 million to the General Fund, \$4.5 million to the State Capital Construction Fund, and \$0.2 million to the Department of Social Services. For financial reporting purposes the \$4.5 million transfer to the State Capital Construction Fund is reported as a \$2.8 million transfer to the Water and Environment Fund, a \$1.0 million transfer to the Transportation Fund, and \$0.7 million transfer to the Ethanol Fuel Fund.

The State Lottery produced income (before transfers) in the amount of \$127.4 million on total revenue of \$177.0 million, compared to the previous fiscal year’s income (before transfers) of \$129.5 million on total revenue of \$179.6 million. The State Lottery realized an increase in state share of video lottery net machine income of \$2.3 million in fiscal year 2020. The growth is attributed to the continued introduction of line game terminals in video lottery establishments. The Lottery also experienced an increase in instant ticket sales of \$4.8 million resulting from continued research of instant ticket games that appeal to players. These increases were offset by a \$9.7 million decrease in on-line ticket sales because the absence of a major jackpot run.

**Clean Water State Revolving Fund** (\$260.1 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 highest priority.

At the end of the current fiscal year, the Clean Water State Revolving Fund reported total net position of \$260.1 million, an increase of \$11.7 million, or 4.7% in comparison to the prior fiscal year. This increase resulted primarily from the 298.2% or \$8.7 million increase federal capitalization grants issued to the fund by the United States Environmental Protection Agency for providing low interest loans.

**Drinking Water State Revolving Fund** (\$210.2 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 highest priority.

At the end of the current fiscal year, the Drinking Water Revolving Fund reported total net position of \$210.2 million, an increase of \$10.8 million, or 5.4% in comparison with the prior fiscal year. This increase resulted primarily from a 416.5% or \$9.1 million increase federal capitalization grants issued to the fund by the United States Environmental Protection Agency for providing low interest loans.

**Unemployment Insurance Fund** (\$147.1 million). The Unemployment Insurance Fund accounts for the reemployment assistance tax receipts from employers within the State of South Dakota and federal unemployment programs and benefits paid to unemployed persons. The Reemployment Assistance division provides temporary financial assistance for people who have lost their job through no fault of their own, until they find other employment. South Dakota's program is financed by employers through payroll taxes. During the fiscal year, the Unemployment Insurance Fund experienced significant increases in both revenues and expenses due to substantial increases in unemployment claims related to the COVID-19 pandemic. These increases resulted in the Unemployment Insurance Fund becoming a "major" proprietary fund in fiscal year 2020.

Unemployment benefit payments to individuals increased from \$26.4 million in the prior fiscal year to \$241.3 million, an 814.1% increase. Additionally, the receipts from employers and the Federal Government increased from \$39.4 million in fiscal year 2019 to \$247.6 million in the current fiscal year, a 527.8% increase. Most of this revenue increase came from federal programs passed in the CARES Act. This activity resulted in total net position of \$147.1 million, an increase of \$9.3 million, or 6.8% from the prior fiscal year.

### **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 \$23.9 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 (1) actual sales and use tax, contractors excise tax, and lottery revenues exceeding previous estimates, (2) gains from the refinancing of bonds being transferred to the General Fund, and (3) legislatively approved transfer from the Budget Reserve to the General Fund.

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

**Emergency Specials.** During the 2020 Legislative Session, the Legislature approved emergency special appropriations to the General Fund of \$30.4 million in fiscal year 2020. They consisted of the following:

- \$9.9 million was appropriated from the General Fund to the Department of Public Safety for the special emergency and disaster special revenue fund, for costs related to disasters in South Dakota.
- \$7.0 million was appropriated from the General Fund to Higher Education to contract for the construction of an Allied Health Facility and the demolition of Julian Hall and the Julian Hall Addition, rural veterinary medical

education program, the design and development of a new bioprocessing facility, and the development of the Cyber Incubator and Entrepreneurial Center.

- \$5.1 million was appropriated from the General Fund to the Bureau of Information and Telecommunications for upgrading the state radio infrastructure system.
- \$5.0 million was appropriated from the General Fund to the Governor's Office of Economic Development for expanding rural access to broadband services throughout South Dakota.
- \$1.6 million was appropriated from the General Fund to the Department of Health for the rural healthcare recruitment program and hemp testing.
- \$1.2 million was appropriated from the General Fund to the Bureau of Administration for the payment of legal expenses associated with litigation against the State. Due to the unpredictable nature of these items, the State does not budget estimated expenditures for defending the State against litigation. Instead the Legislature allows for payment of actual expenditures as costs are incurred and backfills the budget for the actual expenditure after the costs have been paid.
- \$0.6 million was appropriated from the General Fund to the Department of Revenue for tax refunds for the elderly and disabled and to the Department of the Military to construct a cold storage building.

**General Bill Increases.** The 2020 Legislature approved general bill adjustments that increased the General Fund original budget by \$17.0 million during fiscal year 2020. This increase consisted of the following:

- \$12.8 million increase in appropriations related to employee compensation and billing pools.
- \$2.8 million increase in appropriations to Higher Education for programs in Board of Regents Central Office, SD School of Mines and Technology, and Dakota State University.
- \$1.4 million total increases in appropriations to various state agencies for other increases.

### Decreases to the General Fund Budget

**General Bill Decreases.** The 2020 Legislature approved general bill adjustments that decreased the General Fund original budget by \$23.5 million during fiscal year 2020. These decreases consisted of the following:

- \$17.3 million decrease in appropriations to the Department of Social Services for programs in administration, economic assistance, medical services, and behavioral health.
- \$2.9 million decrease in appropriations to the Department of Education for programs in state aid to general education, sparsity payments, national board-certified teachers and counselors, and education resources.
- \$2.4 million decrease in appropriations to the Department of Human Services for programs in South Dakota Developmental Center and long-term services and supports.
- \$0.9 million decrease in appropriations to the Department of Corrections for programs in inmate services.

The net effect of the emergency special appropriations and general bill adjustments resulted in a \$23.9 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 \$86.1 million below final budgeted estimates.

## CAPITAL ASSETS

Investment in capital assets as of June 30, 2020 is \$4.5 billion (net of accumulated depreciation). This includes: land, land improvements, buildings, equipment, intangible assets, vehicles, infrastructure, and construction in progress.

| State of South Dakota               |                         |                     |                          |                 |                          |                     |
|-------------------------------------|-------------------------|---------------------|--------------------------|-----------------|--------------------------|---------------------|
| Capital Assets - Primary Government |                         |                     |                          |                 |                          |                     |
| (Expressed in Thousands)            |                         |                     |                          |                 |                          |                     |
|                                     | Governmental Activities |                     | Business-type Activities |                 | Total Primary Government |                     |
|                                     | FY2020                  | FY2019              | FY2020                   | FY2019          | FY2020                   | FY2019              |
| Land                                | \$ 123,053              | \$ 122,832          | \$ 295                   | \$ 295          | \$ 123,348               | \$ 123,127          |
| Land Improvements                   | 68,774                  | 67,627              | 1,096                    | 924             | 69,870                   | 68,551              |
| Land Improvements - Roads           | 637,242                 | 636,272             |                          |                 | 637,242                  | 636,272             |
| Buildings                           | 750,938                 | 687,905             | 8,591                    | 8,591           | 759,529                  | 696,496             |
| Equipment                           | 258,441                 | 251,679             | 4,190                    | 3,993           | 262,631                  | 255,672             |
| Intangible Assets - Software        | 132,167                 | 127,406             | 2,620                    | 2,620           | 134,787                  | 130,026             |
| Vehicles                            | 182,651                 | 178,801             |                          |                 | 182,651                  | 178,801             |
| Infrastructure                      | 4,386,511               | 4,239,596           |                          |                 | 4,386,511                | 4,239,596           |
| Construction in Progress            | 345,063                 | 331,002             | 267                      | 235             | 345,330                  | 331,237             |
| <b>Total Capital Assets</b>         | <b>6,884,840</b>        | <b>6,643,120</b>    | <b>17,059</b>            | <b>16,658</b>   | <b>6,901,899</b>         | <b>6,659,778</b>    |
| Accumulated Depreciation            | (2,417,074)             | (2,318,430)         | (10,504)                 | (10,007)        | (2,427,578)              | (2,328,437)         |
| <b>Total Capital Assets, Net</b>    | <b>\$ 4,467,766</b>     | <b>\$ 4,324,690</b> | <b>\$ 6,555</b>          | <b>\$ 6,651</b> | <b>\$ 4,474,321</b>      | <b>\$ 4,331,341</b> |

The most significant capital asset the State reported in fiscal year 2020 is infrastructure. Infrastructure assets are long-lived capital assets that are normally stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Infrastructure assets account for \$2.6 billion (net of accumulated depreciation), which is 58.4% of total net capital assets.

The State's investment in capital assets (net of accumulated depreciation) increased \$146.3 million or 3.4% 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, 2020, 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 lease 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, 2020, the uninsured rating for SDBA from both Standard & Poor's and Fitch Rating was AA+ with a stable outlook and Moody's Investor Service was Aa1 with a stable outlook, all rating obligation lower than the State's ICR.

SDBA issued \$7.1 million of revenue bonds for the primary government in fiscal year 2020. Proceeds from these bonds were used to refund and defease previously issued bonds. SDBA also issued \$65.8 million of revenue bonds for Higher Education. The proceeds of these bonds were also used to refund and defease previously issued bonds. The completed refunding produced \$5.1 million cash savings to the General Fund.

**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 of any political subdivision or agency thereof. EEFC has no taxing power. The bonds and all related financial transactions of EEFC are reported as part of the Governmental Activities in the State's Basic Financial Statements.

EEFC did not issue any bonds in fiscal year 2020.

**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 for the purpose of constructing 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 for 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.

At June 30, 2020, the SDCD had maintained its long-term rating of AAA with a positive outlook by Standard & Poor’s and Aaa by Moody’s Investor Service.

In fiscal year 2020, SDCD did not issue any new bonds for CWSRF or DWSRF programs.

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

|   | <b>Governmental<br/>Activities</b> |                   | <b>Business-type<br/>Activities</b> |                   | <b>Total Primary<br/>Government</b> |                   |
|---|------------------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|-------------------|
|   | <b>FY2020</b>                      | <b>FY2019</b>     | <b>FY2020</b>                       | <b>FY2019</b>     | <b>FY2020</b>                       | <b>FY2019</b>     |
| Revenue Bonds:                              |                                    |                   |                                     |                   |                                     |                   |
| South Dakota Building Authority             | \$ 76,215                          | \$ 79,055         | \$                                  | \$                | \$ 76,215                           | \$ 79,055         |
| Educational Enhancement Funding Corporation | 70,549                             | 81,784            |                                     |                   | 70,549                              | 81,784            |
| South Dakota Conservancy District           |                                    |                   | 351,302                             | 375,803           | 351,302                             | 375,803           |
| Capital Leases:                             | 133,352                            | 136,417           |                                     |                   | 133,352                             | 136,417           |
| <b>Total</b>                                | <b>\$ 280,116</b>                  | <b>\$ 297,256</b> | <b>\$ 351,302</b>                   | <b>\$ 375,803</b> | <b>\$ 631,418</b>                   | <b>\$ 673,059</b> |

Additional information on the State’s long-term debt obligations can be found in *Note 14. Long-Term Liabilities* in the Notes to the Financial Statements.

***ECONOMIC CONDITIONS AND OUTLOOK***

Despite the pandemic, nonfarm employment in South Dakota was among the best in the nation during fiscal year 2020. Nonfarm employment decreased by 5.3% from the prior year compared to a decrease of 8.6% nationally. Similarly, the unemployment rate in South Dakota remained among the lowest in the nation in fiscal year 2020. South Dakota’s unemployment rate was 7.2% in June 2020, while the U.S. unemployment rate was 11.1% the same month. In the second quarter of 2020, South Dakota’s nonfarm personal income grew 9.8%, lower than the U.S. growth rate of 10.4%.

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 <http://bfm.sd.gov>.

The State’s discretely presented component units, with the exception of Higher Education and the South Dakota Value Added Finance Authority, 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 visit their website at <http://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, 2020  
(Expressed in Thousands)

|   | Primary Government      |                          |                     |
|---|-------------------------|--------------------------|---------------------|
|   | Governmental Activities | Business-type Activities | Total               |
| <b>Assets</b>                                   |                         |                          |                     |
| Cash and Cash Equivalents                       | \$ 2,190,950            | \$ 426,919               | \$ 2,617,869        |
| Receivables, net                                | 619,176                 | 566,805                  | 1,185,981           |
| Due From Component Units                        | 1,048                   | 52                       | 1,100               |
| Due From Primary Government                     |                         |                          | 0                   |
| Internal Balances                               | 6,617                   | (6,617)                  | 0                   |
| Investments                                     | 1,183,600               | 167,865                  | 1,351,465           |
| Securities Held as Escheat Property             | 469                     |                          | 469                 |
| Inventory                                       | 24,696                  | 2,303                    | 26,999              |
| Advances to Component Units                     | 1,193                   | 18,063                   | 19,256              |
| Other Assets                                    | 12,469                  | 156                      | 12,625              |
| <b>Assets Held for Resale</b>                   |                         | <b>321</b>               | <b>321</b>          |
| Restricted Assets:                              |                         |                          |                     |
| Cash and Cash Equivalents                       | 3,384                   | 26                       | 3,410               |
| Investments                                     | 19,373                  | 372                      | 19,745              |
| Net Pension Asset                               | 2,146                   | 50                       | 2,196               |
| Other   |                         | 675                      | 675                 |
| Capital Assets:                                 |                         |                          |                     |
| Land and Other Non-depreciable Assets           | 770,913                 | 295                      | 771,208             |
| Infrastructure, net                             | 2,614,837               |                          | 2,614,837           |
| Property, Plant, and Equipment, net             | 736,953                 | 5,993                    | 742,946             |
| Construction in Progress                        | 345,063                 | 267                      | 345,330             |
| <b>Total Assets</b>                             | <b>8,532,887</b>        | <b>1,183,545</b>         | <b>9,716,432</b>    |
| <b>Deferred Outflows of Resources</b>           |                         |                          |                     |
| Deferred Outflow Related to Pensions            | 113,026                 | 2,703                    | 115,729             |
| Deferred Swap Outflow                           |                         |                          | 0                   |
| Deferred Forward Contract Outflow               |                         |                          | 0                   |
| Deferred Outflow on Debt Refunding              | 3,934                   | 7,307                    | 11,241              |
| <b>Total Deferred Outflows of Resources</b>     | <b>116,960</b>          | <b>10,010</b>            | <b>126,970</b>      |
| <b>Liabilities</b>                              |                         |                          |                     |
| Accounts Payable and Other Liabilities          | 391,517                 | 26,221                   | 417,738             |
| Due To Primary Government                       |                         |                          | 0                   |
| Due To Component Units                          | 1,144                   |                          | 1,144               |
| Accrued Interest Payable                        | 566                     | 5,928                    | 6,494               |
| Unearned Revenue                                | 1,209,641               | 2,242                    | 1,211,883           |
| Noncurrent Liabilities:                         |                         |                          |                     |
| Due Within One Year                             | 87,964                  | 24,374                   | 112,338             |
| Due In More Than One Year                       | 341,753                 | 330,015                  | 671,768             |
| <b>Total Liabilities</b>                        | <b>2,032,585</b>        | <b>388,780</b>           | <b>2,421,365</b>    |
| <b>Deferred Inflows of Resources</b>            |                         |                          |                     |
| Deferred Inflow Related to Pensions             | 43,715                  | 1,041                    | 44,756              |
| Deferred Forward Contract Inflow                |                         |                          | 0                   |
| Deferred Inflow on Gain on Debt Refunding       |                         |                          | 0                   |
| Deferred Inflow on Swaps                        |                         |                          | 0                   |
| <b>Total Deferred Inflows of Resources</b>      | <b>43,715</b>           | <b>1,041</b>             | <b>44,756</b>       |
| <b>Net Position</b>                             |                         |                          |                     |
| Net Investment in Capital Assets                | 4,259,851               | 6,552                    | 4,266,403           |
| Restricted for:                                 |                         |                          |                     |
| Education                                       | 350,208                 |                          | 350,208             |
| Highways  | 222,811                 |                          | 222,811             |
| Railroads                                       | 24,387                  |                          | 24,387              |
| Law, Justice, Public Protection, and Regulation | 20,162                  |                          | 20,162              |
| Agriculture and Natural Resources               | 86,913                  |                          | 86,913              |
| Game and Fish                                   | 6,045                   |                          | 6,045               |
| Parks and Recreation                            | 3,475                   |                          | 3,475               |
| Health and Public Assistance                    | 22,356                  |                          | 22,356              |
| Economic Development                            | 55,642                  |                          | 55,642              |
| Debt Service                                    | 23,531                  |                          | 23,531              |
| Capital Projects                                | 324                     |                          | 324                 |
| HOME and NSP Program                            |                         |                          | 0                   |
| Energy Conservation Programs                    | 12,566                  |                          | 12,566              |
| Higher Education - Expendable                   |                         |                          | 0                   |
| Higher Education - Nonexpendable                |                         |                          | 0                   |
| Funds Held as Permanent Investments:            |                         |                          |                     |
| Expendable                                      | 256,117                 |                          | 256,117             |
| Nonexpendable                                   | 558,300                 |                          | 558,300             |
| Pensions  | 71,457                  | 1,712                    | 73,169              |
| Disaster Relief Fund                            |                         | 10,500                   | 10,500              |
| Maintenance Support Facility                    |                         |                          | 0                   |
| Experiments                                     |                         |                          | 0                   |
| Mine Closure                                    |                         |                          | 0                   |
| Sanford Center for Science Education            |                         |                          | 0                   |
| Other Purposes                                  | 12,444                  | 2,546                    | 14,990              |
| Unrestricted                                    | 586,958                 | 782,424                  | 1,369,382           |
| <b>Net Position</b>                             | <b>\$ 6,573,547</b>     | <b>\$ 803,734</b>        | <b>\$ 7,377,281</b> |

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

| Component Units   |                                  |                     |                  |  |
|-------------------|----------------------------------|---------------------|------------------|--|
| Housing Authority | Science and Technology Authority | Higher Education    | Nonmajor         |  |
| \$ 254,250        | \$ 20,424                        | \$ 280,869          | \$ 19,039        |  |
| 431,325           | 2,647                            | 124,442             | 9,510            |  |
|                   |                                  | 1,144               |                  |  |
| 1,246,414         |                                  | 455,518             | 1,887            |  |
| 3,530             | 2,451                            | 6,841               |                  |  |
| 416               | 9,577                            | 18,991              | 120              |  |
|                   |                                  |                     | 3,855            |  |
|                   |                                  | 31,238              | 2,602            |  |
|                   |                                  | 160,735             | 3,240            |  |
| 16                | 52                               | 1,546               |                  |  |
|                   |                                  | 30,027              |                  |  |
| 220               | 19,821                           | 46,086              |                  |  |
| 4,859             | 59,061                           | 1,217,718           | 19,101           |  |
|                   | 1,824                            | 103,824             |                  |  |
| <b>1,941,030</b>  | <b>115,857</b>                   | <b>2,478,979</b>    | <b>59,354</b>    |  |
| 901               | 2,943                            | 80,241              |                  |  |
| 9,401             |                                  |                     |                  |  |
| 949               |                                  |                     |                  |  |
| 2,879             |                                  | 11,846              |                  |  |
| <b>14,130</b>     | <b>2,943</b>                     | <b>92,087</b>       | <b>0</b>         |  |
| 4,710             | 1,988                            | 46,238              | 960              |  |
| 92                |                                  | 1,008               |                  |  |
| 6,294             |                                  | 3,747               | 112              |  |
|                   |                                  | 26,200              | 3,260            |  |
| 51,919            | 758                              | 67,439              | 2,184            |  |
| 1,278,552         | 6,758                            | 586,372             | 28,438           |  |
| <b>1,341,567</b>  | <b>9,504</b>                     | <b>731,004</b>      | <b>34,954</b>    |  |
| 345               | 1,267                            | 31,494              |                  |  |
| 86                |                                  |                     |                  |  |
| 2,758             |                                  | 216                 |                  |  |
| 331               |                                  |                     |                  |  |
| <b>3,520</b>      | <b>1,267</b>                     | <b>31,710</b>       | <b>0</b>         |  |
| (951)             | 80,706                           | 872,148             | 522              |  |
| 516,496           |                                  | 3,416               | 5,000            |  |
| 79,510            |                                  |                     |                  |  |
|                   |                                  | 258,324             |                  |  |
|                   |                                  | 485,391             |                  |  |
| 572               | 1,728                            | 50,293              |                  |  |
|                   | 4,676                            |                     |                  |  |
|                   | 729                              |                     |                  |  |
|                   | 1,521                            |                     |                  |  |
|                   | 83                               |                     |                  |  |
| 14,446            | 7,500                            |                     |                  |  |
|                   | 11,086                           | 138,780             | 18,878           |  |
| <b>\$ 610,073</b> | <b>\$ 108,029</b>                | <b>\$ 1,808,352</b> | <b>\$ 24,400</b> |  |

**STATE OF SOUTH DAKOTA**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2020**  
**(Expressed in Thousands)**

| Functions/Programs  | Expenses            | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
|---|---------------------|----------------------|------------------------------------|----------------------------------|
| <b>Primary Government:</b>                                |                     |                      |                                    |                                  |
| <b>Governmental Activities:</b>                           |                     |                      |                                    |                                  |
| General Government  | \$ 209,723          | \$ 272,984           | \$ 15,379                          | \$                               |
| Education - Elementary, Secondary, and Vocational Schools | 223,524             | 8,750                | 181,574                            |                                  |
| Education - State Support to Higher Education             | 229,545             |                      |                                    |                                  |
| Health, Human, and Social Services                        | 1,544,824           | 34,115               | 977,457                            | 2,211                            |
| Law, Justice, Public Protection, and Regulation           | 313,534             | 89,945               | 84,540                             |                                  |
| Agriculture and Natural Resources                         | 157,010             | 84,795               | 45,941                             | 8,979                            |
| Economic Resources  | 45,920              | 178                  | 12,888                             |                                  |
| Transportation  | 676,547             | 16,519               | 482,627                            | 5,571                            |
| Pandemic Response   | 116,299             |                      | 118,137                            |                                  |
| Intergovernmental - Payments to School Districts          | 563,878             |                      |                                    |                                  |
| Intergovernmental - Revenue Sharing                       | 196,425             |                      |                                    |                                  |
| Unallocated Interest Expense                              | 6,861               |                      |                                    |                                  |
| Unallocated Depreciation                                  | 53                  |                      |                                    |                                  |
| <b>Total Governmental Activities</b>                      | <b>4,284,143</b>    | <b>507,286</b>       | <b>1,918,543</b>                   | <b>16,761</b>                    |
| <b>Business-type Activities:</b>                          |                     |                      |                                    |                                  |
| Lottery   | 50,484              | 177,306              | 583                                |                                  |
| Clean Water State Revolving                               | 13,516              | 7,401                | 17,838                             |                                  |
| Drinking Water State Revolving                            | 9,349               | 5,033                | 15,220                             |                                  |
| Unemployment Insurance                                    | 241,343             | 30,105               | 221,315                            |                                  |
| Revolving Economic Development and Initiative             | 1,877               | 911                  | 5,064                              |                                  |
| Second Injury   | 963                 | 1                    | 147                                |                                  |
| State Fair  | 3,892               | 3,176                | 50                                 | 19                               |
| Federal Surplus Property                                  | 2,302               | 1,973                | 4                                  |                                  |
| Rural Rehabilitation                                      | (152)               | 101                  | 266                                |                                  |
| Prison Industries   | 3,490               | 3,781                | 30                                 |                                  |
| S.D. Trust Company Captive Insurance Co.                  | 30                  | (64)                 | 108                                |                                  |
| Professional and Licensing                                | 9,231               | 8,553                | 629                                |                                  |
| Banking and Insurance                                     | 5,565               | 5,963                | 376                                |                                  |
| Other   | 3,498               | 4,884                | 44                                 |                                  |
| <b>Total Business-type Activities</b>                     | <b>345,388</b>      | <b>249,124</b>       | <b>261,674</b>                     | <b>19</b>                        |
| <b>Total Primary Government</b>                           | <b>\$ 4,629,531</b> | <b>\$ 756,410</b>    | <b>\$ 2,180,217</b>                | <b>\$ 16,780</b>                 |
| <b>Component Units:</b>                                   |                     |                      |                                    |                                  |
| Housing Authority   | \$ 83,978           | \$ 116,228           | \$ 30,896                          | \$                               |
| Science and Technology Authority                          | 33,393              | 405                  | 29,814                             | 2,926                            |
| Higher Education  | 846,233             | 433,767              | 164,344                            | 6,967                            |
| Nonmajor  | 6,026               | 4,302                | 303                                |                                  |
| <b>Total Component Units</b>                              | <b>\$ 969,630</b>   | <b>\$ 554,702</b>    | <b>\$ 225,357</b>                  | <b>\$ 9,893</b>                  |

**General Revenues:**

**Taxes:**

Sales Taxes

Motor Fuel Taxes

Contractors Excise Taxes

Bank Card and Franchise Taxes

Other Taxes

Investment Earnings

State Support to Higher Education

Gain on Sale of Capital Assets

Miscellaneous

Additions to Endowments

Special Items - Impairment of Capital Asset

Transfers

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

**Changes in Net Position**

Net Position at Beginning of Year, as restated

**Net Position at End of Year**

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

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

| Primary Government      |                          |                     | Component Units   |                                  |                     |                  |
|-------------------------|--------------------------|---------------------|-------------------|----------------------------------|---------------------|------------------|
| Governmental Activities | Business-type Activities | Total               | Housing Authority | Science and Technology Authority | Higher Education    | Nonmajor         |
| \$ 78,640               | \$                       | \$ 78,640           |                   |                                  |                     |                  |
| (33,200)                |                          | (33,200)            |                   |                                  |                     |                  |
| (229,545)               |                          | (229,545)           |                   |                                  |                     |                  |
| (531,041)               |                          | (531,041)           |                   |                                  |                     |                  |
| (139,049)               |                          | (139,049)           |                   |                                  |                     |                  |
| (17,295)                |                          | (17,295)            |                   |                                  |                     |                  |
| (32,854)                |                          | (32,854)            |                   |                                  |                     |                  |
| (171,830)               |                          | (171,830)           |                   |                                  |                     |                  |
| 1,838                   |                          | 1,838               |                   |                                  |                     |                  |
| (563,878)               |                          | (563,878)           |                   |                                  |                     |                  |
| (196,425)               |                          | (196,425)           |                   |                                  |                     |                  |
| (6,861)                 |                          | (6,861)             |                   |                                  |                     |                  |
| (53)                    |                          | (53)                |                   |                                  |                     |                  |
| <b>(1,841,553)</b>      | <b>0</b>                 | <b>(1,841,553)</b>  |                   |                                  |                     |                  |
|                         | 127,405                  | 127,405             |                   |                                  |                     |                  |
|                         | 11,723                   | 11,723              |                   |                                  |                     |                  |
|                         | 10,904                   | 10,904              |                   |                                  |                     |                  |
|                         | 10,077                   | 10,077              |                   |                                  |                     |                  |
|                         | 4,098                    | 4,098               |                   |                                  |                     |                  |
|                         | (815)                    | (815)               |                   |                                  |                     |                  |
|                         | (647)                    | (647)               |                   |                                  |                     |                  |
|                         | (325)                    | (325)               |                   |                                  |                     |                  |
|                         | 519                      | 519                 |                   |                                  |                     |                  |
|                         | 321                      | 321                 |                   |                                  |                     |                  |
|                         | 14                       | 14                  |                   |                                  |                     |                  |
|                         | (49)                     | (49)                |                   |                                  |                     |                  |
|                         | 774                      | 774                 |                   |                                  |                     |                  |
|                         | 1,430                    | 1,430               |                   |                                  |                     |                  |
| <b>0</b>                | <b>165,429</b>           | <b>165,429</b>      |                   |                                  |                     |                  |
| <b>(1,841,553)</b>      | <b>165,429</b>           | <b>(1,676,124)</b>  |                   |                                  |                     |                  |
|                         |                          |                     | \$ 63,146         | \$                               | \$                  | \$               |
|                         |                          |                     |                   | (248)                            |                     |                  |
|                         |                          |                     |                   |                                  | (241,155)           |                  |
|                         |                          |                     |                   |                                  |                     | (1,421)          |
|                         |                          |                     | <b>63,146</b>     | <b>(248)</b>                     | <b>(241,155)</b>    | <b>(1,421)</b>   |
| 1,149,732               |                          | 1,149,732           |                   |                                  |                     |                  |
| 184,949                 |                          | 184,949             |                   |                                  |                     |                  |
| 132,043                 |                          | 132,043             |                   |                                  |                     |                  |
| 44,727                  |                          | 44,727              |                   |                                  |                     |                  |
| 385,180                 |                          | 385,180             |                   |                                  |                     |                  |
| 91,816                  |                          | 91,816              |                   | 760                              | 62,221              | 832              |
|                         |                          | 0                   |                   |                                  | 229,545             |                  |
| 1,515                   |                          | 1,515               |                   |                                  |                     | 745              |
| 61,664                  |                          | 61,664              |                   |                                  |                     |                  |
|                         |                          | 0                   |                   |                                  | 26,141              |                  |
| (3,636)                 |                          | (3,636)             |                   |                                  |                     |                  |
| 121,805                 | (121,805)                | 0                   |                   |                                  |                     |                  |
| <b>2,169,795</b>        | <b>(121,805)</b>         | <b>2,047,990</b>    | <b>0</b>          | <b>760</b>                       | <b>317,907</b>      | <b>1,577</b>     |
| <b>328,242</b>          | <b>43,624</b>            | <b>371,866</b>      | <b>63,146</b>     | <b>512</b>                       | <b>76,752</b>       | <b>156</b>       |
| 6,245,305               | 760,110                  | 7,005,415           | 546,927           | 107,517                          | 1,731,600           | 24,244           |
| <b>\$ 6,573,547</b>     | <b>\$ 803,734</b>        | <b>\$ 7,377,281</b> | <b>\$ 610,073</b> | <b>\$ 108,029</b>                | <b>\$ 1,808,352</b> | <b>\$ 24,400</b> |

**STATE OF SOUTH DAKOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020  
(Expressed in Thousands)**

|  | <b>General<br/>Fund</b> | <b>Transport-<br/>ation</b> | <b>Social<br/>Services<br/>Federal</b> | <b>COVID-19<br/>Federal</b> | <b>Dakota<br/>Cement<br/>Trust</b> | <b>Education<br/>Enhancement<br/>Trust</b> | <b>Nonmajor</b>   | <b>Total</b>        |
|--|-------------------------|-----------------------------|--|-----------------------------|------------------------------------|--|-------------------|---------------------|
| <b>Assets</b>  |                         |                             |  |                             |                                    |  |                   |                     |
| Cash and Cash Equivalents  | \$ 439,009              | \$ 181,479                  | \$ 667                                 | \$ 1,176,278                | \$ 188                             | \$ 410                                     | \$ 308,370        | \$ 2,106,401        |
| Restricted Cash  | 3,382                   |                             |  |                             |                                    |  | 2                 | 3,384               |
| Investments  |                         |                             |  |                             | 333,161                            | 628,795                                    | 221,644           | 1,183,600           |
| Restricted Investments   |                         |                             |  |                             |                                    |  | 19,373            | 19,373              |
| Securities Held as Escheat Property  | 469                     |                             |  |                             |                                    |  |                   | 469                 |
| Receivables from:  |                         |                             |  |                             |                                    |  |                   |                     |
| Taxes, net   | 226,995                 | 17,100                      |  |                             |                                    |  | 2,986             | 247,081             |
| Interest and Dividends   | 4,686                   | 681                         | 3                                      |                             | 475                                | 1,195                                      | 1,650             | 8,690               |
| Other Funds  | 80,750                  | 1,707                       |  | 3,474                       |                                    |  | 7,315             | 93,246              |
| Component Units  | 53                      | 13                          |  |                             |                                    |  | 402               | 468                 |
| Other Governments  | 1,814                   | 91,341                      | 14,242                                 | 19,906                      |                                    |  | 111,740           | 239,043             |
| Loans and Notes, net   |                         | 5,680                       |  |                             |                                    |  | 59,211            | 64,891              |
| Other, net   | 13,836                  | 1,636                       | 16,641                                 | 1,658                       |                                    | 362  | 18,013            | 52,146              |
| Inventory  | 2,735                   | 17,391                      | 15                                     | 1,170                       |                                    |  | 2,372             | 23,683              |
| Advances to Component Units  |                         |                             |  |                             |                                    |  | 1,193             | 1,193               |
| Other Assets   | 2,565                   | 241                         | 1,217                                  | 62                          |                                    |  | 3,880             | 7,965               |
| <b>Total Assets</b>  | <b>\$ 776,294</b>       | <b>\$ 317,269</b>           | <b>\$ 32,785</b>                       | <b>\$ 1,202,548</b>         | <b>\$ 333,824</b>                  | <b>\$ 630,762</b>                          | <b>\$ 758,151</b> | <b>\$ 4,051,633</b> |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>       |                         |                             |  |                             |                                    |  |                   |                     |
| <b>Liabilities:</b>  |                         |                             |  |                             |                                    |  |                   |                     |
| Accounts Payable and Other Liabilities                                     | \$ 134,302              | \$ 66,382                   | \$ 28,510                              | \$ 18,451                   | \$ 15                              | \$ 50                                      | \$ 50,222         | \$ 297,932          |
| Payable to:  |                         |                             |  |                             |                                    |  |                   |                     |
| Other Funds  | 4,376                   | 1,679                       | 1,078                                  | 24,544                      |                                    | 22,515                                     | 40,743            | 94,935              |
| Component Units  | 23                      | 69                          | 117                                    | 205                         |                                    |  | 665               | 1,079               |
| Other Governments  | 17,012                  | 12,124                      | 46                                     | 9,750                       |                                    |  | 66,917            | 105,849             |
| Claims, Judgments, and Compensated Absences                                | 197                     | 50                          | 15                                     | 1                           |                                    |  | 133               | 396                 |
| Unearned Revenue   | 29,396                  | 2,172                       | 164                                    | 1,148,363                   |                                    |  | 16,508            | 1,196,603           |
| <b>Total Liabilities</b>   | <b>185,306</b>          | <b>82,476</b>               | <b>29,930</b>                          | <b>1,201,314</b>            | <b>15</b>                          | <b>22,565</b>                              | <b>175,188</b>    | <b>1,696,794</b>    |
| <b>Deferred Inflows of Resources:</b>                                      |                         |                             |  |                             |                                    |  |                   |                     |
| Unavailable Revenue  | 64,617                  |                             |  |                             |                                    |  | 14,414            | 79,031              |
| <b>Total Deferred Inflows of Resources</b>                                 | <b>64,617</b>           | <b>0</b>                    | <b>0</b>                               | <b>0</b>                    | <b>0</b>                           | <b>0</b>                                   | <b>14,414</b>     | <b>79,031</b>       |
| <b>Fund Balances:</b>  |                         |                             |  |                             |                                    |  |                   |                     |
| Nonspendable   | 5,300                   | 17,632                      | 1,232                                  | 1,233                       |                                    | 410,924                                    | 151,075           | 587,396             |
| Restricted   | 3,382                   | 217,161                     |  | 1                           | 333,809                            | 197,273                                    | 350,620           | 1,102,246           |
| Committed  |                         |                             |  |                             |                                    |  | 51,243            | 51,243              |
| Assigned   | 136,363                 |                             | 1,623                                  |                             |                                    |  | 23,970            | 161,956             |
| Unassigned   | 381,326                 |                             |  |                             |                                    |  | (8,359)           | 372,967             |
| <b>Total Fund Balances</b>   | <b>526,371</b>          | <b>234,793</b>              | <b>2,855</b>                           | <b>1,234</b>                | <b>333,809</b>                     | <b>608,197</b>                             | <b>568,549</b>    | <b>2,275,808</b>    |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 776,294</b>       | <b>\$ 317,269</b>           | <b>\$ 32,785</b>                       | <b>\$ 1,202,548</b>         | <b>\$ 333,824</b>                  | <b>\$ 630,762</b>                          | <b>\$ 758,151</b> | <b>\$ 4,051,633</b> |

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

**STATE OF SOUTH DAKOTA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2020  
(Expressed in Thousands)**

|   |                    |                            |
|---|--------------------|----------------------------|
| <b>Total Fund Balances - Governmental Funds</b>   |                    | <b>\$ 2,275,808</b>        |
| <b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>   |                    |                            |
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds. These assets consist of:  |                    |                            |
| Land and Construction in Progress   | \$ 1,114,919       |                            |
| Infrastructure  | 4,386,509          |                            |
| Other Capital Assets  | 1,270,658          |                            |
| Accumulated Depreciation  | <u>(2,337,970)</u> |                            |
| Total Capital Assets  |                    | 4,434,116                  |
| Net pension asset used in governmental activities is not a financial resource and is therefore not reported in the governmental funds.  |                    |                            |
|   |                    | 1,992                      |
| Deferred outflows of resources are not reported in the governmental funds:  |                    |                            |
| Related to Pension  | 104,911            |                            |
| Related to Debt Refunding   | <u>3,934</u>       |                            |
| Total Deferred Outflows of Resources  |                    | 108,845                    |
| 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. |                    |                            |
|   |                    | 48,563                     |
| 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   | (146,763)          |                            |
| Accrued Interest on Bonds   | (566)              |                            |
| Capital Leases  | (115,675)          |                            |
| Compensated Absences  | (58,587)           |                            |
| Pollution Remediation   | <u>(12,646)</u>    |                            |
| Total Long-Term Liabilities   |                    | (334,237)                  |
| 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  | 79,031             |                            |
| Related to Pensions   | <u>(40,571)</u>    |                            |
| Total Deferred Inflows of Resources   |                    | <u>38,460</u>              |
| <b>Net Position of Governmental Activities</b>  |                    | <b><u>\$ 6,573,547</u></b> |

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

**STATE OF SOUTH DAKOTA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|   | <b>General<br/>Fund</b> | <b>Transport-<br/>ation</b> | <b>Social<br/>Services<br/>Federal</b> | <b>COVID-19<br/>Federal</b> | <b>Dakota<br/>Cement<br/>Trust</b> | <b>Education<br/>Enhancement<br/>Trust</b> | <b>Nonmajor</b>   | <b>Total</b>        |
|---|-------------------------|-----------------------------|--|-----------------------------|------------------------------------|--|-------------------|---------------------|
| <b>Revenue:</b>   |                         |                             |  |                             |                                    |  |                   |                     |
| Taxes   | \$ 1,472,523            | \$ 298,286                  | \$                                     | \$                          | \$                                 | \$   | \$ 99,970         | \$ 1,870,779        |
| Licenses, Permits, and Fees                             | 11,947                  | 13,536                      |  |                             |                                    |  | 287,231           | 312,714             |
| Fines, Forfeits, and Penalties                          | 303                     |                             |  |                             |                                    |  | 18,394            | 18,697              |
| Use of Money and Property                               | 42,616                  | 6,267                       | 38                                     |                             | 15,777                             | 24,421                                     | 27,575            | 116,694             |
| Sales and Services                                      | 21,049                  | 645                         |  |                             |                                    |  | 19,870            | 41,564              |
| Administering Programs                                  | 1                       | 481,878                     | 624,689                                | 118,139                     |                                    |  | 664,530           | 1,889,237           |
| Tobacco Settlement                                      |                         |                             |  |                             |                                    |  | 20,865            | 20,865              |
| Other Revenue   | 46,162                  | 1,074                       | 4,967                                  |                             |                                    |  | 26,437            | 78,640              |
| <b>Total Revenue</b>                                    | <b>1,594,601</b>        | <b>801,686</b>              | <b>629,694</b>                         | <b>118,139</b>              | <b>15,777</b>                      | <b>24,421</b>                              | <b>1,164,872</b>  | <b>4,349,190</b>    |
| <b>Expenditures:</b>                                    |                         |                             |  |                             |                                    |  |                   |                     |
| Current:  |                         |                             |  |                             |                                    |  |                   |                     |
| General Government                                      | 59,980                  |                             |  |                             | 1,105                              | 2,043                                      | 41,247            | 104,375             |
| Education   | 30,957                  |                             |  |                             |                                    |  | 190,733           | 221,690             |
| Education - Payments to School Districts                | 563,878                 |                             |  |                             |                                    |  |                   | 563,878             |
| Education - State Support to Higher Education           | 229,545                 |                             |  |                             |                                    |  |                   | 229,545             |
| Health, Human, and Social Services                      | 520,353                 |                             | 629,345                                |                             |                                    |  | 373,860           | 1,523,558           |
| Law, Justice, Public Protection, and Regulation         | 159,126                 | 16,967                      |  |                             |                                    |  | 128,743           | 304,836             |
| Agriculture and Natural Resources                       | 18,026                  |                             |  |                             |                                    |  | 146,850           | 164,876             |
| Economic Resources                                      | 23,466                  |                             |  |                             |                                    |  | 21,792            | 45,258              |
| Transportation  |                         | 782,315                     |  |                             |                                    |  | 6,265             | 788,580             |
| Pandemic Response                                       |                         |                             |  | 116,299                     |                                    |  |                   | 116,299             |
| State Shared Revenue Paid to<br>Other Governments       | 50,607                  |                             |  |                             |                                    |  | 145,818           | 196,425             |
| Capital Outlay  |                         |                             |  |                             |                                    |  | 13,912            | 13,912              |
| Debt Service:   |                         |                             |  |                             |                                    |  |                   |                     |
| Principal   |                         |                             |  |                             |                                    |  | 14,280            | 14,280              |
| Interest  |                         |                             |  |                             |                                    |  | 6,510             | 6,510               |
| Bond Issuance Costs                                     |                         |                             |  |                             |                                    |  | 65                | 65                  |
| <b>Total Expenditures</b>                               | <b>1,655,938</b>        | <b>799,282</b>              | <b>629,345</b>                         | <b>116,299</b>              | <b>1,105</b>                       | <b>2,043</b>                               | <b>1,090,075</b>  | <b>4,294,087</b>    |
| <b>Excess of Revenues Over<br/>(Under) Expenditures</b> | <b>(61,337)</b>         | <b>2,404</b>                | <b>349</b>                             | <b>1,840</b>                | <b>14,672</b>                      | <b>22,378</b>                              | <b>74,797</b>     | <b>55,103</b>       |
| <b>Other Financing Sources (Uses):</b>                  |                         |                             |  |                             |                                    |  |                   |                     |
| Proceeds from Sale of Capital Assets                    | 78                      | 2,535                       |  |                             |                                    |  | 282               | 2,895               |
| Insurance Proceeds                                      |                         | 15                          |  |                             |                                    |  |                   | 15                  |
| Proceeds of Refunding Bonds                             |                         |                             |  |                             |                                    |  | 7,130             | 7,130               |
| Payments on Advance Refundings                          |                         |                             |  |                             |                                    |  | (6,469)           | (6,469)             |
| Transfers In  | 236,152                 | 8,787                       |  |                             |                                    | 8,442                                      | 36,028            | 289,409             |
| Transfers Out   | (25,706)                | (4,865)                     | (148)                                  | (606)                       | (13,005)                           | (22,515)                                   | (102,221)         | (169,066)           |
| <b>Net Other Financing Sources (Uses)</b>               | <b>210,524</b>          | <b>6,472</b>                | <b>(148)</b>                           | <b>(606)</b>                | <b>(13,005)</b>                    | <b>(14,073)</b>                            | <b>(65,250)</b>   | <b>123,914</b>      |
| <b>Net Change in Fund Balances</b>                      | <b>149,187</b>          | <b>8,876</b>                | <b>201</b>                             | <b>1,234</b>                | <b>1,667</b>                       | <b>8,305</b>                               | <b>9,547</b>      | <b>179,017</b>      |
| Fund Balances at Beginning of Year                      | 377,184                 | 225,917                     | 2,654                                  | 0                           | 332,142                            | 599,892                                    | 559,002           | 2,096,791           |
| <b>Fund Balances at End of Year</b>                     | <b>\$ 526,371</b>       | <b>\$ 234,793</b>           | <b>\$ 2,855</b>                        | <b>\$ 1,234</b>             | <b>\$ 333,809</b>                  | <b>\$ 608,197</b>                          | <b>\$ 568,549</b> | <b>\$ 2,275,808</b> |

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

**STATE OF SOUTH DAKOTA  
RECONCILIATION OF THE CHANGE IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

**Net Change in Fund Balances - Governmental Funds** **\$ 179,017**

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

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over the useful lives as depreciation expense. In the current period, these amounts are:

|  |            |         |
|--|------------|---------|
| Capital Outlay                                     | \$ 264,124 |         |
| Depreciation Expense                               | (118,745)  |         |
| Excess of Capital Outlay Over Depreciation Expense |            | 145,379 |

The net effect of various miscellaneous transactions involving capital assets, including sales, donations, and trade-ins, is to decrease net position. (179)

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      | 20,749 |        |
| Capital Lease Payments         | 3,635  |        |
| Total Long-Term Debt Repayment |        | 24,384 |

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. 24,854

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. 26,352

The issuance of bonds 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.

|  |         |         |
|--|---------|---------|
| Bonds Issued                           | (7,130) |         |
| Bond Refunding Costs                   | (77)    |         |
| Bond Premium                           | 657     |         |
| Total Amounts Related to Bond Issuance |         | (6,550) |

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  | 60       |          |
| (Increase) Decrease in Compensated Absences  | (3,121)  |          |
| (Increase) Decrease in Net Pension Costs     | (57,919) |          |
| (Increase) Decrease in Pollution Remediation | (399)    |          |
| Total Additional Expenditures                |          | (61,379) |

Special Item - Impairment of Capital Asset (3,636)

**Change in Net Position of Governmental Activities** **\$ 328,242**

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, 2020**  
(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 | Unemployment Insurance | Nonmajor          |                   |                         |
| <b>Current Assets:</b>                      |   |                             |                                |                        |                   |                   |                         |
| Cash and Cash Equivalents                   | \$ 9,793                                    | \$ 105,624                  | \$ 54,726                      | \$ 128,125             | \$ 128,651        | \$ 426,919        | \$ 84,549               |
| Receivables:                                |   |                             |                                |                        |                   |                   |                         |
| Interest and Dividends                      | 64  | 2,995                       | 1,851                          |                        | 646               | 5,556             | 226                     |
| Other Funds                                 |   |                             |                                | 251                    | 333               | 584               | 9,722                   |
| Component Units                             |   |                             |                                |                        | 52                | 52                | 580                     |
| Other Governments                           |   | 764                         | 509                            | 23,462                 | 122               | 24,857            | 192                     |
| Loans and Notes, net                        |   | 20,519                      | 10,401                         |                        | 7,212             | 38,132            |                         |
| Other, net                                  | 5,735                                       |                             |                                | 11,759                 | 142               | 17,636            | 6,801                   |
| Investments                                 |   | 14,132                      | 7,799                          |                        |                   | 21,931            |                         |
| Inventory                                   |   |                             |                                |                        | 2,303             | 2,303             | 1,013                   |
| Advances to Component Units                 |   | 1,061                       |                                |                        |                   | 1,061             |                         |
| Other Assets                                |   |                             |                                |                        | 156               | 156               | 4,504                   |
| <b>Total Current Assets</b>                 | <b>15,592</b>                               | <b>145,095</b>              | <b>75,286</b>                  | <b>163,597</b>         | <b>139,617</b>    | <b>539,187</b>    | <b>107,587</b>          |
| Assets Held for Resale                      |   |                             |                                |                        | 321               | 321               |                         |
| Restricted Assets:                          |   |                             |                                |                        |                   |                   |                         |
| Restricted Cash                             | 26  |                             |                                |                        |                   | 26                |                         |
| Restricted Investments                      | 372   |                             |                                |                        |                   | 372               |                         |
| Net Pension Asset                           | 7   | 1                           | 2                              |                        | 40                | 50                | 154                     |
| Other                                       | 675   |                             |                                |                        |                   | 675               |                         |
| Investments                                 |   | 88,218                      | 57,716                         |                        |                   | 145,934           |                         |
| <b>Capital Assets:</b>                      |   |                             |                                |                        |                   |                   |                         |
| Land and Other Non-depreciable Assets       |   |                             |                                |                        | 295               | 295               |                         |
| Property, Plant, and Equipment              | 4,542                                       |                             |                                |                        | 11,957            | 16,499            | 111,695                 |
| Accumulated Depreciation                    | (4,333)                                     |                             |                                |                        | (6,173)           | (10,506)          | (79,102)                |
| Construction in Progress                    |   |                             |                                |                        | 267               | 267               | 1,057                   |
| <b>Total Capital Assets</b>                 | <b>209</b>                                  | <b>0</b>                    | <b>0</b>                       | <b>0</b>               | <b>6,346</b>      | <b>6,555</b>      | <b>33,650</b>           |
| Advances to Component Units                 |   | 17,002                      |                                |                        |                   | 17,002            |                         |
| Other Noncurrent Assets                     |   | 259,935                     | 178,960                        |                        | 41,681            | 480,576           |                         |
| <b>Total Assets</b>                         | <b>16,881</b>                               | <b>510,251</b>              | <b>311,964</b>                 | <b>163,597</b>         | <b>188,005</b>    | <b>1,190,698</b>  | <b>141,391</b>          |
| <b>Deferred Outflows of Resources</b>       |   |                             |                                |                        |                   |                   |                         |
| Deferred Outflow Related to Pensions        | 359   | 66                          | 108                            |                        | 2,170             | 2,703             | 8,115                   |
| Deferred Amount from Refunding of Bonds     |   | 5,677                       | 1,630                          |                        |                   | 7,307             |                         |
| <b>Total Deferred Outflows of Resources</b> | <b>359</b>                                  | <b>5,743</b>                | <b>1,738</b>                   | <b>0</b>               | <b>2,170</b>      | <b>10,010</b>     | <b>8,115</b>            |
| <b>Liabilities</b>                          |   |                             |                                |                        |                   |                   |                         |
| <b>Current Liabilities:</b>                 |   |                             |                                |                        |                   |                   |                         |
| Accounts Payable and Other Liabilities      | 4,446                                       | 431                         | 168                            | 15,844                 | 5,190             | 26,079            | 4,757                   |
| Payable to:                                 |   |                             |                                |                        |                   |                   |                         |
| Other Funds                                 | 6,889                                       | 1                           | 2                              | 94                     | 188               | 7,174             | 1,408                   |
| Component Units                             |   |                             |                                |                        |                   | 0                 | 65                      |
| Escrow Payable                              | 121   |                             |                                |                        |                   | 121               |                         |
| Bonds, Notes, and Leases Payable            |   | 15,285                      | 8,141                          |                        |                   | 23,426            | 5,156                   |
| Claims, Judgments, and Compensated Absences | 149   | 31                          | 48                             |                        | 720               | 948               | 26,708                  |
| Accrued Interest Payable                    |   | 4,255                       | 1,673                          |                        |                   | 5,928             |                         |
| Unearned Revenue                            | 238   |                             |                                | 528                    | 1,476             | 2,242             | 13,038                  |
| <b>Total Current Liabilities</b>            | <b>11,843</b>                               | <b>20,003</b>               | <b>10,032</b>                  | <b>16,466</b>          | <b>7,574</b>      | <b>65,918</b>     | <b>51,132</b>           |
| <b>Noncurrent Liabilities:</b>              |   |                             |                                |                        |                   |                   |                         |
| Bonds, Notes, and Leases Payable            |   | 235,780                     | 92,097                         |                        |                   | 327,877           | 12,519                  |
| Claims, Judgments, and Compensated Absences | 131   | 27                          | 42                             |                        | 636               | 836               | 34,093                  |
| Other Noncurrent Liabilities                |   | 34                          | 1,268                          |                        |                   | 1,302             | 55                      |
| <b>Total Noncurrent Liabilities</b>         | <b>131</b>                                  | <b>235,841</b>              | <b>93,407</b>                  | <b>0</b>               | <b>636</b>        | <b>330,015</b>    | <b>46,667</b>           |
| <b>Total Liabilities</b>                    | <b>11,974</b>                               | <b>255,844</b>              | <b>103,439</b>                 | <b>16,466</b>          | <b>8,210</b>      | <b>395,933</b>    | <b>97,799</b>           |
| <b>Deferred Inflows of Resources</b>        |   |                             |                                |                        |                   |                   |                         |
| Deferred Inflow Related to Pensions         | 138   | 26                          | 43                             |                        | 834               | 1,041             | 3,144                   |
| <b>Total Deferred Inflows of Resources</b>  | <b>138</b>                                  | <b>26</b>                   | <b>43</b>                      | <b>0</b>               | <b>834</b>        | <b>1,041</b>      | <b>3,144</b>            |
| <b>Net Position</b>                         |   |                             |                                |                        |                   |                   |                         |
| Net Investment in Capital Assets            | 209   |                             |                                |                        | 6,343             | 6,552             | 15,950                  |
| Restricted for:                             |   |                             |                                |                        |                   |                   |                         |
| Disaster Relief Fund                        |   |                             |                                |                        | 10,500            | 10,500            |                         |
| Pensions                                    | 228   | 41                          | 67                             |                        | 1,376             | 1,712             | 5,125                   |
| Other                                       | 676   |                             |                                |                        | 1,870             | 2,546             |                         |
| Unrestricted                                | 4,015                                       | 260,083                     | 210,153                        | 147,131                | 161,042           | 782,424           | 27,488                  |
| <b>Total Net Position</b>                   | <b>\$ 5,128</b>                             | <b>\$ 260,124</b>           | <b>\$ 210,220</b>              | <b>\$ 147,131</b>      | <b>\$ 181,131</b> | <b>\$ 803,734</b> | <b>\$ 48,563</b>        |

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

**STATE OF SOUTH DAKOTA  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|   | Business-type Activities - Enterprise Funds |                                   |                                      |                                |                   |                   | Governmental     |
|---|---|-----------------------------------|--------------------------------------|--------------------------------|-------------------|-------------------|------------------|
|   | Major                                       |                                   |                                      |                                |                   | Total             | Internal         |
|   | Lottery                                     | Clean<br>Water State<br>Revolving | Drinking<br>Water State<br>Revolving | Unemploy-<br>ment<br>Insurance | Nonmajor          |                   | Service<br>Funds |
| <b>Operating Revenue:</b>                                       |   |                                   |                                      |                                |                   |                   |                  |
| Licenses, Permits, and Fees                                     | \$ 1,524                                    | \$                                | \$                                   | \$                             | \$ 18,895         | \$ 20,419         | \$               |
| Use of Money and Property                                       |   | 5,724                             | 4,017                                |                                | 1,438             | 11,179            | 9                |
| Sales and Services  | 175,448                                     | 1,677                             | 1,016                                |                                | 8,198             | 186,339           | 287,733          |
| Administering Programs  |   |                                   |                                      | 171,845                        | 124               | 171,969           |                  |
| Assessments   |   |                                   |                                      | 30,105                         | 1                 | 30,106            |                  |
| Other Revenue   | 4   |                                   |                                      |                                | 741               | 745               | 6,940            |
| <b>Total Operating Revenue</b>                                  | <b>176,976</b>                              | <b>7,401</b>                      | <b>5,033</b>                         | <b>201,950</b>                 | <b>29,397</b>     | <b>420,757</b>    | <b>294,682</b>   |
| <b>Operating Expenses:</b>                                      |   |                                   |                                      |                                |                   |                   |                  |
| Personal Services and Benefits                                  | 2,202                                       | 370                               | 589                                  |                                | 14,102            | 17,263            | 49,474           |
| Travel  | 137   | 6                                 | 8                                    |                                | 922               | 1,073             | 761              |
| Contractual Services  | 10,804                                      | 694                               | 687                                  |                                | 9,438             | 21,623            | 59,025           |
| Supplies and Materials  | 918   |                                   |                                      |                                | 3,909             | 4,827             | 11,905           |
| Grant and Other   | 121   | 3,657                             | 3,898                                |                                | 981               | 8,657             | 5                |
| Interest  |   | 8,755                             | 3,730                                |                                |                   | 12,485            | 554              |
| Depreciation/Amortization                                       | 153   |                                   |                                      |                                | 276               | 429               | 6,306            |
| Lottery Prizes  | 36,147                                      |                                   |                                      |                                |                   | 36,147            |                  |
| Insurance Claims  |   |                                   |                                      | 241,343                        | 943               | 242,286           | 145,442          |
| <b>Total Operating Expenses</b>                                 | <b>50,482</b>                               | <b>13,482</b>                     | <b>8,912</b>                         | <b>241,343</b>                 | <b>30,571</b>     | <b>344,790</b>    | <b>273,472</b>   |
| <b>Operating Income (Loss)</b>                                  | <b>126,494</b>                              | <b>(6,081)</b>                    | <b>(3,879)</b>                       | <b>(39,393)</b>                | <b>(1,174)</b>    | <b>75,967</b>     | <b>21,210</b>    |
| <b>Nonoperating Revenue (Expenses):</b>                         |   |                                   |                                      |                                |                   |                   |                  |
| Gain on Disposal of Assets                                      |   |                                   |                                      |                                | 6                 | 6                 | 274              |
| Loss on Disposal of Assets                                      |   |                                   |                                      |                                |                   | 0                 | (126)            |
| Investment Income   | 583   | 5,832                             | 3,786                                | 3,820                          | 4,959             | 18,980            | 1,981            |
| Other Expense   | (2)   | (34)                              | (437)                                |                                | (125)             | (598)             | (8)              |
| Grant and Other Income  | 330   | 12,006                            | 11,434                               | 45,650                         | 1,635             | 71,055            | 42               |
| <b>Total Nonoperating Revenue (Expenses)</b>                    | <b>911</b>                                  | <b>17,804</b>                     | <b>14,783</b>                        | <b>49,470</b>                  | <b>6,475</b>      | <b>89,443</b>     | <b>2,163</b>     |
| <b>Income (Loss) Before Capital Contributions and Transfers</b> | <b>127,405</b>                              | <b>11,723</b>                     | <b>10,904</b>                        | <b>10,077</b>                  | <b>5,301</b>      | <b>165,410</b>    | <b>23,373</b>    |
| <b>Capital Contributions and Transfers:</b>                     |   |                                   |                                      |                                |                   |                   |                  |
| Capital Contributions   |   |                                   |                                      |                                | 19                | 19                | 19               |
| Transfers In  |   |                                   |                                      |                                | 9,101             | 9,101             | 1,462            |
| Transfers Out   | (128,431)                                   | (44)                              | (69)                                 | (734)                          | (1,628)           | (130,906)         |                  |
| <b>Net Capital Contributions and Transfers</b>                  | <b>(128,431)</b>                            | <b>(44)</b>                       | <b>(69)</b>                          | <b>(734)</b>                   | <b>7,492</b>      | <b>(121,786)</b>  | <b>1,481</b>     |
| <b>Change in Net Position</b>                                   | <b>(1,026)</b>                              | <b>11,679</b>                     | <b>10,835</b>                        | <b>9,343</b>                   | <b>12,793</b>     | <b>43,624</b>     | <b>24,854</b>    |
| Net Position at Beginning of Year, as restated                  | 6,154                                       | 248,445                           | 199,385                              | 137,788                        | 168,338           | 760,110           | 23,709           |
| <b>Net Position at End of Year</b>                              | <b>\$ 5,128</b>                             | <b>\$ 260,124</b>                 | <b>\$ 210,220</b>                    | <b>\$ 147,131</b>              | <b>\$ 181,131</b> | <b>\$ 803,734</b> | <b>\$ 48,563</b> |

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

STATE OF SOUTH DAKOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)

|  | Business-type Activities - Enterprise Funds |                                   |                                      |                                |                   |                   | Governmental                 |
|--|---|-----------------------------------|--------------------------------------|--------------------------------|-------------------|-------------------|------------------------------|
|  | Major                                       |                                   |                                      |                                |                   |                   | Activities                   |
|  | Lottery                                     | Clean<br>Water State<br>Revolving | Drinking<br>Water State<br>Revolving | Unemploy-<br>ment<br>Insurance | Nonmajor          | Total             | Internal<br>Service<br>Funds |
| <b>Cash Flows from Operating Activities:</b>                                       |   |                                   |                                      |                                |                   |                   |                              |
| Receipts from Customers and Users  | \$ 176,369                                  | \$ 1,673                          | \$ 1,007                             | \$ 27,706                      | \$ 24,766         | \$ 231,521        | \$ 101,726                   |
| Receipts from Interfund Services Provided  |   |                                   |                                      |                                | 4,470             | 4,470             | 186,918                      |
| Receipts from Federal Agencies   |   |                                   |                                      | 148,535                        | 223               | 148,758           |                              |
| Receipts from Loan Payments  |   | 36,677                            | 15,424                               |                                | 13,340            | 65,441            |                              |
| Payments to Suppliers and for Benefits and Claims                                  | (11,286)                                    | (1,247)                           | (791)                                | (225,701)                      | (12,051)          | (251,076)         | (204,636)                    |
| Payments for Employee Services   | (2,032)                                     | (344)                             | (539)                                |                                | (12,651)          | (15,566)          | (44,071)                     |
| Payments for Interfund Services Used   | (839)                                       |                                   |                                      |                                | (3,463)           | (4,302)           | (10,450)                     |
| Payments for Lottery Prizes  | (35,850)                                    |                                   |                                      |                                |                   | (35,850)          |                              |
| Payments for Principal Forgiveness   |   | (2,778)                           | (3,713)                              |                                |                   | (6,491)           |                              |
| Payments for Loans Originated  |   | (43,360)                          | (24,080)                             |                                | (16,775)          | (84,215)          |                              |
| Other Receipts (Payments)  | 205   | (8)                               | (8)                                  | 528                            | (780)             | (63)              | 8,297                        |
| <b>Net Cash Provided (Used) by Operating Activities</b>                            | <b>126,567</b>                              | <b>(9,387)</b>                    | <b>(12,700)</b>                      | <b>(48,932)</b>                | <b>(2,921)</b>    | <b>52,627</b>     | <b>37,784</b>                |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                   |   |                                   |                                      |                                |                   |                   |                              |
| Capital Contributions  |   |                                   |                                      |                                | 19                | 19                |                              |
| Purchases of Capital Assets  |   |                                   |                                      |                                | (297)             | (297)             | (2,528)                      |
| Construction in Progress   |   |                                   |                                      |                                | (32)              | (32)              | (258)                        |
| Sales of Capital Assets  |   |                                   |                                      |                                | 19                | 19                | 549                          |
| Payments on Capital Lease Obligations  |   |                                   |                                      |                                |                   |                   | (5,343)                      |
| <b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>        | <b>0</b>                                    | <b>0</b>                          | <b>0</b>                             | <b>0</b>                       | <b>(291)</b>      | <b>(291)</b>      | <b>(7,580)</b>               |
| <b>Cash Flows from Noncapital Financing Activities:</b>                            |   |                                   |                                      |                                |                   |                   |                              |
| Transfers In   |   |                                   |                                      |                                | 9,101             | 9,101             | 1,461                        |
| Transfers Out  | (127,070)                                   | (44)                              | (69)                                 | (705)                          | (1,626)           | (129,514)         |                              |
| Principal Payments on Bonds and Notes  |   | (13,130)                          | (8,575)                              |                                |                   | (21,705)          |                              |
| Interest Payments on Bonds and Notes   |   | (10,767)                          | (4,360)                              |                                |                   | (15,127)          |                              |
| Receipts for Administering Program   |   | 11,551                            | 11,191                               |                                |                   | 22,742            |                              |
| Services Provided to Others  |   |                                   |                                      |                                | (110)             | (110)             |                              |
| Grants and Other Noncapital Financing Activities                                   |   | 431                               | 209                                  | 45,649                         | 1,668             | 47,957            | 23                           |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>                 | <b>(127,070)</b>                            | <b>(11,959)</b>                   | <b>(1,604)</b>                       | <b>44,944</b>                  | <b>9,033</b>      | <b>(86,656)</b>   | <b>1,484</b>                 |
| <b>Cash Flows from Investing Activities:</b>                                       |   |                                   |                                      |                                |                   |                   |                              |
| Investment Income  | 595   | 6,746                             | 4,218                                | 3,820                          | 4,984             | 20,363            | 2,063                        |
| Investment Expense   | (2)   |                                   |                                      |                                | (15)              | (17)              | (8)                          |
| Purchase of Investment Securities  |   | (23,531)                          | (14,214)                             |                                |                   | (37,745)          |                              |
| Proceeds from the Sale and Maturity of Investments                                 |   | 83,080                            | 44,758                               |                                |                   | 127,838           |                              |
| <b>Net Cash Provided (Used) by Investing Activities</b>                            | <b>593</b>                                  | <b>66,295</b>                     | <b>34,762</b>                        | <b>3,820</b>                   | <b>4,969</b>      | <b>110,439</b>    | <b>2,055</b>                 |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year</b> | <b>90</b>                                   | <b>44,949</b>                     | <b>20,458</b>                        | <b>(168)</b>                   | <b>10,790</b>     | <b>76,119</b>     | <b>33,743</b>                |
| Cash and Cash Equivalents at Beginning of Year                                     | 9,729                                       | 60,675                            | 34,268                               | 128,293                        | 117,861           | 350,826           | 50,806                       |
| <b>Cash and Cash Equivalents at End of Year</b>                                    | <b>\$ 9,819</b>                             | <b>\$ 105,624</b>                 | <b>\$ 54,726</b>                     | <b>\$ 128,125</b>              | <b>\$ 128,651</b> | <b>\$ 426,945</b> | <b>\$ 84,549</b>             |

Continued on next page

STATE OF SOUTH DAKOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (continued)  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)

|   | Business-type Activities - Enterprise Funds |                                   |                                      |                                |                   |                  | Governmental     |
|---|---|-----------------------------------|--------------------------------------|--------------------------------|-------------------|------------------|------------------|
|   | Major                                       |                                   |                                      |                                |                   |                  | Internal         |
|   | Lottery                                     | Clean<br>Water State<br>Revolving | Drinking<br>Water State<br>Revolving | Unemploy-<br>ment<br>Insurance | Nonmajor          | Total            | Service<br>Funds |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |   |                                   |                                      |                                |                   |                  |                  |
| Operating Income (Loss)   | \$ 126,494                                  | \$ (6,081)                        | \$ (3,879)                           | \$ (39,393)                    | \$ (1,174)        | \$ 75,967        | \$ 21,210        |
| Adjustments to Reconcile Operating Income (Loss):   |   |                                   |                                      |                                |                   |                  |                  |
| Depreciation/Amortization Expense   | 153   |                                   |                                      |                                | 276               | 429              | 6,306            |
| Bad Debt Expense  |   |                                   |                                      |                                | (274)             | (274)            |                  |
| Interest Expense  |   | 8,754                             | 3,729                                |                                |                   | 12,483           | 536              |
| Bond Issuance Costs   |   | 252                               |                                      |                                |                   | 252              |                  |
| Miscellaneous Nonoperating Items  | 344   |                                   |                                      |                                |                   | 344              |                  |
| Decrease/(Increase) in Assets:  |   |                                   |                                      |                                |                   |                  |                  |
| Accounts Receivable   | (673)                                       |                                   |                                      | (2,214)                        | 268               | (2,619)          | (1,172)          |
| Interest, Dividends & Penalties Receivable  |   | (21)                              | (24)                                 |                                | 114               | 69               |                  |
| Loans and Notes Receivable  |   | (12,387)                          | (12,648)                             |                                | (3,367)           | (28,402)         |                  |
| Due From Other Funds  |   |                                   |                                      | (184)                          | (130)             | (314)            | (934)            |
| Due From Component Units  |   |                                   |                                      |                                | (20)              | (20)             | 221              |
| Due From Other Governments  |   | (3)                               | (9)                                  | (23,310)                       | 81                | (23,241)         | (26)             |
| Inventory   |   |                                   |                                      |                                | (33)              | (33)             | (278)            |
| Other Assets  | 1   |                                   |                                      |                                | (466)             | (465)            | 2,265            |
| Other Restricted Assets   | 34  |                                   |                                      |                                | (1)               | 33               |                  |
| Restricted Net Pension Asset  | (5)   | (1)                               | (2)                                  |                                | (30)              | (38)             | (122)            |
| Decrease/(Increase) in Deferred Outflows of Resources:  |   |                                   |                                      |                                |                   |                  |                  |
| Deferred Outflows Related to Pensions   | 180   | 42                                | 56                                   |                                | 1,104             | 1,382            | 4,150            |
| Increase/(Decrease) in Liabilities:   |   |                                   |                                      |                                |                   |                  |                  |
| Accounts Payable  | 30  | 73                                | 81                                   | 15,641                         | 330               | 16,155           | (177)            |
| Accrued Liabilities   | (12)  | (3)                               | (2)                                  |                                | 124               | 107              | 220              |
| Compensated Absences Payable  | (15)  | (14)                              | (10)                                 |                                | 161               | 122              | 271              |
| Due To Other Funds  | (26)  |                                   |                                      |                                | (53)              | (79)             | 162              |
| Due To Component Units  |   |                                   |                                      |                                | 1                 | 1                | 32               |
| Due To Other Governments  | 26  |                                   |                                      |                                | (2)               | 24               | 4                |
| Unearned Revenue  | 9   |                                   |                                      | 528                            | (374)             | 163              | 1,881            |
| Escrow Payable  | 34  |                                   |                                      |                                |                   | 34               |                  |
| Policy Claim Liabilities  |   |                                   |                                      |                                |                   | 0                | 2,720            |
| Other Liabilities   | (29)  |                                   |                                      |                                | 414               | 385              |                  |
| Increase/(Decrease) in Deferred Inflows of Resources:   |   |                                   |                                      |                                |                   |                  |                  |
| Deferred Inflows Related to Pensions  | 22  | 2                                 | 8                                    |                                | 130               | 162              | 515              |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>\$ 126,567</b>                           | <b>\$ (9,387)</b>                 | <b>\$ (12,700)</b>                   | <b>\$ (48,932)</b>             | <b>\$ (2,921)</b> | <b>\$ 52,627</b> | <b>\$ 37,784</b> |
| <b>Noncash Investing, Capital, and Financing Activities:</b>  |   |                                   |                                      |                                |                   |                  |                  |
| Gain (Loss) on Disposal of Capital Assets   | \$  | \$                                | \$                                   | \$                             | \$                | \$               | \$ 146           |
| Capital Lease Obligations Entered Into  |   |                                   |                                      |                                |                   |                  | 5,380            |
| Transfers In (Out) of Capital Assets  |   |                                   |                                      |                                |                   |                  | 19               |

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, 2020**  
**(Expressed in Thousands)**

|  | <b>South Dakota<br/>Retirement<br/>System<br/>Pension Trust<br/>Fund</b> | <b>Private<br/>Purpose<br/>Trust<br/>Funds</b> | <b>Agency<br/>Funds</b> |
|--|--|--|-------------------------|
| <b>Assets</b>                          |  |  |                         |
| Cash and Cash Equivalents              | \$ 5,660   | \$ 2,448                                       | \$ 47,334               |
| <b>Receivables:</b>                    |  |  |                         |
| Employer                               | 2,789  |  |                         |
| Employee                               | 2,995  |  |                         |
| Benefits                               | 146  |  |                         |
| Unsettled Investment Sales             | 10,596   |  |                         |
| Taxes Receivable, net                  |  |  | 47,772                  |
| Due From Other Funds                   |  | 119  |                         |
| Investment Income                      | 26,011   | 387  | 11                      |
| Other                                  |  | 111  | 754                     |
| <b>Total Receivables</b>               | <b>42,537</b>  | <b>617</b>                                     | <b>48,537</b>           |
| <b>Investments, at Fair Value:</b>     |  |  |                         |
| Fixed Income                           | 4,887,290  |  |                         |
| Equities                               | 5,126,731  |  |                         |
| Real Estate                            | 1,245,733  |  |                         |
| Private Equity                         | 1,002,965  |  |                         |
| Pooled Investment Funds                |  | 265,270  |                         |
| <b>Total Investments</b>               | <b>12,262,719</b>  | <b>265,270</b>                                 | <b>0</b>                |
| Properties, at Cost                    | 2,061  | 14,212   |                         |
| Accumulated Depreciation               | (865)  |  |                         |
| Other Assets                           | 19   | 13   |                         |
| <b>Total Assets</b>                    | <b>12,312,131</b>  | <b>282,560</b>                                 | <b>\$ 95,871</b>        |
| <b>Liabilities</b>                     |  |  |                         |
| Payables:                              |  |  |                         |
| Accounts Payable and Other Liabilities | 2,068  | 206  | \$ 15,246               |
| Due To Other Funds                     | 69   | 85   |                         |
| Due To Other Governments               |  |  | 80,625                  |
| Compensated Absences Payable           | 392  |  |                         |
| Unsettled Investment Purchases         | 12,263   |  |                         |
| <b>Total Liabilities</b>               | <b>14,792</b>  | <b>291</b>                                     | <b>\$ 95,871</b>        |
| <b>Net Position</b>                    |  |  |                         |
| Restricted for Pension Benefits        | 12,297,339   |  |                         |
| Restricted for Others                  |  | 282,269  |                         |
| <b>Total Net Position</b>              | <b>\$ 12,297,339</b>   | <b>\$ 282,269</b>                              |                         |

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

**STATE OF SOUTH DAKOTA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Fiscal Year Ended June 30, 2020**  
**(Expressed in Thousands)**

|  | <b>South Dakota<br/>Retirement<br/>System<br/>Pension Trust<br/>Fund</b> | <b>Private<br/>Purpose<br/>Trust<br/>Funds</b> |
|--|--|--|
| <b>Additions</b>                                     |  |  |
| <b>Contributions:</b>                                |  |  |
| Employee   | \$ 131,542   | \$   |
| Employer   | 131,682  |  |
| From Clients and Inmates                             |  | 9,430  |
| Other  |  | 7,922  |
| <b>Total Contributions</b>                           | <b>263,224</b>   | <b>17,352</b>                                  |
| <b>Investment Income:</b>                            |  |  |
| <i>From Investing Activities</i>                     |  |  |
| Net Increase (Decrease) in Fair Value of Investments | (36,541)   | 8,406  |
| Interest   | 112,915  |  |
| Dividends  | 143,215  |  |
| Real Estate  | 22,315   | 380  |
| Pooled Interest and Dividends                        |  | 5,043  |
| <b>Total Investment Activity Income</b>              | <b>241,904</b>   | <b>13,829</b>                                  |
| Less Investment Activity Expenses                    | (50,396)   |  |
| <b>Net Investment Income (Loss)</b>                  | <b>191,508</b>   | <b>13,829</b>                                  |
| <i>From Security Lending Activities</i>              |  |  |
| Securities Lending Income                            | 1,044  | 28   |
| Securities Lending Expenses                          | (313)  |  |
| Escheated Property                                   |  | 137  |
| Miscellaneous Income                                 |  | 754  |
| <b>Total Additions</b>                               | <b>455,463</b>   | <b>32,100</b>                                  |
| <b>Deductions</b>                                    |  |  |
| Benefits   | 602,352  |  |
| Refunds of Contributions                             | 23,444   |  |
| Distribution to School Districts                     |  | 12,695   |
| Payments Made for Trust Purposes                     |  | 10,360   |
| Administrative Expenses                              | 5,127  | 8  |
| <b>Total Deductions</b>                              | <b>630,923</b>   | <b>23,063</b>                                  |
| <b>Change in Net Position</b>                        | <b>(175,460)</b>   | <b>9,037</b>                                   |
| Net Position at Beginning of Year                    | 12,472,799   | 273,232  |
| <b>Net Position at End of Year</b>                   | <b>\$ 12,297,339</b>   | <b>\$ 282,269</b>                              |

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



# **NOTES TO THE FINANCIAL STATEMENTS**

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# **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Basis of Presentation**

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

### **B. Reporting Entity**

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

### **Blended Component Units**

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

The State's blended component units are:

**The South Dakota Building Authority (SDBA)** was created and organized by Chapter 5-12 of the South Dakota Codified Laws. The purpose of the SDBA is to build and otherwise provide certain facilities for use by the State. Amounts issued by the SDBA shall not be deemed to constitute a debt of the State or any political subdivision thereof. 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 of the primary government. This financial presentation does not change the legal liability of the indebtedness.

**The Educational Enhancement Funding Corporation (EEFC)** is a special purpose corporation, organized under Chapter 5-12 of the South Dakota Codified Law. EEFC was established to purchase all of the State of South Dakota's future right, title, and interest in the Tobacco Settlement Revenues (TSRs) under the Master Settlement Agreement. The purchase price of the State's future right, title, and interest in the TSRs has been financed by the issuance of the bonds and the residual certificate. The residual certificate represents the right of the State to receive all amounts required to be distributed after payment of all outstanding bonds and other liabilities of EEFC as set forth in the Trust Indenture. Obligations issued by EEFC shall not be deemed to constitute a debt, liability, or obligation of the State. Because there is a financial benefit/burden relationship between EEFC and the State and the services provided by the EEFC are entirely provided to the State, EEFC is considered a blended component unit. This financial presentation does not change the legal liability of the indebtedness.

**The South Dakota Trust Company Receivership and Liquidation Captive Insurance Company, LLC** (Trust Captive), a nonprofit limited liability company, was established December 31, 2016. The Trust Captive was established to provide insurance to pay for losses if the South Dakota Department of Labor and Regulation, Division of Banking must take over a trust company chartered and regulated by the Division. The obligations of the Trust Captive shall not be deemed to constitute a debt, liability, or obligation of the State. Because the State is able to impose its will over the Trust Captive, and is the sole corporate member, the Trust Captive is considered a blended component unit. This financial presentation does not change the legal liability of the indebtedness. The Trust Captive has a fiscal year end of December 31 and is presented accordingly.

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

Discretely presented component units are legally separate organizations 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 by the Legislature under Chapter 1-16H of the South Dakota Codified Law to foster and facilitate science and technology investigation, experimentation, and development. The initial focus of STA was 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. Because the State appoints a voting majority of the board and past history has established a pattern of the State assuming the obligation to finance STA which creates a financial benefit/burden relationship, but does not meet any of GASB's criteria for blending, STA is considered a discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness.

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

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

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

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

The State's nonmajor discretely presented component units are:

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

**The South Dakota Value Added Finance Authority (VAFA)** was created by the Legislature under Chapter 1-16E of the South Dakota Codified Law for the purpose of administering the beginning farmer bond and agribusiness bonding programs and making annual recommendations to the Legislature and Governor on programs to develop and promote agricultural processing activity in the State. The principal and interest on the bonds do not constitute an indebtedness of the State. Because the State appoints a voting majority of the board and is able to impose its will over VAFA, but does not meet the GASB's criteria for blending, VAFA is considered a discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness.

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

**The South Dakota Authority Captive Insurance Company, LLC** (The Authority Captive), a nonprofit limited liability company, was established August 12, 2015, to cover some of the liability risks of six authorities of the State (South Dakota Science and Technology Authority, South Dakota Building Authority, South Dakota Health and Educational Facilities Authority, Educational Enhancement Funding Corporation, South Dakota Ellsworth Development Authority, and South Dakota Housing Development Authority). The Authority Captive's coverage includes: commercial general liability; directors, officers, and entity coverage; employment practices liability; and errors and omissions. The obligations of The Authority Captive shall not be deemed to constitute a debt, liability, or obligation of the State. Because the State appoints a voting majority of the board and is able to impose its will over The Authority Captive, but does not meet the GASB's criteria for blending, The Authority Captive is considered a discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness. The Authority Captive has a fiscal year end of December 31.

**The South Dakota Property and Casualty Captive Insurance Company, LLC** (The Property Captive), a nonprofit limited liability company, was established September 14, 2015, to provide property, including content, business income, and extra expense coverage on the State's buildings, including Higher Education buildings. Because the State appoints a voting majority of the board and is able to impose its will over The Property Captive, but does not meet the GASB's criteria for blending, The Property Captive is considered a discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness. The Property Captive has a fiscal year end of December 31.

### ***Related Organizations***

**The South Dakota Health and Educational Facilities Authority** (HEFA) is a body politic, corporate, and public instrumentality of the State of South Dakota. The HEFA was created in 1972 to enhance the health and education of citizens of the State by providing healthcare, educational, and other non-profit institutions access to low cost capital. The State's accountability does not extend beyond appointing a voting majority of HEFA's board members. This relationship does not meet the GASB criteria of a component unit; therefore, HEFA is not included as part of the primary government reporting entity.

### ***Separately Issued Financial Statements***

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

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

Higher Education and South Dakota Value Added Finance Authority do not have separately issued financial statements.

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

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

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the Government-wide Financial Statements. Major individual governmental funds and

major individual enterprise funds are reported as separate columns in the fund financial statements, with nonmajor funds being combined into a single column.

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

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

The Statement of Net Position and Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the State receives value without directly giving equal value in exchange, include taxes, grants, and donations. Tax revenue is recognized in the fiscal year in which the related sales, income, or activity being taxed occurred. At June 30, 2020, there was \$25.4 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, capital leases, and claims and judgments are recorded only when payment is due and payable.

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

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

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

### ***Financial Statement Presentation***

The State reports the following major governmental funds:

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

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

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

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

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

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

The State reports the following major proprietary funds:

**The 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.

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

**The Unemployment Insurance Fund** is used to account for tax receipts from employers within the State of South Dakota and Federal Unemployment Programs and accounts for benefits paid to unemployed persons.

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 Fund** administered by the South Dakota Building Authority accounts for resources used 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 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. 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.

**Agency Funds** report assets and liabilities of resources held for temporary investment and remittance of the resources to individuals, private organizations, or other governments. Examples of funds in this category include local government tax collections by the Department of Revenue, child support payments collected by the Department of Social Services, and employee payroll withholdings by the State Auditor.

## **E. Budgetary Accounting**

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

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

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

The State's annual budget is prepared on the cash basis of accounting. Encumbrance accounting is utilized to reserve a portion of the budget to future periods for payment of purchase orders, contracts, and other commitments. Encumbrances at June 30, 2020, totaled \$19.2 million. The encumbrance amount is broken down by major fund and nonmajor fund below (Expressed in Thousands):

| <u>Fund</u>     | <u>Amount</u><br><u>Encumbered</u> |
|-----------------|------------------------------------|
| Major Fund:     |                                    |
| General Fund    | \$ 7,195                           |
| Transportation  | 8,040                              |
| Non-Major:      |                                    |
| Non-Major Total | <u>3,922</u>                       |
| <b>Total</b>    | <b><u>\$ 19,157</u></b>            |

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

### **Cash and Cash Equivalents and Investments**

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

Investments, as reported on the balance sheet, represent all investments not considered cash equivalents. Investments may include corporate stocks, bonds, convertible debt, U.S. government and agency securities, mortgage backed securities, negotiable certificates of deposit, repurchase agreements, annuity contracts, investment contracts, international securities, private equity, and real estate. Investments are reported at fair value, in accordance with GASB Statement No. 72 – *Fair Value Measurement and Application*.

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

The preparation of financial statements in accordance with GAAP requires management to make estimates that affect the reported amounts of net position as of June 30, 2020. Actual results could differ from those estimates.

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

## **Receivables**

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

## **Inventories**

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

Federal commodities on hand are reported as inventories, offset by unearned revenue. Commodities are reported at fair value established by the federal government at the date received. At June 30, 2020, the commodities inventory was reported in the amount of \$0.4 million.

## **Capital Assets**

Capital assets, which include property, plant, equipment, 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 capital leases are capitalized at fair market value at the inception of the lease. 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:

|                            |       |
|----------------------------|-------|
| Land Improvements          | 20-30 |
| Buildings and Improvements | 15-50 |
| Infrastructure             | 20-99 |
| Equipment                  | 3-17  |
| Intangible Assets          | 3-25  |

The State owns works of art and historical treasures that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Works of art and historical treasures include items such as statues, monuments, historical documents, paintings, artifacts, etc. Higher Education, a business-type activity discretely presented component unit, adopted the State's policy on capitalizing historical treasures and collections. The exceptions to this policy are the Memorial Art Center Collection at the South Dakota State University and the Oscar Howe paintings collection at the University of South Dakota. The collections are valued at the historical cost or estimated fair market value at the time of donation. The reported capitalized value of these collections was \$10.0 million, as of June 30, 2020. All proceeds from the sale of items within these collections will be used to acquire other items for the collections.

## **Deferred Outflows of Resources**

Deferred outflows of resources represent a consumption of net position by the government 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 position 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*** is a category reported in the Government-wide Statement of Net Position and consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances for bonds, notes, and other debts that are attributed to the acquisition, construction, or improvement of those assets.

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

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

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

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

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

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

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

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

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

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

### ***G. Compensated Absences***

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

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

### ***H. Lottery Security Deposits***

State law requires video lottery operators to furnish security to the Lottery. Security may be in the form of a surety bond, deposit in cash, an irrevocable letter of credit, or a certificate of deposit issued by a South Dakota financial institution with the Lottery endorsed on it as a payee. As of June 30, 2020, the amount of certificate of deposits and deposits in cash being held by the Lottery was \$0.4 million and is included in restricted cash and investments on the balance sheet. The amount of \$6.3 million was in the form of surety bonds or irrevocable letters of credit and is not reported on the Statement of Net Position.

### ***I. Interfund Activity and Balances***

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

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

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

### ***J. Pensions***

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

## **2. ACCOUNTING CHANGES, RESTATEMENTS, AND RECLASSIFICATIONS**

### ***Implementation of Recent GASB Pronouncements***

*For the fiscal year ended June 30, 2020, the State implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):*

**GASB Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.** This Statement provides temporary relief to governments by postponing the effective dates of GASB Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

This Statement had no effect on the State.

*For the fiscal years ended June 30, 2019 and 2020, The South Dakota Housing Development Authority, reported as a discretely presented component unit, early implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):*

**GASB Statement 91, *Conduit Debt Obligations*.** The primary objective of this Statement establishes a single method of reporting conduit debt obligations by issuers and improves the required note disclosure of those conduit debt obligations.

The State as well as the remaining component units have not implemented GASB 91 for this reporting period.

### ***Restatements – Primary Government***

Beginning net position for the Unemployment Insurance Fund, reported as a major proprietary fund, increased by \$8.4 million for understated employer taxes receivable in the prior year. The beginning net position reported in the business type activities in the Government-wide Statement of Activities increased by the same amount.

### ***Restatements – Component Units***

The beginning net position balance reported for Higher Education, reported as a major discretely component unit, increased by \$3.1 million for errors in the reporting of receivables, liabilities, fixed assets, and other miscellaneous reporting errors in prior years. This restatement will have the same effect on the government-wide financial statements.

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

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

Negative cash balances in funds participating in the Cash Flow Portfolio are reclassified at year-end as interfund payables. The cash and cash equivalents balance in the General Fund was reduced by \$21.5 million for deficit cash balances that existed in various state funds at June 30, 2020, and is reported as an interfund receivable.

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

Securities that are unclaimed at financial institutions are transferred to the State. The securities or proceeds can be claimed by the owners under established procedures. The Office of the State Treasurer administers any unclaimed securities per SDCL §43-41B, Uniform Unclaimed Property Act. Effective July 1, 2018, 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, 2020, the securities, for which cost at the time of acquisition is not readily available, have a market value of \$0.5 million and are shown as securities held as escheat property in the General Fund.

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

Investments of the Primary Government are grouped into four categories based upon investment objectives and risk. The first category is the Cash Flow Portfolio. This category represents the pooled public funds of the Primary Government (comprising 89% of the Cash Flow Portfolio) and discretely presented component units (comprising 11% of the Cash Flow Portfolio). Higher Education, the Science and Technology Authority, the Housing Development Authority, the Property and Casualty Captive Insurance Company, and the Authority Captive Insurance Company are discretely presented component units and have deposits and investments in the Cash Flow Portfolio. Because of the pooled deposit and investment concept of the Cash Flow Portfolio, the discretely presented component units' share of the portfolio cannot be broken out separately for risk disclosure purposes. For risk disclosure purposes, their share of the Cash Flow Portfolio is included in the Primary Government. The second category is the Retirement Portfolio. This category represents the investments of the South Dakota Retirement System. The third category is the Trust Portfolios. This category includes the portfolios of School and Public Lands, Dakota Cement Trust Fund, Education Enhancement Trust Fund, and Health Care Trust Fund. The fourth category is Other Funds. This category represents funds that are not managed by the South Dakota Investment Council (SDIC) and includes Educational Enhancement Funding Corporation, Clean Water State Revolving Fund, Drinking Water State Revolving Fund, and the Vocational Education Program.

#### **Deposits**

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event of the failure of a depository institution, the State of South Dakota will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Cash Flow Portfolio's certificates of deposit and other deposits in state financial institutions in excess of depository insurance must be 100% collateralized. Collateral is valued at the lower of cost or market as reported in the quarterly call reports prepared by the qualified public depositories pursuant to SDCL 4-6A-7. Collateral is required to be segregated by each depository as approved by the South Dakota Public Deposit Protection Commission. Collateral may not be held in any safety deposit vault owned or controlled either directly or indirectly by the pledging financial institution, but must be deposited for safekeeping in a financial institution that is a member of the Federal Reserve. As of June 30, 2020, pledged collateral for one depository did not equal at least 100% of the total public deposits in excess of depository insurance. As a result, \$0.1 million thousand of the Cash Flow portfolio's certificates of deposit was exposed to custodial credit risk.

The Retirement Portfolio has a formal deposit policy specific to custodial credit risk and foreign currencies. The policy states that the United States Dollar (USD) equivalent of any non-USD currency cannot exceed 2.0% of the portfolio fair value on a trade date +7 days basis. At June 30, 2020, the Retirement Portfolio had bank balances in foreign currencies

in various foreign countries. These deposits are not collateralized or covered by depository insurance. As a result, the Retirement Portfolio was exposed to custodial credit risk of \$7.3 million.

The Trust Portfolios have a formal deposit policy specific to custodial credit risk. The policy states that the USD equivalent of any non-USD currency cannot exceed 2.0% of the portfolio fair value on a trade date +5 calendar day basis. At June 30, 2020, 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 \$0.8 million.

The Other Funds have no formal deposit policy specific to custodial credit risk. At June 30, 2020, 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 \$0.1 million.

## ***Investments***

***Securities Lending.*** State statutes and SDIC policies permit the use of investments for securities lending transactions. These transactions involve the lending of corporate debt, foreign equity securities, and domestic equity securities to broker-dealers for collateral in the form of securities, with the simultaneous agreement to return the collateral for the same securities in the future. All securities loans can be terminated on demand by either the SDIC or the borrower. As of June 30, 2020, the fair value of securities on loan was \$211.1 million, and the collateral held on the same date was \$216.3 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. The SDIC does not have the ability to pledge or sell collateral securities unless the borrower defaults, therefore no asset and corresponding liability for the collateral value of securities received has been established on the Statement of Net Position. 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. SDIC securities lending policies are detailed in the preceding Securities Lending section. As of June 30, 2020, the SDIC does not have custodial credit risk with regards to security lending collateral. The Other Funds do not have a policy for custodial credit risk. The Other Funds had custodial credit risk totaling \$196.0 million in guaranteed investment contracts, Federal agency bonds, U.S. Treasury bonds, and U.S. Treasury notes not held in their name at June 30, 2020.

***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 held by the various funds.

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 Retirement Portfolio fixed income portfolio duration must fall between 70% and 130% of the duration of the FTSE US Broad Investment Grade (BIG) Index. The Cash Flow Portfolio intermediate term portfolio and the Trust Portfolios investment-grade fixed income portfolios are benchmarked to the duration of the FTSE BIG Index. No formal interest rate risk policy exists for the fixed income portfolios of the Other Funds.

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

| Investment Type                       | Cash Flow Portfolio |           | Retirement Portfolio |           | Trust Portfolios  |           | Other Funds       |           |
|---------------------------------------|---------------------|-----------|----------------------|-----------|-------------------|-----------|-------------------|-----------|
|                                       | Fair Value          | Mod. Dur. | Fair Value           | Mod. Dur. | Fair Value        | Mod. Dur. | Fair Value        | Mod. Dur. |
| U.S. Treasuries                       | \$ 16,097           | 3.43      | \$                   |           | \$                |           | \$ 27,810         | 0.19      |
| U.S. Treasury Bills                   |                     |           | 339,146              | 0.24      | 8,064             | 0.45      |                   |           |
| U.S. Treasury STRIPS                  | 113,005             | 9.29      | 385,145              | 9.29      | 64,506            | 9.29      |                   |           |
| U.S. Agencies                         | 332,188             | 2.78      | 36,331               | 6.66      | 6,084             | 6.66      | 2,006             | 0.43      |
| Investment Grade Corporates           | 677,038             | 2.46      | 441,064              | 4.26      | 69,308            | 4.23      |                   |           |
| High-yield Corporates                 | 9,803               | 1.81      | 399,539              | 3.34      | 1,702             | 1.22      |                   |           |
| High-yield Bond Mutual Fund           |                     |           |                      |           | 55,865            | 3.90      |                   |           |
| Agency Mortgage-backed Securities     | 96,595              | 2.55      | 336,056              | 2.99      | 56,939            | 2.94      |                   |           |
| Non-agency Mortgage-backed Securities |                     |           | 777,464              | 0.67      | 73,381            | 0.69      |                   |           |
| Municipal Bonds                       |                     |           |                      |           | 43,291            | 5.08      |                   |           |
| Investment Agreements                 |                     |           |                      |           |                   |           | 145,934           | 6.27      |
| <b>Total</b>                          | <b>\$ 1,244,726</b> |           | <b>\$ 2,714,745</b>  |           | <b>\$ 379,140</b> |           | <b>\$ 175,750</b> |           |
| Portfolio Modified Duration           |                     | 3.18      |                      | 3.18      |                   | 4.21      |                   | 5.24      |

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State of South Dakota. SDIC policy establishes a percentage range and a normal allocation to various credit risk categories. The Cash Flow Portfolio short term portfolio can invest 4% of the portfolio into each corporate security rated Aaa or Aa, 3% in A-rated, 1% in Baa1 or Baa2, and 0.5% in Baa3 rated individual holdings of corporate securities. Credit rating limits are 15% of the total short-term portfolio or up to 20% with the Investment Officer's permission for Baa-rated and 5% of the total portfolio or up to 10% with the Investment Officer's permission on downgraded securities below Baa. The SDIC sets the investment policy annually for the Cash Flow Portfolio intermediate term portfolio, Trust Portfolios, and the Retirement Portfolio. 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 FNMA; or (6) obligations issued by any state of the U.S.

The Education Enhancement Funding Corporation does not have a formal policy on investment credit risk.

As of June 30, 2020, the portfolios held the following investments, excluding those issued by or explicitly guaranteed by the U.S. Government which are not considered to have credit risk. The investments are grouped as rated by Moody's Investors Service (Expressed in Thousands):

| Moody's Rating | Cash Flow Portfolio Fair Value | Retirement Portfolios Fair Value | Trust Portfolios Fair Value | Other Funds Fair Value |
|----------------|--------------------------------|----------------------------------|-----------------------------|------------------------|
| Aaa            | \$ 1,778,265                   | \$ 2,356,748                     | \$ 551,639                  | \$ 2,113               |
| Aa             | 128,502                        | 132,463                          | 37,595                      |                        |
| A              | 440,974                        | 149,011                          | 38,141                      |                        |
| Baa            | 89,678                         | 199,511                          | 29,002                      | 145,934                |
| Ba             | 9,803                          | 190,973                          | 3,986                       |                        |
| B              |                                | 265,029                          | 9,169                       |                        |
| Caa            |                                | 182,513                          | 13,181                      |                        |
| Ca             |                                | 161,707                          | 13,983                      |                        |
| C              |                                | 22,621                           | 1,967                       |                        |
| Unrated        |                                | 289,591                          | 90,288                      |                        |
| <b>Total</b>   | <b>\$ 2,447,222</b>            | <b>\$ 3,950,167</b>              | <b>\$ 788,951</b>           | <b>\$ 148,047</b>      |

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

The Retirement and Trust Portfolios' exposure to foreign currency risk at June 30, 2020, are as follows (Expressed in Thousands):

| Currency                | Retirement Portfolio |                 |                     | Trust Portfolios |               |                  |
|-------------------------|----------------------|-----------------|---------------------|------------------|---------------|------------------|
|                         | Equities             | Cash            |                     | Equities         | Cash          |                  |
|                         | U.S. Dollar          | U.S. Dollar     | Total               | U.S. Dollar      | U.S. Dollar   | Total            |
|                         | Fair Value           | Fair Value      |                     | Fair Value       | Fair Value    |                  |
| Australian Dollar       | \$ 13,771            | \$ 275          | \$ 14,046           | \$ 901           | \$ 194        | \$ 1,095         |
| British Pound           | 145,831              | 1,566           | 147,397             | 10,110           | 37            | 10,147           |
| Canadian Dollar         | 54,560               | 947             | 55,507              | 3,599            | 119           | 3,718            |
| Danish Kroner           | 11,541               | 13              | 11,554              | 735              |               | 735              |
| Euro                    | 349,806              | 2,120           | 351,926             | 23,817           | 34            | 23,851           |
| Hong Kong Dollar        | 10,880               | 69              | 10,949              | 600              | 254           | 854              |
| Japanese Yen            | 169,405              | 2,264           | 171,669             | 11,160           | 130           | 11,290           |
| South Korean Won        | 75,307               |                 | 75,307              | 4,963            |               | 4,963            |
| Norwegian Krone         | 1,080                | 16              | 1,096               | 73               | 34            | 107              |
| Singapore Dollar        | 1,193                |                 | 1,193               |                  |               | 0                |
| Swedish Krona           | 6,726                |                 | 6,726               | 507              |               | 507              |
| Swiss Franc             | 171,227              |                 | 171,227             | 11,623           |               | 11,623           |
| Thai Baht               | 1,156                |                 | 1,156               |                  |               | 0                |
| <b>Total Fair Value</b> | <b>\$1,012,483</b>   | <b>\$ 7,270</b> | <b>\$ 1,019,753</b> | <b>\$ 68,088</b> | <b>\$ 802</b> | <b>\$ 68,890</b> |

Investments with limited partnerships and certain global equity investments with outside 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, 2020, was \$212.2 million. For the Retirement Portfolio, the total fair value of investments in real estate and private equity limited partnerships as of June 30, 2020, was \$2.2 billion. The total fair value of global equity investments and high-yield fixed income investments managed by outside managers was \$55.9 million and \$3.3 million, respectively.

**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 Cash Flow Portfolio policy is located in the Credit Risk section. The SDIC does not have a formal policy in place to limit investments in any particular issuer for the Retirement Portfolio and Trust Portfolios. 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 portfolios that comprise 5% of the overall portfolios at June 30, 2020.

### **Derivative Financial Instruments in Primary Government**

**Retirement Portfolio and Trust Portfolios.** Derivatives are generally defined as a contract whose values depend on, or derive from, the value of an underlying asset, reference rate or index. The Retirement Portfolio is exposed to a variety of derivative products through the investment management of the SDIC and their outside managers. The Trust Portfolios utilized no derivative instruments in SDIC's internally managed portfolios, but may be exposed to a variety of derivative products through their outside managers. The following notes detail the derivative instruments used in the SDIC's internally managed portfolios. All of SDIC's derivatives are classified as investment derivatives.

**Futures Contracts.** A futures contract is a contract to buy or sell units of an index or financial instrument at a specified future date at a price agreed upon when the contract is originated. The SDIC purchases and sells futures contracts as a means of adjusting the Retirement Portfolio's mix at a lower transaction cost than the transactions, which would otherwise occur in the underlying portfolios. During fiscal year ended June 30, 2020, S&P 500 futures and 10-

year U.S. Treasury note futures were utilized. Upon entering into such a contract, SDIC pledges to the broker cash or U.S. government securities equal to the minimum initial margin requirement of the futures exchange. Additionally, the portfolio receives or pays a daily variation margin, which is an amount of cash equal to the daily fluctuation in value of the contract. The change in fair value of the futures contracts is presented in the Statement of Changes in Net Position as “Net appreciation in fair value of investments.” The net change in fair value from futures contracts for fiscal year ended June 30, 2020, was \$454.3 million.

At June 30, 2020, futures contracts outstanding were as follows:

|  | <u>Open Position</u> | <u>Contracts</u> | <u>Notional Contract size</u>             | <u>Fair Value (Exposure)</u> |
|--|----------------------|------------------|---|------------------------------|
| U.S. Treasury Note Future Due September 2020 | Long                 | 4,325            | \$100,000 par value 6% U.S. Treasury note | \$ 370,893,047               |
| S&P 500 Index Future Due September 2020      | Short                | 13,436           |   | \$ (2,076,029,950)           |

**Foreign Currency Forward Contracts.** The SDIC enters into foreign exchange forward contracts to manage foreign currency exposure, as permitted by portfolio policies. The fair values of the contracts are presented in the Statement of Net Position as “Investments at fair value – Equities.” The change in fair value of the forward contracts is presented in the Statement of Changes in Net Position as “Net appreciation in fair value of investments.” For fiscal year ended June 30, 2020, the net change in fair value from foreign currency forward contracts was \$0.4 million. At June 30, 2020, the foreign currency forward contracts outstanding were as follows:

| <u>Description</u> | <u>Notional Amount</u> | <u>Maturity Date</u> | <u>Fair Value (U.S. Dollars)</u> |
|--------------------|------------------------|----------------------|----------------------------------|
| Forward Sale       | \$ (4,247,124) CHF     | 08/05/2020           | \$ (59,821)                      |

**Credit Risk.** SDRS is exposed to credit risk on derivative instruments that are in asset positions. The SDIC attempts to minimize credit risk by entering into derivatives contracts with major financial institutions. At June 30, 2020, the net fair value of foreign currency forward contracts was \$0. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

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

**Foreign Currency Risk.** SDRS is exposed to foreign currency risk on its foreign currency forward contracts because they are denominated in foreign currencies. The net fair value of the foreign currency forward contracts in USD is (\$0.1 million).

### **Fair Value Measurement**

Investments are reported at fair value as of June 30, 2020 to the extent available. GASB Statement No. 72- *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are other than quoted prices included within Level 1 that are observable; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the hierarchy below.

The following tables summarize the Cash Flow Portfolio, Retirement Portfolio, Trust Portfolios, and Other Funds investments within the fair value hierarchy as of June 30, 2020, (Expressed in Thousands):

### Cash Flow Portfolio:

|  | Cash Flow Fund Portfolio |             |                     |             |
|--|--------------------------|-------------|---------------------|-------------|
|  | Total                    | Level 1     | Level 2             | Level 3     |
| <b>Investments by Fair Value Level</b>                   |                          |             |                     |             |
| U.S. Treasuries  | \$ 16,097                | \$          | \$ 16,097           | \$          |
| U.S. Treasury STRIPS                                     | 113,005                  |             | 113,005             |             |
| U.S. Agencies  | 332,188                  |             | 332,188             |             |
| Investment Grade Corporates                              | 677,038                  |             | 677,038             |             |
| High Yield Corporates                                    | 9,803                    |             | 9,803               |             |
| Agency Mortgage-backed Securities                        | 96,595                   |             | 96,595              |             |
| Total Fixed Income Securities                            | 1,244,726                | 0           | 1,244,726           | 0           |
| <b>Total Investments by Fair Value Level</b>             | <b>1,244,726</b>         | <b>\$ 0</b> | <b>\$ 1,244,726</b> | <b>\$ 0</b> |
| <b>Investments Measured at the Net Asset Value (NAV)</b> |                          |             |                     |             |
| Short-term Investment Funds                              | 1,428,193                |             |                     |             |
| Total Investments Measured at the NAV                    | 1,428,193                |             |                     |             |
| <b>Total Investments Measured at the Fair Value</b>      | <b>\$ 2,672,919</b>      |             |                     |             |

### Retirement Portfolio:

|  | Retirement Portfolio |                     |                     |             |
|--|----------------------|---------------------|---------------------|-------------|
|  | Total                | Level 1             | Level 2             | Level 3     |
| <b>Investments by Fair Value Level</b>                   |                      |                     |                     |             |
| Fixed Income Securities                                  |                      |                     |                     |             |
| U.S. Treasury Bills                                      | \$ 339,146           | \$                  | \$ 339,146          | \$          |
| U.S. Treasury STRIPS                                     | 385,146              |                     | 385,146             |             |
| U.S. Agencies  | 36,331               |                     | 36,331              |             |
| Investment Grade Corporates                              | 441,064              |                     | 441,064             |             |
| High Yield Corporates                                    | 399,539              |                     | 399,539             |             |
| Agency Mortgage-backed Securities                        | 336,056              |                     | 336,056             |             |
| Non-Agency Mortgage-backed Securities                    | 777,464              |                     | 777,464             |             |
| Total Fixed Income Securities                            | 2,714,746            | 0                   | 2,714,746           | 0           |
| Equity Securities  |                      |                     |                     |             |
| Domestic Stock   | 3,440,603            | 3,440,557           | 46                  |             |
| Depository Receipts                                      | 58,764               | 58,764              |                     |             |
| ETF - Exchange Traded Funds                              | 588,404              | 588,404             |                     |             |
| International Stock                                      | 1,012,483            | 1,012,483           |                     |             |
| Stock Rights   | 1,625                | 1,625               |                     |             |
| Stock Warrants   | 60                   | 60                  |                     |             |
| Total Equity Securities                                  | 5,101,939            | 5,101,893           | 46                  | 0           |
| <b>Total Investments by Fair Value Level</b>             | <b>7,816,685</b>     | <b>\$ 5,101,893</b> | <b>\$ 2,714,792</b> | <b>\$ 0</b> |
| <b>Investments Measured at the Net Asset Value (NAV)</b> |                      |                     |                     |             |
| Short-term Investment Funds                              | 2,049,158            |                     |                     |             |
| Emerging Markets Small Cap Equity Mutual Funds           | 55,882               |                     |                     |             |
| Multi Strategy Hedge Funds                               | 80,893               |                     |                     |             |
| Alternative Investments                                  |                      |                     |                     |             |
| Real Estate Funds  | 1,245,733            |                     |                     |             |
| Private Equity Funds                                     | 1,002,965            |                     |                     |             |
| Other Funds  | 3,288                |                     |                     |             |
| Total Alternative Investments                            | 2,251,986            |                     |                     |             |
| Total Investments Measured at the NAV                    | 4,437,919            |                     |                     |             |
| Total Investments Measured at the Fair Value             | 12,254,604           |                     |                     |             |
| Plus: Cash Held by Fund Managers                         | 7,437                |                     |                     |             |
| Less: G/L on FX Transactions                             | (60)                 |                     |                     |             |
| Plus: Accrued Interest Purchased                         | 932                  |                     |                     |             |
| Less: Accrued Monthly Interest                           | (192)                |                     |                     |             |
| <b>Total</b>   | <b>\$ 12,262,721</b> |                     |                     |             |
| <b>Investment Derivative Instruments</b>                 |                      |                     |                     |             |
| Foreign Exchange Forward Contracts                       | \$ (60)              | \$                  | \$ (60)             |             |
| <b>Total Investment Derivative Instruments</b>           | <b>\$ (60)</b>       | <b>\$ 0</b>         | <b>\$ (60)</b>      |             |

## Trust Portfolios:

|  | Trust Portfolios           |                          |                          |                    |
|--|----------------------------|--------------------------|--------------------------|--------------------|
|  | Total                      | Level 1                  | Level 2                  | Level 3            |
| <b>Investments by Fair Value Level</b>                   |                            |                          |                          |                    |
| Fixed Income Securities                                  |                            |                          |                          |                    |
| U.S. Treasury Bills                                      | \$ 8,064                   | \$                       | \$ 8,064                 | \$                 |
| U.S. Treasury STRIPS                                     | 64,506                     |                          | 64,506                   |                    |
| U.S. Agencies  | 6,084                      |                          | 6,084                    |                    |
| Investment Grade Corporates                              | 69,308                     |                          | 69,308                   |                    |
| High Yield Corporates                                    | 1,702                      |                          | 1,702                    |                    |
| Agency Mortgage-backed Securities                        | 56,939                     |                          | 56,939                   |                    |
| Non-Agency Mortgage-backed Securities                    | 73,381                     |                          | 73,381                   |                    |
| Municipal Bonds  | 43,291                     |                          | 43,291                   |                    |
| Total Fixed Income Securities                            | <u>323,275</u>             | <u>0</u>                 | <u>323,275</u>           | <u>0</u>           |
| Equity Securities  |                            |                          |                          |                    |
| Domestic Stock   | 228,346                    | 228,346                  |                          |                    |
| Depository Receipts                                      | 3,276                      | 3,276                    |                          |                    |
| ETF - Exchange Traded Funds                              | 51,238                     | 51,238                   |                          |                    |
| International Stock                                      | 68,088                     | 68,088                   |                          |                    |
| Stock Rights   | 119                        | 119                      |                          |                    |
| Total Equity Securities                                  | <u>351,067</u>             | <u>351,067</u>           | <u>0</u>                 | <u>0</u>           |
| <b>Total Investments by Fair Value Level</b>             | <b><u>674,342</u></b>      | <b><u>\$ 351,067</u></b> | <b><u>\$ 323,275</u></b> | <b><u>\$ 0</u></b> |
| <b>Investments Measured at the Net Asset Value (NAV)</b> |                            |                          |                          |                    |
| Short-term Investment Funds                              | 497,658                    |                          |                          |                    |
| High Yield Bond Mutual Funds                             | 55,865                     |                          |                          |                    |
| Alternative Investments                                  |                            |                          |                          |                    |
| Real Estate Funds  | 125,482                    |                          |                          |                    |
| Private Equity Funds                                     | 86,564                     |                          |                          |                    |
| Other Funds  | 199                        |                          |                          |                    |
| Total Alternative Investments                            | <u>212,245</u>             |                          |                          |                    |
| Total Investments Measured at the NAV                    | <u>765,768</u>             |                          |                          |                    |
| <b>Total Investments Measured at the Fair Value</b>      | <b><u>\$ 1,440,110</u></b> |                          |                          |                    |

## Other Funds:

|  | Other Funds             |                    |                         |                    |
|--|-------------------------|--------------------|-------------------------|--------------------|
|  | Total                   | Level 1            | Level 2                 | Level 3            |
| <b>Investments by Fair Value Level</b>       |                         |                    |                         |                    |
| U.S. Treasuries                              | \$ 48,018               | \$                 | \$ 48,018               | \$                 |
| U.S. Agencies                                | 2,006                   |                    | 2,006                   |                    |
| Total Fixed Income Securities                | <u>50,024</u>           | <u>0</u>           | <u>50,024</u>           | <u>0</u>           |
| <b>Total Investments by Fair Value Level</b> | <b><u>\$ 50,024</u></b> | <b><u>\$ 0</u></b> | <b><u>\$ 50,024</u></b> | <b><u>\$ 0</u></b> |

Equity securities classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for identical securities as of the measurement date as issued by pricing vendors.

Equity securities classified in Level 2 of the fair value hierarchy are valued using a quoted price for a similar security in an active market, and valuations from various pricing vendors/brokers 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. Debt securities classified in Level 2 of the fair value hierarchy are valued using observable inputs other than quoted prices for identical securities. The prices are determined by the use of matrix pricing techniques maintained by the various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

In the Retirement Portfolio, derivative instruments classified in Level 2 of the fair value hierarchy are valued using observable inputs other than quoted prices for identical securities. The foreign currency forward contract valuations are determined by interpolating FX rates for various settlement dates as of June 30, 2020.

In the Retirement Portfolio, real estate funds classified in Level 3 of the fair value hierarchy are real estate alternative investments that invest primarily in overseas commercial real estate. These are investments which quoted prices are not readily available and are valued at estimated values as determined by the General Partner (GP). Investments are valued by the GP using one or more valuation methodologies with reference to the International Private Equity and Venture Capital Valuation Guidelines. The estimated fair values are subjective and based on judgment.

In the Trust Portfolios, the Other Fund classified in Level 3 of the fair value hierarchy is valued at zero. It is an investment in an alternative investment fund that invested in distressed and defaulted debt securities and equities of financially troubled companies. All positions in the fund have been liquidated and only cash remains. The fund holds contingent liabilities that offset cash. Due to the highly questionable outcome of the contingent liabilities it has been determined that a value of zero best reflects the fair value considering the information available as of June 30, 2020.

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

Continued on next page

The following table summarizes the fair value, unfunded commitments, and redemption rules of those investments as of June 30, 2020, (Expressed in Thousands):

**Investments Measured at the NAV**

|  | <u>Fair Value</u>          | <u>Unfunded Commitments</u> | <u>Cash Flow Fund Portfolio<br/>Redemption Frequency (if currently eligible)</u> | <u>Redemption Notice Period</u> |
|--|----------------------------|-----------------------------|--|---------------------------------|
| Short-term Investment Funds (a)                          | \$ 1,428,193               | \$                          | Daily  | 0 days                          |
| <b>Investments Measured at the Net Asset Value (NAV)</b> | <b><u>\$ 1,428,193</u></b> |                             |  |                                 |

**Investments Measured at the NAV**

|  | <u>Fair Value</u>        | <u>Unfunded Commitments</u> | <u>Trust Portfolios<br/>Redemption Frequency (if currently eligible)</u> | <u>Redemption Notice Period</u> |
|--|--------------------------|-----------------------------|--|---------------------------------|
| Short-term Investment Funds (a)                          | \$ 497,659               | \$                          | Daily  | 0 days                          |
| High Yield Bond Mutual Funds (b)                         | 55,865                   |                             | Daily  | 1 day                           |
| Alternative Investments                                  |                          |                             |  |                                 |
| Real Estate Funds (c)                                    | 125,482                  | 112,538                     |  |                                 |
| Private Equity Funds (d)                                 | 86,564                   | 35,996                      |  |                                 |
| Other Funds (e)  | 199                      |                             |  |                                 |
| Total Alternative Investments                            | <u>212,245</u>           |                             |  |                                 |
| <b>Investments Measured at the Net Asset Value (NAV)</b> | <b><u>\$ 765,769</u></b> |                             |  |                                 |

**Investments Measured at the NAV**

|  | <u>Fair Value</u>          | <u>Unfunded Commitments</u> | <u>Retirement Portfolio<br/>Redemption Frequency (if currently eligible)</u> | <u>Redemption Notice Period</u> |
|--|----------------------------|-----------------------------|--|---------------------------------|
| Short-term Investment Funds (a)                          | \$ 2,049,158               | \$                          | Daily  | 0 days                          |
| Mutual Funds (f)   | 55,882                     |                             | Daily  | 1 day                           |
| Multi Strategy Hedge Funds (g)                           | 80,893                     |                             | Monthly  | 5-30 days                       |
| Alternative Investments                                  |                            |                             |  |                                 |
| Real Estate Funds (c)                                    | 1,245,733                  | 1,166,195                   |  |                                 |
| Private Equity Funds (d)                                 | 1,002,965                  | 508,506                     |  |                                 |
| Other Funds (e)  | 3,288                      |                             |  |                                 |
| Total Alternative Investments                            | <u>2,251,986</u>           |                             |  |                                 |
| <b>Investments Measured at the Net Asset Value (NAV)</b> | <b><u>\$ 4,437,919</u></b> |                             |  |                                 |

*a. Short Term Investment Funds.* This type includes investments in open-end mutual funds that invest exclusively 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 value of the investment in this type has been determined using the NAV per share of the investment.

*b. High Yield Bond Mutual Funds.* This type includes an investment in one open-end mutual fund that invests mainly in a diversified group of high-yielding, higher risk corporate bonds with medium and lower range credit-quality ratings. The fair value of the investment in this type has been determined using the NAV per share of the investment.

*c. Real Estate Funds.* This type includes 17 (Trust Portfolios) and 26 (Retirement Portfolio) real estate funds that invest primarily in commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital. These investments can never be redeemed from the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 20 years. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital.

d. *Private Equity Funds.* This type includes 12 (Trust Portfolios) and 35 (Retirement Portfolio) private equity funds that invest primarily in leveraged buyouts. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital. These investments can never be redeemed from the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 20 years. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital.

e. *Other Funds.* This type includes 2 other alternative investments that invest primarily in a broad range of debt, debt-related, and real estate-related investments. The fair values of the investment has been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital. These investments can never be redeemed from the fund. 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 2 years. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital.

f. *Emerging Markets Small Cap Equity Mutual Funds.* This type included one investment in an open-end mutual fund that emphasizes broad diversification and consistent exposure to emerging market small company stocks. The fair value of the investment in this type has been determined using the NAV per share of the investment.

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

## **B. Component Units**

### **Deposits**

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event of the failure of a depository institution, the component unit's deposits may not be returned to it. The Housing Development Authority deposit policy requires deposits in excess of the depository insurance maximums be collateralized 100%. Collateral must be deposited for safekeeping in a financial institution that is not owned or controlled either directly or indirectly by the pledging financial institution. The financial institution where the collateral is held must be a member of the Federal Reserve. The additional component units do not have deposit policies for custodial credit risk. As of June 30, 2020, the component units had no deposits that were not collateralized or covered by depository insurance.

### **Investments**

**Custodial Credit Risk.** Custodial credit risk is the risk that in the event of the failure of the counterparty, the component unit will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The component units do not have investment policies for custodial credit risk. At June 30, 2020, investments in the amount of \$3.8 million were uninsured and unregistered, with the securities held by the counterparty, or by its trust department or agent, but not in the component unit's name.

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

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

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

As of June 30, 2020, the Housing Development Authority and the Economic Development Finance Authority had investments maturing as follows (Expressed in Thousands):

| Investment Type             | Fair Value          | Investment Maturities (in Years) |                   |                  |                    |
|-----------------------------|---------------------|----------------------------------|-------------------|------------------|--------------------|
|                             |                     | Less than 1                      | 1 to 5            | 6 to 10          | Greater than 10    |
| U.S. Government Obligations | \$ 91,610           | \$ 10,247                        | \$ 51,968         | \$ 29,395        | \$                 |
| U.S. Treasury Notes         | 434                 | 403                              | 31                |                  |                    |
| U.S. Agencies               | 1,144,323           | 1,363                            | 61,977            | 17,797           | 1,063,186          |
| Investment Grade Corporates | 764                 |                                  | 22                | 736              | 6                  |
| Certificates of Deposit     | 10,927              | 6,370                            | 4,557             |                  |                    |
| Mutual Funds                | 240,374             | 240,374                          |                   |                  |                    |
| Municipal Bonds             | 453                 | 70                               | 383               |                  |                    |
| State Obligations           | 3,030               |                                  | 2,501             | 529              |                    |
| <b>Total</b>                | <b>\$ 1,491,915</b> | <b>\$ 258,827</b>                | <b>\$ 121,439</b> | <b>\$ 48,457</b> | <b>\$1,063,192</b> |

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

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

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

As of June 30, 2020, the Economic Development Finance Authority investments had the following ratings:

| Moody's Rating          | Fair Value        |
|-------------------------|-------------------|
| Aa                      | \$ 388,330        |
| Aaa                     | 107,578           |
| <b>Total Fair Value</b> | <b>\$ 495,908</b> |

As of June 30, 2020, the Housing Development Authority investments had the following ratings (Dollars Expressed in Thousands):

| Type/Provider                  | Moody's Credit Rating | Amount             | % of Total    |
|--------------------------------|-----------------------|--------------------|---------------|
| Money Market Funds             | NR                    | \$ 240,374         | 16.2%         |
| Certificates of Deposit        | NR                    | 6,687              | 0.4%          |
| Corporate-Backed Obligations   | NR                    | 764                | 0.1%          |
| U.S. Agencies                  | Aaa                   | 19,497             | 1.3%          |
| U.S. Treasuries                | Aaa                   | 91,610             | 6.2%          |
| State and Municipal Securities | A1 to Aaa             | 3,030              | 0.2%          |
| Mortgage-backed Securities:    |                       |                    |               |
| GNMA                           | NR                    | 706,507            | 47.5%         |
| FNMA                           | NR                    | 398,044            | 26.8%         |
| FHLMC                          | NR                    | 20,274             | 1.4%          |
|                                |                       | <b>\$1,486,787</b> | <b>100.0%</b> |

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

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

As of June 30, 2020, the Economic Development Finance Authority permits the maximum portfolio exposure to permitted investments:

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

## **Hedging Derivative Financial Instruments in Component Units**

### **South Dakota Housing Development Authority**

The Authority has entered into interest rate swap agreements in connection with issuing variable rate mortgage revenue bonds. The intentions of the swaps are to create synthetic fixed rate debt at a lower interest rate than achievable from long-term fixed rate bonds and to achieve the Authority’s goal of lending to low and moderate-income first-time home buyers at below market fixed interest rates.

**Swap Terms.** The terms, including the fair values and counterparty credit ratings of the outstanding swaps as of June 30, 2020, are contained in the table below. The initial notional amounts of the swaps match the principal amounts of the associated debt. The Authority has purchased the right to terminate the outstanding swap balances at par value on dates that are generally 10 years after the date of issuance of the related bonds (Dollars Expressed in Thousands).

| Bond Series                    | Current Notional Amount | Effective Date | Fixed Payable Rate           | Variable Rate Received    | Termination Date | Counterparty Credit Rating* | Fair Value |
|--------------------------------|-------------------------|----------------|------------------------------|---------------------------|------------------|-----------------------------|------------|
| <b>Wells Fargo Bank</b>        |                         |                |                              |                           |                  |                             |            |
| 2015 E-1                       | \$ 25,000               | 12/17/2015     | 2.11%                        | 66.4% of LIBOR plus 0.22% | 11/01/2037       | Aa1                         | \$ (2,002) |
| 2015 E-2                       | 25,000                  | 12/17/2015     | 66.4% of LIBOR plus 0.22%    | 22yr MMD plus 0.87%       | 11/01/2037       | Aa1                         | 97         |
| 2016 E-1                       | 50,000                  | 11/01/2016     | 2.21%                        | 66.4% of LIBOR plus 0.23% | 05/01/2037       | Aa1                         | (4,667)    |
| 2016 E-2                       | 50,000                  | 11/01/2016     | 66.4% of 1M LIBOR plus 0.23% | 21yr MMD plus 0.95%       | 05/01/2037       | Aa1                         | 234        |
| <b>Bank of New York Mellon</b> |                         |                |                              |                           |                  |                             |            |
| 2020 B                         |                         | 02/12/2020     | 1.6525%                      | 100% SIFMA                | 11/01/2041       | Aa1                         | (2,733)    |

\* Moody's Investors Service

The fair values presented on the above table were estimated by the Housing Development Authority's counterparty to the swaps. The valuation was determined by calculating the difference between the present values of each fixed cash flow to be paid and each floating cash flow to be received by the Authority based upon the current market yield curve. The present value factors for each cash flow are based on the implied zero coupon yield curve determined by current market rates. Additionally, the values of the call options are determined by calculating the present value of each predicted option outcome, whose interest rate prediction variance is determined by current market implied volatility. Together these calculations, along with consideration for non-performance risk, determine the current fair value of the Authority's swap contracts. The fair values in the previous table represent the termination payments that would have been due had the swaps been terminated as of June 30, 2020. A positive fair value represents money due to the Authority by the counterparty upon termination of the swap, while a negative fair value represents money payable by the Authority.

## **Swap Risks**

**Credit Risk.** The terms of the swaps expose the Housing Development Authority to potential credit risk with the counterparty upon the occurrence of a termination event. The fair value of a swap represents the Authority's current credit exposure to the counterparty with which the swaps were executed. The Authority has credit risk exposure to its counterparties when the swap positions have a positive value. Several of the swap agreements require that, upon demand, a party post collateral to secure its obligation to make a termination payment to the extent the fair value exceeds a collateral threshold specified in the agreement. The collateral thresholds are based on the prevailing ratings, as determined by Moody's and Standard & Poor's, of each counterparty, in the case of the counterparties, or hedged bonds, in the case of the Authority. These bilateral requirements are established to mitigate potential credit risk exposure. As of June 30, 2020, neither the Authority nor any counterparty had been required to post collateral.

**Basis Risk.** The Authority incurs the potential risk that the variable interest payments on its bonds will not equal the variable interest receipts from its swaps. This basis risk exists because the Authority pays the actual variable rate on its bonds, but under the terms of its swaps receives a variable rate based upon the one-month, taxable LIBOR rate. Basis risk will vary over time due to inter-market conditions. For the year ended June 30, 2020, the weighted average interest rate on the Authority's variable rate debt associated with swaps was 1.18% per annum, while the weighted average interest rate on the swaps was 1.28% per annum. In order to reduce the cumulative effects of basis risk, the variable rate determination structure for interest receipts within the swap is based upon a regression analysis of the long-term relationship between variable tax exempt rates and the applicable swap index.

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

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

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

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

**Swap Payments and Associated Debt.** As rates vary, variable-rate bond interest payments and net swap payments will vary. Debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows using rates as of June 30, 2020, (Expressed in Thousands):

| Year-end<br>June 30 | Variable-rate Bond |                  | Interest Rate   | Total             |
|---------------------|--------------------|------------------|-----------------|-------------------|
|                     | Principal          | Interest         | Swap – Net      |                   |
| 2021                | \$                 | \$ 1,845         | \$ 330          | \$ 2,175          |
| 2022                |                    | 1,845            | 330             | 2,175             |
| 2023                |                    | 1,845            | 330             | 2,175             |
| 2024                |                    | 1,846            | 330             | 2,176             |
| 2025                |                    | 1,846            | 330             | 2,176             |
| 2026-2030           | 12,015             | 9,039            | 1,671           | 22,725            |
| 2031-2035           | 57,165             | 5,407            | 1,666           | 64,238            |
| 2036-2040           | 35,560             | 655              | 897             | 37,112            |
| 2041-2045           | 3,260              | 3                | 39              | 3,302             |
| <b>Total</b>        | <b>\$ 108,000</b>  | <b>\$ 24,331</b> | <b>\$ 5,923</b> | <b>\$ 138,254</b> |

**Rollover Risk.** Rollover risk is the risk that a swap associated with a bond issue does not extend to the maturity of that debt. When the swap terminates, the associated debt will no longer have the benefit of the swap. The Authority did not have any rollover risk as of June 30, 2020.

**Mortgage-Backed Security (MBS) Forwards Contracts**

The South Dakota Housing Development Authority has entered into forward contracts to hedge the interest rate risk of delivering MBS securities guaranteed by Ginnie Mae and Fannie Mae in the future, before the securities are ready for delivery (referred to as “to-be-announced” or TBA Mortgage-Backed Securities). These securities represent pools of qualified mortgage loans originated by Authority approved lenders. The forward contracts offset the financial impact to the Authority of changes in interest rates between the time of loan reservations made to originating mortgage lenders and the securitization and sale of such loans as Ginnie Mae or Fannie Mae securities. The forward contracts are considered hedging derivative instruments and the fair values were obtained from an external pricing specialist using current trade pricing for similar financial instruments in active markets that the Authority has the ability to access. A positive fair value represents money due to the Authority by the counterparty, while a negative fair value represents money payable by the Authority.

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Outstanding forward sales contracts as of June 30, 2020, are as follows:

| <b>Forward Contracts to<br/>sell TBA Mortgage-<br/>Backed Securities</b> | <b>Notional<br/>Amount<br/>June 30</b> | <b>Trade<br/>Date</b> | <b>Delivery<br/>Date</b> | <b>Coupon<br/>Rate</b> | <b>Fair Values<br/>June 30</b> | <b>Moody's<br/>Credit<br/>Rating</b> |
|--|--|-----------------------|--------------------------|------------------------|--------------------------------|--------------------------------------|
| <b>Bank of America Merrill Lynch</b>                                     |  |                       |                          |                        |                                |                                      |
| FNMA   | \$ 1,600,000                           | 04/15/2020            | 07/14/2020               | 2.50%                  | \$ (11,250)                    | A2                                   |
| FNMA   | 1,200,000                              | 04/17/2020            | 07/14/2020               | 2.50%                  | (7,500)                        | A2                                   |
| FNMA   | 1,200,000                              | 04/21/2020            | 07/14/2020               | 2.50%                  | (12,563)                       | A2                                   |
| FNMA   | 1,000,000                              | 04/29/2020            | 07/14/2020               | 2.50%                  | (5,000)                        | A2                                   |
| FNMA   | 2,400,000                              | 05/05/2020            | 07/14/2020               | 2.50%                  | (15,750)                       | A2                                   |
| GNMA II  | 4,000,000                              | 05/05/2020            | 07/21/2020               | 2.50%                  | (23,750)                       | A2                                   |
| FNMA   | 1,200,000                              | 05/07/2020            | 07/14/2020               | 2.50%                  | (8,438)                        | A2                                   |
| GNMA II  | 1,200,000                              | 05/11/2020            | 07/21/2020               | 2.50%                  | (13,313)                       | A2                                   |
| FNMA   | 1,200,000                              | 05/15/2020            | 08/13/2020               | 2.50%                  | (11,063)                       | A2                                   |
| GNMA II  | 1,400,000                              | 05/19/2020            | 08/20/2020               | 2.50%                  | (11,813)                       | A2                                   |
| GNMA II  | 1,600,000                              | 05/29/2020            | 08/20/2020               | 2.50%                  | (9,250)                        | A2                                   |
| FNMA   | 2,000,000                              | 06/05/2020            | 08/13/2020               | 2.50%                  | (24,063)                       | A2                                   |
| FNMA   | 5,200,000                              | 06/08/2020            | 07/14/2020               | 2.50%                  | (46,313)                       | A2                                   |
| FNMA   | 1,200,000                              | 06/09/2020            | 08/13/2020               | 2.50%                  | (7,875)                        | A2                                   |
| FNMA   | 1,000,000                              | 06/11/2020            | 09/14/2020               | 2.50%                  | (1,406)                        | A2                                   |
| GNMA II  | 4,500,000                              | 06/17/2020            | 07/21/2020               | 2.50%                  | (18,281)                       | A2                                   |
| GNMA II  | 1,400,000                              | 06/17/2020            | 08/20/2020               | 2.50%                  | (7,656)                        | A2                                   |
| FNMA   | (6,386,000)                            | 06/25/2020            | 07/14/2020               | 2.50%                  | 16,963                         | A2                                   |
| GNMA II  | (1,480,000)                            | 06/25/2020            | 07/21/2020               | 2.50%                  | 3,006                          | A2                                   |
| GNMA II  | 1,800,000                              | 06/26/2020            | 09/21/2020               | 2.50%                  | (5,063)                        | A2                                   |
| <b>Bank of New York Mellon</b>   |  |                       |                          |                        |                                |                                      |
| GNMA II  | 2,400,000                              | 04/22/2020            | 07/21/2020               | 2.50%                  | (15,750)                       | A1                                   |
| FNMA   | 1,400,000                              | 04/27/2020            | 07/14/2020               | 2.50%                  | (10,008)                       | A1                                   |
| GNMA II  | 1,600,000                              | 04/27/2020            | 07/21/2020               | 2.50%                  | (10,500)                       | A1                                   |
| GNMA II  | 2,200,000                              | 05/08/2020            | 07/21/2020               | 2.50%                  | (18,563)                       | A1                                   |
| FNMA   | 1,400,000                              | 05/28/2020            | 08/13/2020               | 2.50%                  | (14,000)                       | A1                                   |
| FNMA   | 1,000,000                              | 06/03/2020            | 08/13/2020               | 2.50%                  | (9,375)                        | A1                                   |
| GNMA II  | 1,156,000                              | 06/17/2020            | 07/21/2020               | 3.00%                  | (2,529)                        | A1                                   |
| FNMA   | (728,000)                              | 06/25/2020            | 07/14/2020               | 2.50%                  | 1,593                          | A1                                   |
| GNMA II  | (4,600,000)                            | 06/25/2020            | 07/21/2020               | 2.50%                  | 7,906                          | A1                                   |
| <b>Bank of Oklahoma</b>  |  |                       |                          |                        |                                |                                      |
| GNMA II  | 1,000,000                              | 04/23/2020            | 07/21/2020               | 2.50%                  | (4,883)                        | A3                                   |
| FNMA   | 1,000,000                              | 04/24/2020            | 07/14/2020               | 2.50%                  | (6,328)                        | A3                                   |
| GNMA II  | 1,200,000                              | 04/24/2020            | 07/21/2020               | 2.50%                  | (6,750)                        | A3                                   |
| GNMA II  | 1,000,000                              | 04/28/2020            | 07/21/2020               | 2.50%                  | (5,313)                        | A3                                   |
| GNMA II  | 2,400,000                              | 05/01/2020            | 07/21/2020               | 2.50%                  | (10,313)                       | A3                                   |
| GNMA II  | 1,000,000                              | 05/04/2020            | 07/21/2020               | 2.50%                  | (6,523)                        | A3                                   |
| GNMA II  | 1,200,000                              | 05/07/2020            | 07/21/2020               | 2.50%                  | (9,141)                        | A3                                   |
| GNMA II  | 2,200,000                              | 05/14/2020            | 07/21/2020               | 2.50%                  | (17,445)                       | A3                                   |
| GNMA II  | 1,200,000                              | 05/18/2020            | 07/21/2020               | 2.50%                  | (12,328)                       | A3                                   |
| GNMA II  | 1,600,000                              | 05/20/2020            | 08/20/2020               | 2.50%                  | (9,625)                        | A3                                   |
| FNMA   | 1,000,000                              | 05/21/2020            | 08/13/2020               | 2.50%                  | (9,375)                        | A3                                   |
| GNMA II  | 2,400,000                              | 06/01/2020            | 08/20/2020               | 2.50%                  | (11,625)                       | A3                                   |
| FNMA   | 964,300                                | 06/08/2020            | 07/14/2020               | 2.50%                  | (8,287)                        | A3                                   |
| FNMA   | 752,935                                | 06/08/2020            | 07/14/2020               | 3.00%                  | (1,559)                        | A3                                   |
| GNMA II  | 1,400,000                              | 06/10/2020            | 08/20/2020               | 2.50%                  | (4,102)                        | A3                                   |
| FNMA   | 2,200,000                              | 06/10/2020            | 09/14/2020               | 2.50%                  | (11,602)                       | A3                                   |
| FNMA   | 1,000,000                              | 06/15/2020            | 09/14/2020               | 2.50%                  | (4,688)                        | A3                                   |
| GNMA II  | 1,291,000                              | 06/17/2020            | 07/21/2020               | 2.50%                  | (5,043)                        | A3                                   |
| GNMA II  | 100,000                                | 06/17/2020            | 07/21/2020               | 3.00%                  | (168)                          | A3                                   |
| FNMA   | 1,000,000                              | 06/17/2020            | 09/14/2020               | 2.50%                  | (5,938)                        | A3                                   |
| GNMA II  | 1,200,000                              | 06/22/2020            | 09/21/2020               | 2.50%                  | (5,766)                        | A3                                   |
| FNMA   | 1,800,000                              | 06/24/2020            | 09/14/2020               | 2.50%                  | (7,594)                        | A3                                   |
| FNMA   | (530,000)                              | 06/25/2020            | 07/14/2020               | 2.50%                  | 1,408                          | A3                                   |
| GNMA II  | (4,800,000)                            | 06/25/2020            | 07/21/2020               | 2.50%                  | 9,750                          | A3                                   |
| GNMA II  | (6,100,000)                            | 06/25/2020            | 07/21/2020               | 2.50%                  | 19,063                         | A3                                   |

Continued on next page

| <b>Forward Contracts to<br/>sell TBA Mortgage-<br/>Backed Securities</b> | <b>Notional<br/>Amount<br/>June 30</b> | <b>Trade<br/>Date</b> | <b>Delivery<br/>Date</b> | <b>Coupon<br/>Rate</b> | <b>Fair Values<br/>June 30</b> | <b>Moody's<br/>Credit<br/>Rating</b> |
|--|--|-----------------------|--------------------------|------------------------|--------------------------------|--------------------------------------|
| <b>Daiwa Capital Markets</b>   |  |                       |                          |                        |                                |                                      |
| GNMA II  | \$ 2,800,000                           | 05/13/2020            | 07/21/2020               | 2.50%                  | \$ (24,938)                    | Not rated                            |
| GNMA II  | 1,600,000                              | 05/21/2020            | 08/20/2020               | 2.50%                  | (11,000)                       | Not rated                            |
| GNMA II  | 1,600,000                              | 05/28/2020            | 08/20/2020               | 2.50%                  | (12,250)                       | Not rated                            |
| GNMA II  | 1,400,000                              | 06/09/2020            | 08/20/2020               | 2.50%                  | (6,344)                        | Not rated                            |
| GNMA II  | 1,200,000                              | 06/11/2020            | 08/20/2020               | 2.50%                  | 1,125                          | Not rated                            |
| GNMA II  | 1,600,000                              | 06/12/2020            | 08/20/2020               | 2.50%                  | (2,000)                        | Not rated                            |
| GNMA II  | 1,200,000                              | 06/17/2020            | 07/21/2020               | 3.00%                  | (2,625)                        | Not rated                            |
| FNMA   | 1,800,000                              | 06/22/2020            | 09/14/2020               | 2.50%                  | (7,031)                        | Not rated                            |
| FNMA   | 1,200,000                              | 06/23/2020            | 09/14/2020               | 2.50%                  | (5,250)                        | Not rated                            |
| GNMA II  | 2,800,000                              | 06/24/2020            | 09/21/2020               | 2.50%                  | (15,313)                       | Not rated                            |
| GNMA II  | (1,428,000)                            | 06/25/2020            | 07/21/2020               | 2.50%                  | 2,678                          | Not rated                            |
| <b>Jefferies</b>   |  |                       |                          |                        |                                |                                      |
| FNMA   | 600,000                                | 04/16/2020            | 07/14/2020               | 3.50%                  | 4,781                          | Baa3                                 |
| GNMA II  | 1,000,000                              | 04/20/2020            | 07/21/2020               | 2.50%                  | (7,656)                        | Baa3                                 |
| GNMA II  | 1,600,000                              | 04/29/2020            | 07/21/2020               | 2.50%                  | (6,750)                        | Baa3                                 |
| FNMA   | 1,200,000                              | 05/01/2020            | 07/14/2020               | 2.50%                  | (6,375)                        | Baa3                                 |
| FNMA   | 1,600,000                              | 05/12/2020            | 08/13/2020               | 2.50%                  | (16,500)                       | Baa3                                 |
| FNMA   | 1,400,000                              | 05/13/2020            | 08/13/2020               | 2.50%                  | (13,563)                       | Baa3                                 |
| GNMA II  | 1,600,000                              | 05/15/2020            | 07/21/2020               | 2.50%                  | (13,000)                       | Baa3                                 |
| FNMA   | 1,000,000                              | 05/20/2020            | 08/13/2020               | 2.50%                  | (9,219)                        | Baa3                                 |
| FNMA   | 1,000,000                              | 05/22/2020            | 08/13/2020               | 2.50%                  | (10,469)                       | Baa3                                 |
| GNMA II  | 1,800,000                              | 05/22/2020            | 08/20/2020               | 2.50%                  | (13,781)                       | Baa3                                 |
| FNMA   | 1,400,000                              | 05/27/2020            | 08/13/2020               | 2.50%                  | (11,484)                       | Baa3                                 |
| GNMA II  | 3,600,000                              | 05/27/2020            | 08/20/2020               | 2.50%                  | (22,500)                       | Baa3                                 |
| GNMA II  | 2,400,000                              | 06/02/2020            | 08/20/2020               | 2.50%                  | (10,500)                       | Baa3                                 |
| GNMA II  | 3,600,000                              | 06/05/2020            | 08/20/2020               | 2.50%                  | (36,000)                       | Baa3                                 |
| GNMA II  | 1,400,000                              | 06/15/2020            | 08/20/2020               | 2.50%                  | (4,156)                        | Baa3                                 |
| GNMA II  | 8,565,000                              | 06/17/2020            | 07/21/2020               | 2.50%                  | (36,134)                       | Baa3                                 |
| GNMA II  | 1,000,000                              | 06/17/2020            | 07/21/2020               | 3.00%                  | (2,188)                        | Baa3                                 |
| GNMA II  | 3,800,000                              | 06/19/2020            | 09/21/2020               | 2.50%                  | (23,453)                       | Baa3                                 |
| GNMA II  | 2,000,000                              | 06/23/2020            | 09/21/2020               | 2.50%                  | (10,313)                       | Baa3                                 |
| FNMA   | (684,000)                              | 06/25/2020            | 07/14/2020               | 2.50%                  | 1,817                          | Baa3                                 |
| GNMA II  | (3,376,000)                            | 06/25/2020            | 07/21/2020               | 2.50%                  | 6,858                          | Baa3                                 |
| GNMA II  | 2,000,000                              | 06/25/2020            | 09/21/2020               | 2.50%                  | (9,219)                        | Baa3                                 |
| FNMA   | 1,000,000                              | 06/29/2020            | 09/14/2020               | 2.50%                  | (938)                          | Baa3                                 |
| GNMA II  | 2,600,000                              | 06/29/2020            | 09/21/2020               | 2.50%                  | (6,094)                        | Baa3                                 |
| <b>Piper Sandler</b>   |  |                       |                          |                        |                                |                                      |
| GNMA II  | 500,000                                | 04/28/2020            | 07/21/2020               | 3.00%                  | (1,406)                        | Not rated                            |
| GNMA II  | 1,600,000                              | 04/30/2020            | 07/21/2020               | 2.50%                  | (5,000)                        | Not rated                            |
| FNMA   | 1,000,000                              | 05/08/2020            | 07/14/2020               | 2.50%                  | (7,031)                        | Not rated                            |
| GNMA II  | 2,400,000                              | 05/12/2020            | 07/21/2020               | 2.50%                  | (25,875)                       | Not rated                            |
| FNMA   | 2,000,000                              | 05/19/2020            | 08/13/2020               | 2.50%                  | (21,563)                       | Not rated                            |
| FNMA   | 1,200,000                              | 06/01/2020            | 08/13/2020               | 2.50%                  | (9,375)                        | Not rated                            |
| GNMA II  | 3,200,000                              | 06/03/2020            | 08/20/2020               | 2.50%                  | (21,000)                       | Not rated                            |
| GNMA II  | 2,000,000                              | 06/16/2020            | 08/20/2020               | 2.50%                  | (7,031)                        | Not rated                            |
| GNMA II  | 1,600,000                              | 06/18/2020            | 08/20/2020               | 2.50%                  | (5,500)                        | Not rated                            |
| FNMA   | (410,000)                              | 06/25/2020            | 07/14/2020               | 2.50%                  | 961                            | Not rated                            |
| FNMA   | 1,600,000                              | 06/26/2020            | 09/14/2020               | 2.50%                  | (2,741)                        | Not rated                            |
| <b>Bank of Montreal</b>  |  |                       |                          |                        |                                |                                      |
| GNMA II  | (1,100,000)                            | 06/25/2020            | 07/21/2020               | 3.00%                  | 3,609                          | Aa2                                  |
| <b>Citigroup Global Markets</b>  |  |                       |                          |                        |                                |                                      |
| GNMA II  | (1,200,000)                            | 06/25/2020            | 07/21/2020               | 3.00%                  | 4,125                          | A1                                   |
|  |  |                       |                          |                        | <b>\$ (863,390)</b>            |                                      |
| <b>\$ 122,807,235</b>  |  |                       |                          |                        |                                |                                      |

## **Fair Value Measurement**

Investments are reported at fair value as of June 30, 2020, to the extent available. GASB Statement No. 72- *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are other than quoted prices included within Level 1 that are observable; Level 3 inputs are significant unobservable inputs.

The following table summarizes the Housing Development Authority and Economic Development Finance Authority investments within the fair value hierarchy as of June 30, 2020, (Expressed in Thousands):

|  | <u>Total</u>               | <u>Level 1</u>           | <u>Level 2</u>             | <u>Level 3</u>     |
|--|----------------------------|--------------------------|----------------------------|--------------------|
| <b>Investments by Fair Value Level</b>       |                            |                          |                            |                    |
| U.S. Treasuries                              | \$ 92,043                  | \$                       | \$ 92,043                  | \$                 |
| U.S. Agencies                                | 1,144,323                  |                          | 1,144,323                  |                    |
| Corporate-Backed Obligations                 | 764                        |                          | 764                        |                    |
| Money Market Mutual Funds                    | 240,374                    | 240,374                  |                            |                    |
| Municipal Bonds                              | 453                        |                          | 453                        |                    |
| Certificates of Deposit                      | 10,927                     |                          | 10,927                     |                    |
| State Obligations                            | 3,030                      |                          | 3,030                      |                    |
| <b>Total Investments by Fair Value Level</b> | <b><u>\$ 1,491,914</u></b> | <b><u>\$ 240,374</u></b> | <b><u>\$ 1,251,540</u></b> | <b><u>\$ 0</u></b> |
| <b>Hedging Derivative Instruments</b>        |                            |                          |                            |                    |
| Interest Rate Swaps                          | \$ (9,070)                 | \$                       | \$ (9,070)                 | \$                 |
| Forward MBS Contracts                        | (863)                      |                          | (863)                      |                    |
| <b>Total Hedging Derivative Instruments</b>  | <b><u>\$ (9,933)</u></b>   | <b><u>\$ 0</u></b>       | <b><u>\$ (9,933)</u></b>   | <b><u>\$ 0</u></b> |

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

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

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

## 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            | Transportation Fund | Social Services Federal Fund | COVID-19 Federal Fund | Dakota Cement Trust Fund | Educational Enhancement Trust Fund | Non-major Governmental Funds |                 | Internal Service Funds |
| Taxes Receivable            | \$240,961               | \$ 17,109           | \$                           | \$                    | \$                       | \$                                 | \$ 2,986                     | \$              | \$ 261,056             |
| Allowance                   | (13,966)                | (9)                 |                              |                       |                          |                                    |                              |                 | (13,975)               |
| Accounts Receivable         | 19,412                  | 2,065               | 16,641                       | 1,658                 |                          | 362                                | 18,127                       | 6,801           | 65,066                 |
| Allowance                   | (5,576)                 | (429)               |                              |                       |                          |                                    | (114)                        |                 | (6,119)                |
| Due From Other Governments  | 1,814                   | 91,341              | 14,242                       | 19,906                |                          |                                    | 111,740                      | 192             | 239,235                |
| Interest Receivable         | 4,686                   | 681                 | 3                            |                       | 475                      | 1,195                              | 1,650                        | 226             | 8,916                  |
| Current Loans and Notes     |                         | 428                 |                              |                       |                          |                                    | 5,338                        |                 | 5,766                  |
| Allowance                   |                         |                     |                              |                       |                          |                                    | (48)                         |                 | (48)                   |
| Non-current Loans and Notes |                         | 5,252               |                              |                       |                          |                                    | 54,506                       |                 | 59,758                 |
| Allowance                   |                         |                     |                              |                       |                          |                                    | (585)                        |                 | (585)                  |
| Due From Fiduciary Funds    | 37                      |                     |                              |                       |                          |                                    |                              | 69              | 106                    |
| <b>Receivables, net</b>     | <b>\$247,368</b>        | <b>\$116,438</b>    | <b>\$ 30,886</b>             | <b>\$ 21,564</b>      | <b>\$ 475</b>            | <b>\$ 1,557</b>                    | <b>\$193,600</b>             | <b>\$ 7,288</b> | <b>\$ 619,176</b>      |

|                             | Business-type Activities |                                  |                                     |                             |                            | Total             |
|-----------------------------|--------------------------|----------------------------------|-------------------------------------|-----------------------------|----------------------------|-------------------|
|                             | Lottery Fund             | Clean Water State Revolving Fund | Drinking Water State Revolving Fund | Unemployment Insurance Fund | Non-major Enterprise Funds |                   |
| Accounts Receivable         | \$ 5,749                 | \$                               | \$                                  | \$ 13,584                   | \$ 142                     | \$ 19,475         |
| Allowance                   | (14)                     |                                  |                                     | (1,825)                     |                            | (1,839)           |
| Due From Other Governments  |                          | 764                              | 509                                 | 23,462                      | 122                        | 24,857            |
| Interest Receivable         | 64                       | 2,995                            | 1,851                               |                             | 646                        | 5,556             |
| Current Loans Receivable    |                          | 20,519                           | 10,401                              |                             | 7,542                      | 38,462            |
| Allowance                   |                          |                                  |                                     |                             | (330)                      | (330)             |
| Noncurrent Loans Receivable |                          | 259,935                          | 178,960                             |                             | 43,644                     | 482,539           |
| Allowance                   |                          |                                  |                                     |                             | (1,963)                    | (1,963)           |
| Due From Fiduciary Funds    |                          |                                  |                                     |                             | 48                         | 48                |
| <b>Receivables, net</b>     | <b>\$ 5,799</b>          | <b>\$284,213</b>                 | <b>\$ 191,721</b>                   | <b>\$ 35,221</b>            | <b>\$ 49,851</b>           | <b>\$ 566,805</b> |

### B. Accounts Payable and Other Current Liabilities

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

|                             | Governmental Activities |                     |                              |                       |                     |                               |                              | Total            |                        |
|-----------------------------|-------------------------|---------------------|------------------------------|-----------------------|---------------------|-------------------------------|------------------------------|------------------|------------------------|
|                             | General Fund            | Transportation Fund | Social Services Federal Fund | COVID-19 Federal Fund | Dakota Cement Trust | Educational Enhancement Trust | Non-major Governmental Funds |                  | Internal Service Funds |
| Payroll and Withholdings    | \$ 9,335                | \$ 4,656            | \$ 2,061                     | \$ 7,849              | \$                  | \$                            | \$ 9,370                     | \$ 2,669         | \$ 35,940              |
| Accounts Payable            | 59,761                  | 61,726              | 5,266                        | 7,103                 | 15                  | 50                            | 22,358                       | 1,904            | 158,183                |
| Medicaid and CHIP Claims    | 19,596                  |                     | 21,183                       | 3,499                 |                     |                               | 18,494                       |                  | 62,772                 |
| Due to Other Governments    | 938                     | 12,124              | 46                           | 9,750                 |                     |                               | 31,827                       | 129              | 54,814                 |
| Bank Tax Refund             | 10,834                  |                     |                              |                       |                     |                               |                              |                  | 10,834                 |
| Shared Revenue Distribution | 16,074                  |                     |                              |                       |                     |                               | 35,090                       |                  | 51,164                 |
| Claims Payable              |                         |                     |                              |                       |                     |                               |                              | 17,712           | 17,712                 |
| Due to Fiduciary Funds      | 98                      |                     |                              |                       |                     |                               |                              |                  | 98                     |
| <b>Total</b>                | <b>\$ 116,636</b>       | <b>\$ 78,506</b>    | <b>\$ 28,556</b>             | <b>\$ 28,201</b>      | <b>\$ 15</b>        | <b>\$ 50</b>                  | <b>\$ 117,139</b>            | <b>\$ 22,414</b> | <b>\$ 391,517</b>      |

|                          | Business-type Activities |                                  |                                     |                             |                            | Total            |
|--------------------------|--------------------------|----------------------------------|-------------------------------------|-----------------------------|----------------------------|------------------|
|                          | Lottery Fund             | Clean Water State Revolving Fund | Drinking Water State Revolving Fund | Unemployment Insurance Fund | Non-major Enterprise Funds |                  |
| Payroll and Withholdings | \$ 117                   | \$ 18                            | \$ 32                               | \$                          | \$ 770                     | \$ 937           |
| Accounts Payable         | 3,930                    | 413                              | 136                                 |                             | 3,916                      | 8,395            |
| Due to Fiduciary Funds   |                          |                                  |                                     |                             | 21                         | 21               |
| Escrow Payable           | 121                      |                                  |                                     |                             |                            | 121              |
| Other Liabilities        | 399                      |                                  |                                     | 15,844                      | 504                        | 16,747           |
| <b>Total</b>             | <b>\$ 4,567</b>          | <b>\$ 431</b>                    | <b>\$ 168</b>                       | <b>\$ 15,844</b>            | <b>\$ 5,211</b>            | <b>\$ 26,221</b> |

## 5. INTERFUND TRANSACTIONS

The composition of interfund balances at June 30, 2020, is as follows (Expressed in Thousands):

### A. Interfund Receivables and Payables

| Due From                            | Due To           |                     |                       |                              |                             |                            |                        |                 | Total             |
|-------------------------------------|------------------|---------------------|-----------------------|------------------------------|-----------------------------|----------------------------|------------------------|-----------------|-------------------|
|                                     | General Fund     | Transportation Fund | COVID-19 Federal Fund | Non-major Governmental Funds | Unemployment Insurance Fund | Non-major Enterprise Funds | Internal Service Funds | Fiduciary Funds |                   |
| General Fund                        | \$               | \$ 6                | \$ 1,614              | \$ 307                       | \$                          | \$ 39                      | \$ 2,312               | \$ 98           | \$ 4,376          |
| Transportation Fund                 |                  |                     |                       | 452                          |                             | 9                          | 1,218                  |                 | 1,679             |
| Social Services Federal Fund        |                  |                     |                       | 298                          |                             | 1                          | 779                    |                 | 1,078             |
| COVID-19 Federal Fund               | 22,915           | 1                   |                       | 3                            |                             | 3                          | 1,622                  |                 | 24,544            |
| Education Enhancement Trust Fund    | 22,515           |                     |                       |                              |                             |                            |                        |                 | 22,515            |
| Non-major Governmental Funds        | 29,359           | 1,297               | 1,860                 | 5,326                        |                             | 233                        | 2,668                  |                 | 40,743            |
| Lottery Fund                        | 5,916            | 208                 |                       | 702                          |                             |                            | 63                     |                 | 6,889             |
| Clean Water State Revolving Fund    |                  |                     |                       |                              |                             |                            | 1                      |                 | 1                 |
| Drinking Water State Revolving Fund |                  |                     |                       |                              |                             |                            | 2                      |                 | 2                 |
| Unemployment Insurance Fund         |                  |                     |                       | 94                           |                             |                            |                        |                 | 94                |
| Non-major Enterprise Funds          | 6                | 8                   |                       | 14                           |                             |                            | 139                    | 21              | 188               |
| Internal Service Funds              | 2                | 187                 |                       | 119                          | 251                         |                            | 849                    |                 | 1,408             |
| Fiduciary Funds                     | 37               |                     |                       |                              |                             | 48                         | 69                     |                 | 154               |
| <b>Total</b>                        | <b>\$ 80,750</b> | <b>\$ 1,707</b>     | <b>\$ 3,474</b>       | <b>\$ 7,315</b>              | <b>\$ 251</b>               | <b>\$ 333</b>              | <b>\$ 9,722</b>        | <b>\$ 119</b>   | <b>\$ 103,671</b> |

Interfund receivables and payables are recorded for: 1) interfund goods or services provided or other reimbursable transactions occurring between funds; 2) year-end entries eliminating deficit cash balances in funds as described further in *Note 3 Cash, Deposits, and Investments* in the Notes to the Financial Statements; 3) other payables existing between funds; and 4) expenditures paid by other funds related to the pandemic, based upon guidance from the Federal Government, which management then moved to the COVID-19 Federal Fund.

### B. Interfund Transfers

| Transferred From                    | Transferred To    |                     |                                  |                              |                            |                        | Total             |
|-------------------------------------|-------------------|---------------------|----------------------------------|------------------------------|----------------------------|------------------------|-------------------|
|                                     | General Fund      | Transportation Fund | Education Enhancement Trust Fund | Non-major Governmental Funds | Non-major Enterprise Funds | Internal Service Funds |                   |
| General Fund                        | \$                | \$ 4,076            | \$ 1,125                         | \$ 19,003                    | \$ 40                      | \$ 1,462               | \$ 25,706         |
| Transportation Fund                 | 3,802             |                     |                                  | 1,056                        | 7                          |                        | 4,865             |
| Social Services Federal Fund        |                   |                     |                                  | 148                          |                            |                        | 148               |
| Covid-19 Federal Fund               |                   |                     |                                  | 606                          |                            |                        | 606               |
| Dakota Cement Trust Fund            | 13,005            |                     |                                  |                              |                            |                        | 13,005            |
| Education Enhancement Trust Fund    | 22,515            |                     |                                  |                              |                            |                        | 22,515            |
| Non-major Governmental Funds        | 72,907            | 3,680               | 7,317                            | 10,263                       | 8,054                      |                        | 102,221           |
| Lottery Fund                        | 123,736           | 1,031               |                                  | 3,664                        |                            |                        | 128,431           |
| Clean Water State Revolving Fund    |                   |                     |                                  | 44                           |                            |                        | 44                |
| Drinking Water State Revolving Fund |                   |                     |                                  | 69                           |                            |                        | 69                |
| Unemployment Insurance Fund         |                   |                     |                                  | 734                          |                            |                        | 734               |
| Non-major Enterprise Funds          | 187               |                     |                                  | 441                          | 1,000                      |                        | 1,628             |
| <b>Total</b>                        | <b>\$ 236,152</b> | <b>\$ 8,787</b>     | <b>\$ 8,442</b>                  | <b>\$ 36,028</b>             | <b>\$ 9,101</b>            | <b>\$ 1,462</b>        | <b>\$ 299,972</b> |

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

## 6. CAPITAL ASSETS

### A. Primary Government

Capital Assets consisted of the following for fiscal year 2020 (Expressed in Thousands):

| Governmental Activities                            | Beginning<br>Balance | Additions         | Deletions         | Ending<br>Balance   |
|--|----------------------|-------------------|-------------------|---------------------|
| <b>Capital Assets Not Being Depreciated:</b>       |                      |                   |                   |                     |
| Land   | \$ 122,832           | \$ 393            | \$ 172            | \$ 123,053          |
| Land Improvements                                  | 10,272               | 346               |                   | 10,618              |
| Land & Improvements - Roads                        | 636,272              | 970               |                   | 637,242             |
| Construction in Progress                           | 331,002              | 246,343           | 232,282           | 345,063             |
| <b>Total Capital Assets Not Being Depreciated</b>  | <b>1,100,378</b>     | <b>248,052</b>    | <b>232,454</b>    | <b>1,115,976</b>    |
| <b>Capital Assets Being Depreciated:</b>           |                      |                   |                   |                     |
| Land Improvements                                  | 57,355               | 801               |                   | 58,156              |
| Buildings  | 687,905              | 63,033            |                   | 750,938             |
| Equipment  | 251,679              | 16,588            | 9,826             | 258,441             |
| Intangible Assets - Software                       | 127,406              | 6,356             | 1,595             | 132,167             |
| Vehicles   | 178,801              | 11,553            | 7,703             | 182,651             |
| Infrastructure                                     | 4,239,596            | 164,251           | 17,336            | 4,386,511           |
| <b>Total Capital Assets Being Depreciated</b>      | <b>5,542,742</b>     | <b>262,582</b>    | <b>36,460</b>     | <b>5,768,864</b>    |
| <b>Less Accumulated Depreciation:</b>              |                      |                   |                   |                     |
| Land Improvements                                  | 17,813               | 2,447             |                   | 20,260              |
| Buildings  | 258,184              | 22,156            |                   | 280,340             |
| Equipment  | 156,980              | 15,723            | 8,837             | 163,866             |
| Intangible Assets - Software                       | 73,003               | 6,875             | 797               | 79,081              |
| Vehicles   | 96,437               | 11,905            | 6,489             | 101,853             |
| Infrastructure                                     | 1,716,013            | 69,952            | 14,291            | 1,771,674           |
| <b>Total Accumulated Depreciation</b>              | <b>2,318,430</b>     | <b>129,058</b>    | <b>30,414</b>     | <b>2,417,074</b>    |
| <b>Total Capital Assets Being Depreciated, Net</b> | <b>3,224,312</b>     | <b>133,524</b>    | <b>6,046</b>      | <b>3,351,790</b>    |
| <b>Total Governmental Activities, Net</b>          | <b>\$ 4,324,690</b>  | <b>\$ 381,576</b> | <b>\$ 238,500</b> | <b>\$ 4,467,766</b> |

Continued on next page

| <b>Business-type Activities</b>                    | <b>Beginning<br/>Balance</b> | <b>Additions</b> | <b>Deletions</b> | <b>Ending<br/>Balance</b> |
|--|------------------------------|------------------|------------------|---------------------------|
| <b>Capital Assets Not Being Depreciated:</b>       |                              |                  |                  |                           |
| Land   | \$ 295                       | \$               | \$               | \$ 295                    |
| Construction in Progress                           | 235                          | 32               |                  | 267                       |
| <b>Total Capital Assets Not Being Depreciated</b>  | <b>530</b>                   | <b>32</b>        | <b>0</b>         | <b>562</b>                |
| <b>Capital Assets Being Depreciated:</b>           |                              |                  |                  |                           |
| Land Improvements                                  | 924                          | 172              |                  | 1,096                     |
| Buildings  | 8,591                        |                  |                  | 8,591                     |
| Equipment  | 3,993                        | 215              | 18               | 4,190                     |
| Intangible Assets - Software                       | 2,620                        |                  |                  | 2,620                     |
| <b>Total Capital Assets Being Depreciated</b>      | <b>16,128</b>                | <b>387</b>       | <b>18</b>        | <b>16,497</b>             |
| <b>Less Accumulated Depreciation:</b>              |                              |                  |                  |                           |
| Land Improvements                                  | 674                          | 20               |                  | 694                       |
| Buildings  | 3,684                        | 149              |                  | 3,833                     |
| Equipment  | 3,381                        | 195              | 18               | 3,558                     |
| Intangible Assets - Software                       | 2,268                        | 151              |                  | 2,419                     |
| <b>Total Accumulated Depreciation</b>              | <b>10,007</b>                | <b>515</b>       | <b>18</b>        | <b>10,504</b>             |
| <b>Total Capital Assets Being Depreciated, Net</b> | <b>6,121</b>                 | <b>(128)</b>     |                  | <b>5,993</b>              |
| <b>Total Business-type Activities, Net</b>         | <b>\$ 6,651</b>              | <b>\$ (96)</b>   | <b>\$ 0</b>      | <b>\$ 6,555</b>           |

Depreciation was charged to the function of government as follows:

| <b>Governmental Activities</b>                  | <b>Amount</b>      |
|---|--------------------|
| Unallocated                                     | \$ 53              |
| General Government                              | 10,362             |
| Health, Human, and Social Services              | 7,452              |
| Law, Justice, Public Protection, and Regulation | 10,096             |
| Agriculture and Natural Resources               | 6,036              |
| Transportation                                  | 86,788             |
| Education                                       | 4,265              |
| <b>Total Governmental Activities</b>            | <b>\$125,052 *</b> |
| <b>Business-type Activities</b>                 |                    |
| Enterprise Funds                                | <b>\$ 429 *</b>    |

\* The difference between additions to Accumulated Depreciation and Depreciation Expense is the result of a transfer of buildings from a component unit to the Primary Government and a transfer of equipment between Governmental Activities and Business-Type Activities.

## B. Component Units

Capital Assets for component units consisted of the following for fiscal year 2020 (Expressed in Thousands):

|   | Beginning<br>Balance | Additions      | Deletions      | Balance          |
|---|----------------------|----------------|----------------|------------------|
| <b>Higher Education*:</b>                                       |                      |                |                |                  |
| <b>Capital Assets Not Being Depreciated:</b>                    |                      |                |                |                  |
| Land, as restated   | \$ 30,965            | \$ 1,981       | \$ 1,389       | \$ 31,557        |
| Construction in Progress, as restated                           | 93,994               | 110,207        | 100,377        | 103,824          |
| Works of Art and Historical Treasures                           | 9,794                | 194            |                | 9,988            |
| <b>Total Capital Assets Not Being Depreciated, as restated</b>  | <b>134,753</b>       | <b>112,382</b> | <b>101,766</b> | <b>145,369</b>   |
| <b>Capital Assets Being Depreciated:</b>                        |                      |                |                |                  |
| Land Improvements   | 61,307               | 4,724          | 234            | 65,797           |
| Infrastructure, as restated                                     | 85,925               | 13,708         | 382            | 99,251           |
| Buildings   | 1,461,302            | 88,696         | 12,199         | 1,537,799        |
| Equipment and Other Assets, as restated                         | 285,653              | 14,777         | 6,114          | 294,316          |
| <b>Total Capital Assets Being Depreciated, as restated</b>      | <b>1,894,187</b>     | <b>121,905</b> | <b>18,929</b>  | <b>1,997,163</b> |
| <b>Less Accumulated Depreciation:</b>                           |                      |                |                |                  |
| Land Improvements   | 25,552               | 3,084          | 89             | 28,547           |
| Infrastructure, as restated                                     | 33,191               | 3,245          | 94             | 36,342           |
| Buildings   | 472,811              | 42,151         | 8,698          | 506,264          |
| Equipment and Other Assets, as restated                         | 228,894              | 13,767         | 5,885          | 236,776          |
| <b>Total Accumulated Depreciation, as restated</b>              | <b>760,448</b>       | <b>62,247</b>  | <b>14,766</b>  | <b>807,929</b>   |
| <b>Total Capital Assets Being Depreciated, Net, as restated</b> | <b>1,133,739</b>     | <b>59,658</b>  | <b>4,163</b>   | <b>1,189,234</b> |
| <b>Total Higher Education Capital Assets, Net, as restated</b>  | <b>1,268,492</b>     | <b>172,040</b> | <b>105,929</b> | <b>1,334,603</b> |
| * Higher Education amounts do not include their foundations.    |                      |                |                |                  |
| <b>Housing Development Authority:</b>                           |                      |                |                |                  |
| <b>Capital Assets Not Being Depreciated:</b>                    |                      |                |                |                  |
| Land  | 220                  |                |                | 220              |
| <b>Total Capital Assets Not Being Depreciated</b>               | <b>220</b>           | <b>0</b>       | <b>0</b>       | <b>220</b>       |
| <b>Capital Assets Being Depreciated:</b>                        |                      |                |                |                  |
| Land Improvements   | 1,262                |                |                | 1,262            |
| Buildings   | 4,999                |                |                | 4,999            |
| Equipment   | 4,361                | 345            | 42             | 4,664            |
| <b>Total Capital Assets Being Depreciated</b>                   | <b>10,622</b>        | <b>345</b>     | <b>42</b>      | <b>10,925</b>    |
| <b>Less Accumulated Depreciation:</b>                           |                      |                |                |                  |
| Land Improvements   | 795                  | 38             | 1              | 832              |
| Buildings   | 1,344                | 128            |                | 1,472            |
| Equipment and Other Assets                                      | 3,571                | 231            | 40             | 3,762            |
| <b>Total Accumulated Depreciation</b>                           | <b>5,710</b>         | <b>397</b>     | <b>41</b>      | <b>6,066</b>     |
| <b>Total Capital Assets Being Depreciated, Net</b>              | <b>4,912</b>         | <b>(52)</b>    | <b>1</b>       | <b>4,859</b>     |
| <b>Total Housing Development Authority Capital Assets, Net</b>  | <b>5,132</b>         | <b>(52)</b>    | <b>1</b>       | <b>5,079</b>     |

Continued on next page

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>         | <u>Deletions</u>         | <u>Balance</u>            |
|---|------------------------------|--------------------------|--------------------------|---------------------------|
| <b>Science and Technology Authority:</b>                            |                              |                          |                          |                           |
| <b>Capital Assets Not Being Depreciated:</b>                        |                              |                          |                          |                           |
| Land  | \$ 1,814                     | \$                       | \$                       | \$ 1,814                  |
| Underground Mine  | 17,937                       |                          |                          | 17,937                    |
| Archive Materials   | 70                           |                          |                          | 70                        |
| Construction in Progress  | 17,911                       | 1,730                    | 17,817                   | 1,824                     |
| <b>Total Capital Assets Not Being Depreciated</b>                   | <b><u>37,732</u></b>         | <b><u>1,730</u></b>      | <b><u>17,817</u></b>     | <b><u>21,645</u></b>      |
| <b>Capital Assets Being Depreciated:</b>                            |                              |                          |                          |                           |
| Building Improvements   | 37,807                       | 17,818                   |                          | 55,625                    |
| Buildings   | 8,120                        |                          | 416                      | 7,704                     |
| Equipment   | 11,163                       | 573                      | 110                      | 11,626                    |
| Vehicles  | 119                          | 137                      | 19                       | 237                       |
| Infrastructure  | 1,959                        | 44                       |                          | 2,003                     |
| <b>Total Capital Assets Being Depreciated</b>                       | <b><u>59,168</u></b>         | <b><u>18,572</u></b>     | <b><u>545</u></b>        | <b><u>77,195</u></b>      |
| <b>Less Accumulated Depreciation:</b>                               |                              |                          |                          |                           |
| Building Improvements   | 7,993                        | 1,085                    |                          | 9,078                     |
| Buildings   | 2,080                        | 159                      | 102                      | 2,137                     |
| Equipment   | 5,798                        | 696                      | 100                      | 6,394                     |
| Vehicles  | 80                           | 14                       | 17                       | 77                        |
| Infrastructure  | 396                          | 52                       |                          | 448                       |
| <b>Total Accumulated Depreciation</b>                               | <b><u>16,347</u></b>         | <b><u>2,006</u></b>      | <b><u>219</u></b>        | <b><u>18,134</u></b>      |
| <b>Total Capital Assets Being Depreciated, Net</b>                  | <b><u>42,821</u></b>         | <b><u>16,566</u></b>     | <b><u>326</u></b>        | <b><u>59,061</u></b>      |
| <b>Total Science and Technology Authority Capital Assets, Net</b>   | <b><u>80,553</u></b>         | <b><u>18,296</u></b>     | <b><u>18,143</u></b>     | <b><u>80,706</u></b>      |
| <b>Ellsworth Development Authority</b>                              |                              |                          |                          |                           |
| <b>Capital Assets Not Being Depreciated:</b>                        |                              |                          |                          |                           |
| Land and Easements  |                              | 203                      | 203                      |                           |
| <b>Total Capital Assets Not Being Depreciated</b>                   | <b><u>0</u></b>              | <b><u>203</u></b>        | <b><u>203</u></b>        | <b><u>0</u></b>           |
| <b>Capital Assets Being Depreciated:</b>                            |                              |                          |                          |                           |
| Equipment   | 4                            |                          |                          | 4                         |
| Buildings   | 17,199                       |                          |                          | 17,199                    |
| Improvements  | 6,921                        |                          |                          | 6,921                     |
| <b>Total Capital Assets Being Depreciated</b>                       | <b><u>24,124</u></b>         | <b><u>0</u></b>          | <b><u>0</u></b>          | <b><u>24,124</u></b>      |
| <b>Less Accumulated Depreciation:</b>                               |                              |                          |                          |                           |
| Equipment   | 3                            |                          |                          | 3                         |
| Buildings   | 2,808                        | 573                      |                          | 3,381                     |
| Improvements  | 1,362                        | 277                      |                          | 1,639                     |
| <b>Total Accumulated Depreciation</b>                               | <b><u>4,173</u></b>          | <b><u>850</u></b>        | <b><u>0</u></b>          | <b><u>5,023</u></b>       |
| <b>Total Capital Assets Being Depreciated, Net</b>                  | <b><u>19,951</u></b>         | <b><u>(850)</u></b>      | <b><u>0</u></b>          | <b><u>19,101</u></b>      |
| <b>Total Ellsworth Development Authority Capital Assets, Net</b>    | <b><u>19,951</u></b>         | <b><u>(647)</u></b>      | <b><u>203</u></b>        | <b><u>19,101</u></b>      |
| <b>Total Discretely Presented Component Units, Net, as restated</b> | <b><u>\$1,374,128</u></b>    | <b><u>\$ 189,637</u></b> | <b><u>\$ 124,276</u></b> | <b><u>\$1,439,489</u></b> |

### ***C. Construction in Progress***

The State has entered into contracts for the renovation and construction of buildings, structures, and infrastructure (highway projects). Constructions in Progress at June 30, 2020, are as follows (Expressed in Thousands):

|   | <u>Amount</u>                   |
|---|---------------------------------|
| <b>Primary Government</b>                         |                                 |
| <b>Governmental Activities</b>                    |                                 |
| Land Improvements                                 | \$ 4,048                        |
| Buildings and Structures                          | 46,621                          |
| Equipment   | 1,146                           |
| Vehicles  | 7,713                           |
| Intangibles - Computer Software                   | 8,531                           |
| Infrastructure                                    | 277,004                         |
| <b>Total Governmental Activities</b>              | <u><b>345,063</b></u>           |
| <b>Business - Type Activities</b>                 |                                 |
| Intangibles - Computer Software                   | 267                             |
| <b>Total Business - Type Activities</b>           | <u><b>267</b></u>               |
| <b>Total Primary Government</b>                   | <u><u><b>\$ 345,330</b></u></u> |
| <br>  |                                 |
| <b>Discretely Presented Component Units</b>       |                                 |
| Higher Education*                                 |                                 |
| Land Improvements                                 | \$ 8,463                        |
| Buildings and Structures                          | 88,267                          |
| Infrastructure                                    | 6,363                           |
| Equipment   | 731                             |
| Science and Technology                            |                                 |
| Buildings and Structures                          | 1,824                           |
| <b>Total Discretely Presented Component Units</b> | <u><u><b>\$ 105,648</b></u></u> |

\* Higher Education amounts do not include their foundations.

### ***D. Special Item – Impairment of Capital Asset***

The State has abandoned construction on a computer software project. This has resulted in an impairment of \$3.6 million of assets previously reported as Construction in Progress – Intangibles (computer software). This impairment is reported as a Special Item in the Government-wide Statement of Activities.

## **7. RETIREMENT PLANS**

### **A. 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 part of the State financial reporting entity and is included in the State's financial report as a pension trust fund. 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 [www.sdrs.sd.gov](http://www.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 three classes of members: Class A general members, Class B public safety and judicial members, and Class C Cement Plant Retirement Fund members. Members and their employers make matching contributions, which are defined in State statute. SDRS may expend up to 3% of the annual contributions for administrative expenses subject to approval by the executive and legislative branches of the State.

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

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

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

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

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

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

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, 2020. 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*.

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 1.56% in 2020. 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 judicial members      | 9% of salary |
| Class B public safety members | 8% 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, 2020, 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 2020 were \$27.2 million, during fiscal year 2019 were \$26.4 million, and during fiscal year 2018 were \$26.2 million. Contributions for the State's component units during 2020 were \$19.7 million, during fiscal year 2019 were \$19.4 million, and during fiscal year 2018 were \$19.1 million.

**State's Proportionate Share of SDRS.** For fiscal year 2020, the State and its component units used a July 1, 2018, to June 30, 2019, measurement date for reporting purposes.

The State's proportionate share of SDRS's collective net pension asset is 20.7% or \$2.2 million using a June 30, 2019, measurement date. This percentage was measured based on all employer contributions from July 1, 2018, through June 30, 2019. Pension expenses for the State were \$91.2 million and contributions subsequent to the measurement date were \$27.2 million. The State's proportionate share decreased by 0.4% over the prior fiscal year's proportionate share of 21.1%.

The State's component unit's proportionate share of SDRS's collective net pension asset is 15.2% or \$1.6 million using a June 30, 2019, measurement date. This percentage was measured based on all employer contributions from July 1, 2018, through June 30, 2019. Pension expense for component units were \$66.9 million and contributions subsequent to the measurement date were \$19.7 million. The State's component unit's proportionate share decreased by 0.1% over the prior fiscal year's proportionate share of 15.3%.

The components of the net pension asset of the System at June 30, 2019, were as follows (Dollars Expressed in Thousands):

|                                      | State of South Dakota<br>Proportionate Allocation<br>20.73% | Discretely Presented<br>Component Units<br>Proportionate Allocation<br>15.24% |
|--------------------------------------|---|---|
| <b>Total Pension Liability</b>       | \$ 2,583,581  | \$ 1,899,040  |
| <b>Plan Fiduciary Net Position</b>   | (2,585,777)   | (1,900,654)   |
| <b>Net Pension (Asset) Liability</b> | <u>\$ (2,196)</u>   | <u>\$ (1,614)</u>   |

**Fiduciary Net Position as a Percentage**

|                                 |         |         |
|---------------------------------|---------|---------|
| <b>of Net Pension Liability</b> | 100.09% | 100.09% |
|---------------------------------|---------|---------|

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.25%
- Salary Increase: 6.50% at entry to 3.00% after 25 years of service
- Discount Rate: 6.50%, net of pension plan investment expenses
- Future COLAs: 1.88% FY20 and 1.41% FY21

Mortality rates were based on 97% of the RP-2014 Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016, white collar rates for females and total dataset rates for males. Mortality rates for disabled members were based on the RP-2014 Disabled Retiree Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period of July 1, 2011, to June 30, 2016.

**Discount rate** - The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions will be made at rates equal to the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (asset) liability.

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

Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Global Equity      | 58%                      | 4.7%  |
| Fixed Income       | 30%                      | 1.7%  |
| Real Estate        | 10%                      | 4.3%  |
| Cash               | 2%                       | 0.9%  |
| <b>Total</b>       | <b>100%</b>              |   |

**Sensitivity of (asset) liability to changes in the discount rate.** The following presents the net pension (asset) liability of the State's proportionate share of SDRS's collective net pension asset of \$2.2 million using a June 30, 2019, measurement date, calculated using the discount rate of 6.5%, as well as what the System's net pension (asset) liability would be if it were calculated using a discount rate that is 1% point lower (5.5%) or 1% point higher (7.5%) than the current rate (Expressed in Thousands):

|   | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|---|--------------------|------------------------------|--------------------|
| <b>State's Proportionate Share of SDRS's Net Pension (Asset) Liability</b>                            | \$ 364,651         | \$ (2,196)                   | \$ (301,112)       |
| <b>Discretely Presented Component units Proportionate Share of SDRS Net Pension (Asset) Liability</b> | 268,034            | (1,614)                      | (221,330)          |

**Deferred Outflows and Inflows of Resources Related to Pensions.** The Deferred Outflows and Inflows of Resources related to pensions at June 30, 2020, were as follows (Expressed in Thousands):

| <u>Source</u>   | <b>State of South Dakota<br/>Deferred Outflows and Inflows of Resources<br/>Related to Pensions</b> |                                      |   |                                      |
|---|---|--------------------------------------|---|--------------------------------------|
|   | <u>Primary Government</u>   |                                      | <u>Discretely Presented Component Units</u> |                                      |
|   | <u>Deferred Outflows of Resources</u>   | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u>       | <u>Deferred Inflows of Resources</u> |
| Differences between Expected and Actual Experience  | \$ 8,618  | \$ 994                               | \$ 6,335                                    | \$ 731                               |
| Changes in Assumptions  | 75,878  | 31,106                               | 55,772                                      | 22,864                               |
| Net Differences between Projected and Actual Earnings on Pension Plan Investments                             |   | 12,656                               |   | 9,303                                |
| Changes in Proportionate Share and Differences between Contributions and Proportionate Share of Contributions | 4,034   |                                      | 2,324                                       | 208                                  |
| Contributions Subsequent to the Measurement Date  | 27,199  |                                      | 19,654                                      |                                      |
| <b>Total</b>  | <b>\$ 115,729</b>   | <b>\$ 44,756</b>                     | <b>\$ 84,085</b>                            | <b>\$ 33,106</b>                     |

The \$27.2 million and the \$19.7 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, 2019. 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):

| <u>Year Ending June 30</u> | <u>Primary Government</u> | <u>Discretely Presented Component Units</u> |
|----------------------------|---------------------------|---|
| <b>2021</b>                | \$ 49,820                 | \$ 36,293                                   |
| <b>2022</b>                | (5,993)                   | (4,687)                                     |
| <b>2023</b>                | (4,424)                   | (3,428)                                     |
| <b>2024</b>                | 4,371                     | 3,147                                       |
| <b>Total</b>               | <b>\$ 43,774</b>          | <b>\$ 31,325</b>                            |

## ***B. Department of Labor Employment Security Retirement Plan***

Employees of the Department of Labor and Regulation hired prior to July 1, 1980, had the option to become a member of the SDRS or maintain membership in the Employment Security Retirement Plan. Per SDCL 61-2-15, the Department of Labor and Regulation may establish this retirement program and contract with a retirement plan administrator selected by the employee's retirement board. In addition, this SDCL further specifies that no obligation may be incurred against the State's General Fund to pay for this program. The assets of the plan are not included in the accompanying financial statements because the assets are remitted to a third-party who administers the plan for the participants. The State has no liability for losses under the plan.

The Employment Security Retirement Plan was established as a defined benefit single employer plan administered through a private insurance carrier, however; the plan can be changed at any time. If the plan should terminate, the full amount in the employee account will be used to provide a retirement benefit to the employee. The plan assets over and above employee accounts will be used up on a priority basis to provide retirement income for plan members.

On July 1, 2019, the most recent actuarial valuation date, the plan had 4 active participants, 1 vested terminated participant, and 194 retired participants and beneficiaries.

## ***8. DEFERRED COMPENSATION PLAN***

The State of South Dakota (through the South Dakota Retirement System) maintains a deferred compensation plan known as the Supplemental Retirement Plan (SRP). The SRP was established in July 1987 in accordance with Internal Revenue Code Section 457 under the administrative responsibility of the South Dakota Retirement System Board of Trustees. The SRP is available to all public employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the SRP, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are at all times held in trust for the exclusive benefit of the participants until made available to a participant or the participant's beneficiary. The State has no liability for losses under the plan.

The assets of the deferred compensation plan are not included in the accompanying financial statements because the assets are remitted to a third party who administers and markets the plan for the participants. A copy of the South Dakota Retirement System financial statements is available to the public at [www.sdrs.sd.gov](http://www.sdrs.sd.gov).

## ***9. SPECIAL PAY PLAN***

The State of South Dakota (through the South Dakota Retirement System) offers the Special Pay Plan (SPP) that was established in July 2004. SPP is a qualified plan pursuant to Internal Revenue Code Section 401(a) under the administrative responsibility of the SDRS Board of Trustees. South Dakota state government and Higher Education are participating units and every state political subdivision may become a participating unit in the plan. The SPP mandates that qualifying employees (over age 55 and \$600 or more in special pay) of participating units defer 100% of their special lump-sum termination pay to the plan. The participating unit transfers the deferred pay to the fund. This deferred pay is available to a participant immediately after termination, upon later retirement, or to beneficiaries or an estate upon the participant's death. A copy of the South Dakota Retirement System financial statements is available to the public at [www.sdrs.sd.gov](http://www.sdrs.sd.gov).

## 10. 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, 2020, (Expressed in Thousands):

|   | General           | Trans-<br>portation | Social<br>Services<br>Federal | COVID-19<br>Federal | Dakota<br>Cement<br>Trust | Education<br>Enhancement<br>Trust | Nonmajor<br>Governmental<br>Funds | Total               |
|---|-------------------|---------------------|-------------------------------|---------------------|---------------------------|-----------------------------------|-----------------------------------|---------------------|
| <b>Nonspendable</b>                     |                   |                     |                               |                     |                           |                                   |                                   |                     |
| Inventory                               | \$ 2,735          | \$ 17,391           | \$ 15                         | \$ 1,171            | \$                        | \$                                | \$ 1,943                          | \$ 23,255           |
| Prepays                                 | 2,565             | 241                 | 1,217                         | 62                  |                           |                                   | 1,756                             | 5,841               |
| Permanent Fund Principal                |                   |                     |                               |                     |                           | 410,924                           | 147,376                           | 558,300             |
| <b>Total Nonspendable Fund Balances</b> | <b>5,300</b>      | <b>17,632</b>       | <b>1,232</b>                  | <b>1,233</b>        | <b>0</b>                  | <b>410,924</b>                    | <b>151,075</b>                    | <b>587,396</b>      |
| <b>Restricted</b>                       |                   |                     |                               |                     |                           |                                   |                                   |                     |
| Education                               |                   |                     |                               |                     | 333,809                   | 197,273                           | 16,542                            | 547,624             |
| Health and Public Assistance            |                   |                     |                               |                     |                           |                                   | 80,238                            | 80,238              |
| Law , Justice, and Public Protection    |                   |                     |                               |                     |                           |                                   | 20,254                            | 20,254              |
| Economic Development                    | 3,382             |                     |                               |                     |                           |                                   | 52,067                            | 55,449              |
| Transportation                          |                   | 217,161             |                               |                     |                           |                                   |                                   | 217,161             |
| Agriculture and Natural Resources       |                   |                     |                               |                     |                           |                                   | 96,438                            | 96,438              |
| Energy Conservation or Development      |                   |                     |                               |                     |                           |                                   | 12,566                            | 12,566              |
| Game and Fish                           |                   |                     |                               |                     |                           |                                   | 7,979                             | 7,979               |
| Parks and Recreation                    |                   |                     |                               |                     |                           |                                   | 3,475                             | 3,475               |
| Public Buildings                        |                   |                     |                               |                     |                           |                                   | 960                               | 960                 |
| Public Broadcasting                     |                   |                     |                               |                     |                           |                                   | 751                               | 751                 |
| Railroads                               |                   |                     |                               |                     |                           |                                   | 24,387                            | 24,387              |
| Pandemic Response                       |                   |                     |                               | 1                   |                           |                                   |                                   | 1                   |
| Debt Service                            |                   |                     |                               |                     |                           |                                   | 24,473                            | 24,473              |
| Capital Projects                        |                   |                     |                               |                     |                           |                                   | 324                               | 324                 |
| Other                                   |                   |                     |                               |                     |                           |                                   | 10,166                            | 10,166              |
| <b>Total Restricted Fund Balances</b>   | <b>3,382</b>      | <b>217,161</b>      | <b>0</b>                      | <b>1</b>            | <b>333,809</b>            | <b>197,273</b>                    | <b>350,620</b>                    | <b>1,102,246</b>    |
| <b>Committed</b>                        |                   |                     |                               |                     |                           |                                   |                                   |                     |
| Education                               |                   |                     |                               |                     |                           |                                   | 181                               | 181                 |
| Health and Public Assistance            |                   |                     |                               |                     |                           |                                   | 3,010                             | 3,010               |
| Law , Justice, and Public Protection    |                   |                     |                               |                     |                           |                                   | 23,241                            | 23,241              |
| Agriculture and Natural Resources       |                   |                     |                               |                     |                           |                                   | 4,736                             | 4,736               |
| Environmental Cleanup                   |                   |                     |                               |                     |                           |                                   | 6,055                             | 6,055               |
| Energy Conservation or Development      |                   |                     |                               |                     |                           |                                   | 966                               | 966                 |
| Public Buildings                        |                   |                     |                               |                     |                           |                                   | 2,274                             | 2,274               |
| Railroads                               |                   |                     |                               |                     |                           |                                   | 426                               | 426                 |
| Other                                   |                   |                     |                               |                     |                           |                                   | 10,354                            | 10,354              |
| <b>Total Committed Fund Balances</b>    | <b>0</b>          | <b>0</b>            | <b>0</b>                      | <b>0</b>            | <b>0</b>                  | <b>0</b>                          | <b>51,243</b>                     | <b>51,243</b>       |
| <b>Assigned</b>                         |                   |                     |                               |                     |                           |                                   |                                   |                     |
| Education                               | 6,123             |                     |                               |                     |                           |                                   | 764                               | 6,887               |
| Higher Education                        | 10,121            |                     |                               |                     |                           |                                   |                                   | 10,121              |
| Health and Public Assistance            | 54,572            |                     | 1,623                         |                     |                           |                                   | 7,446                             | 63,641              |
| Law , Justice, and Public Protection    | 15,472            |                     |                               |                     |                           |                                   | 6,896                             | 22,368              |
| Agriculture and Natural Resources       | 95                |                     |                               |                     |                           |                                   | 781                               | 876                 |
| Game and Fish                           | 477               |                     |                               |                     |                           |                                   |                                   | 477                 |
| Tourism Promotion                       | 4,056             |                     |                               |                     |                           |                                   |                                   | 4,056               |
| Public Buildings                        | 23,133            |                     |                               |                     |                           |                                   | 3,228                             | 26,361              |
| Economic Development                    | 11,503            |                     |                               |                     |                           |                                   |                                   | 11,503              |
| Other                                   | 10,811            |                     |                               |                     |                           |                                   | 4,855                             | 15,666              |
| <b>Total Assigned Fund Balances</b>     | <b>136,363</b>    | <b>0</b>            | <b>1,623</b>                  | <b>0</b>            | <b>0</b>                  | <b>0</b>                          | <b>23,970</b>                     | <b>161,956</b>      |
| <b>Unassigned Fund Balances *</b>       | <b>381,326</b>    |                     |                               |                     |                           |                                   | <b>(8,359)</b>                    | <b>372,967</b>      |
| <b>Total Fund Balances</b>              | <b>\$ 526,371</b> | <b>\$ 234,793</b>   | <b>\$ 2,855</b>               | <b>\$ 1,234</b>     | <b>\$ 333,809</b>         | <b>\$ 608,197</b>                 | <b>\$ 568,549</b>                 | <b>\$ 2,275,808</b> |

\* This amount includes \$169.6 million of equity from the Budget Reserve established by the 1991 South Dakota Legislature and \$46.3 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, 2020, was \$169.6 million and is reported as unassigned fund balance within the General Fund.

## **General Revenue Replacement Fund**

House Bill 1050, passed during 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, 2020, was \$46.3 million and is reported as unassigned fund balance within the General Fund.

## **General Fund**

### **GASB 54**

Since the implementation of GASB 54 in fiscal year 2011, 12 statutorily created funds no longer qualify as Special Revenue Funds and are required to be combined with the State's General Fund. As of June 30, 2020, the following equity balances are included within the State's General Fund in accordance with GASB 54 (Expressed in Thousands):

|   |                          |
|---|--------------------------|
| <b>Fund Balance - June 30, 2020 as reported</b>                       | <b>\$ 526,371</b>        |
| <b>Less Statutorily Created Funds Combined with the General Fund:</b> |                          |
| Tourism Promotion - assigned for Tourism Promotion                    | 4,056                    |
| Investment Council Operating - assigned for Other                     | 2,093                    |
| Private Activity Bond - assigned for Other                            | 353                      |
| Teen Court - assigned for Other                                       | 146                      |
| Proof of Concept - assigned for Economic Development                  | 23                       |
| Fine Arts - assigned for Other  | 375                      |
| Economic Development - assigned for Economic Development              | 470                      |
| Local Infrastructure Improvement - assigned for Economic Development  | 5,745                    |
| Workforce Education - assigned for Education                          | 2,404                    |
| Extraordinary Litigation Expense - assigned for Other                 | 366                      |
| Legislative Contingency Fund - unassigned                             | 1,545                    |
| Unclaimed Property - unassigned                                       | 23                       |
| <b>Fund Balance - June 30, 2020 excluding GASB 54 combinations</b>    | <b><u>\$ 508,772</u></b> |

### **The Immigrant Investor Program (EB-5 Program)**

In evaluating the contract between SDRC, Inc. and GOED, relating to the EB-5 program, it was determined the SDRC Indemnification Fund One Account should be reported in the State's General Fund. As of June 30, 2020, the following equity balance was included within the State's General Fund (Expressed in Thousands):

|   |                          |
|---|--------------------------|
| <b>The Immigrant Investor Program (EB-5 Program):</b>                       |                          |
| <b>Fund Balance - June 30, 2020 excluding GASB 54 combinations</b>          | <b>\$ 508,772</b>        |
| <b>Less SDRC Funds Combined with the General Fund:</b>                      |                          |
| SDRC Indemnification Fund One Account - restricted for Economic Development | 3,382                    |
| <b>Fund Balance - June 30, 2020 excluding all combinations</b>              | <b><u>\$ 505,390</u></b> |

### **Net Position Restricted by Enabling Legislation**

The Government-wide Statement of Net Position reports \$1.7 billion of restricted net position for the primary government of which \$174.7 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, 2020, 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, 2020, are summarized as follows (Expressed in Thousands):

| <u>Fund</u>                 | <u>Expendable</u> | <u>Nonexpendable</u> | <u>Total Restriction</u> |
|-----------------------------|-------------------|----------------------|--------------------------|
| Education Enhancement Trust | \$ 197,273        | \$ 410,924           | \$ 608,197               |
| Health Care Trust           | 59,858            | 85,631               | 145,489                  |
| Permanent                   | (1,014)           | 61,745               | 60,731                   |
| <b>Total</b>                | <b>\$ 256,117</b> | <b>\$ 558,300</b>    | <b>\$ 814,417</b>        |

### **Individual Fund Deficits**

The following individual funds had deficit fund equity at June 30, 2020, (Expressed in Thousands):

| <u>Fund Type/Fund</u>               | <u>Deficit</u> |
|-------------------------------------|----------------|
| Internal Service:                   |                |
| State Worker's Compensation         | \$ 28,326      |
| State Worker's Unemployment         | 199            |
| Special Revenue:                    |                |
| State Fire Suppression              | 2,874          |
| Law Enforcement Revolving           | 1,030          |
| Railroad Administration             | 89             |
| Public Utilities Commission Federal | 83             |
| Animal Damage Control               | 72             |

## **11. COMMITMENTS**

At June 30, 2020, the Primary Government had operating commitments of \$1.2 billion and the State's discretely presented component units had operating commitments of \$198.2 million. The Primary Government also had uncalled capital commitment of \$2.2 billion. These commitments are broken down as follows:

### **Primary Government**

#### **Major Governmental Funds**

**General Fund:** The total amount committed for the General Fund is \$199.0 million broken down by departments as follows:

- Department of Corrections has commitments totaling \$9.9 million for building repairs and maintenance.
- Bureau of Administration has commitments totaling \$13.0 million for multiple statewide maintenance and repair projects.
- Department of Education has commitments totaling \$14.2 million for grants, computer systems maintenance, and various K-12 programs.
- Bureau of Information and Telecommunications has commitments totaling \$7.5 million for various service contracts and encumbered purchase orders.
- Department of Social Services has commitments totaling \$62.7 million for alcohol and drug services, community mental health services, food services, janitorial services, and various other contractual commitments.
- Department of Military has commitments totaling \$1.4 million for construction commitments for the Army Aviation Support Facility Readiness Center.
- Department of Human Services has commitments totaling \$0.5 million for consultant services, grants, and construction commitments.
- Governor's Office of Economic Development has commitments totaling \$89.2 million for sales and use tax paid on projects.
- Unified Judicial System has commitments totaling \$0.6 million for various programs and services for chemical dependency and mental health.

**Transportation Fund:** The total amount committed for the Transportation Fund is \$411.8 million broken down as follows:

- Department of Transportation has commitments totaling \$409.8 million for construction commitments, various highway projects, work in progress, maintenance projects, bridge repairs, pavement markings, drainage repairs, deer and debris pickup, snow plowing, and street sweeping.
- Department of Public Safety has commitments totaling \$2.0 million for yearly maintenance cost for the record management system and to preform maintenance services for existing access programs.

**Social Services Federal Fund:** Department of Social Services has commitments totaling \$95.3 million for various contractual commitments.

**COVID-19 Federal Fund:** The total amount committed for the COVID-19 Federal Fund is \$10.0 million broken down as follows:

- Bureau of Finance and Management has commitments totaling \$0.6 million for various COVID-19 related response.
- Department of Health has commitments totaling \$6.0 million for grants to rural hospitals, transportation for patients with exposure to coronavirus, and other COVID-19 related response.
- Department of Social Services has commitments totaling \$3.4 million for community services block grants, Medicaid dental claims, food services, and community mental health services.

## ***Nonmajor Governmental Funds***

***Capital Projects Fund:*** South Dakota Building Authority has commitments totaling \$13.7 million for contracts and other construction commitments.

***Education Federal Fund:*** Department of Education has commitments totaling \$39.6 million for various grants, providing professional coaching for Birth to Three Bright Beginnings program and various K-12 programs and support.

***Labor Fund:*** Department of Labor and Regulation has commitments totaling \$1.7 million for various grants and contractual commitments.

***Health Federal Fund:*** Department of Health has commitments totaling \$9.7 million for clerical services, maintenance of several computer systems, medical case management services, HIV prevention services, covered breast and cervical cancer screening services, WIC misuse investigations, and mass reach communication services for the South Dakota Tobacco Control Program.

***Governor's Office and State Development Federal Fund:*** Governor's Office of Economic Development has commitments totaling \$9.5 million for SD Works Loan, Community Development Block Grant, and Energy Efficiency Community Block Grant Loan programs.

***Public Safety Emergency Management Fund:*** Department of Public Safety has commitments totaling \$11.5 million grant payments, emergency management courses, and SD multi-hazard plan.

***Natural Resources Federal Fund:*** Department of Environment and Natural Resources has commitments totaling \$3.1 million in federal subgrant outstanding obligations.

***Health Fund:*** Department of Health has commitments totaling \$1.6 million for supplying IT services, medical case management, covered breast and cervical cancer screenings services, courier services for the rapid transportation of samples to the Public Health Laboratory, and Correctional Health.

***Motor Vehicle Fund:*** Department of Public Safety has commitments totaling \$7.1 million for encumbrances and contracts for driver's licensing services.

***Revenue Fund:*** Department of Revenue has commitments totaling \$12.6 million for the centralized production and distribution of license plates.

***Water and Environment Fund:*** Department of Environment and Natural Resources has commitments totaling \$37.6 million for consolidated water facilities construction program, solid waste management program, and SWRMS grants and loans.

***Military Federal Fund:*** Department of Military has commitments totaling \$4.5 million for constructing Army Aviation Support Facility (AASF) Readiness Center, security, and sub-recipient agreements.

***Other Nonmajor Governmental Funds:*** The total amount committed for the Other Nonmajor Special Revenue Funds is \$61.5 million broken down by agency as follows:

- Governor's Office of Economic Development has commitments totaling \$1.0 million for local infrastructure improvement program grants.
- Unified Judicial System has commitments totaling \$0.7 million for rural attorney contracts and office equipment.
- Department of Public Safety has commitments totaling \$40.4 million for highway safety grant payments, public safety announcements, public education partnership program announcements, computer system installation and support, conducting surveys, provide support and monitoring of educational opportunities, and a new 911 system design and maintenance.
- Department of Health has commitments totaling \$4.3 million for covered breast and cervical cancer screening services, HIV prevention services, and various activities aimed at tobacco prevention and control.
- Department of Education has commitments totaling \$4.4 million for various grants and contractual commitments.

- South Dakota Soybean Research and Promotion Council has commitments totaling \$2.1 million for various contractual projects.
- Department of Social Services has commitments totaling \$1.4 million for medical transcription services, alcohol and drug services, and various other contractual commitments.
- Department of Veteran's Affairs has commitments totaling \$4.2 million for building a veteran's cemetery in Sioux Falls.
- South Dakota Corn Council has commitments totaling \$2.0 million for the renovation of research space within an agricultural hall for a South Dakota State University and the creation of a South Dakota Corn Endowed Chair Position in Precision Agriculture at State of South Dakota University.
- Bureau of Information and Telecommunications has commitments totaling \$1.0 million for service contracts.

### ***Major Proprietary Funds***

***Clean Water State Revolving Fund:*** Department of Environment and Natural Resources has commitments totaling \$134.8 million for loan commitments with borrowers.

***Drinking Water State Revolving Fund:*** Department of Environment and Natural Resources has commitments totaling \$64.2 million for loan commitments with borrowers.

### ***Nonmajor Proprietary Funds***

***Revolving Economic Development and Initiative Fund:*** Governor's Office of Economic Development has commitments totaling \$20.1 million for REDI Fund loans.

***Self-Insurance Fund:*** Bureau of Human Resources has commitments totaling \$17.7 million for claims administration, medical management, and wellness services.

***Information Services Fund:*** The Bureau of Information and Technology has commitments totaling \$4.2 million for encumbrances and services contracts.

***Telecommunications Fund:*** The Bureau of Information and Technology has commitments totaling \$3.1 million for encumbrances and services contracts.

***Accounting and Payroll Fund:*** Bureau of Finance and Management has commitments totaling \$0.5 million for various consulting fees.

***Fleet and Travel Management Fund:*** Bureau of Administration has commitments totaling \$0.9 million for fleet vehicle leases and computer equipment.

***Other Nonmajor Proprietary Funds:*** The total amount committed for the Other Nonmajor Proprietary Funds is \$2.3 million broken down by agency as follows:

- Department of Public Safety has commitments totaling \$0.7 million to upgrade current computer system.
- Department of Health has commitments totaling \$1.6 million to act as examiner, investigator, and inspector for various other boards and to provide administrator services.

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

***Housing Authority:*** South Dakota Housing Development Authority has commitments totaling \$113.1 million to fund the Homeownership Mortgage Program.

***Science and Technology Authority:*** South Dakota Science and Technology Authority has commitments totaling \$4.1 million for architecture engineering services and construction of new maintenance support facility.

***Higher Education:*** Higher Education has \$78.7 million of construction, renovation, and coaching contract commitments.

***South Dakota Ellsworth Development Authority:*** South Dakota Ellsworth Development Authority has commitments totaling \$2.3 million to operate and maintain the wastewater treatment plant.

## Uncalled Capital Commitments

The Primary Government had uncalled capital commitments to private equity and real estate limited partnerships funds of approximately \$2.2 billion. The commitments may be called at the discretion of the general partner or may never be called. As capital is called, it is funded from capital and earnings returned by the limited partnerships or from other assets. Approximate uncalled capital commitments as of June 30, 2020 is broken down as follows (Expressed in Thousands):

|                      | Special Revenue        |                                   |                      | Fiduciary   | Permanent         | TOTAL               |
|----------------------|------------------------|-----------------------------------|----------------------|---|-------------------|---------------------|
|                      | Dakota<br>Cement Trust | Education<br>Enhancement<br>Trust | Health Care<br>Trust | South Dakota<br>Retirement<br>System<br>Pension Trust<br>Fund | Permanent<br>Fund |                     |
| Real Estate Funds    | \$ 26,736              | \$ 48,440                         | \$ 11,629            | \$ 1,166,195  | \$ 25,734         | \$ 1,278,734        |
| Private Equity Funds | 16,741                 | 30,627                            | 7,320                | 817,669   | 16,134            | 888,491             |
| <b>Total</b>         | <b>\$ 43,477</b>       | <b>\$ 79,067</b>                  | <b>\$ 18,949</b>     | <b>\$ 1,983,864</b>   | <b>\$ 41,868</b>  | <b>\$ 2,167,225</b> |

## 12. 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 \$28.4 million at June 30, 2020. The Workers' Compensation Fund liability at June 30, 2020 and the changes to the liability during fiscal years ended June 30, 2020 and 2019 listed on the following page were as follows (Expressed in Thousands):

|  | <u>FY2020</u>    | <u>FY2019</u>    |
|--|------------------|------------------|
| Unpaid claims and claim adjustment expenses at beginning of fiscal year                    | \$ 31,512        | \$ 29,990        |
| <b>Incurred claims and claim adjustment expenses</b>                                       |                  |                  |
| Provision for insured events of current fiscal year  | 6,279            | 6,983            |
| Changes in provision for insured events of prior fiscal years                              | (341)            | (60)             |
| <b>Total incurred claims and claim adjustment expenses</b>                                 | <b>5,938</b>     | <b>6,923</b>     |
| <b>Payments:</b>   |                  |                  |
| Claims and claim adjustment expenses attributable to insured events of current fiscal year | 1,349            | 2,172            |
| Claims and claim adjustment expenses attributable to insured events of prior fiscal year   | 3,907            | 3,229            |
| <b>Total payments</b>  | <b>5,256</b>     | <b>5,401</b>     |
| <b>Unpaid claims and claim adjustment expenses at end of fiscal year</b>                   | <b>\$ 32,194</b> | <b>\$ 31,512</b> |

## **B. Health Insurance**

The State (rather than an insurance carrier) assumes substantially all risk associated with claims of covered public employees for health insurance (However, an insurance carrier provides claims administration services for health insurance). The health and life 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. Effective January 1, 2014, the life insurance program switched from being self-insured to a fully insured product. 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, 2020 and the changes to the liability during fiscal years ended June 30, 2020 and 2019 were as follows (Expressed in Thousands):

|   | <u>FY2020</u>           | <u>FY2019</u>           |
|---|-------------------------|-------------------------|
| Unpaid claims and claim adjustment expenses at beginning of fiscal year                       | \$ 15,879               | \$ 12,696               |
| Incurred claims and claim adjustment expenses   | <u>133,191</u>          | <u>130,287</u>          |
| <b>Payments:</b>  |                         |                         |
| Claims and claim adjustment expenses attributable to insured events<br>of current fiscal year | 115,971                 | 114,408                 |
| Claims and claim adjustment expenses attributable to insured events<br>of prior fiscal years  | <u>15,879</u>           | <u>12,696</u>           |
| <b>Total payments</b>   | <u><b>131,850</b></u>   | <u><b>127,104</b></u>   |
| <b>Unpaid claims and claim adjustment expenses at end of fiscal year</b>                      | <u><b>\$ 17,220</b></u> | <u><b>\$ 15,879</b></u> |

## **C. Public Entity Pool for Liability**

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

All funds and agencies of the State participate in the PEPL Fund. The PEPL Fund allocates the cost of providing claims servicing and claims payment by charging a "premium" to each fund and agency based on the number of automobiles titled to each agency (for automobile liability) or approved full-time employees (for general tort liability). The PEPL Fund initially limited claims to \$1,000,000 per occurrence, subject to limitations set forth in SDCL 3-22. The State claimed 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, beginning in FY1996, the PEPL Fund coverage document was amended to provide liability coverage for noneconomic damages that are the result of these acts and commercial reinsurance was 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 2020, \$7.5 million of the net assets balance in the PEPL Fund was designated for future catastrophic losses.

The PEPL Fund liability at June 30, 2020 and the changes to the liability during fiscal years ended June 30, 2020 and 2019 were as follows (Expressed in Thousands):

|  | <u>FY2020</u>   | <u>FY2019</u>   |
|--|-----------------|-----------------|
| Unpaid claims and claim adjustment expenses at beginning of fiscal year                    | \$ 4,382        | \$ 4,603        |
| <b>Incurred claims and claim adjustment expenses</b>                                       |                 |                 |
| Provision for insured events of current fiscal year  | 1,321           | 1,839           |
| Changes in provision for insured events of prior fiscal years                              | 227             | (429)           |
| <b>Total incurred claims and claim adjustment expenses</b>                                 | <u>1,548</u>    | <u>1,410</u>    |
| <b>Payments:</b>   |                 |                 |
| Claims and claim adjustment expenses attributable to insured events of current fiscal year | 212             | 284             |
| Claims and claim adjustment expenses attributable to insured events of prior fiscal year   | 924             | 1,347           |
| <b>Total payments</b>  | <u>1,136</u>    | <u>1,631</u>    |
| <b>Unpaid claims and claim adjustment expenses at end of fiscal year</b>                   | <u>\$ 4,794</u> | <u>\$ 4,382</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. Prior to April 13, 2015, the State was uninsured for property losses with the exception of all bonded buildings, all higher education facilities and buildings, and certain other revenue-producing buildings that are covered through outside insurance companies. On April 13, 2015, additional insurance was purchased resulting in the majority of all State buildings being covered. Beginning October 1, 2015, the South Dakota Property and Casualty Insurance Company, a component unit of the State of South Dakota, started providing property, including content, business income, and extra expense coverage on the State's buildings.

### ***13. OPERATING LEASES***

The State of South Dakota has entered into numerous agreements to lease land, buildings, and equipment. Most operating leases contain a provision that the State may renew leases on a year-to-year basis. In most cases, management expects the leases will be renewed or replaced by other leases of a similar nature.

The following schedule is a summary of future minimum rental payments by years required under operating leases with lease terms in excess of one year as of June 30, 2020, (Expressed in Thousands):

| <u>Year Ending<br/>June 30</u>    | <u>Primary<br/>Government</u> | <u>Component<br/>Units</u> |
|-----------------------------------|-------------------------------|----------------------------|
| 2021                              | \$ 8,709                      | \$ 2,716                   |
| 2022                              | 8,203                         | 2,119                      |
| 2023                              | 6,354                         | 1,728                      |
| 2024                              | 5,042                         | 1,598                      |
| 2025                              | 4,082                         | 347                        |
| 2026-2030                         | 12,453                        | 142                        |
| 2031-2035                         | 1,823                         | 53                         |
| 2036-2040                         | 17                            | 53                         |
| 2041-2045                         |                               | 44                         |
| <b>Total Minimum<br/>Payments</b> | <u>\$ 46,683</u>              | <u>\$ 8,800</u>            |

The total rental expenses for all operating leases for the fiscal year ended June 30, 2020, was \$20.7 million for the primary government and \$3.9 million for component units.

## 14. LONG-TERM LIABILITIES

Long-term obligations at June 30, 2020, and changes to long-term liabilities during the fiscal year then ended are as follows (Expressed in Thousands):

|  | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Deductions</u>   | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|--|------------------------------|-------------------|---------------------|---------------------------|--------------------------------|
| <b>Governmental Activities *</b>           |                              |                   |                     |                           |                                |
| Revenue Bonds                              | \$ 148,645                   | \$ 7,130          | \$ (20,104)         | \$ 135,671                | \$ 14,099                      |
| Add Unamortized Premium                    | 12,194                       |                   | (1,101)             | 11,093                    | 1,070                          |
| <b>Net Revenue Bonds</b>                   | <b>160,839</b>               | <b>7,130</b>      | <b>(21,205)</b>     | <b>146,764</b>            | <b>15,169</b>                  |
| Compensated Absences                       | 61,564                       | 42,166            | (38,685)            | 65,045                    | 34,667                         |
| Policy Claims Liability                    | 4,382                        | 1,548             | (1,136)             | 4,794                     | 1,701                          |
| Workers Compensation                       | 31,517                       | 5,938             | (5,224)             | 32,231                    | 4,063                          |
| Capital Leases                             | 136,417                      | 5,826             | (8,891)             | 133,352                   | 7,925                          |
| Pollution Remediation Obligation           | 12,246                       | 500               | (100)               | 12,646                    | 350                            |
| Escheat Property                           | 15,788                       | 38,142            | (19,153)            | 34,777                    | 24,036                         |
| Other Long Term Liabilities                | 106                          | 54                | (52)                | 108                       | 53                             |
| <b>Total Governmental Activities</b>       | <b>\$ 422,859</b>            | <b>\$ 101,304</b> | <b>\$ (94,446)</b>  | <b>\$ 429,717</b>         | <b>\$ 87,964</b>               |
| <b>Business-type Activities</b>            |                              |                   |                     |                           |                                |
| Revenue Bonds                              | \$ 329,865                   | \$                | \$ (21,705)         | \$ 308,160                | \$ 20,630                      |
| Add Unamortized Premium                    | 45,938                       |                   | (2,796)             | 43,142                    | 2,796                          |
| <b>Net Revenue Bonds</b>                   | <b>375,803</b>               |                   | <b>(24,501)</b>     | <b>351,302</b>            | <b>23,426</b>                  |
| Other Noncurrent Liabilities               | 831                          | 471               |                     | 1,302                     |                                |
| Compensated Absences                       | 1,662                        | 969               | (846)               | 1,785                     | 948                            |
| <b>Total Business-type Activities</b>      | <b>\$ 378,296</b>            | <b>\$ 1,440</b>   | <b>\$ (25,347)</b>  | <b>\$ 354,389</b>         | <b>\$ 24,374</b>               |
| <b>Component Units</b>                     |                              |                   |                     |                           |                                |
| Revenue Bonds                              | \$ 1,608,535                 | \$ 279,980        | \$ (228,149)        | \$ 1,660,366              | \$ 75,689                      |
| Less Unamortized Discount                  | (83)                         |                   | 4                   | (79)                      | 4                              |
| Add Unamortized Premium                    | 66,475                       | 9,037             | (11,033)            | 64,479                    | 2,728                          |
| Direct Placement Bonds                     | 127,540                      |                   | (22,515)            | 105,025                   | 1,525                          |
| <b>Net Revenue Bonds</b>                   | <b>1,802,467</b>             | <b>289,017</b>    | <b>(261,693)</b>    | <b>1,829,791</b>          | <b>79,946</b>                  |
| Compensated Absences                       | 44,743                       | 17,140            | (15,057)            | 46,826                    | 15,209                         |
| Capital Leases                             | 7,342                        | 4,702             | (2,003)             | 10,041                    | 1,959                          |
| Rural Development Loans                    | 1,385                        |                   | (85)                | 1,300                     | 83                             |
| Federal Portion of Perkins<br>Loan Program | 39,792                       | 1,538             | (4,726)             | 36,604                    |                                |
| Advances from Primary Government           | 20,209                       |                   | (1,025)             | 19,184                    | 1,057                          |
| <b>Total Component Units</b>               | <b>\$ 1,915,938</b>          | <b>\$ 312,397</b> | <b>\$ (284,589)</b> | <b>\$ 1,943,746</b>       | <b>\$ 98,254</b>               |

\* Governmental Activities Other Long-Term Obligations - The General Fund, special revenue, and internal service funds in which the leases are recorded will liquidate the capital lease obligations. The General Fund, special revenue, and internal service funds that account for the salaries, wages, and employer pension contributions of the related employees will liquidate the compensated absences and net pension liability. The workers' compensation and policy claims liabilities will be liquidated by applicable internal service funds which will ultimately be billed out to the applicable funds that account for the salaries and wages of the related employees. The pollution remediation obligations will be liquidated by the Petroleum Release Compensation Fund and the Department of Environment 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 South Dakota Building Authority (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 lease agreements between the SDBA and state departments and institutions. Lease payments for bonds are paid from the General Fund and other state dedicated fees of state departments, boards, and commissions.

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

Following are SDBA bonds outstanding at June 30, 2020, (Dollars Expressed in Thousands):

| <b>Bond Series</b>      | <b>Maturity Through</b> | <b>Interest Rates</b> | <b>Amount</b>    |
|-------------------------|-------------------------|-----------------------|------------------|
| 2010B                   | 2035                    | 4.580% - 6.200%       | \$ 3,815         |
| 2013D                   | 2023                    | 3.630%-5.769%         | 420              |
| 2014A                   | 2029                    | 5.000%                | 1,290            |
| 2014D                   | 2026                    | 4.500% - 5.000%       | 4,629            |
| 2014E                   | 2027                    | 4.000% - 5.000%       | 2,537            |
| 2015A                   | 2030                    | 2.591% - 4.013%       | 8,155            |
| 2017A                   | 2040                    | 4.000% - 5.000%       | 41,595           |
| 2019B                   | 2038                    | 1.934% - 3.201%       | 7,075            |
| Add Unamortized Premium |                         |                       | 6,699            |
| <b>Total</b>            |                         |                       | <b>\$ 76,215</b> |

As of June 30, 2020, debt service requirements for principal and interest for the SDBA were as follows (Expressed in Thousands):

| <b>Year Ended June 30</b> | <b>Principal</b> | <b>Interest</b>  | <b>Total</b>     |
|---------------------------|------------------|------------------|------------------|
| 2021                      | \$ 3,799         | \$ 3,073         | \$ 6,872         |
| 2022                      | 3,934            | 2,928            | 6,862            |
| 2023                      | 4,078            | 2,773            | 6,851            |
| 2024                      | 4,248            | 2,609            | 6,857            |
| 2025                      | 4,420            | 2,424            | 6,844            |
| 2026-2030                 | 20,767           | 9,201            | 29,968           |
| 2031-2035                 | 14,555           | 5,377            | 19,932           |
| 2036-2040                 | 13,715           | 1,886            | 15,601           |
| <b>Total</b>              | <b>\$ 69,516</b> | <b>\$ 30,271</b> | <b>\$ 99,787</b> |

## **2. Educational Enhancement Funding Corporation**

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

Following are Educational Enhancement Funding Corporation bonds outstanding at June 30, 2020, (Dollars Expressed in Thousands):

| <b>Bond Series</b>      | <b>Maturity Through</b> | <b>Interest Rates</b> | <b>Amount</b>    |
|-------------------------|-------------------------|-----------------------|------------------|
| 2013A                   | 2022                    | 3.539%                | \$ 19,520        |
| 2013B                   | 2027                    | 5.000%                | 46,635           |
| Add Unamortized Premium |                         |                       | 4,394            |
| <b>Total</b>            |                         |                       | <b>\$ 70,549</b> |

As of June 30, 2020, debt service requirements for principal and interest for the Educational Enhancement Funding Corporation were as follows (Expressed in Thousands):

| <b>Year Ended June 30</b> | <b>Principal</b> | <b>Interest</b>  | <b>Total</b>     |
|---------------------------|------------------|------------------|------------------|
| 2021                      | \$ 10,300        | \$ 3,022         | \$ 13,322        |
| 2022                      | 9,220            | 2,658            | 11,878           |
| 2023                      | 9,970            | 2,332            | 12,302           |
| 2024                      | 9,905            | 1,833            | 11,738           |
| 2025                      | 9,865            | 1,338            | 11,203           |
| 2026-2027                 | 16,895           | 1,197            | 18,092           |
| <b>Total</b>              | <b>\$ 66,155</b> | <b>\$ 12,380</b> | <b>\$ 78,535</b> |

## **B. Business-type Activities**

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

The South Dakota Conservancy District issued tax-exempt revenue bonds for the Clean Water State Revolving Fund (CWSRF) and for the Drinking Water State Revolving Fund (DWSRF). The SRF's provide low interest loans or other types of financial assistance to political units for the construction of publicly-owned wastewater treatment facilities, implementation of nonpoint source management programs, development and implementation of plans under the Estuary Protection Program, and construction and maintenance of drinking water facilities. To date, the programs have been used to make loans and refinance existing debt with a maximum of twenty years for repayment. Loans for the DWSRF can be made for 30 years, if the funds are for a disadvantaged community.

The South Dakota Conservancy District 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, 2020, (Dollars Expressed in Thousands):

| <u>Bond Series</u>                         | <u>Maturity Through</u> | <u>Interest Rates</u> | <u>Amount</u>     |
|--|-------------------------|-----------------------|-------------------|
| <b>Clean Water State Revolving Fund</b>    |                         |                       |                   |
| 2010AB                                     | 2030-2031               | 4.084%-5.646%         | \$ 29,039         |
| 2012A                                      | 2027                    | 1.898%-3.183%         | 19,145            |
| 2012B                                      | 2023-2031               | 4.000%-5.000%         | 9,510             |
| 2014B                                      | 2035                    | 5.000%                | 37,200            |
| 2017A                                      | 2023                    | 1.593%-2.149%         | 4,245             |
| 2017B                                      | 2030-2038               | 2.000%-5.000%         | 62,625            |
| 2018                                       | 2039                    | 5.000%                | 56,190            |
| Add Unamortized Premium                    |                         |                       | 33,110            |
| <b>Total</b>                               |                         |                       | <b>251,064</b>    |
| <b>Drinking Water State Revolving Fund</b> |                         |                       |                   |
| 2010AB                                     | 2030-2031               | 2.000%-5.646%         | 15,326            |
| 2012A                                      | 2027                    | 1.898%-3.183%         | 13,710            |
| 2014B                                      | 2035                    | 5.000%                | 4,940             |
| 2017A                                      | 2023                    | 1.786%-2.149%         | 5,485             |
| 2017B                                      | 2030-2038               | 5.000%                | 12,430            |
| 2018                                       | 2039                    | 5.000%                | 38,315            |
| Add Unamortized Premium                    |                         |                       | 10,032            |
| <b>Total</b>                               |                         |                       | <b>100,238</b>    |
| <b>Total Revenue Bonds</b>                 |                         |                       | <b>\$ 351,302</b> |

As of June 30, 2020, debt service requirements for principal and interest for the CWSRF and the DWSRF were as follows (Expressed in Thousands):

| <u>Year Ended June 30</u>                  | <u>Principal</u>  | <u>Interest</u>   | <u>Total</u>      |
|--|-------------------|-------------------|-------------------|
| <b>Clean Water State Revolving Fund</b>    |                   |                   |                   |
| 2021                                       | \$ 13,115         | \$ 9,979          | \$ 23,094         |
| 2022                                       | 14,685            | 9,455             | 24,140            |
| 2023                                       | 15,335            | 8,842             | 24,177            |
| 2024                                       | 14,075            | 8,202             | 22,277            |
| 2025                                       | 14,560            | 7,552             | 22,112            |
| 2026-2030                                  | 67,659            | 27,689            | 95,348            |
| 2031-3035                                  | 54,275            | 12,406            | 66,681            |
| 2036-2040                                  | 24,250            | 2,294             | 26,544            |
| <b>Total</b>                               | <b>217,954</b>    | <b>86,419</b>     | <b>304,373</b>    |
| <b>Drinking Water State Revolving Fund</b> |                   |                   |                   |
| 2021                                       | 7,515             | 3,900             | 11,415            |
| 2022                                       | 7,740             | 3,653             | 11,393            |
| 2023                                       | 8,140             | 3,379             | 11,519            |
| 2024                                       | 6,315             | 3,109             | 9,424             |
| 2025                                       | 6,425             | 2,848             | 9,273             |
| 2026-2030                                  | 23,816            | 10,669            | 34,485            |
| 2031-2035                                  | 16,995            | 5,432             | 22,427            |
| 2036-2040                                  | 13,260            | 1,313             | 14,573            |
| <b>Total</b>                               | <b>90,206</b>     | <b>34,303</b>     | <b>124,509</b>    |
| <b>Total</b>                               | <b>\$ 308,160</b> | <b>\$ 120,722</b> | <b>\$ 428,882</b> |

## C. Component Units

### 1. 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.

Following is a schedule of bonds, consolidated by category, outstanding at June 30, 2020, (Dollars Expressed in Thousands):

|  | <u>Maturity</u> | <u>Interest</u> | <u>Amount</u>              |
|--|-----------------|-----------------|----------------------------|
| <b>Home-Ownership Mortgage Program Bonds</b> | 2020-2050       | 0.13%-4.50%     |                            |
| Serial Bonds                                 |                 |                 | \$ 399,090                 |
| Term Bonds                                   |                 |                 | 744,322                    |
| Term Direct Placement Bonds                  |                 |                 | 75,000                     |
| Add Unamortized Premium                      |                 |                 | 25,994                     |
| <b>Total</b>                                 |                 |                 | <u><u>1,244,406</u></u>    |
| <b>Single Family Mortgage Bonds</b>          | 2019-2041       | 1.85%-5.00%     |                            |
| Serial Bonds                                 |                 |                 | 16,915                     |
| Term Bonds                                   |                 |                 | 25,260                     |
| Term Direct Placement Bonds                  |                 |                 | 16,700                     |
| Add Unamortized Premium                      |                 |                 | 500                        |
| <b>Total</b>                                 |                 |                 | <u><u>59,375</u></u>       |
| <b>Multiple Purpose Bonds</b>                | 2020-2048       | 0.25%-3.65%     |                            |
| Serial Bonds                                 |                 |                 | 1,875                      |
| Term Bonds                                   |                 |                 | 12,880                     |
| <b>Total</b>                                 |                 |                 | <u><u>14,755</u></u>       |
| <b>Total Bonds</b>                           |                 |                 | <u><u>\$ 1,318,536</u></u> |

As of June 30, 2020, debt service requirements for principal and interest for the SDHDA were as follows (Expressed in Thousands):

| <u>Year Ended</u><br><u>June 30</u> | <u>Bonds</u>               |                          | <u>Direct Placement Bonds</u> |                         | <u>Total</u>               |
|-------------------------------------|----------------------------|--------------------------|-------------------------------|-------------------------|----------------------------|
|                                     | <u>Principal</u>           | <u>Interest</u>          | <u>Principal</u>              | <u>Interest</u>         |                            |
| 2021                                | \$ 51,582                  | \$ 36,818                | \$                            | \$ 1,644                | \$ 90,044                  |
| 2022                                | 55,825                     | 35,490                   |                               | 1,644                   | 92,959                     |
| 2023                                | 53,265                     | 34,325                   |                               | 1,645                   | 89,235                     |
| 2024                                | 53,445                     | 33,078                   |                               | 1,645                   | 88,168                     |
| 2025                                | 51,340                     | 31,742                   |                               | 1,645                   | 84,727                     |
| 2026-2030                           | 212,336                    | 139,673                  | 12,015                        | 8,177                   | 372,201                    |
| 2031-2035                           | 190,070                    | 108,499                  | 49,105                        | 5,612                   | 353,286                    |
| 2036-2040                           | 171,720                    | 79,033                   | 27,750                        | 1,344                   | 279,847                    |
| 2041-2045                           | 201,394                    | 47,888                   | 2,830                         | 70                      | 252,182                    |
| 2046-2050                           | 158,980                    | 10,723                   |                               |                         | 169,703                    |
| 2051-2055                           | 385                        | 7                        |                               |                         | 392                        |
| <b>Total</b>                        | <u><u>\$ 1,200,342</u></u> | <u><u>\$ 557,276</u></u> | <u><u>\$ 91,700</u></u>       | <u><u>\$ 23,426</u></u> | <u><u>\$ 1,872,744</u></u> |

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

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

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

The pooled bond issues require amounts to be deposited into the Capital Reserve Account. The money on deposit in the Capital Reserve Account is irrevocably pledged to the payment of all outstanding bonds and interest only when and to the extent that other monies are not available. The amount on deposit in the Capital Reserve Account must be equal to 12.5% of the related bond principal outstanding. Amounts in excess of the reserve requirements may be transferred to any state fund to be used for other purposes. At June 30, 2020, the balance in the Capital Reserve Account was \$5.0 million and the reserve requirement was \$1.0 million.

The following is a schedule of outstanding bonds as of June 30, 2020, (Dollars Expressed in Thousands):

| <b>Bond Series</b> | <b>Maturity Through</b> | <b>Interest Rates</b> | <b>Amount</b>   |
|--------------------|-------------------------|-----------------------|-----------------|
| 2013A              | 2021-2033               | 4.000%-5.800%         | \$ 7,555        |
| <b>Total</b>       |                         |                       | <b>\$ 7,555</b> |

As of June 30, 2020, debt service requirements for principal and interest for the EDFA were as follows (Expressed in Thousands):

| <b>Year Ended</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b>     |
|-------------------|------------------|-----------------|------------------|
| <b>June 30</b>    |                  |                 |                  |
| 2021              | \$ 420           | \$ 420          | \$ 840           |
| 2022              | 435              | 404             | 839              |
| 2023              | 455              | 383             | 838              |
| 2024              | 480              | 362             | 842              |
| 2025              | 505              | 334             | 839              |
| 2026-2030         | 3,005            | 1,197           | 4,202            |
| 2031-2033         | 2,255            | 267             | 2,522            |
| <b>Total</b>      | <b>\$ 7,555</b>  | <b>\$ 3,367</b> | <b>\$ 10,922</b> |

### 3. Higher Education

#### a. Higher Education Facilities

Revenue bonds were issued for the purpose of constructing buildings. The bonds are payable only from and secured by a pledge of net revenues of the University Housing and Auxiliary Facilities System. Net revenue is defined as gross revenue, less reasonable and necessary costs of currently maintaining, repairing, insuring, and operating the University Housing and Auxiliary Facilities System. Total net revenue pledges for fiscal year 2020 equaled \$34.4 million. Following are revenue bonds outstanding at June 30, 2020, (Dollars Expressed in Thousands):

| <b>Bond Series</b>                    | <b>Maturity Through</b> | <b>Interest Rates</b> | <b>Amount</b>     |
|---------------------------------------|-------------------------|-----------------------|-------------------|
| <b>School of Mines and Technology</b> |                         |                       |                   |
| 2008B Direct Placement                | 2028                    | 4.550%                | \$ 2,170          |
| 2014A                                 | 2039                    | 4.000%-5.000%         | 5,805             |
| 2014B                                 | 2033                    | 5.000%                | 4,890             |
| 2017A                                 | 2042                    | 4.000%-5.000%         | 15,925            |
| Add Unamortized Premium               |                         |                       | 2,827             |
| <b>University of South Dakota</b>     |                         |                       |                   |
| 2013A                                 | 2028                    | 3.000%-5.000%         | 7,270             |
| 2015                                  | 2030                    | 4.000%-5.000%         | 7,265             |
| 2017A                                 | 2039                    | 4.000%-5.000%         | 31,335            |
| Add Unamortized Premium               |                         |                       | 5,632             |
| <b>South Dakota State University</b>  |                         |                       |                   |
| 2006 Direct Placement                 | 2026                    | 3.920%                | 3,075             |
| 2011                                  | 2036                    | 3.625%-5.000%         | 45,910            |
| 2014A                                 | 2025                    | 5.000%                | 11,960            |
| 2015                                  | 2030                    | 4.000%-5.000%         | 1,450             |
| 2016                                  | 2041                    | 4.000%-5.000%         | 11,850            |
| 2017A                                 | 2042                    | 4.000%-5.000%         | 36,325            |
| Less Unamortized Discount             |                         |                       | (79)              |
| Add Unamortized Premium               |                         |                       | 8,778             |
| <b>Northern State University</b>      |                         |                       |                   |
| 2008B Direct Placement                | 2028                    | 4.550%                | 575               |
| 2011                                  | 2021                    | 3.625%-5.000%         | 195               |
| 2014B                                 | 2029                    | 5.000%                | 2,515             |
| 2016                                  | 2041                    | 4.000%-5.000%         | 6,260             |
| 2017A                                 | 2034                    | 5.000%                | 870               |
| 2019B                                 | 2036                    | 2.150%-3.350%         | 4,535             |
| Add Unamortized Premium               |                         |                       | 810               |
| <b>Dakota State University</b>        |                         |                       |                   |
| 2007 Direct Placement                 | 2029                    | 3.880%                | 210               |
| 2008 Direct Placement                 | 2028                    | 3.880%                | 2,345             |
| 2014B                                 | 2025                    | 5.000%                | 860               |
| 2015                                  | 2040                    | 4.000%-5.000%         | 9,990             |
| 2019A                                 | 2044                    | 3.000%-5.000%         | 11,620            |
| Add Unamortized Premium               |                         |                       | 2,476             |
| <b>Black Hills State University</b>   |                         |                       |                   |
| 2006 Direct Placement                 | 2026                    | 3.920%                | 500               |
| 2007 Direct Placement                 | 2029                    | 3.880%                | 4,450             |
| 2014A                                 | 2039                    | 4.000%-5.000%         | 7,595             |
| 2014B                                 | 2026                    | 5.000%                | 1,020             |
| Add Unamortized Premium               |                         |                       | 485               |
| <b>Total</b>                          |                         |                       | <b>\$ 259,699</b> |

As of June 30, 2020, debt service requirements for principal and interest were as follows (Expressed in Thousands):

| Year Ended<br>June 30 | Bonds             |                  | Direct Placement Bonds |                 | Total             |
|-----------------------|-------------------|------------------|------------------------|-----------------|-------------------|
|                       | Principal         | Interest         | Principal              | Interest        |                   |
| 2021                  | \$ 11,510         | \$ 10,348        | \$ 1,525               | \$ 528          | \$ 23,911         |
| 2022                  | 12,240            | 9,801            | 1,595                  | 467             | 24,103            |
| 2023                  | 12,875            | 9,202            | 1,650                  | 402             | 24,129            |
| 2024                  | 13,175            | 8,579            | 1,725                  | 335             | 23,814            |
| 2025                  | 13,815            | 7,939            | 1,795                  | 266             | 23,815            |
| 2026-2030             | 60,365            | 30,964           | 5,035                  | 388             | 96,752            |
| 2031-2035             | 59,785            | 16,460           |                        |                 | 76,245            |
| 2036-2040             | 34,105            | 5,089            |                        |                 | 39,194            |
| 2041-2045             | 7,575             | 478              |                        |                 | 8,053             |
| <b>Total</b>          | <b>\$ 225,445</b> | <b>\$ 98,860</b> | <b>\$ 13,325</b>       | <b>\$ 2,386</b> | <b>\$ 340,016</b> |

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

The South Dakota Building Authority 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 South Dakota Building Authority may not be a lien, charge, or liability against the State of South Dakota.

Following is a schedule of bonds outstanding at June 30, 2020, (Dollars Expressed in Thousands):

| Bond Series                | Maturity Through | Interest Rates | Amount            |
|----------------------------|------------------|----------------|-------------------|
| <b>Revenue Bonds</b>       |                  |                |                   |
| 2010A                      | 2027             | 4.550%-5.650%  | \$ 5,030          |
| 2010B                      | 2035             | 4.580%-6.200%  | 8,970             |
| 2011A                      | 2026             | 4.000%-5.000%  | 3,780             |
| 2012A                      | 2028             | 2.250%-5.000%  | 6,025             |
| 2013B                      | 2038             | 5.00%          | 8,065             |
| 2014A                      | 2039             | 5.00%          | 30,365            |
| 2014B                      | 2029             | 5.000%         | 5,250             |
| 2014C                      | 2020             | 2.40%          | 650               |
| 2014D                      | 2026             | 4.500%-5.000%  | 926               |
| 2014E                      | 2032             | 4.000%-5.000%  | 22,843            |
| 2014F                      | 2032             | 3.050%-4.700%  | 6,210             |
| 2015B                      | 2040             | 5.000%         | 9,620             |
| 2017A                      | 2042             | 4.000%-5.000%  | 10,630            |
| 2018A                      | 2040             | 4.000%-5.000%  | 28,140            |
| 2019A                      | 2034             | 4.000%-5.000%  | 15,165            |
| 2019B                      | 2038             | 1.934%-3.201%  | 65,355            |
| Add Unamortized Premium    |                  |                | 16,977            |
| <b>Total Revenue Bonds</b> |                  |                | <b>\$ 244,001</b> |

As of June 30, 2020, debt service requirements for principal and interest for the South Dakota Building Authority (Higher Education portion) were as follows (Expressed in Thousands):

| <b>Year Ended<br/>June 30</b> | <b>Principal</b>  | <b>Interest</b>  | <b>Total</b>      |
|-------------------------------|-------------------|------------------|-------------------|
| 2021                          | \$ 12,176         | \$ 9,579         | \$ 21,755         |
| 2022                          | 12,706            | 9,046            | 21,752            |
| 2023                          | 13,047            | 8,485            | 21,532            |
| 2024                          | 13,631            | 7,906            | 21,537            |
| 2025                          | 14,136            | 7,376            | 21,512            |
| 2026-2030                     | 67,253            | 28,394           | 95,647            |
| 2031-2035                     | 57,475            | 15,064           | 72,539            |
| 2036-2040                     | 35,120            | 4,383            | 39,503            |
| 2041-2045                     | 1,480             | 112              | 1,592             |
| <b>Total</b>                  | <b>\$ 227,024</b> | <b>\$ 90,345</b> | <b>\$ 317,369</b> |

### ***Capital Leases***

The State has entered into various agreements to lease buildings, vehicles, and equipment. GASB standards require a lease that transfers substantially all the benefits and risks of ownership to the lessee be accounted for as the acquisition of a capital asset and the incurrence of an obligation by the lessee (a capital lease).

Capital lease obligations are recorded as liabilities in the Government-wide and Proprietary Fund Financial Statements.

The following schedule is a summary of the future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2020, (Expressed in Thousands):

| <b>Year Ended<br/>June 30</b>                          | <b>Governmental<br/>Activities</b> | <b>Component<br/>Units</b> |
|--|------------------------------------|----------------------------|
| 2021   | \$ 14,262                          | \$ 2,373                   |
| 2022   | 13,342                             | 1,564                      |
| 2023   | 11,983                             | 1,313                      |
| 2024   | 11,734                             | 2,838                      |
| 2025   | 11,140                             | 438                        |
| 2026-2030  | 47,702                             | 2,135                      |
| 2031-2035  | 45,723                             | 907                        |
| 2036-2040  | 33,141                             | 286                        |
| 2041-2045  | 17,442                             | 286                        |
| 2046-2050  | 7,992                              | 115                        |
| <b>Total Minimum Lease Payments</b>                    | <b>214,461</b>                     | <b>12,255</b>              |
| Less: Amount Representing Interest                     | 81,109                             | 2,214                      |
| <b>Present Value of Net Minimum<br/>Lease Payments</b> | <b>\$ 133,352</b>                  | <b>\$ 10,041</b>           |

The historical cost and depreciation of assets under capital leases and included in capital assets on the Government-wide Financial Statements at June 30, 2020, are as follows (Expressed in Thousands):

|                                | <b>Governmental<br/>Activities</b> |
|--------------------------------|------------------------------------|
| Land                           | \$ 614                             |
| Land Improvements              | 1,205                              |
| Buildings                      | 139,395                            |
| Equipment                      | 5,062                              |
| Vehicles                       | 27,128                             |
| Total                          | 173,404                            |
| Less: Accumulated Depreciation | 42,675                             |
| <b>Total, Net</b>              | <b>\$ 130,729</b>                  |

### ***Conduit Debt Obligations***

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

#### ***1. South Dakota Value Added Finance Authority***

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

As of June 30, 2020, there were 115 Beginning Farmer Bond Program series Revenue Bonds outstanding. The aggregate principal amount payable on June 30, 2020, could not be determined; however, the original issue amount totaled \$23.6 million.

As of June 30, 2020, there were 5 Agribusiness Bonding Program series Revenue Bonds outstanding. The aggregate principal amount payable on June 30, 2020, could not be determined; however, the original issue amount totaled \$8.6 million.

As of June 30, 2020, there were 20 Livestock Nutrient Management Bond Program series Revenue Bonds outstanding. The aggregate principal amount payable on June 30, 2020, could not be determined; however, the original issue amount totaled \$17.4 million.

As part of the American Recovery and Reinvestment Act, the South Dakota Value Added Finance Authority issued 3 recovery zone bonds in state fiscal year 2011. The outstanding balance at June 30, 2020, could not be determined; however, the original issue amount totaled \$24.8 million.

#### ***2. South Dakota Housing Development Authority***

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

As of June 30, 2020, the aggregate principal amount of conduit debt outstanding totaled \$28.6 million.

## ***Refunded and Defeased Bonds***

### ***1. South Dakota Building Authority***

The Authority has entered into refunding transactions whereby refunding bonds have been issued to facilitate defeasance of the Authority'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 Authority has satisfied its obligations with respect thereto through consummation of the refunding transactions.

On November 20, 2019, the Authority issued \$3.0 million in Taxable Revenue Bonds Series 2019B to advance refund the Series 2010C bonds. The refunding portion with an average interest rate of 2.5% was used to refund \$2.5 million of outstanding Series 2010C bonds with an average interest rate of 5.3%. The net proceeds of the refunding portion of \$2.7 million were used to escrow the refunded Series 2010C bonds (after payment of \$27.2 thousand in underwriting fees and other issuance costs and transfer of \$0.4 million in savings to the State General Fund). As a result, the refunded Series 2010C bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$0.1 million. This difference is being charged to operations through fiscal year 2031 using the effective-interest method. The Authority completed the advance refunding for a net economic gain of \$0.1 million. The difference between the cash flows of the refunded bonds and the refunding bonds is a \$0.1 million reduction in debt service payments, the actual cash amount realized was \$0.4 million.

On November 20, 2019, the Authority issued \$65.8 million in Taxable Revenue Bonds Series 2019B to refund a portion of the Series 2013B bonds. The refunding portion with an average interest rate of 2.9% was used to refund \$54.5 million of outstanding Series 2013B bonds with an average interest rate of 5.0%. The net proceeds of the refunding portion of \$62.2 million were used to call the refunded Series 2013B bonds (after payment of \$0.6 million in underwriting fees and other issuance costs and transfer of \$4.4 million in savings to the State General Fund). As a result, the refunded Series 2013B bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3.9 million. This difference is being charged to operations through fiscal year 2026 using the effective-interest method. The Authority completed the advance refunding for a net economic gain of \$1.4 million. The difference between the cash flows of the refunded bonds and the refunding bonds is a \$1.4 million reduction in debt service payments, the actual cash amount realized was \$4.4 million.

On November 20, 2019, the Authority issued \$4.1 million in Taxable Revenue Bonds Series 2019B to refund a portion of the Series 2013D bonds. The refunding portion with an average interest rate of 2.9% was used to refund \$3.3 million of outstanding Series 2013D bonds with an average interest rate of 5.5%. The net proceeds of the refunding portion of \$3.8 million were used to call the refunded Series 2013D bonds (after payment of \$37.6 thousand in underwriting fees and other issuance costs and transfer of \$0.4 million in savings to the State General Fund). As a result, the refunded Series 2013D bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$0.5 million. This difference is being charged to operations through fiscal year 2038 using the effective-interest method. The Authority completed the advance refunding for a net economic gain of \$0.1 million. The difference between the cashflows of the refunded bonds and the refunding bonds is a \$0.1 million reduction in debt service payments, the actual cash amount realized was \$0.4 million.

Fully defeased bonds not yet paid to bondholders as of June 30, 2020, are as follows (Expressed in Thousands):

| <u>Bond Issues</u> | <u>Year of Defeasance</u> | <u>Debt Outstanding</u> |
|--------------------|---------------------------|-------------------------|
| Series 2013B       | 2019                      | \$ 54,495               |
| Series 2013D       | 2019                      | 32,280                  |
| <b>Total</b>       |                           | <b>\$ 86,775</b>        |

Series 2010B that were held in escrow were called on June 1, 2020.

Series 2013B and 2013D bonds that were escrowed will be called on June 1, 2023.

## **2. South Dakota Housing Development Authority**

In February 2020, the Authority issued \$4.7 million of fixed rate Homeownership Mortgage Bonds, 2020 Series A (the Refunding bonds). The Refunding Bonds, totaling \$4.7 million, along with premium generated from the bond sale, were used to refund \$4.7 million of Single-Family Mortgage Bonds, 2010 Series 1 (the Refunded Bonds). The purpose of the refunding was to reduce the Authority's borrowing cost on debt that was optionally redeemable at par, which decreased total debt service payments by approximately \$0.7 million. Assuming a mortgage prepayment speed of 100% FHA, the difference between the present value of the cash flow required for debt service of the Refunding Bonds and the Refunded Bonds, net of cost of issuance, will result in an economic gain of approximately \$0.3 million.

During the year ended June 30, 2020, the Authority issued Homeownership Mortgage Bonds Series 2019B and 2020AB in the aggregate principle amount of \$99.0 million and \$99.0 million, respectively, of which \$26.1 million and \$49.8 million, respectively, of bond proceeds were used to refund previously issued bonds for the sole purpose of recycling the volume cap utilized for the issuance of the refunded bonds.

## **3. South Dakota Conservancy District - State Revolving Funds**

### **Clean Water State Revolving Fund**

Fully defeased bonds not yet paid to bondholders as of June 30, 2020, are as follows:

| <u>Bond Issues</u> | <u>Year of Defeasance</u> | <u>Debt Outstanding</u> |
|--------------------|---------------------------|-------------------------|
| Series 2012B (01)  | 2018                      | \$ 725                  |
| Series 2010B (08)  | 2018                      | 5,186                   |
| Series 2012B       | 2018                      | 26,190                  |
| <b>Total</b>       |                           | <b>\$ 32,101</b>        |

Series 2010B (08) that was escrowed will be called on August 1, 2020.

Series 2012B (01) and Series 2012B that were escrowed will be called on August 1, 2022.

### **Drinking Water State Revolving Fund**

Fully defeased bonds not yet paid to bondholders as of June 30, 2020, are as follows:

| <u>Bond Issues</u> | <u>Year of Defeasance</u> | <u>Debt Outstanding</u> |
|--------------------|---------------------------|-------------------------|
| Series 2012B (01)  | 2018                      | \$ 790                  |
| Series 2010B (08)  | 2018                      | 4,254                   |
| <b>Total</b>       |                           | <b>\$ 5,044</b>         |

Series 2010B (08) that were escrowed will be called on August 1, 2020.

Series 2012B (01) that were escrowed will be called on August 1, 2022.

#### **4. Higher Education and the South Dakota Board of Regents**

In December 2019, the South Dakota Board of Regents (SDBOR) issued \$4.6 million in Revenue Bonds Series 2019B to advance refund a portion of the Series 2011 bonds. The refunding portion with an average interest rate of 3.2% was used to refund \$4.3 million of outstanding Northern State University bonds. The net proceeds of the refunding portion of \$4.5 million (after payment of \$0.1 million in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all of the future debt service payments on the refunded portion of the Series 2011 Bonds. Escrow balance as of June 30, 2020 was \$4.4 million. As a result, the refunded portion of the Series 2011 bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position.

The purpose of the advanced refunding was to reduce the SDBOR borrowing cost on debt that will be optionally redeemable at par on April 1, 2020, which decreased total debt service payments by \$0.3 million. This resulted in a present value savings on the bonds of \$0.2 million.

#### **Pollution Remediation Obligations**

The State has pollution remediation obligation liabilities as of June 30, 2020, of \$12.6 million.

##### **1. Gilt Edge Superfund Site**

The State of South Dakota, acting through the Department of Environment and Natural Resources, has contracted with the United States Environmental Protection Agency (EPA) for participation in the reclamation and remediation of the former Brohm Mine, the Gilt Edge Superfund Site in Lawrence County. The EPA's current estimate of total cleanup cost is \$178.1 million. The total amount of cleanup costs that the State needs to match an estimated \$158.5 million. The State is required by law to pay 10% of the total costs of reclamation and remediation of the site, which is estimated to be \$15.9 million. The State has already spent approximately \$6.6 million with an estimated remaining outstanding liability as of June 30, 2020 of \$9.3 million. The State's contribution to the costs of reclamation and remediation will come from the Regulated Response Fund, which has a cash balance of \$2.4 million, but will grow with future penalties collected for environmental violations deposited into the fund and interest earned on the cash deposit. After EPA completes its involvement at the site, the State will take control of the site and use the reclamation bond and settlement money to pay 100% of the ongoing water treatment costs. The State had a cash balance of approximately \$8.5 million from the cash reclamation bond deposited by Brohm and \$10.3 million in cash settlements as of June 30, 2020. However, actual costs incurred when the State takes control of the site cannot be anticipated at this time because the final cleanup action has not been determined yet.

##### **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, 2020, PRCF was currently involved with 39 active cases, 21 active/monitoring cases, and 8 pending cases (spill report not yet filed), for a total of 68 cases. The estimated cost remaining for sites that have received at least one payment is \$0.4 million, the estimated cost for sites that haven't received any payments is \$2.3 million and the estimated cost for the Abandoned Tank Removal Program is \$0.6 million. The total liability as of June 30, 2020 for this program is \$3.4 million. The cash balance in the PRCF on June 30, 2020 is \$5.2 million.

## **15. 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, 2020, as recommended by NACUBO (Expressed in Thousands):

| <b>Function</b>              | <b>Personal Services</b> | <b>Travel</b>    | <b>Contractual</b> | <b>Supplies &amp; Non-Capitalized Equipment</b> | <b>Grants &amp; Subsidies</b> | <b>Interest &amp; Other Expenses</b> | <b>Depreciation</b> | <b>Total</b>      |
|------------------------------|--------------------------|------------------|--------------------|---|-------------------------------|--------------------------------------|---------------------|-------------------|
| Instruction                  | \$ 212,071               | \$ 2,367         | \$ 12,663          | \$ 7,022  | \$ 661                        | \$ 1                                 | \$ 6,470            | \$ 241,255        |
| Research                     | 47,656                   | 2,019            | 7,019              | 11,056  | 9,773                         |                                      | 4,905               | 82,428            |
| Public Service               | 34,537                   | 1,439            | 6,053              | 4,693   | 1,333                         | 1                                    | 254                 | 48,310            |
| Academic Support             | 52,779                   | 722              | 9,716              | 5,980   | 23                            |                                      | 1,961               | 71,181            |
| Student Services             | 51,539                   | 6,711            | 10,204             | 6,712   | 3,166                         | 19                                   | 1,329               | 79,680            |
| Institutional Support        | 54,356                   | 624              | 18,934             | 2,379   | 2,651                         | 2,407                                | 3,255               | 84,606            |
| O&M of Plant                 | 32,515                   | 335              | 13,097             | 7,572   | 1                             | 2                                    | 37,650              | 91,172            |
| Scholarships and Fellowships | 1,057                    | 5                | 7                  | 88  | 27,155                        | 107                                  |                     | 28,419            |
| Auxilliary Enterprises       | 14,443                   | 58               | 32,626             | 9,420   | 2                             |                                      | 2,577               | 59,126            |
| Other                        |                          |                  |                    |   |                               | 156                                  | 1,732               | 1,888             |
| <b>Total</b>                 | <b>\$ 500,953</b>        | <b>\$ 14,280</b> | <b>\$ 110,319</b>  | <b>\$ 54,922</b>                                | <b>\$ 44,765</b>              | <b>\$ 2,693</b>                      | <b>\$ 60,133</b>    | <b>\$ 788,065</b> |

## **16. 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 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 2020, the State provided \$26.7 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 lease purchase agreements with HEFA and sub-leases the facilities at the postsecondary technical institutes to the school districts. The State makes lease payments to HEFA from a combination of General Fund appropriations, interest earnings from a special revenue fund, and from student facility fees collected by the postsecondary technical institutes and remitted to the State. Upon completion of payments under the lease agreements, titles to the facilities pass to the State. The sub-lease 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 lease purchase agreements between the State and HEFA are reported under the governmental activities column in the Government-wide Statement of Net Position.

## **17. TAX ABATEMENTS**

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

The Reinvestment Payment Program is administered by the Governor's Office of Economic Development (GOED) with qualifying projects being approved by the Board of Economic Development. Companies pursuing new or expanded facilities with total project costs exceeding \$20 million, or equipment upgrade costs exceeding \$2 million are eligible for program consideration upon timely completion of an application. A key criterion considered when approving or denying an application is the likelihood the project would have occurred without the reimbursement payment. The Board of Economic Development can approve individual projects from the application for a reimbursement payment that is equal to or less than South Dakota sales and use tax paid on the project costs. All sales and use tax must continue to be paid on the approved projects. Reimbursement payments are made after the project is complete and cannot exceed actual sales and use tax paid.

During fiscal year 2020, the State abated \$19.3 million of sales and use tax as estimated reimbursement amounts for approved projects that have not met all the reimbursement criteria. The State reimbursed \$9.0 million of sales and use tax during fiscal year 2020, all of which was abated in prior fiscal years.

## **18. RELATED PARTY TRANSACTIONS**

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

**The Enterprise 605, Inc.** (E605) is a South Dakota non-profit corporation created for the purpose of promoting economic interests and economic development in the State of South Dakota. Its mission is to foster entrepreneurship opportunities, the expansion of businesses, and supporting the growth and development of business concerns within the State.

The Governor's Office of Economic Development (GOED) provides certain staff services and related support for E605's programs out of GOED funds. On June 3, 2016, GOED and E605 entered into a separate Letter of Agreement in which GOED pledged \$7.0 million in Future Funds to support E605's mission. On November 28, 2018 the Letter of Agreement was amended, reducing the amount of pledged Future Funds to \$6.0 million. As of June 30, 2019, all the funds were disbursed. On November 1, 2019, E605 returned \$1.5 million of unused funds to GOED.

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

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

In fiscal year 2020, \$229.5 million of State appropriations was used to support state-run universities, which are reported under Higher Education.

In 2018 the South Dakota Corn Utilization Council (SDCUC) executed a letter of commitment to provide \$2.0 million to the South Dakota State University (SDSU) for the creation of a South Dakota Corn Endowed Chair Position in the Precision Agriculture Program at SDSU. As of June 30, 2020, SDCUC has distributed \$1.0 million to SDSU and \$1.0 million remains to be distributed for this commitment. Additionally, in 2019 SDCUC executed a letter of commitment to provide SDSU with \$1.0 million over a four-year period beginning June 2020. This commitment is designated for the renovation of research space within an agricultural hall at SDSU. As of June 30, 2020, there have been no payments made on this commitment.

The general fund appropriation to GOED includes amounts to be used to fund Research Centers at various universities around the state. Total funds disbursed to Higher Education was \$3.7 million.

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

At June 30, 2020, the SDEDA has \$1.2 million loan payable to the State Department of Environment and Natural Resources and \$18.0 million loan payable to the Clean Water State Revolving Fund. Proceeds from the loans financed the construction of the waste water treatment plant. SDEDA has pledged future user charges as security under various loan agreements.

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

In June 2019, GOED entered into an agreement to provide Future Fund grant funding to SDSTA in the amount of \$2.5 million.

**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 which 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 individual with disabilities, homelessness prevention activities, and community land trusts. During fiscal year 2020, the SDHDA received a \$1.0 million General Fund Appropriation for the Housing Opportunity Program.

**The South Dakota Economic Development Finance Authority (SDEDFA)** was created to make loans to businesses to spawn economic growth. SDEDFA is considered a discretely presented component unit of the State.

Senate Bill 192 from the 2020 Legislative Session created a small business economic disaster relief program within GOED and authorized the SDEDFA to make a grant to the program. On April 24, 2020 the SDEDFA approved \$1.5 million to be transferred to the program.

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

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

**The South Dakota State University Foundation** and the **University of South Dakota Foundation** have notes receivable of \$2.0 million each from **The South Dakota Science and Technology Authority (SDSTA)**. The \$4.0 million is to be 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 or \$0.1 thousand each per year. The notes mature December 31, 2026.

## **19. SUBSEQUENT EVENTS**

### ***South Dakota Clean Water Revolving Fund***

On July 1, 2020, the South Dakota Conservancy District, a blended component unit of the State, issued its State Revolving Fund Program Bonds, Series 2020 consisting of \$76.3 million principal amount of Tax-exempt Revenue Bonds.

### ***South Dakota Building Authority***

On September 3, 2020, the South Dakota Building Authority, a blended component unit of the State, issued \$80.3 million in Series 2020A taxable bonds to partially refund the Series 2014A, 2014E, 2014F, 2015A, and 2015B bonds. Additionally, the South Dakota Building Authority issued \$10.2 million in 2020B taxable bonds to partially refund the Series 2011A, 2012A, and 2014B bonds. On December 4, 2020, the South Dakota Building Authority issued \$26.3 million in Series 2020C bonds for maintenance and repair projects and refunding the Series 2010A bonds.

### ***South Dakota Housing Development Authority***

In August 2020, the South Dakota Housing Development Authority, a discretely presented component unit of the State, issued the 2020 Series CD Homeownership Mortgage Bonds in the principal amount of \$99.0 million. In September 2020, the South Dakota Housing Development Authority issued the 2020 Series A Multiple Purpose Bonds in the principal amount of \$14.8 million to refinance an existing mortgage loan and to finance a mortgage loan for new development. Subsequent to year-end, the South Dakota Housing Development Authority was awarded \$10.0 million of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to be used by December 30, 2020, which is anticipated to be used for housing assistance in the form of rent, utility, and mortgage payments.

### ***South Dakota Value Added Finance Authority***

On July 1, 2020, through Senate Bill 45 in the 2020 South Dakota legislative session, the Value Added Finance Authority, a discretely presented component unit of the State, was abolished, and all duties and responsibilities related to the nutrient management bond program, the agribusiness bond program, the beginning farmer bond program and the value-added agriculture agribusiness relending program were transferred to the Economic Development Finance Authority. Duties and responsibilities related to the value-added agriculture subfund were transferred to the Board of Economic Development.

### ***Higher Education - Board of Regents***

In December of 2020, the South Dakota Board of Regents, a discretely presented component unit of the State, issued \$38.3 million of Housing and Auxiliary Facilities System Revenue Bonds, Series 2021. The bonds were issued to provide funds for the advanced refunding of the South Dakota Board of Regents Housing and Auxiliary Facilities Revenue Bonds, Series 2011, and pay certain expenses incident to the issuance of the Series 2021 Bonds.

### ***Office of the Attorney General***

On August 28, 2020, the Office of Attorney General was awarded \$2.0 million for a Consumer Protection Lawsuit from American Honda Motor Co., Inc. over allegations Honda concealed safety issues related to defects in the frontal airbag systems installed in certain vehicles sold in the United States.

### ***COVID-19 Pandemic***

During the year ended June 30, 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a public health emergency. The world-wide coronavirus pandemic impacted state, national, and global economies. The State is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the State is not known.

## **20. CONTINGENCIES AND LITIGATION**

The State of South Dakota is party to numerous legal proceedings, many of which occur in the normal course of governmental operation. The outcomes of these lawsuits could have an impact on the State's financial statements. Based on prior experience, it is unlikely that the outcome of these claims will materially affect the financial position of the State. The contingencies at June 30, 2020, are as follows:

### ***U.S. Bank National Association v. South Dakota Department of Revenue***

Department of Revenue (DOR) issued Certificate of Assessment (COA) on December 28, 2015, to U.S. Bank in the amount of \$0.5 million (consisting of tax and accrued interest), as a result of disallowing a bank franchise tax deduction claimed by U.S. Bank for the calendar year 2012 audit period. In issuing the assessment, the DOR also denied two refund requests for the periods ending December 2010 and December 2011, based on U.S. Bank's claim for the same deduction. A hearing was held by the Office of Hearing Examiners on September 28, 2017 on the U.S. Bank appeal of the COA and denial of refunds. On July 18, 2018, after reviewing the Proposed Decision of the hearing examiner, the Secretary of Revenue issued a Final Decision and Order. Notice of Entry of Final Decision and Order was served on July 19, 2018. On August 17, 2018, U.S. Bank National Association filed a Notice of Appeal with the Sixth Judicial Circuit Court appealing DOR's final decision affirming the bank franchise tax assessment issued to U.S. Bank. On July 17, 2019, Sixth Judicial Circuit heard oral argument on the appeal. On May 1, 2020, the Circuit Court issued a memorandum decision and order affirming the Secretary's final Decision. A Notice of Entry of Order of the Circuit Court's decision was served on May 4, 2020. On May 28, 2020, U.S. Bank filed a Notice of Appeal to the South Dakota Supreme Court.

The DOR is vigorously defending all matters. However, due to the nature of litigation, counsel is not in a position to give any opinion at this time as to the risk of a favorable or unfavorable outcome in these matters.

### ***Planned Parenthood Minnesota, North Dakota, South Dakota, and Carol E. Ball, M.D. v. Dennis Daugaard, et al.***

This is a challenge to the 2011 abortion legislation regarding mandatory informed consent advisements. The case was filed June 30, 2011, in the United States District Court for the District of South Dakota and is before Judge Schreier. Discovery has been initiated and is ongoing in this case. The State intends to vigorously defend against the plaintiffs' action. If this matter has an unfavorable outcome, the plaintiffs would be entitled to an award of attorney fees and costs exceeding \$1.0 million dollars. This case is being run through the State Office of Risk Management Extraordinary Litigation Fund which is reported as part of the State's General Fund.

### ***Hideaway Hills vs. School and Public Lands, formerly known as Trudo, et al, v. State of SD Housing Authority***

The plaintiffs are claiming that the defendants were negligent in the design, planning, engineering and selling of property within the Hideaway Hills subdivision in Blackhawk, SD. Two separate actions are encompassed in this filing. One action is brought separately by a designated Plaintiff and a second is a putative class action brought by a similarly situated group (approximately 140 individuals or families). Both actions involve damage, future damage, diminution in value and the like to homes constructed in the "Hideaway Hills" area which are allegedly negatively affected by the partial collapse of an underground gypsum mine in the area.

The State intends to vigorously defend against any of the plaintiffs' actions. It is extremely difficult to evaluate the likelihood that one or more State entities will be found liable in either of these cases. However, if that occurs, damages could exceed \$10.0 million dollars.

## ***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 – Transportation Fund
- Budgetary Comparison Schedule – Social Services Federal Fund
- Budgetary Comparison Schedule – Budget-to-GAAP Reconciliation
- Notes to Required Supplementary Information – Budgetary Reporting
- Schedule of Proportionate Share of Net Pension Liability (Asset)
- Schedule of Contributions
- Notes to Required Supplementary Information – Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | BUDGETED AMOUNTS    |                     | Actual Amounts      | Variance with<br>Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
|  | Original            | Final               |                     |                               |
| <b>RESOURCES (inflows) AVAILABLE FOR APPROPRIATION</b> |                     |                     |                     |                               |
| <b>ONGOING RESOURCES</b>                               |                     |                     |                     |                               |
| Sales and Use Tax                                      | \$ 1,075,218        | \$ 1,084,667        | \$ 1,072,830        | \$ (11,837)                   |
| Lottery  | 126,020             | 127,061             | 122,489             | (4,572)                       |
| Contractor's Excise Tax                                | 121,485             | 124,493             | 123,724             | (769)                         |
| Insurance Company Tax                                  | 92,809              | 88,951              | 93,271              | 4,320                         |
| Unclaimed Property Receipts                            | 47,752              | 41,500              | 47,308              | 5,808                         |
| Licenses, Permits, and Fees                            | 69,649              | 69,388              | 68,278              | (1,110)                       |
| Tobacco Taxes  | 50,059              | 48,625              | 51,066              | 2,441                         |
| Trust Funds  | 39,738              | 39,874              | 39,859              | (15)                          |
| Net Transfers In                                       | 21,562              | 21,005              | 19,858              | (1,147)                       |
| Alcohol Beverage Tax                                   | 7,882               | 8,000               | 8,143               | 143                           |
| Bank Franchise Tax                                     | 14,472              | 14,072              | 12,061              | (2,011)                       |
| Charges for Goods and Services                         | 16,333              | 16,800              | 15,404              | (1,396)                       |
| Telecommunications Tax                                 | 5,481               | 4,668               | 5,964               | 1,296                         |
| Severance Taxes  | 4,566               | 5,500               | 5,882               | 382                           |
| Investment Income and Interest                         | 6,016               | 11,088              | 11,150              | 62                            |
| Alcohol Beverage 2% Wholesale Tax                      | 2,203               | 2,262               | 2,336               | 74                            |
| <b>TOTAL ONGOING</b>                                   | <b>1,701,245</b>    | <b>1,707,954</b>    | <b>1,699,623</b>    | <b>(8,331)</b>                |
| <b>ONE-TIME RESOURCES</b>                              |                     |                     |                     |                               |
| Refinancing Gains                                      | 0                   | 7,083               | 7,083               | 0                             |
| Unexpended Carryovers                                  | 0                   | 0                   | 425                 | 425                           |
| Transfer from Budget Reserve Fund                      | 0                   | 14,860              | 14,860              | 0                             |
| Prior Year Carryover and Encumbered                    | 11,326              | 11,326              | 11,326              | 0                             |
| <b>TOTAL ONE-TIME RESOURCES</b>                        | <b>11,326</b>       | <b>33,269</b>       | <b>33,694</b>       | <b>425</b>                    |
| <b>TOTAL RESOURCES AVAILABLE FOR APPROPRIATION</b>     | <b>\$ 1,712,571</b> | <b>\$ 1,741,223</b> | <b>\$ 1,733,317</b> | <b>\$ (7,906)</b>             |
| <b>CHARGES TO APPROPRIATIONS (outflows)</b>            |                     |                     |                     |                               |
| <b>OFFICE OF THE GOVERNOR</b>                          |                     |                     |                     |                               |
| Personal Services                                      | \$ 1,995            | \$ 2,009            | \$ 1,888            | \$ 121                        |
| Operating Expenses                                     | 465                 | 469                 | 469                 | 0                             |
| <b>TOTAL</b>   | <b>2,460</b>        | <b>2,478</b>        | <b>2,357</b>        | <b>121</b>                    |
| <b>GOVERNOR'S CONTINGENCY FUND</b>                     |                     |                     |                     |                               |
| Personal Services                                      | 0                   | 0                   | 0                   | 0                             |
| Operating Expenses                                     | 75                  | 75                  | 67                  | 8                             |
| <b>TOTAL</b>   | <b>75</b>           | <b>75</b>           | <b>67</b>           | <b>8</b>                      |
| <b>GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT</b>       |                     |                     |                     |                               |
| Personal Services                                      | 2,509               | 2,528               | 2,001               | 527                           |
| Operating Expenses                                     | 5,180               | 10,184              | 5,131               | 5,053                         |
| <b>TOTAL</b>   | <b>7,689</b>        | <b>12,712</b>       | <b>7,132</b>        | <b>5,580</b>                  |
| <b>OFFICE OF RESEARCH COMMERCE</b>                     |                     |                     |                     |                               |
| Personal Services                                      | 0                   | 0                   | 0                   | 0                             |
| Operating Expenses                                     | 5                   | 5                   | 5                   | 0                             |
| <b>TOTAL</b>   | <b>5</b>            | <b>5</b>            | <b>5</b>            | <b>0</b>                      |
| <b>SCIENCE AND TECHNOLOGY AUTHORITY</b>                |                     |                     |                     |                               |
| Personal Services                                      | 0                   | 0                   | 0                   | 0                             |
| Operating Expenses                                     | 1,470               | 1,470               | 1,470               | 0                             |
| <b>TOTAL</b>   | <b>1,470</b>        | <b>1,470</b>        | <b>1,470</b>        | <b>0</b>                      |
| <b>SD HOUSING OPPORTUNITY</b>                          |                     |                     |                     |                               |
| Personal Services                                      | 0                   | 0                   | 0                   | 0                             |
| Operating Expenses                                     | 1,040               | 1,040               | 1,040               | 0                             |
| <b>TOTAL</b>   | <b>1,040</b>        | <b>1,040</b>        | <b>1,040</b>        | <b>0</b>                      |

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | BUDGETED AMOUNTS |               | Actual Amounts | Variance with<br>Final Budget |
|--|------------------|---------------|----------------|-------------------------------|
|  | Original         | Final         |                |                               |
| <b>WORKFORCE EDUCATION</b>                               |                  |               |                |                               |
| Personal Services  | \$ 0             | \$ 0          | \$ 0           | \$ 0                          |
| Operating Expenses                                       | 490              | 490           | 490            | 0                             |
| <b>TOTAL</b>   | <b>490</b>       | <b>490</b>    | <b>490</b>     | <b>0</b>                      |
| <b>LIEUTENANT GOVERNOR</b>                               |                  |               |                |                               |
| Personal Services  | 23               | 23            | 23             | 0                             |
| Operating Expenses                                       | 14               | 14            | 14             | 0                             |
| <b>TOTAL</b>   | <b>37</b>        | <b>37</b>     | <b>37</b>      | <b>0</b>                      |
| <b>BUREAU OF FINANCE AND MANAGEMENT</b>                  |                  |               |                |                               |
| Personal Services  | 753              | 765           | 660            | 105                           |
| Operating Expenses                                       | 1,274            | 1,275         | 1,219          | 56                            |
| <b>TOTAL</b>   | <b>2,027</b>     | <b>2,040</b>  | <b>1,879</b>   | <b>161</b>                    |
| <b>ADMINISTRATIVE SERVICES, BUREAU OF ADMINISTRATION</b> |                  |               |                |                               |
| Personal Services  | 0                | 0             | 0              | 0                             |
| Operating Expenses                                       | 1                | 1             | 0              | 1                             |
| <b>TOTAL</b>   | <b>1</b>         | <b>1</b>      | <b>0</b>       | <b>1</b>                      |
| <b>CENTRAL SERVICES</b>                                  |                  |               |                |                               |
| Personal Services  | 206              | 212           | 212            | 0                             |
| Operating Expenses                                       | 221              | 221           | 216            | 5                             |
| <b>TOTAL</b>   | <b>427</b>       | <b>433</b>    | <b>428</b>     | <b>5</b>                      |
| <b>STATEWIDE MAINTENANCE AND REPAIR</b>                  |                  |               |                |                               |
| Personal Services  | 0                | 0             | 0              | 0                             |
| Operating Expenses                                       | 33,014           | 33,014        | 18,575         | 14,439                        |
| <b>TOTAL</b>   | <b>33,014</b>    | <b>33,014</b> | <b>18,575</b>  | <b>14,439</b>                 |
| <b>OFFICE OF HEARING EXAMINERS</b>                       |                  |               |                |                               |
| Personal Services  | 287              | 293           | 292            | 1                             |
| Operating Expenses                                       | 78               | 79            | 79             | 0                             |
| <b>TOTAL</b>   | <b>365</b>       | <b>372</b>    | <b>371</b>     | <b>1</b>                      |
| <b>EXTRAORDINARY LITIGATION FUND</b>                     |                  |               |                |                               |
| Personal Services  | 0                | 0             | 0              | 0                             |
| Operating Expenses                                       | 0                | 800           | 800            | 0                             |
| <b>TOTAL</b>   | <b>0</b>         | <b>800</b>    | <b>800</b>     | <b>0</b>                      |
| <b>OBLIGATION RECOVERY CENTER</b>                        |                  |               |                |                               |
| Personal Services  | 0                | 0             | 0              | 0                             |
| Operating Expenses                                       | 720              | 720           | 622            | 98                            |
| <b>TOTAL</b>   | <b>720</b>       | <b>720</b>    | <b>622</b>     | <b>98</b>                     |
| <b>SOUTH DAKOTA PUBLIC BROADCASTING</b>                  |                  |               |                |                               |
| Personal Services  | 3,066            | 3,159         | 3,130          | 29                            |
| Operating Expenses                                       | 1,291            | 1,298         | 1,240          | 58                            |
| <b>TOTAL</b>   | <b>4,357</b>     | <b>4,457</b>  | <b>4,370</b>   | <b>87</b>                     |
| <b>STATE RADIO ENGINEERING</b>                           |                  |               |                |                               |
| Personal Services  | 802              | 817           | 685            | 132                           |
| Operating Expenses                                       | 2,576            | 7,720         | 2,579          | 5,141                         |
| <b>TOTAL</b>   | <b>3,378</b>     | <b>8,537</b>  | <b>3,264</b>   | <b>5,273</b>                  |
| <b>PERSONNEL MANAGEMENT AND EMPLOYEE BENEFITS</b>        |                  |               |                |                               |
| Personal Services  | 231              | 239           | 209            | 30                            |
| Operating Expenses                                       | 64               | 64            | 64             | 0                             |
| <b>TOTAL</b>   | <b>295</b>       | <b>303</b>    | <b>273</b>     | <b>30</b>                     |

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|   | BUDGETED AMOUNTS |               | Actual Amounts | Variance with<br>Final Budget |
|---|------------------|---------------|----------------|-------------------------------|
|   | Original         | Final         |                |                               |
| <b>DEPARTMENT TOTAL, EXECUTIVE MANAGEMENT</b>             |                  |               |                |                               |
| Personal Services   | \$ 9,872         | \$ 10,045     | \$ 9,100       | \$ 945                        |
| Operating Expenses  | 47,978           | 58,939        | 34,080         | 24,859                        |
| <b>TOTAL</b>  | <b>57,850</b>    | <b>68,984</b> | <b>43,180</b>  | <b>25,804</b>                 |
| <b>BUSINESS TAX SPECIAL TAX</b>                           |                  |               |                |                               |
| Personal Services   | 442              | 454           | 452            | 2                             |
| Operating Expenses  | 69               | 70            | 67             | 3                             |
| <b>TOTAL</b>  | <b>511</b>       | <b>524</b>    | <b>519</b>     | <b>5</b>                      |
| <b>AUDIT</b>  |                  |               |                |                               |
| Personal Services   | 659              | 689           | 587            | 102                           |
| Operating Expenses  | 706              | 1,370         | 908            | 462                           |
| <b>TOTAL</b>  | <b>1,365</b>     | <b>2,059</b>  | <b>1,495</b>   | <b>564</b>                    |
| <b>DEPARTMENT TOTAL, REVENUE</b>                          |                  |               |                |                               |
| Personal Services   | 1,101            | 1,143         | 1,039          | 104                           |
| Operating Expenses  | 775              | 1,440         | 975            | 465                           |
| <b>TOTAL</b>  | <b>1,876</b>     | <b>2,583</b>  | <b>2,014</b>   | <b>569</b>                    |
| <b>ADMINISTRATION, SECRETARY OF AGRICULTURE</b>           |                  |               |                |                               |
| Personal Services   | 825              | 904           | 903            | 1                             |
| Operating Expenses  | 424              | 425           | 422            | 3                             |
| <b>TOTAL</b>  | <b>1,249</b>     | <b>1,329</b>  | <b>1,325</b>   | <b>4</b>                      |
| <b>AGRICULTURAL SERVICES AND ASSISTANCE</b>               |                  |               |                |                               |
| Personal Services   | 1,804            | 1,859         | 1,833          | 26                            |
| Operating Expenses  | 685              | 1,212         | 1,199          | 13                            |
| <b>TOTAL</b>  | <b>2,489</b>     | <b>3,071</b>  | <b>3,032</b>   | <b>39</b>                     |
| <b>AGRICULTURAL DEVELOPMENT AND PROMOTION</b>             |                  |               |                |                               |
| Personal Services   | 923              | 922           | 921            | 1                             |
| Operating Expenses  | 506              | 508           | 471            | 37                            |
| <b>TOTAL</b>  | <b>1,429</b>     | <b>1,430</b>  | <b>1,392</b>   | <b>38</b>                     |
| <b>ANIMAL INDUSTRY BOARD</b>                              |                  |               |                |                               |
| Personal Services   | 1,905            | 1,809         | 1,790          | 19                            |
| Operating Expenses  | 416              | 418           | 418            | 0                             |
| <b>TOTAL</b>  | <b>2,321</b>     | <b>2,227</b>  | <b>2,208</b>   | <b>19</b>                     |
| <b>STATE FAIR</b>   |                  |               |                |                               |
| Personal Services   | 0                | 0             | 0              | 0                             |
| Operating Expenses  | 324              | 324           | 324            | 0                             |
| <b>TOTAL</b>  | <b>324</b>       | <b>324</b>    | <b>324</b>     | <b>0</b>                      |
| <b>DEPARTMENT TOTAL, AGRICULTURE</b>                      |                  |               |                |                               |
| Personal Services   | 5,457            | 5,494         | 5,447          | 47                            |
| Operating Expenses  | 2,355            | 2,887         | 2,834          | 53                            |
| <b>TOTAL</b>  | <b>7,812</b>     | <b>8,381</b>  | <b>8,281</b>   | <b>100</b>                    |
| <b>ADMINISTRATION, SECRETARY OF GAME, FISH, AND PARKS</b> |                  |               |                |                               |
| Personal Services   | 151              | 160           | 159            | 1                             |
| Operating Expenses  | 825              | 825           | 823            | 2                             |
| <b>TOTAL</b>  | <b>976</b>       | <b>985</b>    | <b>982</b>     | <b>3</b>                      |
| <b>STATE PARKS AND RECREATION</b>                         |                  |               |                |                               |
| Personal Services   | 2,907            | 2,971         | 2,970          | 1                             |
| Operating Expenses  | 2,471            | 2,471         | 2,466          | 5                             |
| <b>TOTAL</b>  | <b>5,378</b>     | <b>5,442</b>  | <b>5,436</b>   | <b>6</b>                      |

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | BUDGETED AMOUNTS |                | Actual Amounts | Variance with<br>Final Budget |
|--|------------------|----------------|----------------|-------------------------------|
|  | Original         | Final          |                |                               |
| <b>DEVELOPMENT AND IMPROVEMENT, PARKS AND RECREATION</b> |                  |                |                |                               |
| Personal Services  | \$ 0             | \$ 0           | \$ 0           | \$ 0                          |
| Operating Expenses                                       | 500              | 500            | 23             | 477                           |
| <b>TOTAL</b>   | <b>500</b>       | <b>500</b>     | <b>23</b>      | <b>477</b>                    |
| <b>DEPARTMENT TOTAL, GAME, FISH, &amp; PARKS</b>         |                  |                |                |                               |
| Personal Services  | 3,058            | 3,131          | 3,129          | 2                             |
| Operating Expenses                                       | 3,796            | 3,796          | 3,312          | 484                           |
| <b>TOTAL</b>   | <b>6,854</b>     | <b>6,927</b>   | <b>6,441</b>   | <b>486</b>                    |
| <b>OFFICE OF TRIBAL RELATIONS</b>                        |                  |                |                |                               |
| Personal Services  | 544              | 557            | 508            | 49                            |
| Operating Expenses                                       | 153              | 154            | 113            | 41                            |
| <b>TOTAL</b>   | <b>697</b>       | <b>711</b>     | <b>621</b>     | <b>90</b>                     |
| <b>DEPARTMENT TOTAL, TRIBAL RELATIONS</b>                |                  |                |                |                               |
| Personal Services  | 544              | 557            | 508            | 49                            |
| Operating Expenses                                       | 153              | 154            | 113            | 41                            |
| <b>TOTAL</b>   | <b>697</b>       | <b>711</b>     | <b>621</b>     | <b>90</b>                     |
| <b>ADMINISTRATION, SECRETARY OF SOCIAL SERVICES</b>      |                  |                |                |                               |
| Personal Services  | 4,623            | 4,788          | 4,788          | 0                             |
| Operating Expenses                                       | 5,249            | 5,156          | 5,156          | 0                             |
| <b>TOTAL</b>   | <b>9,872</b>     | <b>9,944</b>   | <b>9,944</b>   | <b>0</b>                      |
| <b>ECONOMIC ASSISTANCE</b>                               |                  |                |                |                               |
| Personal Services  | 8,823            | 9,125          | 9,125          | 0                             |
| Operating Expenses                                       | 17,981           | 17,482         | 17,482         | 0                             |
| <b>TOTAL</b>   | <b>26,804</b>    | <b>26,607</b>  | <b>26,607</b>  | <b>0</b>                      |
| <b>MEDICAL AND ADULT SERVICES</b>                        |                  |                |                |                               |
| Personal Services  | 1,409            | 1,425          | 1,383          | 42                            |
| Operating Expenses                                       | 227,213          | 214,936        | 213,915        | 1,021                         |
| <b>TOTAL</b>   | <b>228,622</b>   | <b>216,361</b> | <b>215,298</b> | <b>1,063</b>                  |
| <b>CHILDREN'S SERVICES</b>                               |                  |                |                |                               |
| Personal Services  | 13,914           | 14,244         | 14,244         | 0                             |
| Operating Expenses                                       | 37,212           | 35,064         | 33,094         | 1,970                         |
| <b>TOTAL</b>   | <b>51,126</b>    | <b>49,308</b>  | <b>47,338</b>  | <b>1,970</b>                  |
| <b>BEHAVIORAL HEALTH</b>                                 |                  |                |                |                               |
| Personal Services  | 35,168           | 36,234         | 34,066         | 2,168                         |
| Operating Expenses                                       | 61,368           | 59,210         | 54,909         | 4,301                         |
| <b>TOTAL</b>   | <b>96,536</b>    | <b>95,444</b>  | <b>88,975</b>  | <b>6,469</b>                  |
| <b>DEPARTMENT TOTAL, SOCIAL SERVICES</b>                 |                  |                |                |                               |
| Personal Services  | 63,937           | 65,816         | 63,606         | 2,210                         |
| Operating Expenses                                       | 349,023          | 331,848        | 324,556        | 7,292                         |
| <b>TOTAL</b>   | <b>412,960</b>   | <b>397,664</b> | <b>388,162</b> | <b>9,502</b>                  |
| <b>ADMINISTRATION, SECRETARY OF HEALTH</b>               |                  |                |                |                               |
| Personal Services  | 807              | 827            | 646            | 181                           |
| Operating Expenses                                       | 225              | 226            | 226            | 0                             |
| <b>TOTAL</b>   | <b>1,032</b>     | <b>1,053</b>   | <b>872</b>     | <b>181</b>                    |
| <b>HEALTH SYSTEMS DEVELOPMENT AND REGULATION</b>         |                  |                |                |                               |
| Personal Services  | 2,273            | 2,330          | 1,755          | 575                           |
| Operating Expenses                                       | 2,906            | 3,778          | 2,751          | 1,027                         |
| <b>TOTAL</b>   | <b>5,179</b>     | <b>6,108</b>   | <b>4,506</b>   | <b>1,602</b>                  |

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|   | BUDGETED AMOUNTS |                | Actual Amounts | Variance with<br>Final Budget |
|---|------------------|----------------|----------------|-------------------------------|
|   | Original         | Final          |                |                               |
| <b>FAMILY AND COMMUNITY HEALTH</b>            |                  |                |                |                               |
| Personal Services                             | \$ 2,396         | \$ 2,465       | \$ 2,132       | \$ 333                        |
| Operating Expenses                            | 2,067            | 2,144          | 1,756          | 388                           |
| <b>TOTAL</b>                                  | <b>4,463</b>     | <b>4,609</b>   | <b>3,888</b>   | <b>721</b>                    |
| <b>LABORATORY SERVICES</b>                    |                  |                |                |                               |
| Personal Services                             | 0                | 0              | 0              | 0                             |
| Operating Expenses                            | 0                | 706            | 364            | 342                           |
| <b>TOTAL</b>                                  | <b>0</b>         | <b>706</b>     | <b>364</b>     | <b>342</b>                    |
| <b>DEPARTMENT TOTAL, HEALTH</b>               |                  |                |                |                               |
| Personal Services                             | 5,476            | 5,622          | 4,533          | 1,089                         |
| Operating Expenses                            | 5,198            | 6,854          | 5,097          | 1,757                         |
| <b>TOTAL</b>                                  | <b>10,674</b>    | <b>12,476</b>  | <b>9,630</b>   | <b>2,846</b>                  |
| <b>ADMINISTRATION, SECRETARY OF LABOR</b>     |                  |                |                |                               |
| Personal Services                             | 59               | 61             | 61             | 0                             |
| Operating Expenses                            | 718              | 719            | 719            | 0                             |
| <b>TOTAL</b>                                  | <b>777</b>       | <b>780</b>     | <b>780</b>     | <b>0</b>                      |
| <b>FIELD OPERATIONS</b>                       |                  |                |                |                               |
| Personal Services                             | 581              | 602            | 602            | 0                             |
| Operating Expenses                            | 118              | 119            | 119            | 0                             |
| <b>TOTAL</b>                                  | <b>699</b>       | <b>721</b>     | <b>721</b>     | <b>0</b>                      |
| <b>STATE LABOR LAW ADMINISTRATION</b>         |                  |                |                |                               |
| Personal Services                             | 662              | 679            | 679            | 0                             |
| Operating Expenses                            | 108              | 109            | 109            | 0                             |
| <b>TOTAL</b>                                  | <b>770</b>       | <b>788</b>     | <b>788</b>     | <b>0</b>                      |
| <b>DEPARTMENT TOTAL, LABOR AND REGULATION</b> |                  |                |                |                               |
| Personal Services                             | 1,302            | 1,342          | 1,342          | 0                             |
| Operating Expenses                            | 944              | 947            | 947            | 0                             |
| <b>TOTAL</b>                                  | <b>2,246</b>     | <b>2,289</b>   | <b>2,289</b>   | <b>0</b>                      |
| <b>GENERAL OPERATIONS</b>                     |                  |                |                |                               |
| Personal Services                             | 555              | 512            | 512            | 0                             |
| Operating Expenses                            | 26               | 78             | 78             | 0                             |
| <b>TOTAL</b>                                  | <b>581</b>       | <b>590</b>     | <b>590</b>     | <b>0</b>                      |
| <b>DEPARTMENT TOTAL, TRANSPORTATION</b>       |                  |                |                |                               |
| Personal Services                             | 555              | 512            | 512            | 0                             |
| Operating Expenses                            | 26               | 78             | 78             | 0                             |
| <b>TOTAL</b>                                  | <b>581</b>       | <b>590</b>     | <b>590</b>     | <b>0</b>                      |
| <b>ADMINISTRATION, SECRETARY OF EDUCATION</b> |                  |                |                |                               |
| Personal Services                             | 1,596            | 1,570          | 1,570          | 0                             |
| Operating Expenses                            | 1,162            | 1,075          | 847            | 228                           |
| <b>TOTAL</b>                                  | <b>2,758</b>     | <b>2,645</b>   | <b>2,417</b>   | <b>228</b>                    |
| <b>STATE AID TO GENERAL EDUCATION</b>         |                  |                |                |                               |
| Personal Services                             | 0                | 0              | 0              | 0                             |
| Operating Expenses                            | 477,304          | 474,354        | 473,508        | 846                           |
| <b>TOTAL</b>                                  | <b>477,304</b>   | <b>474,354</b> | <b>473,508</b> | <b>846</b>                    |
| <b>STATE AID TO SPECIAL EDUCATION</b>         |                  |                |                |                               |
| Personal Services                             | 0                | 0              | 0              | 0                             |
| Operating Expenses                            | 69,674           | 69,674         | 64,868         | 4,806                         |
| <b>TOTAL</b>                                  | <b>69,674</b>    | <b>69,674</b>  | <b>64,868</b>  | <b>4,806</b>                  |

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | BUDGETED AMOUNTS |                | Actual Amounts | Variance with<br>Final Budget |
|--|------------------|----------------|----------------|-------------------------------|
|  | Original         | Final          |                |                               |
| <b>SPARSITY PAYMENTS</b>                                     |                  |                |                |                               |
| Personal Services  | \$ 0             | \$ 0           | \$ 0           | \$ 0                          |
| Operating Expenses   | 2,038            | 1,963          | 1,963          | 0                             |
| <b>TOTAL</b>   | <b>2,038</b>     | <b>1,963</b>   | <b>1,963</b>   | <b>0</b>                      |
| <b>NATIONAL BOARD CERTIFIED TEACHERS</b>                     |                  |                |                |                               |
| Personal Services  | 0                | 0              | 0              | 0                             |
| Operating Expenses   | 150              | 62             | 61             | 1                             |
| <b>TOTAL</b>   | <b>150</b>       | <b>62</b>      | <b>61</b>      | <b>1</b>                      |
| <b>TECHNOLOGY AND INNOVATION IN SCHOOLS</b>                  |                  |                |                |                               |
| Personal Services  | 0                | 0              | 0              | 0                             |
| Operating Expenses   | 14,008           | 14,014         | 13,163         | 851                           |
| <b>TOTAL</b>   | <b>14,008</b>    | <b>14,014</b>  | <b>13,163</b>  | <b>851</b>                    |
| <b>POSTSECONDARY VOCATIONAL EDUCATION</b>                    |                  |                |                |                               |
| Personal Services  | 246              | 229            | 220            | 9                             |
| Operating Expenses   | 24,786           | 25,885         | 25,875         | 10                            |
| <b>TOTAL</b>   | <b>25,032</b>    | <b>26,114</b>  | <b>26,095</b>  | <b>19</b>                     |
| <b>POSTSECONDARY VOCATIONAL EDUCATION TUITION ASSISTANCE</b> |                  |                |                |                               |
| Personal Services  | 0                | 0              | 0              | 0                             |
| Operating Expenses   | 1,832            | 1,832          | 1,832          | 0                             |
| <b>TOTAL</b>   | <b>1,832</b>     | <b>1,832</b>   | <b>1,832</b>   | <b>0</b>                      |
| <b>POSTSECONDARY INSTRUCTOR SALARY ENHANCEMENTS</b>          |                  |                |                |                               |
| Personal Services  | 0                | 0              | 0              | 0                             |
| Operating Expenses   | 3,106            | 3,106          | 3,106          | 0                             |
| <b>TOTAL</b>   | <b>3,106</b>     | <b>3,106</b>   | <b>3,106</b>   | <b>0</b>                      |
| <b>EDUCATION RESOURCES</b>                                   |                  |                |                |                               |
| Personal Services  | 2,192            | 2,271          | 2,271          | 0                             |
| Operating Expenses   | 8,876            | 7,452          | 7,318          | 134                           |
| <b>TOTAL</b>   | <b>11,068</b>    | <b>9,723</b>   | <b>9,589</b>   | <b>134</b>                    |
| <b>HISTORY</b>   |                  |                |                |                               |
| Personal Services  | 1,050            | 1,589          | 1,579          | 10                            |
| Operating Expenses   | 1,260            | 1,547          | 1,403          | 144                           |
| <b>TOTAL</b>   | <b>2,310</b>     | <b>3,136</b>   | <b>2,982</b>   | <b>154</b>                    |
| <b>OFFICE OF STATE LIBRARY</b>                               |                  |                |                |                               |
| Personal Services  | 1,119            | 1,139          | 1,089          | 50                            |
| Operating Expenses   | 876              | 880            | 830            | 50                            |
| <b>TOTAL</b>   | <b>1,995</b>     | <b>2,019</b>   | <b>1,919</b>   | <b>100</b>                    |
| <b>DEPARTMENT TOTAL, EDUCATION</b>                           |                  |                |                |                               |
| Personal Services  | 6,203            | 6,798          | 6,729          | 69                            |
| Operating Expenses   | 605,072          | 601,844        | 594,774        | 7,070                         |
| <b>TOTAL</b>   | <b>611,275</b>   | <b>608,642</b> | <b>601,503</b> | <b>7,139</b>                  |
| <b>ADMINISTRATION, SECRETARY OF PUBLIC SAFETY</b>            |                  |                |                |                               |
| Personal Services  | 137              | 138            | 134            | 4                             |
| Operating Expenses   | 16               | 16             | 16             | 0                             |
| <b>TOTAL</b>   | <b>153</b>       | <b>154</b>     | <b>150</b>     | <b>4</b>                      |
| <b>HIGHWAY PATROL</b>  |                  |                |                |                               |
| Personal Services  | 638              | 575            | 499            | 76                            |
| Operating Expenses   | 897              | 899            | 850            | 49                            |
| <b>TOTAL</b>   | <b>1,535</b>     | <b>1,474</b>   | <b>1,349</b>   | <b>125</b>                    |

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | BUDGETED AMOUNTS |               | Actual Amounts | Variance with<br>Final Budget |
|--|------------------|---------------|----------------|-------------------------------|
|  | Original         | Final         |                |                               |
| <b>EMERGENCY SERVICES AND HOMELAND SECURITY</b>      |                  |               |                |                               |
| Personal Services                                    | \$ 1,059         | \$ 1,082      | \$ 1,070       | \$ 12                         |
| Operating Expenses                                   | 4,092            | 4,093         | 4,043          | 50                            |
| <b>TOTAL</b>   | <b>5,151</b>     | <b>5,175</b>  | <b>5,113</b>   | <b>62</b>                     |
| <b>EMERGENCY DISASTER</b>                            |                  |               |                |                               |
| Personal Services                                    | 0                | 0             | 0              | 0                             |
| Operating Expenses                                   | 0                | 9,918         | 9,918          | 0                             |
| <b>TOTAL</b>   | <b>0</b>         | <b>9,918</b>  | <b>9,918</b>   | <b>0</b>                      |
| <b>LEGAL AND REGULATORY SERVICES</b>                 |                  |               |                |                               |
| Personal Services                                    | 277              | 285           | 284            | 1                             |
| Operating Expenses                                   | 3,195            | 3,226         | 1,878          | 1,348                         |
| <b>TOTAL</b>   | <b>3,472</b>     | <b>3,511</b>  | <b>2,162</b>   | <b>1,349</b>                  |
| <b>DEPARTMENT TOTAL, PUBLIC SAFETY</b>               |                  |               |                |                               |
| Personal Services                                    | 2,111            | 2,080         | 1,987          | 93                            |
| Operating Expenses                                   | 8,200            | 18,152        | 16,705         | 1,447                         |
| <b>TOTAL</b>   | <b>10,311</b>    | <b>20,232</b> | <b>18,692</b>  | <b>1,540</b>                  |
| <b>REGENTS CENTRAL OFFICE</b>                        |                  |               |                |                               |
| Personal Services                                    | 4,789            | 4,875         | 4,875          | 0                             |
| Operating Expenses                                   | 26,133           | 28,962        | 21,866         | 7,096                         |
| <b>TOTAL</b>   | <b>30,922</b>    | <b>33,837</b> | <b>26,741</b>  | <b>7,096</b>                  |
| <b>SOUTH DAKOTA SCHOLARSHIPS</b>                     |                  |               |                |                               |
| Personal Services                                    | 0                | 0             | 0              | 0                             |
| Operating Expenses                                   | 6,728            | 6,578         | 6,507          | 71                            |
| <b>TOTAL</b>   | <b>6,728</b>     | <b>6,578</b>  | <b>6,507</b>   | <b>71</b>                     |
| <b>RESEARCH POOL</b>                                 |                  |               |                |                               |
| Personal Services                                    | 0                | 0             | 0              | 0                             |
| Operating Expenses                                   | 1,374            | 1,374         | 1,357          | 17                            |
| <b>TOTAL</b>   | <b>1,374</b>     | <b>1,374</b>  | <b>1,357</b>   | <b>17</b>                     |
| <b>UNIVERSITY OF SOUTH DAKOTA LAW SCHOOL</b>         |                  |               |                |                               |
| Personal Services                                    | 1,646            | 1,693         | 1,693          | 0                             |
| Operating Expenses                                   | 206              | 206           | 206            | 0                             |
| <b>TOTAL</b>   | <b>1,852</b>     | <b>1,899</b>  | <b>1,899</b>   | <b>0</b>                      |
| <b>UNIVERSITY OF SOUTH DAKOTA PROPER</b>             |                  |               |                |                               |
| Personal Services                                    | 33,436           | 34,628        | 34,628         | 0                             |
| Operating Expenses                                   | 3,264            | 8,040         | 3,272          | 4,768                         |
| <b>TOTAL</b>   | <b>36,700</b>    | <b>42,668</b> | <b>37,900</b>  | <b>4,768</b>                  |
| <b>UNIVERSITY OF SOUTH DAKOTA SCHOOL OF MEDICINE</b> |                  |               |                |                               |
| Personal Services                                    | 20,463           | 20,845        | 20,845         | 0                             |
| Operating Expenses                                   | 3,504            | 3,504         | 3,504          | 0                             |
| <b>TOTAL</b>   | <b>23,967</b>    | <b>24,349</b> | <b>24,349</b>  | <b>0</b>                      |
| <b>SOUTH DAKOTA STATE UNIVERSITY PROPER</b>          |                  |               |                |                               |
| Personal Services                                    | 43,807           | 46,009        | 45,459         | 550                           |
| Operating Expenses                                   | 5,322            | 6,069         | 4,858          | 1,211                         |
| <b>TOTAL</b>   | <b>49,129</b>    | <b>52,078</b> | <b>50,317</b>  | <b>1,761</b>                  |
| <b>SDSU EXTENSION</b>                                |                  |               |                |                               |
| Personal Services                                    | 8,533            | 8,747         | 8,747          | 0                             |
| Operating Expenses                                   | 305              | 305           | 305            | 0                             |
| <b>TOTAL</b>   | <b>8,838</b>     | <b>9,052</b>  | <b>9,052</b>   | <b>0</b>                      |

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | BUDGETED AMOUNTS |                | Actual Amounts | Variance with<br>Final Budget |
|--|------------------|----------------|----------------|-------------------------------|
|  | Original         | Final          |                |                               |
| <b>AGRICULTURAL EXPERIMENT STATION</b>                         |                  |                |                |                               |
| Personal Services  | \$ 12,253        | \$ 12,541      | \$ 12,541      | \$ 0                          |
| Operating Expenses   | 628              | 628            | 628            | 0                             |
| <b>TOTAL</b>   | <b>12,881</b>    | <b>13,169</b>  | <b>13,169</b>  | <b>0</b>                      |
| <b>SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY</b>             |                  |                |                |                               |
| Personal Services  | 16,638           | 17,171         | 17,171         | 0                             |
| Operating Expenses   | 948              | 1,441          | 1,413          | 28                            |
| <b>TOTAL</b>   | <b>17,586</b>    | <b>18,612</b>  | <b>18,584</b>  | <b>28</b>                     |
| <b>NORTHERN STATE UNIVERSITY</b>                               |                  |                |                |                               |
| Personal Services  | 14,424           | 14,867         | 14,808         | 59                            |
| Operating Expenses   | 959              | 958            | 958            | 0                             |
| <b>TOTAL</b>   | <b>15,383</b>    | <b>15,825</b>  | <b>15,766</b>  | <b>59</b>                     |
| <b>BLACK HILLS STATE UNIVERSITY</b>                            |                  |                |                |                               |
| Personal Services  | 9,405            | 9,908          | 9,908          | 0                             |
| Operating Expenses   | 633              | 697            | 655            | 42                            |
| <b>TOTAL</b>   | <b>10,038</b>    | <b>10,605</b>  | <b>10,563</b>  | <b>42</b>                     |
| <b>DAKOTA STATE UNIVERSITY</b>                                 |                  |                |                |                               |
| Personal Services  | 9,633            | 10,458         | 10,227         | 231                           |
| Operating Expenses   | 660              | 867            | 669            | 198                           |
| <b>TOTAL</b>   | <b>10,293</b>    | <b>11,325</b>  | <b>10,896</b>  | <b>429</b>                    |
| <b>SOUTH DAKOTA SCHOOL FOR THE DEAF</b>                        |                  |                |                |                               |
| Personal Services  | 1,963            | 2,009          | 1,996          | 13                            |
| Operating Expenses   | 1,024            | 954            | 604            | 350                           |
| <b>TOTAL</b>   | <b>2,987</b>     | <b>2,963</b>   | <b>2,600</b>   | <b>363</b>                    |
| <b>SOUTH DAKOTA SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED</b> |                  |                |                |                               |
| Personal Services  | 2,859            | 2,908          | 2,706          | 202                           |
| Operating Expenses   | 348              | 396            | 362            | 34                            |
| <b>TOTAL</b>   | <b>3,207</b>     | <b>3,304</b>   | <b>3,068</b>   | <b>236</b>                    |
| <b>DEPARTMENT TOTAL, BOARD OF REGENTS</b>                      |                  |                |                |                               |
| Personal Services  | 179,849          | 186,659        | 185,604        | 1,055                         |
| Operating Expenses   | 52,036           | 60,979         | 47,164         | 13,815                        |
| <b>TOTAL</b>   | <b>231,885</b>   | <b>247,638</b> | <b>232,768</b> | <b>14,870</b>                 |
| <b>ADJUTANT GENERAL</b>  |                  |                |                |                               |
| Personal Services  | 455              | 481            | 479            | 2                             |
| Operating Expenses   | 141              | 142            | 142            | 0                             |
| <b>TOTAL</b>   | <b>596</b>       | <b>623</b>     | <b>621</b>     | <b>2</b>                      |
| <b>ARMY GUARD</b>  |                  |                |                |                               |
| Personal Services  | 444              | 432            | 432            | 0                             |
| Operating Expenses   | 9,068            | 9,203          | 5,384          | 3,819                         |
| <b>TOTAL</b>   | <b>9,512</b>     | <b>9,635</b>   | <b>5,816</b>   | <b>3,819</b>                  |
| <b>AIR GUARD</b>   |                  |                |                |                               |
| Personal Services  | 215              | 237            | 223            | 14                            |
| Operating Expenses   | 258              | 266            | 265            | 1                             |
| <b>TOTAL</b>   | <b>473</b>       | <b>503</b>     | <b>488</b>     | <b>15</b>                     |
| <b>DEPARTMENT TOTAL, MILITARY</b>                              |                  |                |                |                               |
| Personal Services  | 1,114            | 1,150          | 1,134          | 16                            |
| Operating Expenses   | 9,467            | 9,611          | 5,791          | 3,820                         |
| <b>TOTAL</b>   | <b>10,581</b>    | <b>10,761</b>  | <b>6,925</b>   | <b>3,836</b>                  |

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | BUDGETED AMOUNTS |                | Actual Amounts | Variance with<br>Final Budget |
|--|------------------|----------------|----------------|-------------------------------|
|  | Original         | Final          |                |                               |
| <b>VETERANS' BENEFITS AND SERVICES</b>     |                  |                |                |                               |
| Personal Services                          | \$ 1,320         | \$ 1,363       | \$ 1,357       | \$ 6                          |
| Operating Expenses                         | 1,261            | 1,263          | 580            | 683                           |
| <b>TOTAL</b>                               | <b>2,581</b>     | <b>2,626</b>   | <b>1,937</b>   | <b>689</b>                    |
| <b>STATE VETERANS' HOME</b>                |                  |                |                |                               |
| Personal Services                          | 2,646            | 2,732          | 2,570          | 162                           |
| Operating Expenses                         | 0                | 0              | 0              | 0                             |
| <b>TOTAL</b>                               | <b>2,646</b>     | <b>2,732</b>   | <b>2,570</b>   | <b>162</b>                    |
| <b>STATE VETERANS' CEMETERY</b>            |                  |                |                |                               |
| Personal Services                          | 0                | 0              | 0              | 0                             |
| Operating Expenses                         | 299              | 299            | 157            | 142                           |
| <b>TOTAL</b>                               | <b>299</b>       | <b>299</b>     | <b>157</b>     | <b>142</b>                    |
| <b>DEPARTMENT TOTAL, VETERANS' AFFAIRS</b> |                  |                |                |                               |
| Personal Services                          | 3,966            | 4,095          | 3,927          | 168                           |
| Operating Expenses                         | 1,560            | 1,562          | 737            | 825                           |
| <b>TOTAL</b>                               | <b>5,526</b>     | <b>5,657</b>   | <b>4,664</b>   | <b>993</b>                    |
| <b>ADMINISTRATION, CENTRAL OFFICE</b>      |                  |                |                |                               |
| Personal Services                          | 1,793            | 2,066          | 2,065          | 1                             |
| Operating Expenses                         | 1,537            | 1,838          | 1,675          | 163                           |
| <b>TOTAL</b>                               | <b>3,330</b>     | <b>3,904</b>   | <b>3,740</b>   | <b>164</b>                    |
| <b>MIKE DURFEE STATE PRISON</b>            |                  |                |                |                               |
| Personal Services                          | 12,760           | 13,359         | 13,347         | 12                            |
| Operating Expenses                         | 7,091            | 7,585          | 7,580          | 5                             |
| <b>TOTAL</b>                               | <b>19,851</b>    | <b>20,944</b>  | <b>20,927</b>  | <b>17</b>                     |
| <b>STATE PENITENTIARY</b>                  |                  |                |                |                               |
| Personal Services                          | 19,802           | 20,411         | 20,408         | 3                             |
| Operating Expenses                         | 14,533           | 17,092         | 10,101         | 6,991                         |
| <b>TOTAL</b>                               | <b>34,335</b>    | <b>37,503</b>  | <b>30,509</b>  | <b>6,994</b>                  |
| <b>WOMEN'S PRISON</b>                      |                  |                |                |                               |
| Personal Services                          | 4,204            | 4,534          | 4,532          | 2                             |
| Operating Expenses                         | 1,995            | 2,765          | 2,706          | 59                            |
| <b>TOTAL</b>                               | <b>6,199</b>     | <b>7,299</b>   | <b>7,238</b>   | <b>61</b>                     |
| <b>INMATE SERVICES</b>                     |                  |                |                |                               |
| Personal Services                          | 3,132            | 3,276          | 3,179          | 97                            |
| Operating Expenses                         | 31,416           | 28,225         | 28,223         | 2                             |
| <b>TOTAL</b>                               | <b>34,548</b>    | <b>31,501</b>  | <b>31,402</b>  | <b>99</b>                     |
| <b>PAROLE SERVICES</b>                     |                  |                |                |                               |
| Personal Services                          | 4,132            | 4,431          | 4,111          | 320                           |
| Operating Expenses                         | 2,058            | 2,077          | 1,932          | 145                           |
| <b>TOTAL</b>                               | <b>6,190</b>     | <b>6,508</b>   | <b>6,043</b>   | <b>465</b>                    |
| <b>JUVENILE COMMUNITY CORRECTIONS</b>      |                  |                |                |                               |
| Personal Services                          | 2,130            | 1,885          | 1,791          | 94                            |
| Operating Expenses                         | 10,264           | 8,040          | 7,690          | 350                           |
| <b>TOTAL</b>                               | <b>12,394</b>    | <b>9,925</b>   | <b>9,481</b>   | <b>444</b>                    |
| <b>DEPARTMENT TOTAL, CORRECTIONS</b>       |                  |                |                |                               |
| Personal Services                          | 47,953           | 49,962         | 49,433         | 529                           |
| Operating Expenses                         | 68,894           | 67,622         | 59,907         | 7,715                         |
| <b>TOTAL</b>                               | <b>116,847</b>   | <b>117,584</b> | <b>109,340</b> | <b>8,244</b>                  |

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | BUDGETED AMOUNTS |                | Actual Amounts | Variance with<br>Final Budget |
|--|------------------|----------------|----------------|-------------------------------|
|  | Original         | Final          |                |                               |
| <b>ADMINISTRATION, SECRETARY OF HUMAN SERVICES</b>         |                  |                |                |                               |
| Personal Services  | \$ 851           | \$ 869         | \$ 866         | \$ 3                          |
| Operating Expenses   | 341              | 341            | 330            | 11                            |
| <b>TOTAL</b>   | <b>1,192</b>     | <b>1,210</b>   | <b>1,196</b>   | <b>14</b>                     |
| <b>DEVELOPMENTAL DISABILITIES</b>                          |                  |                |                |                               |
| Personal Services  | 763              | 782            | 672            | 110                           |
| Operating Expenses   | 63,320           | 64,321         | 64,321         | 0                             |
| <b>TOTAL</b>   | <b>64,083</b>    | <b>65,103</b>  | <b>64,993</b>  | <b>110</b>                    |
| <b>SOUTH DAKOTA DEVELOPMENTAL CENTER - REDFIELD</b>        |                  |                |                |                               |
| Personal Services  | 8,871            | 8,532          | 7,274          | 1,258                         |
| Operating Expenses   | 2,561            | 2,551          | 2,247          | 304                           |
| <b>TOTAL</b>   | <b>11,432</b>    | <b>11,083</b>  | <b>9,521</b>   | <b>1,562</b>                  |
| <b>LONG-TERM SERVICES AND SUPPORT</b>                      |                  |                |                |                               |
| Personal Services  | 2,600            | 2,671          | 2,671          | 0                             |
| Operating Expenses   | 99,001           | 96,221         | 90,682         | 5,539                         |
| <b>TOTAL</b>   | <b>101,601</b>   | <b>98,892</b>  | <b>93,353</b>  | <b>5,539</b>                  |
| <b>REHABILITATION SERVICES</b>                             |                  |                |                |                               |
| Personal Services  | 950              | 979            | 658            | 321                           |
| Operating Expenses   | 4,246            | 4,248          | 3,964          | 284                           |
| <b>TOTAL</b>   | <b>5,196</b>     | <b>5,227</b>   | <b>4,622</b>   | <b>605</b>                    |
| <b>SERVICES TO THE BLIND AND VISUALLY IMPAIRED</b>         |                  |                |                |                               |
| Personal Services  | 538              | 551            | 551            | 0                             |
| Operating Expenses   | 474              | 474            | 358            | 116                           |
| <b>TOTAL</b>   | <b>1,012</b>     | <b>1,025</b>   | <b>909</b>     | <b>116</b>                    |
| <b>DEPARTMENT TOTAL, HUMAN SERVICES</b>                    |                  |                |                |                               |
| Personal Services  | 14,573           | 14,384         | 12,692         | 1,692                         |
| Operating Expenses   | 169,943          | 168,156        | 161,902        | 6,254                         |
| <b>TOTAL</b>   | <b>184,516</b>   | <b>182,540</b> | <b>174,594</b> | <b>7,946</b>                  |
| <b>FINANCIAL AND TECHNICAL ASSISTANCE</b>                  |                  |                |                |                               |
| Personal Services  | 2,317            | 2,370          | 2,370          | 0                             |
| Operating Expenses   | 414              | 417            | 416            | 1                             |
| <b>TOTAL</b>   | <b>2,731</b>     | <b>2,787</b>   | <b>2,786</b>   | <b>1</b>                      |
| <b>ENVIRONMENTAL SERVICES</b>                              |                  |                |                |                               |
| Personal Services  | 3,664            | 3,759          | 3,759          | 0                             |
| Operating Expenses   | 655              | 659            | 659            | 0                             |
| <b>TOTAL</b>   | <b>4,319</b>     | <b>4,418</b>   | <b>4,418</b>   | <b>0</b>                      |
| <b>DEPARTMENT TOTAL, ENVIRONMENT AND NATURAL RESOURCES</b> |                  |                |                |                               |
| Personal Services  | 5,981            | 6,129          | 6,129          | 0                             |
| Operating Expenses   | 1,069            | 1,076          | 1,075          | 1                             |
| <b>TOTAL</b>   | <b>7,050</b>     | <b>7,205</b>   | <b>7,204</b>   | <b>1</b>                      |
| <b>ADMINISTRATION, PUBLIC UTILITIES COMMISSION</b>         |                  |                |                |                               |
| Personal Services  | 552              | 562            | 562            | 0                             |
| Operating Expenses   | 59               | 60             | 54             | 6                             |
| <b>TOTAL</b>   | <b>611</b>       | <b>622</b>     | <b>616</b>     | <b>6</b>                      |
| <b>DEPARTMENT TOTAL, PUBLIC UTILITIES COMMISSION</b>       |                  |                |                |                               |
| Personal Services  | 552              | 562            | 562            | 0                             |
| Operating Expenses   | 59               | 60             | 54             | 6                             |
| <b>TOTAL</b>   | <b>611</b>       | <b>622</b>     | <b>616</b>     | <b>6</b>                      |

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | BUDGETED AMOUNTS |               | Actual Amounts | Variance with<br>Final Budget |
|--|------------------|---------------|----------------|-------------------------------|
|  | Original         | Final         |                |                               |
| <b>UNIFIED JUDICIAL SYSTEM</b>                   |                  |               |                |                               |
| Personal Services                                | \$ 42,356        | \$ 43,483     | \$ 43,074      | \$ 409                        |
| Operating Expenses                               | 5,136            | 5,586         | 5,050          | 536                           |
| <b>TOTAL</b>                                     | <b>47,492</b>    | <b>49,069</b> | <b>48,124</b>  | <b>945</b>                    |
| <b>EQUAL ACCESS TO OUR COURTS</b>                |                  |               |                |                               |
| Personal Services                                | 0                | 0             | 0              | 0                             |
| Operating Expenses                               | 50               | 50            | 50             | 0                             |
| <b>TOTAL</b>                                     | <b>50</b>        | <b>50</b>     | <b>50</b>      | <b>0</b>                      |
| <b>DEPARTMENT TOTAL, UNIFIED JUDICIAL SYSTEM</b> |                  |               |                |                               |
| Personal Services                                | 42,356           | 43,483        | 43,074         | 409                           |
| Operating Expenses                               | 5,186            | 5,636         | 5,100          | 536                           |
| <b>TOTAL</b>                                     | <b>47,542</b>    | <b>49,119</b> | <b>48,174</b>  | <b>945</b>                    |
| <b>LEGISLATIVE OPERATIONS</b>                    |                  |               |                |                               |
| Appropriation                                    | 7,289            | 7,504         | 7,441          | 63                            |
| <b>TOTAL</b>                                     | <b>7,289</b>     | <b>7,504</b>  | <b>7,441</b>   | <b>63</b>                     |
| <b>AUDITOR GENERAL</b>                           |                  |               |                |                               |
| Personal Services                                | 3,517            | 3,587         | 3,219          | 368                           |
| Operating Expenses                               | 408              | 409           | 386            | 23                            |
| <b>TOTAL</b>                                     | <b>3,925</b>     | <b>3,996</b>  | <b>3,605</b>   | <b>391</b>                    |
| <b>DEPARTMENT TOTAL, LEGISLATIVE DEPARTMENT</b>  |                  |               |                |                               |
| Personal Services                                | 3,517            | 3,587         | 3,219          | 368                           |
| Operating Expenses                               | 408              | 409           | 386            | 23                            |
| Appropriation                                    | 7,289            | 7,504         | 7,441          | 63                            |
| <b>TOTAL</b>                                     | <b>11,214</b>    | <b>11,500</b> | <b>11,046</b>  | <b>454</b>                    |
| <b>LEGAL SERVICES PROGRAM</b>                    |                  |               |                |                               |
| Personal Services                                | 4,708            | 4,813         | 4,813          | 0                             |
| Operating Expenses                               | 717              | 721           | 721            | 0                             |
| <b>TOTAL</b>                                     | <b>5,425</b>     | <b>5,534</b>  | <b>5,534</b>   | <b>0</b>                      |
| <b>CRIMINAL INVESTIGATION</b>                    |                  |               |                |                               |
| Personal Services                                | 4,924            | 5,030         | 5,030          | 0                             |
| Operating Expenses                               | 1,829            | 1,929         | 1,914          | 15                            |
| <b>TOTAL</b>                                     | <b>6,753</b>     | <b>6,959</b>  | <b>6,944</b>   | <b>15</b>                     |
| <b>LAW ENFORCEMENT TRAINING</b>                  |                  |               |                |                               |
| Personal Services                                | 0                | 0             | 0              | 0                             |
| Operating Expenses                               | 510              | 518           | 518            | 0                             |
| <b>TOTAL</b>                                     | <b>510</b>       | <b>518</b>    | <b>518</b>     | <b>0</b>                      |
| <b>DEPARTMENT TOTAL, ATTORNEY GENERAL</b>        |                  |               |                |                               |
| Personal Services                                | 9,632            | 9,843         | 9,843          | 0                             |
| Operating Expenses                               | 3,056            | 3,168         | 3,153          | 15                            |
| <b>TOTAL</b>                                     | <b>12,688</b>    | <b>13,011</b> | <b>12,996</b>  | <b>15</b>                     |
| <b>ADMINISTRATION OF SCHOOL AND PUBLIC LANDS</b> |                  |               |                |                               |
| Personal Services                                | 445              | 457           | 442            | 15                            |
| Operating Expenses                               | 829              | 829           | 308            | 521                           |
| <b>TOTAL</b>                                     | <b>1,274</b>     | <b>1,286</b>  | <b>750</b>     | <b>536</b>                    |
| <b>DEPARTMENT TOTAL, SCHOOL AND PUBLIC LANDS</b> |                  |               |                |                               |
| Personal Services                                | 445              | 457           | 442            | 15                            |
| Operating Expenses                               | 829              | 829           | 308            | 521                           |
| <b>TOTAL</b>                                     | <b>1,274</b>     | <b>1,286</b>  | <b>750</b>     | <b>536</b>                    |

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | BUDGETED AMOUNTS    |                     | Actual Amounts      | Variance with<br>Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
|  | Original            | Final               |                     |                               |
| <b>SECRETARY OF STATE</b>                              |                     |                     |                     |                               |
| Personal Services                                      | \$ 713              | \$ 731              | \$ 677              | \$ 54                         |
| Operating Expenses                                     | 624                 | 959                 | 828                 | 131                           |
| <b>TOTAL</b>   | <u>1,337</u>        | <u>1,690</u>        | <u>1,484</u>        | <u>185</u>                    |
| <b>DEPARTMENT TOTAL, SECRETARY OF STATE</b>            |                     |                     |                     |                               |
| Personal Services                                      | 713                 | 731                 | 677                 | 54                            |
| Operating Expenses                                     | 624                 | 959                 | 828                 | 131                           |
| <b>TOTAL</b>   | <u>1,337</u>        | <u>1,690</u>        | <u>1,484</u>        | <u>185</u>                    |
| <b>TREASURY MANAGEMENT</b>                             |                     |                     |                     |                               |
| Personal Services                                      | 416                 | 426                 | 421                 | 5                             |
| Operating Expenses                                     | 176                 | 177                 | 166                 | 11                            |
| <b>TOTAL</b>   | <u>592</u>          | <u>603</u>          | <u>587</u>          | <u>16</u>                     |
| <b>DEPARTMENT TOTAL, STATE TREASURER</b>               |                     |                     |                     |                               |
| Personal Services                                      | 416                 | 426                 | 421                 | 5                             |
| Operating Expenses                                     | 176                 | 177                 | 166                 | 11                            |
| <b>TOTAL</b>   | <u>592</u>          | <u>603</u>          | <u>587</u>          | <u>16</u>                     |
| <b>STATE AUDITOR</b>                                   |                     |                     |                     |                               |
| Personal Services                                      | 1,199               | 1,222               | 1,204               | 18                            |
| Operating Expenses                                     | 155                 | 173                 | 173                 | 0                             |
| <b>TOTAL</b>   | <u>1,354</u>        | <u>1,395</u>        | <u>1,377</u>        | <u>18</u>                     |
| <b>DEPARTMENT TOTAL, STATE AUDITOR</b>                 |                     |                     |                     |                               |
| Personal Services                                      | 1,199               | 1,222               | 1,204               | 18                            |
| Operating Expenses                                     | 155                 | 173                 | 173                 | 0                             |
| <b>TOTAL</b>   | <u>1,354</u>        | <u>1,395</u>        | <u>1,377</u>        | <u>18</u>                     |
| <b>STATE TOTAL</b>                                     |                     |                     |                     |                               |
| Personal Services                                      | 411,882             | 425,230             | 416,293             | 8,937                         |
| Operating Expenses                                     | 1,336,982           | 1,347,356           | 1,270,215           | 77,141                        |
| Appropriation  | 7,289               | 7,504               | 7,441               | 63                            |
| <b>TOTAL CHARGES TO<br/>APPROPRIATION</b>              | <u>\$ 1,756,153</u> | <u>\$ 1,780,090</u> | <u>\$ 1,693,949</u> | <u>\$ 86,141</u>              |
| <b>NON-BUDGETED OUTFLOWS</b>                           |                     |                     |                     |                               |
| Transfer to Budget Reserve Fund                        | \$ 0                | \$ 0                | \$ 19,355           | \$ (19,355)                   |
| Non-budgeted Transfers Out                             | 0                   | 0                   | 9,537               | (9,537)                       |
| <b>TOTAL NON-BUDGETED OUTFLOWS</b>                     | <u>\$ 0</u>         | <u>\$ 0</u>         | <u>\$ 28,892</u>    | <u>\$ (28,892)</u>            |
| <b>CHANGE IN BUDGETARY FUND BALANCE</b>                | \$ (43,582)         | \$ (38,867)         | \$ 10,476           | \$ 49,343                     |
| <b>BUDGETARY FUND BALANCE JULY 1, 2019 as restated</b> | <u>67,202</u>       | <u>67,202</u>       | <u>67,202</u>       | <u>0</u>                      |
| <b>BUDGETARY FUND BALANCE JUNE 30, 2020</b>            | <u>\$ 23,620</u>    | <u>\$ 28,335</u>    | <u>\$ 77,678</u>    | <u>\$ 49,343</u>              |

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

**STATE OF SOUTH DAKOTA  
 BUDGETARY COMPARISON SCHEDULE  
 TRANSPORTATION FUND  
 For the Fiscal Year Ended June 30, 2020  
 (Expressed in Thousands)**

|   | Budgeted Amounts  |                   | Actual Amounts    | Variance with<br>Final Budget |
|---|-------------------|-------------------|-------------------|-------------------------------|
|   | Original          | Final             |                   |                               |
| <b>CHARGES TO APPROPRIATIONS (outflows)</b> |                   |                   |                   |                               |
| <b>GENERAL OPERATIONS</b>                   |                   |                   |                   |                               |
| Personal Services                           | \$ 74,711         | \$ 76,681         | \$ 75,014         | \$ 1,667                      |
| Operating Expenses                          | 139,720           | 135,098           | 109,949           | 25,149                        |
| <b>TOTAL</b>                                | <b>214,431</b>    | <b>211,779</b>    | <b>184,963</b>    | <b>26,816</b>                 |
| <b>CONTRACT CONSTRUCTION INFORMATIONAL</b>  |                   |                   |                   |                               |
| Personal Services                           | 0                 | 0                 | 0                 | 0                             |
| Operating Expenses                          | 489,495           | 550,895           | 585,745           | (34,850)                      |
| <b>TOTAL</b>                                | <b>489,495</b>    | <b>550,895</b>    | <b>585,745</b>    | <b>(34,850)</b>               |
| <b>ENFORCEMENT</b>                          |                   |                   |                   |                               |
| Personal Services                           | 16,066            | 11,991            | 11,330            | 661                           |
| Operating Expenses                          | 8,300             | 10,690            | 9,589             | 1,101                         |
| <b>TOTAL</b>                                | <b>24,366</b>     | <b>22,681</b>     | <b>20,919</b>     | <b>1,762</b>                  |
| <b>FUND TOTAL, TRANSPORTATION</b>           |                   |                   |                   |                               |
| Personal Services                           | 90,777            | 88,672            | 86,344            | 2,328                         |
| Operating Expenses                          | 637,515           | 696,683           | 705,283           | (8,600)                       |
| <b>TOTAL CHARGES TO<br/>APPROPRIATION</b>   | <b>\$ 728,292</b> | <b>\$ 785,355</b> | <b>\$ 791,627</b> | <b>\$ (6,272)</b>             |

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

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
SOCIAL SERVICES FEDERAL FUND  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|   | Budgeted Amounts  |                   | Actual Amounts    | Variance with<br>Final Budget |
|---|-------------------|-------------------|-------------------|-------------------------------|
|   | Original          | Final             |                   |                               |
| <b>CHARGES TO APPROPRIATIONS (outflows)</b> |                   |                   |                   |                               |
| <b>ADMINISTRATION</b>                       |                   |                   |                   |                               |
| Personal Services                           | \$ 5,958          | \$ 6,125          | \$ 4,402          | \$ 1,723                      |
| Operating Expenses                          | 11,323            | 11,210            | 6,657             | 4,553                         |
| <b>TOTAL</b>                                | <b>17,281</b>     | <b>17,335</b>     | <b>11,059</b>     | <b>6,276</b>                  |
| <b>ECONOMIC ASSISTANCE</b>                  |                   |                   |                   |                               |
| Personal Services                           | 12,486            | 12,762            | 10,601            | 2,161                         |
| Operating Expenses                          | 65,520            | 65,522            | 36,465            | 29,057                        |
| <b>TOTAL</b>                                | <b>78,006</b>     | <b>78,284</b>     | <b>47,066</b>     | <b>31,218</b>                 |
| <b>MEDICAL AND ADULT SERVICES</b>           |                   |                   |                   |                               |
| Personal Services                           | 2,844             | 2,915             | 2,771             | 144                           |
| Operating Expenses                          | 425,583           | 410,024           | 388,322           | 21,702                        |
| <b>TOTAL</b>                                | <b>428,427</b>    | <b>412,939</b>    | <b>391,093</b>    | <b>21,846</b>                 |
| <b>CHILDREN'S SERVICES</b>                  |                   |                   |                   |                               |
| Personal Services                           | 10,726            | 11,083            | 8,865             | 2,218                         |
| Operating Expenses                          | 44,378            | 46,751            | 46,529            | 222                           |
| <b>TOTAL</b>                                | <b>55,104</b>     | <b>57,834</b>     | <b>55,394</b>     | <b>2,440</b>                  |
| <b>BEHAVIORAL HEALTH</b>                    |                   |                   |                   |                               |
| Personal Services                           | 8,669             | 8,706             | 6,771             | 1,935                         |
| Operating Expenses                          | 33,743            | 33,757            | 29,535            | 4,222                         |
| <b>TOTAL</b>                                | <b>42,412</b>     | <b>42,463</b>     | <b>36,306</b>     | <b>6,157</b>                  |
| <b>DEPARTMENT TOTAL, SOCIAL SERVICES</b>    |                   |                   |                   |                               |
| Personal Services                           | <b>40,683</b>     | <b>41,591</b>     | <b>33,410</b>     | <b>8,181</b>                  |
| Operating Expenses                          | <b>580,547</b>    | <b>567,264</b>    | <b>507,508</b>    | <b>59,756</b>                 |
| <b>TOTAL CHARGES TO APPROPRIATION</b>       | <b>\$ 621,230</b> | <b>\$ 608,855</b> | <b>\$ 540,918</b> | <b>\$ 67,937</b>              |

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

**STATE OF SOUTH DAKOTA  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|   | <u>General<br/>Fund</u>    |                                |   |
|---|----------------------------|--------------------------------|---|
| <b>Inflows of Resources:</b>  |                            |                                |   |
| <b>Actual amounts (budgetary basis) "Amounts Available for Appropriation" from the budgetary comparison schedule</b>  | <b>\$ 1,733,317</b>        |                                |   |
| <b>Differences-budget to GAAP:</b>  |                            |                                |   |
| Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes   | (124,732)                  |                                |   |
| To adjust revenues for accruals and other year-end entries such as the recording tax receivables, shared revenue receipts, and reclassification of lottery revenues   | (14,106)                   |                                |   |
| To adjust revenues for statutorily created funds that do not qualify as special revenue funds   | 26,811                     |                                |   |
| Money from the General Fund Budget Reserve are inflows of budgetary resources but are not revenues for financial reporting purposes   | (14,860)                   |                                |   |
| Prior year carryover and encumbered amounts are inflows of budgetary resources but are not revenues for financial reporting purposes  | (11,326)                   |                                |   |
| Unexpended carryovers, specials, and deferred maintenances are inflows of budgetary resources but are not revenues for financial reporting purposes   | (425)                      |                                |   |
| Sales of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes  | (78)                       |                                |   |
| <b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds</b>   | <b><u>\$ 1,594,601</u></b> |                                |   |
|   | <u>General<br/>Fund</u>    | <u>Transportation<br/>Fund</u> | <u>Social Services<br/>Federal Fund</u> |
| <b>Uses/Outflows of Resources:</b>  |                            |                                |   |
| <b>Actual amounts (budgetary basis) "Total Charges to Appropriations" from the budgetary comparison schedule</b>  | <b>\$ 1,693,949</b>        | <b>\$ 791,627</b>              | <b>\$ 540,918</b>                       |
| <b>Differences-budget to GAAP:</b>  |                            |                                |   |
| Encumbrances for supplies, equipment ordered but not yet received and for uncompleted contracts are reported in the year first encumbered for budgetary purposes, but expenditures are reported in the year the related expenditure is incurred for financial reporting purposes. | (62,078)                   | (20,108)                       | (36,082)                                |
| Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes  | (14,363)                   |                                |   |
| To adjust expenditures/expenses for accruals and other year-end entries such as the recording of food stamps and shared revenue distribution  | 29,791                     | 27,763                         | 124,509                                 |
| To adjust expenditures/expenses related to the pandemic which management moved to the COVID-19 Federal Fund budget year-end per State's accounting system   | (22,910)                   |                                |   |
| To adjust expenditures/expenses for statutorily created funds that do not qualify as special revenue funds  | 31,549                     |                                |   |
| <b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds</b>   | <b><u>\$ 1,655,938</u></b> | <b><u>\$ 799,282</u></b>       | <b><u>\$ 629,345</u></b>                |

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

## ***Required Supplementary Information***

### ***Notes to Required Supplementary Information - Budgetary Reporting***

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 for the State of South Dakota on a budgetary basis. The General Fund is the only fund that has legally adopted estimated resources by the Legislature. The State does not estimate or forecast resources inflows for the Transportation or Social Services Federal Fund. Therefore, the Transportation and Social Services Federal Funds do not have a resource section of their corresponding Budgetary Comparison Schedules. The original 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 appropriations budget and legally revised final charges to appropriations budget, with actual amounts for each program of the State on a budgetary basis. A Budgetary Comparison Schedule is presented for the General Fund and for each major special revenue fund that has a legally adopted annual budget. There are currently two major special revenue funds that fit this criterion: the Social Services Federal Fund and the Transportation Fund. 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, 2020, there were no over-expenditures by any State department. Informational budget units, when combined with specific continuous or annual appropriation designation, are able to over-spend the expenditure authority.

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, 2020 has also been included as Required Supplementary Information.

The budgetary fund balance for the General Fund decreased by \$16.7 million in fiscal year 2020 for unreported non-budgeted transfers out in fiscal years 2018 and 2019.

**STATE OF SOUTH DAKOTA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**  
**SOUTH DAKOTA RETIREMENT SYSTEM**  
**July 1, 2018 to June 30, 2019 Measurement Date**

Last Ten Fiscal Years \*

(Dollars Expressed in Thousands)

|   | <u>Fiscal Year<br/>2020</u> | <u>Fiscal Year<br/>2019</u> | <u>Fiscal Year<br/>2018</u> | <u>Fiscal Year<br/>2017</u> | <u>Fiscal Year<br/>2016</u> | <u>Fiscal Year<br/>2015</u> |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| State's proportion of net pension liability (asset)   | 20.73%                      | 21.05%                      | 21.58%                      | 22.27%                      | 22.45%                      | 22.07%                      |
| State's proportionate share of the net pension liability (asset)  | \$ (2,196)                  | \$ (489)                    | \$ (1,958)                  | \$ 75,220                   | \$ (95,216)                 | \$ (158,996)                |
| State's covered payroll   | \$ 413,938                  | \$ 409,773                  | \$ 410,337                  | \$ 395,647                  | \$ 389,949                  | \$ 367,417                  |
| State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | (0.53%)                     | (0.12%)                     | (0.48%)                     | (19.01%)                    | (24.42%)                    | (43.27%)                    |
| Plan fiduciary net position as a percentage of the total pension liability (asset)                      | 100.09%                     | 100.02%                     | 100.10%                     | 96.90%                      | 104.10%                     | 107.29%                     |

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

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

**STATE OF SOUTH DAKOTA**  
**SCHEDULE OF CONTRIBUTIONS**  
**SOUTH DAKOTA RETIREMENT SYSTEM**  
**June 30, 2020**

Last Ten Fiscal Years \*

(Dollars Expressed in Thousands)

|  | <u>Fiscal Year<br/>2020</u> | <u>Fiscal Year<br/>2019</u> | <u>Fiscal Year<br/>2018</u> | <u>Fiscal Year<br/>2017</u> | <u>Fiscal Year<br/>2016</u> | <u>Fiscal Year<br/>2015</u> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Contractually required contribution                                  | \$ 27,199                   | \$ 26,441                   | \$ 26,231                   | \$ 26,313                   | \$ 25,406                   | \$ 24,588                   |
| Contributions in relation to the contractually required contribution | (27,199)                    | (26,441)                    | (26,231)                    | (26,313)                    | (25,406)                    | (24,588)                    |
| Contribution deficiency (excess)                                     | <u>\$ 0</u>                 |
| State's covered payroll  | \$ 426,298                  | \$ 413,938                  | \$ 409,773                  | \$ 410,337                  | \$ 395,647                  | \$ 389,949                  |
| Contributions as a percentage of covered payroll                     | 6.38%                       | 6.39%                       | 6.40%                       | 6.41%                       | 6.42%                       | 6.31%                       |

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

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

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

**Changes of Benefit Terms:**

No significant changes.

**Changes of Assumptions:**

Legislation enacted in 2017 modified the SDRS COLA. For COLAs first applicable in 2018, the SDRS COLA will equal the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0.5% and no greater than 3.5%. However, if the Fair Value Funded Ratio (FVFR) assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that, if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%. That condition existed as of June 30, 2018 and exists again this year as of June 30, 2019. Future COLAs are assumed to equal the current restricted maximum COLA which was 2.03% as of June 30, 2018 and is 1.88% as of June 30, 2019.

The changes in actuarial assumptions increased the Actuarial Accrued Liability by 1.5% of the Actuarial Accrued Liability based on the 2.03% COLA, reflecting the current and assumed future restricted maximum COLA of 1.88%.

Actuarial assumptions are reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2022 Actuarial Valuation and any recommended changes anticipated to be first implemented in the June 30, 2022 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 Assets and Liabilities – Agency Funds
- Combining Statement of Changes in Assets and Liabilities – Agency 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 Net Position – Nonmajor Component Units
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Component Units
- Statement of Cash Flows – Value Added Finance Authority

**STATE OF SOUTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - BY TYPE  
June 30, 2020  
(Expressed in Thousands)**

| <b>Assets</b>  | <b>Special<br/>Revenue</b> | <b>Debt<br/>Service</b> | <b>Capital<br/>Projects</b> | <b>Permanent</b> | <b>Total</b>      |
|--|----------------------------|-------------------------|-----------------------------|------------------|-------------------|
| Cash and Cash Equivalents  | \$ 303,024                 | \$ 4,261                | \$ 1,058                    | \$ 27            | \$ 308,370        |
| Restricted Cash  |                            | 2                       |                             |                  | 2                 |
| Investments  | 159,763                    | 835                     |                             | 61,046           | 221,644           |
| Restricted Investments   |                            | 19,373                  |                             |                  | 19,373            |
| Receivables from:  |                            |                         |                             |                  |                   |
| Taxes, net   | 2,986                      |                         |                             |                  | 2,986             |
| Interest and Dividends   | 1,458                      | 2                       | 74                          | 116              | 1,650             |
| Other Funds  | 7,315                      |                         |                             |                  | 7,315             |
| Component Units  | 402                        |                         |                             |                  | 402               |
| Other Governments  | 111,740                    |                         |                             |                  | 111,740           |
| Loans and Notes, net   | 58,498                     |                         |                             | 713              | 59,211            |
| Other, net   | 7,792                      | 10,198                  |                             | 23               | 18,013            |
| Inventory  | 2,372                      |                         |                             |                  | 2,372             |
| Advances to Component Units  | 1,193                      |                         |                             |                  | 1,193             |
| Other Assets   | 1,891                      |                         |                             | 1,989            | 3,880             |
| <b>Total Assets</b>  | <b>\$ 658,434</b>          | <b>\$ 34,671</b>        | <b>\$ 1,132</b>             | <b>\$ 63,914</b> | <b>\$ 758,151</b> |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>       |                            |                         |                             |                  |                   |
| <b>Liabilities:</b>  |                            |                         |                             |                  |                   |
| Accounts Payable and Other Liabilities                                     | \$ 50,217                  | \$                      | \$                          | \$ 5             | \$ 50,222         |
| Payable to:  |                            |                         |                             |                  |                   |
| Other Funds  | 36,433                     |                         | 1,132                       | 3,178            | 40,743            |
| Component Units  | 665                        |                         |                             |                  | 665               |
| Other Governments  | 66,917                     |                         |                             |                  | 66,917            |
| Claims, Judgments, and Compensated Absences                                | 133                        |                         |                             |                  | 133               |
| Unearned Revenue   | 16,508                     |                         |                             |                  | 16,508            |
| <b>Total Liabilities</b>   | <b>170,873</b>             | <b>0</b>                | <b>1,132</b>                | <b>3,183</b>     | <b>175,188</b>    |
| <b>Deferred Inflows of Resources:</b>                                      |                            |                         |                             |                  |                   |
| Unavailable Revenue  | 4,216                      | 10,198                  |                             |                  | 14,414            |
| <b>Total Deferred Inflows of Resources</b>                                 | <b>4,216</b>               | <b>10,198</b>           | <b>0</b>                    | <b>0</b>         | <b>14,414</b>     |
| <b>Fund Balances:</b>  |                            |                         |                             |                  |                   |
| Nonspendable   | 89,330                     |                         |                             | 61,745           | 151,075           |
| Restricted   | 326,147                    | 24,473                  |                             |                  | 350,620           |
| Committed  | 51,243                     |                         |                             |                  | 51,243            |
| Assigned   | 23,970                     |                         |                             |                  | 23,970            |
| Unassigned   | (7,345)                    |                         |                             | (1,014)          | (8,359)           |
| <b>Total Fund Balances</b>   | <b>483,345</b>             | <b>24,473</b>           | <b>0</b>                    | <b>60,731</b>    | <b>568,549</b>    |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 658,434</b>          | <b>\$ 34,671</b>        | <b>\$ 1,132</b>             | <b>\$ 63,914</b> | <b>\$ 758,151</b> |

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - BY TYPE  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> | <u>Permanent</u> | <u>Total</u>      |
|--|----------------------------|-------------------------|-----------------------------|------------------|-------------------|
| <b>Revenue:</b>  |                            |                         |                             |                  |                   |
| Taxes  | \$ 99,970                  | \$                      | \$                          | \$               | \$ 99,970         |
| Licenses, Permits, and Fees                            | 287,231                    |                         |                             |                  | 287,231           |
| Fines, Forfeits, and Penalties                         | 18,394                     |                         |                             |                  | 18,394            |
| Use of Money and Property                              | 21,681                     | 341                     | 179                         | 5,374            | 27,575            |
| Sales and Services                                     | 19,870                     |                         |                             |                  | 19,870            |
| Administering Programs                                 | 664,530                    |                         |                             |                  | 664,530           |
| Tobacco Settlement                                     |                            | 20,865                  |                             |                  | 20,865            |
| Other Revenue  | 26,353                     | 84                      |                             |                  | 26,437            |
| <b>Total Revenue</b>                                   | <b>1,138,029</b>           | <b>21,290</b>           | <b>179</b>                  | <b>5,374</b>     | <b>1,164,872</b>  |
| <b>Expenditures:</b>                                   |                            |                         |                             |                  |                   |
| Current:   |                            |                         |                             |                  |                   |
| General Government                                     | 38,202                     | 116                     |                             | 2,929            | 41,247            |
| Education  | 190,733                    |                         |                             |                  | 190,733           |
| Health, Human, and Social Services                     | 373,860                    |                         |                             |                  | 373,860           |
| Law, Justice, Public Protection, and Regulation        | 128,743                    |                         |                             |                  | 128,743           |
| Agriculture and Natural Resources                      | 146,850                    |                         |                             |                  | 146,850           |
| Economic Resources                                     | 21,792                     |                         |                             |                  | 21,792            |
| Transportation   | 6,265                      |                         |                             |                  | 6,265             |
| State Shared Revenue Paid to<br>Other Governments      | 145,818                    |                         |                             |                  | 145,818           |
| Capital Outlay   |                            |                         | 13,912                      |                  | 13,912            |
| Debt Service:  |                            |                         |                             |                  |                   |
| Principal  |                            | 14,280                  |                             |                  | 14,280            |
| Interest   |                            | 6,510                   |                             |                  | 6,510             |
| Bond Issuance Costs                                    |                            | 65                      |                             |                  | 65                |
| <b>Total Expenditures</b>                              | <b>1,052,263</b>           | <b>20,971</b>           | <b>13,912</b>               | <b>2,929</b>     | <b>1,090,075</b>  |
| <b>Excess of Revenue Over (Under)<br/>Expenditures</b> | <b>85,766</b>              | <b>319</b>              | <b>(13,733)</b>             | <b>2,445</b>     | <b>74,797</b>     |
| <b>Other Financing Sources (Uses):</b>                 |                            |                         |                             |                  |                   |
| Proceeds from Sale of Capital Assets                   | 199                        |                         |                             | 83               | 282               |
| Proceeds of Refunding Bonds                            |                            | 7,130                   |                             |                  | 7,130             |
| Payments on Advance Refundings                         |                            | (6,469)                 |                             |                  | (6,469)           |
| Transfers In   | 29,467                     | 6,561                   |                             |                  | 36,028            |
| Transfers Out  | (92,467)                   | (8,145)                 | (179)                       | (1,430)          | (102,221)         |
| <b>Total Other Financing Sources (Uses)</b>            | <b>(62,801)</b>            | <b>(923)</b>            | <b>(179)</b>                | <b>(1,347)</b>   | <b>(65,250)</b>   |
| <b>Net Change in Fund Balances</b>                     | <b>22,965</b>              | <b>(604)</b>            | <b>(13,912)</b>             | <b>1,098</b>     | <b>9,547</b>      |
| Fund Balances at Beginning of Year                     | 460,380                    | 25,077                  | 13,912                      | 59,633           | 559,002           |
| <b>Fund Balances at End of Year</b>                    | <b>\$ 483,345</b>          | <b>\$ 24,473</b>        | <b>\$ 0</b>                 | <b>\$ 60,731</b> | <b>\$ 568,549</b> |

**STATE OF SOUTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2020  
(Expressed in Thousands)**

|  | Education<br>Federal | Human<br>Services | Labor           | Health<br>Federal | Governor's<br>Office<br>and State<br>Development<br>Federal |
|--|----------------------|-------------------|-----------------|-------------------|---|
| <b>Assets</b>  |                      |                   |                 |                   |   |
| Cash and Cash Equivalents  | \$                   | \$                | 3               | \$                | \$  |
| Investments  |                      |                   | 3,391           |                   | 3,931   |
| Receivables from:  |                      |                   |                 |                   |   |
| Taxes, net   |                      |                   |                 |                   |   |
| Interest and Dividends   |                      | 1                 | 2               |                   | 7   |
| Other Funds  |                      | 644               | 255             | 91                |   |
| Component Units  |                      |                   |                 | 2                 |   |
| Other Governments  | 21,609               | 23,240            | 2,482           | 4,035             | 1,275   |
| Loans and Notes, net   |                      |                   |                 |                   | 5,296   |
| Other, net   |                      |                   | 18              |                   | 2   |
| Inventory  | 429                  | 131               | 39              | 1,663             |   |
| Advances to Component Units  |                      |                   |                 |                   |   |
| Other Assets   | 64                   | 1                 |                 | 159               | 4   |
| <b>Total Assets</b>  | <b>\$ 22,102</b>     | <b>\$ 24,020</b>  | <b>\$ 6,187</b> | <b>\$ 5,950</b>   | <b>\$ 10,515</b>  |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>       |                      |                   |                 |                   |   |
| <b>Liabilities:</b>  |                      |                   |                 |                   |   |
| Accounts Payable and Other Liabilities                                     | \$ 2,385             | \$ 20,584         | \$ 874          | \$ 1,994          | \$ 2  |
| Payable to:  |                      |                   |                 |                   |   |
| Other Funds  | 1,410                | 1,080             | 2,087           | 927               | 1   |
| Component Units  | 243                  |                   |                 | 33                | 41  |
| Other Governments  | 17,056               | 239               | 1               | 72                | 1,115   |
| Claims, Judgments, and Compensated Absences                                | 1                    | 39                | 8               | 10                |   |
| Unearned Revenue   | 828                  |                   | 339             | 1,023             |   |
| <b>Total Liabilities</b>   | <b>21,923</b>        | <b>21,942</b>     | <b>3,309</b>    | <b>4,059</b>      | <b>1,159</b>  |
| <b>Deferred Inflows of Resources:</b>                                      |                      |                   |                 |                   |   |
| Unavailable Revenue  |                      |                   |                 |                   |   |
| <b>Total Deferred Inflows of Resources</b>                                 | <b>0</b>             | <b>0</b>          | <b>0</b>        | <b>0</b>          | <b>0</b>  |
| <b>Fund Balances:</b>  |                      |                   |                 |                   |   |
| Nonspendable   | 64                   | 132               | 39              | 1,822             | 4   |
| Restricted   | 115                  |                   | 1,754           | 69                | 9,352   |
| Committed  |                      |                   |                 |                   |   |
| Assigned   |                      | 1,946             | 1,085           |                   |   |
| Unassigned   |                      |                   |                 |                   |   |
| <b>Total Fund Balances</b>   | <b>179</b>           | <b>2,078</b>      | <b>2,878</b>    | <b>1,891</b>      | <b>9,356</b>  |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 22,102</b>     | <b>\$ 24,020</b>  | <b>\$ 6,187</b> | <b>\$ 5,950</b>   | <b>\$ 10,515</b>  |

| <b>Public Safety<br/>Emergency<br/>Management</b> | <b>Natural<br/>Resources<br/>Federal</b> | <b>Game, Fish,<br/>and Parks<br/>Federal</b> | <b>Game<br/>and Fish</b> | <b>Parks<br/>and<br/>Recreation</b> | <b>Securities<br/>and<br/>Insurance</b> | <b>Health</b>   | <b>Gaming<br/>Commission</b> |
|---|--|--|--------------------------|-------------------------------------|---|-----------------|------------------------------|
| \$ 1,850  | \$                                       | \$   | \$ 10,355                | \$ 4,015                            | \$ 1,397                                | \$ 3,597        | \$ 5,895                     |
|   |  |  | 43                       | 15                                  | 38                                      |                 | 921                          |
|   |  |  | 16                       | 137                                 |   | 110             | 8                            |
| 12,642  | 1,459                                    | 2,890  |                          | 290                                 |   | 191             |                              |
| 184   |  |  | 113                      | 415                                 |   | 3,009           |                              |
|   |  |  |                          |                                     |   | 68              |                              |
| 63  |  |  |                          |                                     |   |                 |                              |
| <b>\$ 14,739</b>                                  | <b>\$ 1,459</b>                          | <b>\$ 2,890</b>                              | <b>\$ 10,527</b>         | <b>\$ 4,872</b>                     | <b>\$ 1,435</b>                         | <b>\$ 6,975</b> | <b>\$ 6,824</b>              |
| \$ 2,328  | \$ 457                                   | \$ 1,369                                     | \$ 1,690                 | \$ 2,771                            | \$ 196                                  | \$ 306          | \$ 68                        |
| 302   | 585                                      | 592  | 523                      | 354                                 | 20                                      | 10              | 757                          |
|   |  | 228  | 19                       |                                     |   | 5               |                              |
| 7,256   | 211                                      | 695  | 308                      | 1                                   |   | 18              | 729                          |
|   | 1  | 4  | 9                        | 27                                  |   |                 |                              |
|   |  | 2  |                          |                                     |   |                 | 4,749                        |
| <b>9,886</b>                                      | <b>1,254</b>                             | <b>2,890</b>                                 | <b>2,549</b>             | <b>3,153</b>                        | <b>216</b>                              | <b>339</b>      | <b>6,303</b>                 |
|   |  |  |                          |                                     |   | 1,750           |                              |
| <b>0</b>  | <b>0</b>                                 | <b>0</b>                                     | <b>0</b>                 | <b>0</b>                            | <b>0</b>                                | <b>1,750</b>    | <b>0</b>                     |
| 63  |  |  | 7,978                    | 3,799                               |   | 68              |                              |
|   |  |  |                          |                                     |   | 3,411           |                              |
|   |  |  |                          |                                     | 653                                     |                 | 521                          |
| 4,790   | 205                                      |  |                          |                                     | 566                                     | 1,407           |                              |
|   |  |  |                          | (2,080)                             |   |                 |                              |
| <b>4,853</b>                                      | <b>205</b>                               | <b>0</b>                                     | <b>7,978</b>             | <b>1,719</b>                        | <b>1,219</b>                            | <b>4,886</b>    | <b>521</b>                   |
| <b>\$ 14,739</b>                                  | <b>\$ 1,459</b>                          | <b>\$ 2,890</b>                              | <b>\$ 10,527</b>         | <b>\$ 4,872</b>                     | <b>\$ 1,435</b>                         | <b>\$ 6,975</b> | <b>\$ 6,824</b>              |

Continued on next page

**STATE OF SOUTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (continued)  
June 30, 2020  
(Expressed in Thousands)**

| <b>Assets</b>  | <b>Motor<br/>Vehicle</b> | <b>Revenue</b>  | <b>Future</b>    | <b>Vocational<br/>Education<br/>Facilities</b> | <b>Petroleum<br/>Release<br/>Compensation</b> |
|--|--------------------------|-----------------|------------------|--|---|
| Cash and Cash Equivalents  | \$ 25,982                | \$ 774          | \$ 33,729        | \$ 387   | \$ 5,793                                      |
| Investments  |                          |                 |                  | 7,926  |   |
| Receivables from:  |                          |                 |                  |  |   |
| Taxes, net   |                          |                 |                  |  | 277   |
| Interest and Dividends   | 84                       | 9               | 107              | 2  | 21  |
| Other Funds  | 474                      |                 | 30               |  |   |
| Component Units  |                          |                 |                  |  |   |
| Other Governments  | 16,723                   | 492             |                  | 172  |   |
| Loans and Notes, net   |                          |                 |                  |  |   |
| Other, net   | 458                      |                 | 204              |  |   |
| Inventory  |                          |                 |                  |  |   |
| Advances to Component Units  |                          |                 |                  |  |   |
| Other Assets   |                          |                 |                  |  |   |
| <b>Total Assets</b>  | <b>\$ 43,721</b>         | <b>\$ 1,275</b> | <b>\$ 34,070</b> | <b>\$ 8,487</b>                                | <b>\$ 6,091</b>                               |
| <b>Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b>       |                          |                 |                  |  |   |
| <b>Liabilities:</b>  |                          |                 |                  |  |   |
| Accounts Payable and Other Liabilities   | \$ 615                   | \$ 769          | \$ 92            | \$   | \$ 32   |
| Payable to:  |                          |                 |                  |  |   |
| Other Funds  | 1,513                    | 357             |                  |  | 4   |
| Component Units  |                          |                 | 2                |  |   |
| Other Governments  | 32,663                   |                 |                  | 14   |   |
| Claims, Judgments, and Compensated Absences                                    | 21                       |                 |                  |  |   |
| Unearned Revenue   |                          |                 |                  |  |   |
| <b>Total Liabilities</b>   | <b>34,812</b>            | <b>1,126</b>    | <b>94</b>        | <b>14</b>                                      | <b>36</b>                                     |
| <b>Deferred Inflows of Resources:</b>  |                          |                 |                  |  |   |
| Unavailable Revenue  |                          |                 | 190              |  |   |
| <b>Total Deferred Inflows of Resources</b>                                     | <b>0</b>                 | <b>0</b>        | <b>190</b>       | <b>0</b>                                       | <b>0</b>                                      |
| <b>Fund Balances:</b>  |                          |                 |                  |  |   |
| Nonspendable   |                          |                 |                  |  |   |
| Restricted   |                          |                 | 33,786           | 8,140  |   |
| Committed  | 8,909                    | 974             |                  |  | 6,055   |
| Assigned   |                          |                 |                  | 333  |   |
| Unassigned   |                          | (825)           |                  |  |   |
| <b>Total Fund Balances</b>   | <b>8,909</b>             | <b>149</b>      | <b>33,786</b>    | <b>8,473</b>                                   | <b>6,055</b>                                  |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <b>\$ 43,721</b>         | <b>\$ 1,275</b> | <b>\$ 34,070</b> | <b>\$ 8,487</b>                                | <b>\$ 6,091</b>                               |

| <b>Maintenance and Repair</b> | <b>Water and Environment</b> | <b>Energy Conservation</b> | <b>Military Federal</b> | <b>Health Care Trust</b> | <b>Railroad Trust</b> | <b>Other</b>      | <b>Total</b>          |
|-------------------------------|------------------------------|----------------------------|-------------------------|--------------------------|-----------------------|-------------------|-----------------------|
| \$ 5,210                      | \$ 30,582                    | \$ 5,925                   | \$                      | \$ 88<br>150,879         | \$ 6,114              | \$ 154,006<br>958 | \$ 303,024<br>159,763 |
|                               | 635                          | 15                         |                         |                          |                       | 1,138             | 2,986                 |
| 15                            | 163                          | 51                         |                         | 204                      | 186                   | 502               | 1,458                 |
| 509                           | 562                          |                            |                         |                          |                       | 4,487             | 7,315                 |
|                               |                              |                            |                         |                          |                       | 400               | 402                   |
|                               | 154                          |                            | 7,697                   |                          |                       | 16,389            | 111,740               |
|                               | 22,877                       | 6,766                      |                         |                          | 18,283                | 5,092             | 58,498                |
|                               |                              |                            |                         |                          | 267                   | 3,306             | 7,792                 |
|                               |                              |                            |                         |                          |                       | 42                | 2,372                 |
|                               | 1,193                        |                            |                         |                          |                       |                   | 1,193                 |
| 10                            |                              |                            |                         |                          |                       | 1,590             | 1,891                 |
| <b>\$ 5,744</b>               | <b>\$ 56,166</b>             | <b>\$ 12,757</b>           | <b>\$ 7,697</b>         | <b>\$ 151,171</b>        | <b>\$ 24,850</b>      | <b>\$ 187,910</b> | <b>\$ 658,434</b>     |
| \$ 222                        | \$ 41                        | \$                         | \$ 2,034                | \$ 5                     | \$                    | \$ 11,383         | \$ 50,217             |
| 10                            |                              |                            | 4,941                   | 5,677                    |                       | 15,283            | 36,433                |
|                               |                              |                            |                         |                          | 37                    | 57                | 665                   |
|                               | 2,863                        |                            | 679                     |                          |                       | 2,997             | 66,917                |
|                               |                              |                            |                         |                          |                       | 13                | 133                   |
|                               |                              |                            |                         |                          |                       | 9,567             | 16,508                |
| <b>232</b>                    | <b>2,904</b>                 | <b>0</b>                   | <b>7,654</b>            | <b>5,682</b>             | <b>37</b>             | <b>39,300</b>     | <b>170,873</b>        |
|                               | 40                           |                            |                         |                          |                       | 2,236             | 4,216                 |
| <b>0</b>                      | <b>40</b>                    | <b>0</b>                   | <b>0</b>                | <b>0</b>                 | <b>0</b>              | <b>2,236</b>      | <b>4,216</b>          |
| 10                            |                              |                            |                         | 85,631                   |                       | 1,497             | 89,330                |
|                               | 53,222                       | 12,566                     | 1                       | 59,858                   | 24,387                | 107,709           | 326,147               |
| 2,274                         |                              | 191                        |                         |                          | 426                   | 31,240            | 51,243                |
| 3,228                         |                              |                            | 42                      |                          |                       | 10,368            | 23,970                |
|                               |                              |                            |                         |                          |                       | (4,440)           | (7,345)               |
| <b>5,512</b>                  | <b>53,222</b>                | <b>12,757</b>              | <b>43</b>               | <b>145,489</b>           | <b>24,813</b>         | <b>146,374</b>    | <b>483,345</b>        |
| <b>\$ 5,744</b>               | <b>\$ 56,166</b>             | <b>\$ 12,757</b>           | <b>\$ 7,697</b>         | <b>\$ 151,171</b>        | <b>\$ 24,850</b>      | <b>\$ 187,910</b> | <b>\$ 658,434</b>     |

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | <b>Education<br/>Federal</b> | <b>Human<br/>Services</b> | <b>Labor</b>    | <b>Health<br/>Federal</b> | <b>Governor's<br/>Office<br/>and State<br/>Development<br/>Federal</b> |
|--|------------------------------|---------------------------|-----------------|---------------------------|--|
| <b>Revenue:</b>  |                              |                           |                 |                           |  |
| Taxes  | \$                           | \$                        | \$ 429          | \$                        | \$   |
| Licenses, Permits, and Fees                            |                              | 132                       | 891             |                           |  |
| Fines, Forfeits, and Penalties                         |                              |                           |                 | 336                       |  |
| Use of Money and Property                              |                              | 43                        | 15              |                           | 173  |
| Sales and Services                                     |                              | 2,342                     |                 |                           | 13   |
| Administering Programs                                 | 178,656                      | 253,754                   | 23,398          | 55,902                    | 7,204  |
| Other Revenue  | 114                          | 43                        | 19              | 4                         | 9  |
| <b>Total Revenue</b>                                   | <b>178,770</b>               | <b>256,314</b>            | <b>24,752</b>   | <b>56,242</b>             | <b>7,399</b>   |
| <b>Expenditures:</b>                                   |                              |                           |                 |                           |  |
| General Government                                     |                              |                           |                 |                           |  |
| Education  | 178,659                      |                           |                 |                           |  |
| Health, Human, and Social Services                     |                              | 255,717                   | 26,100          | 56,293                    |  |
| Law, Justice, Public Protection, and Regulation        |                              |                           | 36              |                           |  |
| Agriculture and Natural Resources                      |                              |                           |                 |                           |  |
| Economic Resources                                     |                              |                           |                 |                           | 7,206  |
| Transportation   |                              |                           |                 |                           |  |
| State Shared Revenue Paid to<br>Other Governments      |                              |                           |                 |                           |  |
| <b>Total Expenditures</b>                              | <b>178,659</b>               | <b>255,717</b>            | <b>26,136</b>   | <b>56,293</b>             | <b>7,206</b>   |
| <b>Excess of Revenue Over (Under)<br/>Expenditures</b> | <b>111</b>                   | <b>597</b>                | <b>(1,384)</b>  | <b>(51)</b>               | <b>193</b>   |
| <b>Other Financing Sources (Uses):</b>                 |                              |                           |                 |                           |  |
| Proceeds from Sale of Capital Assets                   |                              |                           |                 | 5                         |  |
| Transfers In   |                              | 554                       | 3,534           | 239                       |  |
| Transfers Out  | (36)                         | (595)                     | (143)           |                           | (7,000)  |
| <b>Total Other Financing Sources (Uses)</b>            | <b>(36)</b>                  | <b>(41)</b>               | <b>3,391</b>    | <b>244</b>                | <b>(7,000)</b>   |
| <b>Net Change in Fund Balances</b>                     | <b>75</b>                    | <b>556</b>                | <b>2,007</b>    | <b>193</b>                | <b>(6,807)</b>   |
| Fund Balances at Beginning of Year                     | 104                          | 1,522                     | 871             | 1,698                     | 16,163   |
| <b>Fund Balances at End of Year</b>                    | <b>\$ 179</b>                | <b>\$ 2,078</b>           | <b>\$ 2,878</b> | <b>\$ 1,891</b>           | <b>\$ 9,356</b>  |

| <b>Public Safety<br/>Emergency<br/>Management</b> | <b>Natural<br/>Resources<br/>Federal</b> | <b>Game, Fish,<br/>and Parks<br/>Federal</b> | <b>Game<br/>and Fish</b> | <b>Parks<br/>and<br/>Recreation</b> | <b>Securities<br/>and<br/>Insurance</b> | <b>Health</b>   | <b>Gaming<br/>Commission</b> |
|---|--|--|--------------------------|-------------------------------------|---|-----------------|------------------------------|
| \$  | \$                                       | \$   | \$                       | \$                                  | \$                                      | \$              | \$                           |
|   |  |  | 31,610                   | 1,946                               | 29,991                                  |                 | 8,971                        |
|   |  |  |                          | 22,973                              | 29,676                                  | 1,671           | 5,807                        |
|   |  |  |                          |                                     | 55                                      |                 | 3                            |
|   |  | 202  | 425                      | 2,735                               | 323                                     |                 | 85                           |
|   |  |  | 94                       | 18                                  | 7                                       | 1,632           |                              |
| 37,586  | 8,421                                    | 19,714                                       |                          | 446                                 |   |                 |                              |
| 14  |  | 16   | 150                      | 126                                 |   | 9,742           |                              |
| <b>37,600</b>                                     | <b>8,421</b>                             | <b>19,932</b>                                | <b>32,279</b>            | <b>28,244</b>                       | <b>60,052</b>                           | <b>13,045</b>   | <b>14,866</b>                |
|   |  |  |                          |                                     |   | 11,502          |                              |
| 42,809  |  |  |                          |                                     | 3,312                                   |                 | 1,262                        |
|   | 8,455                                    | 18,780                                       | 34,477                   | 30,199                              |   |                 |                              |
|   |  |  |                          |                                     |   |                 | 7,657                        |
| <b>42,809</b>                                     | <b>8,455</b>                             | <b>18,780</b>                                | <b>34,477</b>            | <b>30,199</b>                       | <b>3,312</b>                            | <b>11,502</b>   | <b>8,919</b>                 |
| <b>(5,209)</b>                                    | <b>(34)</b>                              | <b>1,152</b>                                 | <b>(2,198)</b>           | <b>(1,955)</b>                      | <b>56,740</b>                           | <b>1,543</b>    | <b>5,947</b>                 |
|   |  |  | 93                       | 37                                  |   |                 |                              |
| 9,918   | 113                                      |  | 1,131                    | 15                                  |   |                 |                              |
|   |  | (1,152)                                      | (1,056)                  | (3,284)                             | (56,570)                                | (924)           | (5,550)                      |
| <b>9,918</b>                                      | <b>113</b>                               | <b>(1,152)</b>                               | <b>168</b>               | <b>(3,232)</b>                      | <b>(56,570)</b>                         | <b>(924)</b>    | <b>(5,550)</b>               |
| <b>4,709</b>                                      | <b>79</b>                                |  | <b>(2,030)</b>           | <b>(5,187)</b>                      | <b>170</b>                              | <b>619</b>      | <b>397</b>                   |
| 144   | 126                                      |  | 10,008                   | 6,906                               | 1,049                                   | 4,267           | 124                          |
| <b>\$ 4,853</b>                                   | <b>\$ 205</b>                            | <b>\$ 0</b>                                  | <b>\$ 7,978</b>          | <b>\$ 1,719</b>                     | <b>\$ 1,219</b>                         | <b>\$ 4,886</b> | <b>\$ 521</b>                |

Continued on next page

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (continued)  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | <b>Motor<br/>Vehicle</b> | <b>Revenue</b> | <b>Future</b>    | <b>Vocational<br/>Education<br/>Facilities</b> | <b>Petroleum<br/>Release<br/>Compensation</b> |
|--|--------------------------|----------------|------------------|--|---|
| <b>Revenue:</b>  |                          |                |                  |  |   |
| Taxes  | \$ 3,889                 | \$ 11,372      | \$ 17,968        | \$   | \$ 3,274                                      |
| Licenses, Permits, and Fees                            | 138,396                  | 4,272          |                  | 6,144  |   |
| Fines, Forfeits, and Penalties                         | 1                        |                |                  |  |   |
| Use of Money and Property                              | 491                      | 87             | 1,035            | 177  | 234   |
| Sales and Services                                     | 1,765                    |                |                  |  |   |
| Administering Programs                                 |                          |                |                  | 200  |   |
| Other Revenue  | 119                      |                | 3,256            | 790  |   |
| <b>Total Revenue</b>                                   | <b>144,661</b>           | <b>15,731</b>  | <b>22,259</b>    | <b>7,311</b>                                   | <b>3,508</b>                                  |
| <b>Expenditures:</b>                                   |                          |                |                  |  |   |
| General Government                                     | 8,263                    | 13,419         |                  |  |   |
| Education  |                          |                |                  | 10,111   |   |
| Health, Human, and Social Services                     |                          |                |                  |  |   |
| Law, Justice, Public Protection, and Regulation        | 8,557                    |                |                  |  |   |
| Agriculture and Natural Resources                      |                          |                |                  |  | 1,005   |
| Economic Resources                                     |                          |                | 8,456            |  |   |
| Transportation   |                          |                |                  |  |   |
| State Shared Revenue Paid to                           |                          |                |                  |  |   |
| Other Governments                                      | 126,353                  | 2,480          |                  |  |   |
| <b>Total Expenditures</b>                              | <b>143,173</b>           | <b>15,899</b>  | <b>8,456</b>     | <b>10,111</b>                                  | <b>1,005</b>                                  |
| <b>Excess of Revenue Over (Under)<br/>Expenditures</b> | <b>1,488</b>             | <b>(168)</b>   | <b>13,803</b>    | <b>(2,800)</b>                                 | <b>2,503</b>                                  |
| <b>Other Financing Sources (Uses):</b>                 |                          |                |                  |  |   |
| Proceeds from Sale of Capital Assets                   |                          |                |                  |  |   |
| Transfers In   | 1,033                    |                | 143              | 2,318  |   |
| Transfers Out  | (1,794)                  |                | (28)             |  | (561)   |
| <b>Total Other Financing Sources (Uses)</b>            | <b>(761)</b>             | <b>0</b>       | <b>115</b>       | <b>2,318</b>                                   | <b>(561)</b>                                  |
| <b>Net Change in Fund Balances</b>                     | <b>727</b>               | <b>(168)</b>   | <b>13,918</b>    | <b>(482)</b>                                   | <b>1,942</b>                                  |
| Fund Balances at Beginning of Year                     | 8,182                    | 317            | 19,868           | 8,955  | 4,113   |
| <b>Fund Balances at End of Year</b>                    | <b>\$ 8,909</b>          | <b>\$ 149</b>  | <b>\$ 33,786</b> | <b>\$ 8,473</b>                                | <b>\$ 6,055</b>                               |

| <b>Maintenance and Repair</b> | <b>Water and Environment</b> | <b>Energy Conservation</b> | <b>Military Federal</b> | <b>Health Care Trust</b> | <b>Railroad Trust</b> | <b>Other</b>                  | <b>Total</b>                   |
|-------------------------------|------------------------------|----------------------------|-------------------------|--------------------------|-----------------------|-------------------------------|--------------------------------|
| \$                            | \$ 6,523<br>1,816            | \$ 173                     | \$                      | \$                       | \$ 331                | \$ 15,434<br>43,512<br>17,999 | \$ 99,970<br>287,231<br>18,394 |
| 141                           | 1,708                        | 506                        | 27                      | 6,900                    | 834                   | 5,540                         | 21,681                         |
| 1,920                         |                              |                            |                         |                          |                       | 12,079                        | 19,870                         |
|                               | 25                           |                            | 27,133                  |                          |                       | 52,116                        | 664,530                        |
|                               |                              |                            | 1                       |                          | 154                   | 11,771                        | 26,353                         |
| <b>2,061</b>                  | <b>10,072</b>                | <b>679</b>                 | <b>27,161</b>           | <b>6,900</b>             | <b>1,319</b>          | <b>158,451</b>                | <b>1,138,029</b>               |
| 3,276                         |                              |                            |                         | 487                      |                       | 12,757<br>1,963               | 38,202<br>190,733              |
|                               |                              |                            |                         |                          |                       | 24,248                        | 373,860                        |
|                               | 10,315                       |                            | 27,159                  |                          |                       | 45,608                        | 128,743                        |
|                               |                              | 48                         |                         |                          |                       | 43,619                        | 146,850                        |
|                               |                              |                            |                         |                          |                       | 6,082                         | 21,792                         |
|                               |                              |                            |                         |                          | 3,842                 | 2,423                         | 6,265                          |
|                               |                              |                            |                         |                          |                       | 9,328                         | 145,818                        |
| <b>3,276</b>                  | <b>10,315</b>                | <b>48</b>                  | <b>27,159</b>           | <b>487</b>               | <b>3,842</b>          | <b>146,028</b>                | <b>1,052,263</b>               |
| (1,215)                       | (243)                        | 631                        | 2                       | 6,413                    | (2,523)               | 12,423                        | 85,766                         |
| 1,444                         | 2,778                        |                            |                         |                          | 4                     | 60                            | 199                            |
|                               | (600)                        |                            |                         | (5,677)                  |                       | 6,247                         | 29,467                         |
| <b>1,444</b>                  | <b>2,178</b>                 | <b>0</b>                   | <b>0</b>                | <b>(5,677)</b>           | <b>4</b>              | <b>(7,497)</b>                | <b>(92,467)</b>                |
|                               |                              |                            |                         |                          |                       | (1,190)                       | (62,801)                       |
| 229                           | 1,935                        | 631                        | 2                       | 736                      | (2,519)               | 11,233                        | 22,965                         |
| 5,283                         | 51,287                       | 12,126                     | 41                      | 144,753                  | 27,332                | 135,141                       | 460,380                        |
| <b>\$ 5,512</b>               | <b>\$ 53,222</b>             | <b>\$ 12,757</b>           | <b>\$ 43</b>            | <b>\$ 145,489</b>        | <b>\$ 24,813</b>      | <b>\$ 146,374</b>             | <b>\$ 483,345</b>              |

**STATE OF SOUTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
June 30, 2020  
(Expressed in Thousands)**

| <b>Assets</b>  | <b>Building<br/>Authority</b> | <b>Tobacco<br/>Securitization</b> | <b>Total</b>     |
|--|-------------------------------|-----------------------------------|------------------|
| Cash and Cash Equivalents  | \$ 4,155                      | \$ 106                            | \$ 4,261         |
| Restricted Cash  |                               | 2                                 | 2                |
| Investments  |                               | 835                               | 835              |
| Restricted Investments   |                               | 19,373                            | 19,373           |
| Receivables from:  |                               |                                   |                  |
| Interest and Dividends   |                               | 2                                 | 2                |
| Other, net   |                               | 10,198                            | 10,198           |
| <b>Total Assets</b>  | <b>\$ 4,155</b>               | <b>\$ 30,516</b>                  | <b>\$ 34,671</b> |
| <b>Deferred Inflows of Resources:</b>                            |                               |                                   |                  |
| Unavailable Revenue  | \$ 0                          | \$ 10,198                         | \$ 10,198        |
| <b>Total Deferred Inflows of Resources</b>                       | <b>0</b>                      | <b>10,198</b>                     | <b>10,198</b>    |
| <b>Fund Balances:</b>  |                               |                                   |                  |
| Restricted   | 4,155                         | 20,318                            | 24,473           |
| <b>Total Fund Balances</b>                                       | <b>4,155</b>                  | <b>20,318</b>                     | <b>24,473</b>    |
| <b>Total Deferred Inflows of<br/>Resources and Fund Balances</b> | <b>\$ 4,155</b>               | <b>\$ 30,516</b>                  | <b>\$ 34,671</b> |

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | <u>Building<br/>Authority</u> | <u>Tobacco<br/>Securitization</u> | <u>Total</u>     |
|--|-------------------------------|-----------------------------------|------------------|
| <b>Revenue:</b>  |                               |                                   |                  |
| Use of Money and Property                              | \$                            | \$ 341                            | \$ 341           |
| Tobacco Settlement                                     |                               | 20,865                            | 20,865           |
| Other Revenue  | 84                            |                                   | 84               |
| <b>Total Revenue</b>                                   | <b>84</b>                     | <b>21,206</b>                     | <b>21,290</b>    |
| <b>Expenditures:</b>                                   |                               |                                   |                  |
| Current:   |                               |                                   |                  |
| General Government                                     |                               | 116                               | 116              |
| Debt Service:  |                               |                                   |                  |
| Principal  | 3,680                         | 10,600                            | 14,280           |
| Interest   | 3,112                         | 3,398                             | 6,510            |
| Bond Issuance Costs                                    | 65                            |                                   | 65               |
| <b>Total Expenditures</b>                              | <b>6,857</b>                  | <b>14,114</b>                     | <b>20,971</b>    |
| <b>Excess of Revenue Over (Under)<br/>Expenditures</b> | <b>(6,773)</b>                | <b>7,092</b>                      | <b>319</b>       |
| <b>Other Financing Sources (Uses):</b>                 |                               |                                   |                  |
| Proceeds of Refunding Bonds                            | 7,130                         |                                   | 7,130            |
| Payments on Advance Refundings                         | (6,469)                       |                                   | (6,469)          |
| Transfers In   | 6,561                         |                                   | 6,561            |
| Transfers Out  | (828)                         | (7,317)                           | (8,145)          |
| <b>Total Other Financing Sources (Uses)</b>            | <b>6,394</b>                  | <b>(7,317)</b>                    | <b>(923)</b>     |
| <b>Net Change in Fund Balances</b>                     | <b>(379)</b>                  | <b>(225)</b>                      | <b>(604)</b>     |
| Fund Balances at Beginning of Year                     | 4,534                         | 20,543                            | 25,077           |
| <b>Fund Balances at End of Year</b>                    | <b>\$ 4,155</b>               | <b>\$ 20,318</b>                  | <b>\$ 24,473</b> |

STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
June 30, 2020  
(Expressed in Thousands)

| Assets                                      | Revolving<br>Economic<br>Development<br>and Initiative | Second<br>Injury | State<br>Fair   | Federal<br>Surplus<br>Property | Rural<br>Rehabilitation |
|---|--|------------------|-----------------|--------------------------------|-------------------------|
| <b>Current Assets:</b>                      |  |                  |                 |                                |                         |
| Cash and Cash Equivalents                   | \$ 87,899  | \$ 2,757         | \$ 1,016        | \$ 296                         | \$ 2,892                |
| Receivables:                                |  |                  |                 |                                |                         |
| Interest and Dividends                      | 466  | 14               | 3               | 1                              | 52                      |
| Other Funds                                 |  |                  |                 |                                |                         |
| Component Units                             |  |                  |                 |                                |                         |
| Other Governments                           |  |                  |                 | 105                            |                         |
| Loans and Notes, net                        | 6,586  |                  |                 |                                | 626                     |
| Other, net                                  | 53   |                  |                 | 12                             |                         |
| Inventory                                   |  |                  |                 | 1,241                          |                         |
| Other Assets                                |  |                  |                 |                                |                         |
| <b>Total Current Assets</b>                 | <b>95,004</b>  | <b>2,771</b>     | <b>1,019</b>    | <b>1,655</b>                   | <b>3,570</b>            |
| Assets Held for Resale                      | 321  |                  |                 |                                |                         |
| Restricted Assets:                          |  |                  |                 |                                |                         |
| Net Pension Asset                           | 1  |                  | 2               | 2                              |                         |
| <b>Capital Assets:</b>                      |  |                  |                 |                                |                         |
| Land and Other Non-depreciable Assets       |  |                  | 192             | 103                            |                         |
| Property, Plant, and Equipment              | 28   |                  | 8,172           | 559                            | 18                      |
| Accumulated Depreciation                    | (28)   |                  | (3,383)         | (494)                          | (17)                    |
| Construction in Progress                    |  |                  |                 |                                |                         |
| <b>Total Capital Assets</b>                 | <b>0</b>   | <b>0</b>         | <b>4,981</b>    | <b>168</b>                     | <b>1</b>                |
| Other Noncurrent Assets                     | 36,894   |                  |                 |                                | 4,787                   |
| <b>Total Assets</b>                         | <b>132,220</b>   | <b>2,771</b>     | <b>6,002</b>    | <b>1,825</b>                   | <b>8,358</b>            |
| <b>Deferred Outflows of Resources</b>       |  |                  |                 |                                |                         |
| Deferred Outflow Related to Pensions        | 70   | 5                | 114             | 109                            | 21                      |
| <b>Total Deferred Outflows of Resources</b> | <b>70</b>  | <b>5</b>         | <b>114</b>      | <b>109</b>                     | <b>21</b>               |
| <b>Liabilities</b>                          |  |                  |                 |                                |                         |
| <b>Current Liabilities:</b>                 |  |                  |                 |                                |                         |
| Accounts Payable and Other Liabilities      | 69   | 1                | 80              | 42                             | 2                       |
| Payable to:                                 |  |                  |                 |                                |                         |
| Other Funds                                 | 7  |                  | 10              | 3                              | 1                       |
| Claims, Judgments, and Compensated Absences | 28   | 1                | 31              | 62                             | 3                       |
| Unearned Revenue                            |  |                  | 612             |                                |                         |
| <b>Total Current Liabilities</b>            | <b>104</b>   | <b>2</b>         | <b>733</b>      | <b>107</b>                     | <b>6</b>                |
| <b>Noncurrent Liabilities:</b>              |  |                  |                 |                                |                         |
| Claims, Judgments, and Compensated Absences | 25   | 1                | 28              | 55                             | 3                       |
| <b>Total Noncurrent Liabilities</b>         | <b>25</b>  | <b>1</b>         | <b>28</b>       | <b>55</b>                      | <b>3</b>                |
| <b>Total Liabilities</b>                    | <b>129</b>   | <b>3</b>         | <b>761</b>      | <b>162</b>                     | <b>9</b>                |
| <b>Deferred Inflows of Resources</b>        |  |                  |                 |                                |                         |
| Deferred Inflow Related to Pensions         | 27   | 2                | 44              | 42                             | 9                       |
| <b>Total Deferred Inflows of Resources</b>  | <b>27</b>  | <b>2</b>         | <b>44</b>       | <b>42</b>                      | <b>9</b>                |
| <b>Net Position</b>                         |  |                  |                 |                                |                         |
| Net Investment in Capital Assets            |  |                  | 4,981           | 167                            | 1                       |
| Restricted for:                             |  |                  |                 |                                |                         |
| Disaster Relief Fund                        | 10,500   |                  |                 |                                |                         |
| Pensions                                    | 44   | 3                | 72              | 69                             | 12                      |
| Other                                       | 1,870  |                  |                 |                                |                         |
| Unrestricted                                | 119,720  | 2,768            | 258             | 1,494                          | 8,348                   |
| <b>Total Net Position</b>                   | <b>\$ 132,134</b>                                      | <b>\$ 2,771</b>  | <b>\$ 5,311</b> | <b>\$ 1,730</b>                | <b>\$ 8,361</b>         |

| <u>Prison<br/>Industries</u> | <u>S.D. Trust<br/>Company<br/>Captive<br/>Insurance Co.</u> | <u>Professional<br/>and Licensing</u> | <u>Banking and<br/>Insurance</u> | <u>Other</u>    | <u>Total</u>      |
|------------------------------|---|---------------------------------------|----------------------------------|-----------------|-------------------|
| \$ 545                       | \$ 2,161  | \$ 12,736                             | \$ 9,873                         | \$ 8,476        | \$ 128,651        |
| 3                            | 11  | 55                                    | 36                               | 5               | 646               |
| 328                          |   | 5                                     |                                  |                 | 333               |
| 52                           |   |                                       |                                  |                 | 52                |
|                              |   |                                       |                                  | 17              | 122               |
|                              |   |                                       |                                  |                 | 7,212             |
| 73                           |   | 3                                     |                                  | 1               | 142               |
| 998                          |   |                                       |                                  | 64              | 2,303             |
| 11                           |   | 33                                    |                                  | 112             | 156               |
| <u>2,010</u>                 | <u>2,172</u>  | <u>12,832</u>                         | <u>9,909</u>                     | <u>8,675</u>    | <u>139,617</u>    |
|                              |   |                                       |                                  |                 | 321               |
| 3                            |   | 16                                    | 10                               | 6               | 40                |
|                              |   |                                       |                                  |                 | 295               |
| 2,533                        |   | 109                                   |                                  | 538             | 11,957            |
| (1,860)                      |   | (88)                                  |                                  | (303)           | (6,173)           |
|                              |   |                                       |                                  | 267             | 267               |
| <u>673</u>                   | <u>0</u>  | <u>21</u>                             | <u>0</u>                         | <u>502</u>      | <u>6,346</u>      |
|                              |   |                                       |                                  |                 | 41,681            |
| <u>2,686</u>                 | <u>2,172</u>  | <u>12,869</u>                         | <u>9,919</u>                     | <u>9,183</u>    | <u>188,005</u>    |
|                              |   |                                       |                                  |                 |                   |
| 170                          |   | 851                                   | 532                              | 298             | 2,170             |
| <u>170</u>                   | <u>0</u>  | <u>851</u>                            | <u>532</u>                       | <u>298</u>      | <u>2,170</u>      |
|                              |   |                                       |                                  |                 |                   |
| 203                          | 5   | 482                                   | 3,658                            | 648             | 5,190             |
| 45                           |   | 75                                    | 12                               | 35              | 188               |
| 55                           |   | 246                                   | 200                              | 94              | 720               |
| 41                           |   | 823                                   |                                  |                 | 1,476             |
| <u>344</u>                   | <u>5</u>  | <u>1,626</u>                          | <u>3,870</u>                     | <u>777</u>      | <u>7,574</u>      |
|                              |   |                                       |                                  |                 |                   |
| 48                           |   | 217                                   | 176                              | 83              | 636               |
| <u>48</u>                    | <u>0</u>  | <u>217</u>                            | <u>176</u>                       | <u>83</u>       | <u>636</u>        |
| <u>392</u>                   | <u>5</u>  | <u>1,843</u>                          | <u>4,046</u>                     | <u>860</u>      | <u>8,210</u>      |
|                              |   |                                       |                                  |                 |                   |
| 66                           |   | 329                                   | 201                              | 114             | 834               |
| <u>66</u>                    | <u>0</u>  | <u>329</u>                            | <u>201</u>                       | <u>114</u>      | <u>834</u>        |
|                              |   |                                       |                                  |                 |                   |
| 673                          |   | 19                                    |                                  | 502             | 6,343             |
|                              |   |                                       |                                  |                 | 10,500            |
| 107                          |   | 538                                   | 341                              | 190             | 1,376             |
|                              |   |                                       |                                  |                 | 1,870             |
| 1,618                        | 2,167   | 10,991                                | 5,863                            | 7,815           | 161,042           |
| <u>\$ 2,398</u>              | <u>\$ 2,167</u>   | <u>\$ 11,548</u>                      | <u>\$ 6,204</u>                  | <u>\$ 8,507</u> | <u>\$ 181,131</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, 2020  
(Expressed in Thousands)**

|   | Revolving<br>Economic<br>Development<br>and Initiative | Second<br>Injury | State<br>Fair   | Federal<br>Surplus<br>Property | Rural<br>Rehabilitation |
|---|--|------------------|-----------------|--------------------------------|-------------------------|
| <b>Operating Revenue:</b>                                       |  |                  |                 |                                |                         |
| Licenses, Permits, and Fees                                     | \$   | \$               | \$ 1,641        | \$                             | \$ 36                   |
| Use of Money and Property                                       | 853  |                  | 517             |                                | 65                      |
| Sales and Services  | 58   |                  | 854             | 1,973                          |                         |
| Administering Programs  |  |                  | 29              |                                |                         |
| Assessments   |  | 1                |                 |                                |                         |
| Other Revenue   |  |                  | 159             |                                |                         |
| <b>Total Operating Revenue</b>                                  | <b>911</b>   | <b>1</b>         | <b>3,200</b>    | <b>1,973</b>                   | <b>101</b>              |
| <b>Operating Expenses:</b>                                      |  |                  |                 |                                |                         |
| Personal Services and Benefits                                  | 331  | 22               | 1,112           | 697                            | 55                      |
| Travel  | 3  |                  | 10              | 5                              |                         |
| Contractual Services  | 276  |                  | 2,121           | 614                            | 48                      |
| Supplies and Materials  | 6  |                  | 439             | 975                            |                         |
| Other   | 1,138  |                  | 88              |                                | (255)                   |
| Depreciation/Amortization                                       |  |                  | 122             | 9                              |                         |
| Insurance Claims  |  | 941              |                 | 2                              |                         |
| <b>Total Operating Expenses</b>                                 | <b>1,754</b>   | <b>963</b>       | <b>3,892</b>    | <b>2,302</b>                   | <b>(152)</b>            |
| <b>Operating Income (Loss)</b>                                  | <b>(843)</b>   | <b>(962)</b>     | <b>(692)</b>    | <b>(329)</b>                   | <b>253</b>              |
| <b>Nonoperating Revenue (Expenses):</b>                         |  |                  |                 |                                |                         |
| Gain on Disposal of Assets                                      |  |                  | 5               |                                |                         |
| Investment Income   | 3,564  | 147              | 21              | 4                              | 131                     |
| Other Expense   | (123)  |                  |                 |                                |                         |
| Grant and Other Income  | 1,500  |                  |                 |                                | 135                     |
| <b>Total Nonoperating Revenue (Expenses)</b>                    | <b>4,941</b>   | <b>147</b>       | <b>26</b>       | <b>4</b>                       | <b>266</b>              |
| <b>Income (Loss) Before Capital Contributions and Transfers</b> | <b>4,098</b>   | <b>(815)</b>     | <b>(666)</b>    | <b>(325)</b>                   | <b>519</b>              |
| <b>Capital Contributions and Transfers:</b>                     |  |                  |                 |                                |                         |
| Capital Contributions   |  |                  | 19              |                                |                         |
| Transfers In  | 9,000  |                  |                 |                                |                         |
| Transfers Out   |  | (1)              |                 |                                | (1,177)                 |
| <b>Net Capital Contributions and Transfers</b>                  | <b>9,000</b>   | <b>(1)</b>       | <b>19</b>       | <b>0</b>                       | <b>(1,177)</b>          |
| <b>Change in Net Position</b>                                   | <b>13,098</b>  | <b>(816)</b>     | <b>(647)</b>    | <b>(325)</b>                   | <b>(658)</b>            |
| Net Position at Beginning of Year                               | 119,036  | 3,587            | 5,958           | 2,055                          | 9,019                   |
| <b>Net Position at End of Year</b>                              | <b>\$ 132,134</b>                                      | <b>\$ 2,771</b>  | <b>\$ 5,311</b> | <b>\$ 1,730</b>                | <b>\$ 8,361</b>         |

| <u>Prison<br/>Industries</u> | <u>S.D. Trust<br/>Company<br/>Captive<br/>Insurance Co.</u> | <u>Professional<br/>and Licensing</u> | <u>Banking and<br/>Insurance</u> | <u>Other</u>    | <u>Total</u>      |
|------------------------------|---|---------------------------------------|----------------------------------|-----------------|-------------------|
| \$                           | \$  | \$ 7,828                              | \$ 5,456                         | \$ 3,934        | \$ 18,895         |
|                              |   |                                       |                                  | 3               | 1,438             |
| 3,781                        | (64)  | 213                                   | 454                              | 929             | 8,198             |
|                              |   | 95                                    |                                  |                 | 124               |
|                              |   |                                       |                                  |                 | 1                 |
|                              |   | 512                                   | 53                               | 17              | 741               |
| <b>3,781</b>                 | <b>(64)</b>   | <b>8,648</b>                          | <b>5,963</b>                     | <b>4,883</b>    | <b>29,397</b>     |
| 1,039                        |   | 5,274                                 | 3,328                            | 2,244           | 14,102            |
| 13                           |   | 560                                   | 156                              | 175             | 922               |
| 321                          | 30  | 3,134                                 | 2,045                            | 849             | 9,438             |
| 2,030                        |   | 240                                   | 35                               | 184             | 3,909             |
|                              |   | 10                                    |                                  |                 | 981               |
| 87                           |   | 12                                    |                                  | 46              | 276               |
|                              |   |                                       |                                  |                 | 943               |
| <b>3,490</b>                 | <b>30</b>   | <b>9,230</b>                          | <b>5,564</b>                     | <b>3,498</b>    | <b>30,571</b>     |
| 291                          | (94)  | (582)                                 | 399                              | 1,385           | (1,174)           |
|                              |   |                                       |                                  | 1               | 6                 |
| 30                           | 108   | 534                                   | 376                              | 44              | 4,959             |
|                              |   | (1)                                   | (1)                              |                 | (125)             |
|                              |   |                                       |                                  |                 | 1,635             |
| <b>30</b>                    | <b>108</b>  | <b>533</b>                            | <b>375</b>                       | <b>45</b>       | <b>6,475</b>      |
| 321                          | 14  | (49)                                  | 774                              | 1,430           | 5,301             |
|                              |   |                                       |                                  |                 | 19                |
| 7                            |   |                                       |                                  | 94              | 9,101             |
| (180)                        |   | (125)                                 | (145)                            |                 | (1,628)           |
| (173)                        | 0   | (125)                                 | (145)                            | 94              | 7,492             |
| 148                          | 14  | (174)                                 | 629                              | 1,524           | 12,793            |
| 2,250                        | 2,153   | 11,722                                | 5,575                            | 6,983           | 168,338           |
| <b>\$ 2,398</b>              | <b>\$ 2,167</b>   | <b>\$ 11,548</b>                      | <b>\$ 6,204</b>                  | <b>\$ 8,507</b> | <b>\$ 181,131</b> |

**STATE OF SOUTH DAKOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Fiscal Year Ended June 30, 2020**  
**(Expressed in Thousands)**

|   | Revolving<br>Economic<br>Development<br>and Initiative | Second<br>Injury | State<br>Fair     | Federal<br>Surplus<br>Property | Rural<br>Rehabilitation |
|---|--|------------------|-------------------|--------------------------------|-------------------------|
| <b>Cash Flows from Operating Activities:</b>  |  |                  |                   |                                |                         |
| Receipts from Customers and Users   | \$ 58  | \$ 1             | \$ 2,620          | \$ 1,587                       | \$ 36                   |
| Receipts from Interfund Services Provided   |  |                  | 29                | 224                            |                         |
| Receipts from Federal Agencies  |  |                  |                   | 223                            |                         |
| Receipts from Loan Payments   | 11,887   |                  |                   |                                | 1,453                   |
| Payments to Suppliers and for Benefits and Claims   | (205)  |                  | (2,657)           | (1,473)                        | (64)                    |
| Payments for Employee Services  | (247)  | (24)             | (1,011)           | (623)                          | (57)                    |
| Payments for Interfund Services Used  | (52)   |                  | (313)             | (88)                           | (2)                     |
| Payments for Loans Originated   | (16,275)   |                  |                   |                                | (500)                   |
| Other Receipts (Payments)   | (107)  | (941)            | 159               | 20                             |                         |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>(4,941)</b>   | <b>(964)</b>     | <b>(1,173)</b>    | <b>(130)</b>                   | <b>866</b>              |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                                      |  |                  |                   |                                |                         |
| Capital Contributions   |  |                  | 19                |                                |                         |
| Purchases of Capital Assets   |  |                  | (188)             |                                |                         |
| Construction in Progress  |  |                  |                   |                                |                         |
| Sales of Capital Assets   |  |                  | 18                |                                |                         |
| <b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>                           | <b>0</b>   | <b>0</b>         | <b>(151)</b>      | <b>0</b>                       | <b>0</b>                |
| <b>Cash Flows from Noncapital Financing Activities:</b>   |  |                  |                   |                                |                         |
| Transfers In  | 9,000  |                  |                   |                                |                         |
| Transfers Out   |  | (1)              |                   |                                | (1,175)                 |
| Services Provided to Others   | (110)  |                  |                   |                                |                         |
| Grants and Other Noncapital Financing Activities  | 1,500  |                  |                   | 33                             | 135                     |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>                                    | <b>10,390</b>  | <b>(1)</b>       | <b>0</b>          | <b>33</b>                      | <b>(1,040)</b>          |
| <b>Cash Flows from Investing Activities:</b>  |  |                  |                   |                                |                         |
| Investment Income   | 3,603  | 145              | 5                 | 7                              | 132                     |
| Investment Expense  | (13)   |                  |                   |                                |                         |
| <b>Net Cash Provided (Used) by Investing Activities</b>   | <b>3,590</b>   | <b>145</b>       | <b>5</b>          | <b>7</b>                       | <b>132</b>              |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year</b>                    | <b>9,039</b>   | <b>(820)</b>     | <b>(1,319)</b>    | <b>(90)</b>                    | <b>(42)</b>             |
| Cash and Cash Equivalents at Beginning of Year  | 78,860   | 3,577            | 2,335             | 386                            | 2,934                   |
| <b>Cash and Cash Equivalents at End of Year</b>   | <b>\$ 87,899</b>                                       | <b>\$ 2,757</b>  | <b>\$ 1,016</b>   | <b>\$ 296</b>                  | <b>\$ 2,892</b>         |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |  |                  |                   |                                |                         |
| Operating Income (Loss)   | \$ (843)   | \$ (962)         | \$ (692)          | \$ (329)                       | \$ 253                  |
| Depreciation/Amortization Expense   |  |                  | 122               | 9                              |                         |
| Bad Debt Expense  |  |                  |                   |                                | (274)                   |
| Decrease/(Increase) in Assets:  |  |                  |                   |                                |                         |
| Accounts Receivable   | 253  |                  | 25                | (10)                           |                         |
| Interest, Dividends, and Penalties Receivable   | (61)   |                  |                   |                                | 175                     |
| Loans and Notes Receivable  | (4,080)  |                  |                   |                                | 713                     |
| Due From Other Funds  |  |                  |                   |                                |                         |
| Due From Component Units  |  |                  |                   |                                |                         |
| Due From Other Governments  |  |                  |                   | 93                             |                         |
| Inventory   |  |                  |                   | 86                             |                         |
| Other Assets  | (321)  |                  |                   |                                |                         |
| Other Restricted Assets   | (1)  |                  |                   |                                |                         |
| Restricted Net Pension Asset  | (1)  |                  | (2)               | (2)                            |                         |
| Decrease/(Increase) in Deferred Outflows of Resources:  |  |                  |                   |                                |                         |
| Deferred Outflows Related to Pensions   | 49   | (1)              | 45                | 54                             | 20                      |
| Increase/(Decrease) in Liabilities:   |  |                  |                   |                                |                         |
| Accounts Payable  | 28   |                  | (294)             | (51)                           |                         |
| Accrued Liabilities   | 7  | (1)              | 48                | 4                              | (2)                     |
| Compensated Absences Payable  | 28   | (1)              |                   | 11                             | (20)                    |
| Due To Other Funds  |  |                  | (16)              | (1)                            | 1                       |
| Due To Other Component Units  |  |                  |                   |                                |                         |
| Due To Other Governments  |  |                  | (2)               |                                |                         |
| Unearned Revenue  |  |                  | (418)             | (1)                            |                         |
| Other Liabilities   |  |                  |                   |                                |                         |
| Increase/(Decrease) in Deferred Inflows of Resources:   |  |                  |                   |                                |                         |
| Deferred Inflows Related to Pensions  | 1  | 1                | 11                | 7                              |                         |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>\$ (4,941)</b>                                      | <b>\$ (964)</b>  | <b>\$ (1,173)</b> | <b>\$ (130)</b>                | <b>\$ 866</b>           |

| Prison Industries | S.D. Trust Company Captive Insurance Co. | Professional and Licensing | Banking and Insurance | Other           | Total             |
|-------------------|--|----------------------------|-----------------------|-----------------|-------------------|
| \$ 1,106          | \$ 67                                    | \$ 8,523                   | \$ 5,909              | \$ 4,859        | \$ 24,766         |
| 4,109             |  | 95                         |                       | 13              | 4,470             |
|                   |  |                            |                       |                 | 223               |
|                   |  |                            |                       |                 | 13,340            |
| (2,309)           | (131)                                    | (3,098)                    | (1,344)               | (770)           | (12,051)          |
| (908)             | (38)                                     | (4,772)                    | (2,932)               | (2,039)         | (12,651)          |
| (1,762)           | (5)                                      | (847)                      | (204)                 | (190)           | (3,463)           |
|                   |  |                            |                       |                 | (16,775)          |
|                   |  | 30                         | 53                    | 6               | (780)             |
| <b>236</b>        | <b>(107)</b>                             | <b>(69)</b>                | <b>1,482</b>          | <b>1,879</b>    | <b>(2,921)</b>    |
|                   |  |                            |                       |                 | 19                |
| (87)              |  |                            |                       | (22)            | (297)             |
|                   |  |                            |                       | (32)            | (32)              |
|                   |  |                            |                       | 1               | 19                |
| <b>(87)</b>       | <b>0</b>                                 | <b>0</b>                   | <b>0</b>              | <b>(53)</b>     | <b>(291)</b>      |
| 7                 |  |                            |                       | 94              | 9,101             |
| (180)             |  | (125)                      | (145)                 |                 | (1,626)           |
|                   |  |                            |                       |                 | (110)             |
|                   |  |                            |                       |                 | 1,668             |
| <b>(173)</b>      | <b>0</b>                                 | <b>(125)</b>               | <b>(145)</b>          | <b>94</b>       | <b>9,033</b>      |
| 31                | 105                                      | 538                        | 373                   | 45              | 4,984             |
|                   |  | (1)                        | (1)                   |                 | (15)              |
| <b>31</b>         | <b>105</b>                               | <b>537</b>                 | <b>372</b>            | <b>45</b>       | <b>4,969</b>      |
| 7                 | (2)                                      | 343                        | 1,709                 | 1,965           | 10,790            |
| 538               | 2,163                                    | 12,393                     | 8,164                 | 6,511           | 117,861           |
| <b>\$ 545</b>     | <b>\$ 2,161</b>                          | <b>\$ 12,736</b>           | <b>\$ 9,873</b>       | <b>\$ 8,476</b> | <b>\$ 128,651</b> |
| \$ 291            | \$ (94)                                  | \$ (582)                   | \$ 399                | \$ 1,385        | \$ (1,174)        |
| 87                |  | 12                         |                       | 46              | 276               |
|                   |  |                            |                       |                 | (274)             |
|                   |  |                            |                       |                 | 268               |
|                   |  |                            |                       |                 | 114               |
|                   |  |                            |                       |                 | (3,367)           |
| (125)             |  | (5)                        |                       |                 | (130)             |
| (20)              |  |                            |                       |                 | (20)              |
|                   |  |                            |                       | (12)            | 81                |
| (142)             |  |                            |                       | 23              | (33)              |
| (2)               |  | (33)                       |                       | (110)           | (466)             |
|                   |  |                            |                       |                 | (1)               |
|                   |  | (13)                       | (8)                   | (4)             | (30)              |
| 98                |  | 425                        | 262                   | 152             | 1,104             |
| (33)              | (13)                                     | 46                         | 692                   | (45)            | 330               |
| 13                |  | 11                         | 37                    | 7               | 124               |
| 16                |  | 22                         | 74                    | 31              | 161               |
| 7                 |  | (14)                       | (4)                   | (26)            | (53)              |
|                   |  |                            |                       | 1               | 1                 |
|                   |  |                            |                       |                 | (2)               |
| 39                |  | 6                          |                       |                 | (374)             |
|                   |  |                            |                       | 414             | 414               |
| 7                 |  | 56                         | 30                    | 17              | 130               |
| <b>\$ 236</b>     | <b>\$ (107)</b>                          | <b>\$ (69)</b>             | <b>\$ 1,482</b>       | <b>\$ 1,879</b> | <b>\$ (2,921)</b> |

STATE OF SOUTH DAKOTA  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 June 30, 2020  
 (Expressed in Thousands)

| Assets                                      | Self-<br>Insurance | Information<br>Services | Tele-<br>communi-<br>cations | Accounting<br>and<br>Payroll | Buildings<br>and<br>Grounds | Central<br>Mail |
|---|--------------------|-------------------------|------------------------------|------------------------------|-----------------------------|-----------------|
| <b>Current Assets:</b>                      |                    |                         |                              |                              |                             |                 |
| Cash and Cash Equivalents                   | \$ 48,913          | \$ 4,392                | \$ 1,844                     | \$ 3,751                     | \$ 1,220                    | \$ 664          |
| Receivables:                                |                    |                         |                              |                              |                             |                 |
| Interest and Dividends                      | 92                 | 13                      | 6                            | 17                           | 2                           | 3               |
| Other Funds                                 | 791                | 2,520                   | 1,423                        | 1,315                        | 842                         | 329             |
| Component Units                             |                    | 3                       | 212                          | 100                          |                             |                 |
| Other Governments                           |                    |                         |                              |                              |                             |                 |
| Other, net                                  | 6,601              | 1                       | 16                           |                              |                             | 5               |
| Inventory                                   |                    | 13                      | 14                           |                              |                             | 141             |
| Other Assets                                | 103                | 1,654                   | 1,165                        | 1,175                        |                             | 20              |
| <b>Total Current Assets</b>                 | <b>56,500</b>      | <b>8,596</b>            | <b>4,680</b>                 | <b>6,358</b>                 | <b>2,064</b>                | <b>1,162</b>    |
| <b>Restricted Assets:</b>                   |                    |                         |                              |                              |                             |                 |
| Net Pension Asset                           | 3                  | 70                      | 21                           | 6                            | 12                          | 1               |
| <b>Capital Assets:</b>                      |                    |                         |                              |                              |                             |                 |
| Property, Plant, and Equipment              |                    | 13,197                  | 4,560                        | 13,183                       | 1,521                       | 669             |
| Accumulated Depreciation                    |                    | (11,272)                | (3,541)                      | (12,755)                     | (1,247)                     | (584)           |
| Construction in Progress                    |                    |                         |                              | 1,057                        |                             |                 |
| <b>Total Capital Assets</b>                 | <b>0</b>           | <b>1,925</b>            | <b>1,019</b>                 | <b>1,485</b>                 | <b>274</b>                  | <b>85</b>       |
| <b>Total Assets</b>                         | <b>56,503</b>      | <b>10,591</b>           | <b>5,720</b>                 | <b>7,849</b>                 | <b>2,350</b>                | <b>1,248</b>    |
| <b>Deferred Outflows of Resources</b>       |                    |                         |                              |                              |                             |                 |
| Deferred Outflow Related to Pensions        | 172                | 3,623                   | 1,146                        | 314                          | 649                         | 67              |
| <b>Total Deferred Outflows of Resources</b> | <b>172</b>         | <b>3,623</b>            | <b>1,146</b>                 | <b>314</b>                   | <b>649</b>                  | <b>67</b>       |
| <b>Liabilities</b>                          |                    |                         |                              |                              |                             |                 |
| <b>Current Liabilities:</b>                 |                    |                         |                              |                              |                             |                 |
| Accounts Payable and Other Liabilities      | 889                | 1,194                   | 793                          | 214                          | 340                         | 61              |
| Payable to:                                 |                    |                         |                              |                              |                             |                 |
| Other Funds                                 | 112                | 118                     | 241                          | 139                          | 55                          | 6               |
| Component Units                             |                    |                         |                              |                              |                             |                 |
| Bonds, Notes, and Leases Payable            |                    | 340                     | 133                          |                              |                             | 17              |
| Claims, Judgments, and Compensated Absences | 17,772             | 1,299                   | 584                          | 154                          | 192                         | 41              |
| Unearned Revenue                            | 12,826             | 198                     |                              |                              |                             |                 |
| <b>Total Current Liabilities</b>            | <b>31,599</b>      | <b>3,149</b>            | <b>1,751</b>                 | <b>507</b>                   | <b>587</b>                  | <b>125</b>      |
| <b>Noncurrent Liabilities:</b>              |                    |                         |                              |                              |                             |                 |
| Bonds, Notes, and Leases Payable            |                    | 813                     |                              |                              |                             | 24              |
| Claims, Judgments, and Compensated Absences | 47                 | 1,145                   | 515                          | 136                          | 169                         | 37              |
| Other Noncurrent Liabilities                | 55                 |                         |                              |                              |                             |                 |
| <b>Total Noncurrent Liabilities</b>         | <b>102</b>         | <b>1,958</b>            | <b>515</b>                   | <b>136</b>                   | <b>169</b>                  | <b>61</b>       |
| <b>Total Liabilities</b>                    | <b>31,701</b>      | <b>5,107</b>            | <b>2,266</b>                 | <b>643</b>                   | <b>756</b>                  | <b>186</b>      |
| <b>Deferred Inflows of Resources</b>        |                    |                         |                              |                              |                             |                 |
| Deferred Inflow Related to Pensions         | 65                 | 1,419                   | 431                          | 122                          | 250                         | 26              |
| <b>Total Deferred Inflows of Resources</b>  | <b>65</b>          | <b>1,419</b>            | <b>431</b>                   | <b>122</b>                   | <b>250</b>                  | <b>26</b>       |
| <b>Net Position</b>                         |                    |                         |                              |                              |                             |                 |
| Net Investment in Capital Assets            |                    | 773                     | 887                          | 1,484                        | 274                         | 43              |
| Restricted for Pensions                     | 110                | 2,274                   | 736                          | 198                          | 411                         | 42              |
| Unrestricted                                | 24,799             | 4,641                   | 2,546                        | 5,716                        | 1,308                       | 1,018           |
| <b>Total Net Position</b>                   | <b>\$ 24,909</b>   | <b>\$ 7,688</b>         | <b>\$ 4,169</b>              | <b>\$ 7,398</b>              | <b>\$ 1,993</b>             | <b>\$ 1,103</b> |

| Digital<br>Dakota<br>Network | Public<br>Entity<br>Pool for<br>Liability | Fleet<br>and Travel<br>Management | Personnel       | Workers<br>Compensation | Other            | Total            |
|------------------------------|---|-----------------------------------|-----------------|-------------------------|------------------|------------------|
| \$ 550                       | \$ 12,342                                 | \$ 829                            | \$ 1,246        | \$ 3,682                | \$ 5,116         | \$ 84,549        |
| 3                            | 45  | 4                                 | 5               | 16                      | 20               | 226              |
| 44                           |   | 1,226                             | 113             |                         | 1,119            | 9,722            |
| 118                          |   | 104                               |                 |                         | 43               | 580              |
|                              |   |                                   |                 |                         | 192              | 192              |
| 8                            | 18  | 21                                |                 | 41                      | 90               | 6,801            |
|                              |   |                                   |                 |                         | 845              | 1,013            |
| 64                           | 37  |                                   | 6               | 203                     | 77               | 4,504            |
| <b>787</b>                   | <b>12,442</b>                             | <b>2,184</b>                      | <b>1,370</b>    | <b>3,942</b>            | <b>7,502</b>     | <b>107,587</b>   |
| 2                            | 2   | 3                                 | 12              | 1                       | 21               | 154              |
| 2,207                        |   | 65,210                            |                 |                         | 11,148           | 111,695          |
| (2,053)                      |   | (42,761)                          |                 |                         | (4,889)          | (79,102)         |
|                              |   |                                   |                 |                         |                  | 1,057            |
| <b>154</b>                   | <b>0</b>                                  | <b>22,449</b>                     | <b>0</b>        | <b>0</b>                | <b>6,259</b>     | <b>33,650</b>    |
| <b>943</b>                   | <b>12,444</b>                             | <b>24,636</b>                     | <b>1,382</b>    | <b>3,943</b>            | <b>13,782</b>    | <b>141,391</b>   |
| 94                           | 115                                       | 135                               | 646             | 46                      | 1,108            | 8,115            |
| <b>94</b>                    | <b>115</b>                                | <b>135</b>                        | <b>646</b>      | <b>46</b>               | <b>1,108</b>     | <b>8,115</b>     |
| 30                           | 51  | 374                               | 223             | 17                      | 571              | 4,757            |
| 16                           | 11  | 272                               | 51              | 9                       | 378              | 1,408            |
|                              |   | 53                                | 12              |                         |                  | 65               |
|                              |   | 4,602                             |                 |                         | 64               | 5,156            |
| 52                           | 1,767                                     | 46                                | 245             | 4,084                   | 472              | 26,708           |
|                              |   |                                   |                 |                         | 14               | 13,038           |
| <b>98</b>                    | <b>1,829</b>                              | <b>5,347</b>                      | <b>531</b>      | <b>4,110</b>            | <b>1,499</b>     | <b>51,132</b>    |
|                              |   | 11,473                            |                 |                         | 209              | 12,519           |
| 46                           | 3,151                                     | 36                                | 213             | 28,187                  | 411              | 34,093           |
|                              |   |                                   |                 |                         |                  | 55               |
| <b>46</b>                    | <b>3,151</b>                              | <b>11,509</b>                     | <b>213</b>      | <b>28,187</b>           | <b>620</b>       | <b>46,667</b>    |
| <b>144</b>                   | <b>4,980</b>                              | <b>16,856</b>                     | <b>744</b>      | <b>32,297</b>           | <b>2,119</b>     | <b>97,799</b>    |
| 36                           | 44  | 53                                | 250             | 18                      | 430              | 3,144            |
| <b>36</b>                    | <b>44</b>                                 | <b>53</b>                         | <b>250</b>      | <b>18</b>               | <b>430</b>       | <b>3,144</b>     |
| 153                          |   | 6,370                             |                 |                         | 5,966            | 15,950           |
| 60                           | 73  | 85                                | 408             | 29                      | 699              | 5,125            |
| 644                          | 7,462                                     | 1,407                             | 626             | (28,355)                | 5,676            | 27,488           |
| <b>\$ 857</b>                | <b>\$ 7,535</b>                           | <b>\$ 7,862</b>                   | <b>\$ 1,034</b> | <b>\$ (28,326)</b>      | <b>\$ 12,341</b> | <b>\$ 48,563</b> |

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|   | Self-<br>Insurance | Information<br>Services | Tele-<br>communi-<br>cations | Accounting<br>and<br>Payroll | Buildings<br>and<br>Grounds | Central<br>Mail |
|---|--------------------|-------------------------|------------------------------|------------------------------|-----------------------------|-----------------|
| <b>Operating Revenue:</b>                         |                    |                         |                              |                              |                             |                 |
| Use of Money and Property                         | \$                 | \$                      | \$                           | \$                           | \$                          | \$              |
| Sales and Services                                | 187,088            | 25,292                  | 18,034                       | 5,213                        | 6,882                       | 3,158           |
| Other Revenue                                     | 6,546              |                         | 9                            | 13                           | 4                           | 4               |
| <b>Total Operating Revenue</b>                    | <b>193,634</b>     | <b>25,292</b>           | <b>18,043</b>                | <b>5,226</b>                 | <b>6,886</b>                | <b>3,162</b>    |
| <b>Operating Expenses:</b>                        |                    |                         |                              |                              |                             |                 |
| Personal Services and Benefits                    | 1,132              | 20,600                  | 7,395                        | 1,773                        | 4,211                       | 451             |
| Travel  | 8                  | 115                     | 127                          | 7                            |                             |                 |
| Contractual Services                              | 31,507             | 4,943                   | 10,482                       | 3,336                        | 2,170                       | 196             |
| Supplies and Materials                            | 53                 | 208                     | 575                          | 80                           | 766                         | 2,564           |
| Grant and Other                                   | 5                  |                         |                              |                              |                             |                 |
| Interest  | 1                  | 1                       | 9                            |                              |                             | 6               |
| Depreciation/Amortization                         |                    | 427                     | 500                          | 240                          | 33                          | 67              |
| Insurance Claims                                  | 137,404            |                         |                              |                              |                             |                 |
| <b>Total Operating Expenses</b>                   | <b>170,110</b>     | <b>26,294</b>           | <b>19,088</b>                | <b>5,436</b>                 | <b>7,180</b>                | <b>3,284</b>    |
| <b>Operating Income (Loss)</b>                    | <b>23,524</b>      | <b>(1,002)</b>          | <b>(1,045)</b>               | <b>(210)</b>                 | <b>(294)</b>                | <b>(122)</b>    |
| <b>Nonoperating Revenue (Expenses):</b>           |                    |                         |                              |                              |                             |                 |
| Gain on Disposal of Assets                        |                    | 38                      | 13                           |                              | 5                           |                 |
| Loss on Disposal of Assets                        |                    | (4)                     |                              |                              |                             |                 |
| Investment Income                                 | 702                | 112                     | 47                           | 174                          | 22                          | 24              |
| Other Expense                                     | (3)                |                         |                              | (1)                          |                             |                 |
| Grant and Other Income                            |                    | 19                      | 23                           |                              |                             |                 |
| <b>Total Nonoperating Revenue (Expenses)</b>      | <b>699</b>         | <b>165</b>              | <b>83</b>                    | <b>173</b>                   | <b>27</b>                   | <b>24</b>       |
| <b>Income (Loss) Before Capital Contributions</b> |                    |                         |                              |                              |                             |                 |
| <b>Income (Loss) Before Transfers</b>             | <b>24,223</b>      | <b>(837)</b>            | <b>(962)</b>                 | <b>(37)</b>                  | <b>(267)</b>                | <b>(98)</b>     |
| <b>Transfers:</b>                                 |                    |                         |                              |                              |                             |                 |
| Capital Contribution                              |                    |                         |                              |                              | 19                          |                 |
| Transfers In                                      |                    |                         |                              | 599                          |                             |                 |
| <b>Net Transfers</b>                              | <b>0</b>           | <b>0</b>                | <b>0</b>                     | <b>599</b>                   | <b>19</b>                   | <b>0</b>        |
| <b>Change in Net Position</b>                     | <b>24,223</b>      | <b>(837)</b>            | <b>(962)</b>                 | <b>562</b>                   | <b>(248)</b>                | <b>(98)</b>     |
| Net Position at Beginning of Year                 | 686                | 8,525                   | 5,131                        | 6,836                        | 2,241                       | 1,201           |
| <b>Net Position at End of Year</b>                | <b>\$ 24,909</b>   | <b>\$ 7,688</b>         | <b>\$ 4,169</b>              | <b>\$ 7,398</b>              | <b>\$ 1,993</b>             | <b>\$ 1,103</b> |

| Digital<br>Dakota<br>Network | Public<br>Entity<br>Pool for<br>Liability | Fleet<br>and Travel<br>Management | Personnel       | Workers<br>Compensation | Other            | Total            |
|------------------------------|---|-----------------------------------|-----------------|-------------------------|------------------|------------------|
| \$ 751                       | \$ 3,680                                  | \$ 15,104                         | \$ 4,583        | \$ 5,907                | \$ 9             | \$ 287,733       |
|                              | 88  | 26                                |                 | 82                      | 168              | 6,940            |
| <b>751</b>                   | <b>3,768</b>                              | <b>15,130</b>                     | <b>4,583</b>    | <b>5,989</b>            | <b>12,218</b>    | <b>294,682</b>   |
| 548                          | 726                                       | 835                               | 4,116           | 302                     | 7,385            | 49,474           |
| 6                            | 46  | 4                                 | 58              |                         | 390              | 761              |
| 158                          | 789                                       | 2,597                             | 827             | 183                     | 1,837            | 59,025           |
| 5                            | 9   | 6,116                             | 181             | 11                      | 1,337            | 11,905           |
|                              |   | 523                               |                 |                         | 14               | 5                |
| 35                           |   | 4,584                             |                 |                         | 420              | 554              |
|                              | 1,548                                     |                                   |                 | 5,938                   | 552              | 145,442          |
| <b>752</b>                   | <b>3,118</b>                              | <b>14,659</b>                     | <b>5,182</b>    | <b>6,434</b>            | <b>11,935</b>    | <b>273,472</b>   |
| (1)                          | 650                                       | 471                               | (599)           | (445)                   | 283              | 21,210           |
|                              |   | 201                               |                 |                         | 17               | 274              |
|                              |   | (89)                              |                 |                         | (33)             | (126)            |
| 24                           | 438                                       | 50                                | 45              | 147                     | 196              | 1,981            |
|                              | (2)                                       |                                   |                 | (1)                     | (1)              | (8)              |
| <b>24</b>                    | <b>436</b>                                | <b>162</b>                        | <b>45</b>       | <b>146</b>              | <b>179</b>       | <b>2,163</b>     |
| 23                           | 1,086                                     | 633                               | (554)           | (299)                   | 462              | 23,373           |
|                              |   |                                   | 273             |                         | 590              | 19               |
| <b>0</b>                     | <b>0</b>                                  | <b>0</b>                          | <b>273</b>      | <b>0</b>                | <b>590</b>       | <b>1,462</b>     |
| 23                           | 1,086                                     | 633                               | (281)           | (299)                   | 1,052            | 24,854           |
| 834                          | 6,449                                     | 7,229                             | 1,315           | (28,027)                | 11,289           | 23,709           |
| <b>\$ 857</b>                | <b>\$ 7,535</b>                           | <b>\$ 7,862</b>                   | <b>\$ 1,034</b> | <b>\$ (28,326)</b>      | <b>\$ 12,341</b> | <b>\$ 48,563</b> |

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|   | Self-<br>Insurance | Information<br>Services | Tele-<br>communi-<br>cations | Accounting<br>and<br>Payroll | Buildings<br>and<br>Grounds | Central<br>Mail |
|---|--------------------|-------------------------|------------------------------|------------------------------|-----------------------------|-----------------|
| <b>Cash Flows from Operating Activities:</b>  |                    |                         |                              |                              |                             |                 |
| Receipts from Customers and Users   | \$ 89,328          | \$ 403                  | \$ 3,108                     | \$ 555                       | \$ 7                        | \$ 184          |
| Receipts from Interfund Services Provided   | 98,646             | 24,642                  | 14,733                       | 4,828                        | 7,316                       | 2,902           |
| Payments to Suppliers and for Benefits and Claims   | (165,373)          | (4,473)                 | (10,146)                     | (2,245)                      | (2,087)                     | (2,438)         |
| Payments for Employee Services  | (984)              | (18,279)                | (6,675)                      | (1,576)                      | (3,827)                     | (404)           |
| Payments for Interfund Services Used  | (1,556)            | (1,353)                 | (1,289)                      | (1,288)                      | (825)                       | (104)           |
| Other Receipts (Payments)   | 8,061              |                         | 9                            | 13                           | 6                           | 4               |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>28,122</b>      | <b>940</b>              | <b>(260)</b>                 | <b>287</b>                   | <b>590</b>                  | <b>144</b>      |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                                      |                    |                         |                              |                              |                             |                 |
| Purchases of Capital Assets   |                    | (462)                   | (210)                        |                              | (105)                       |                 |
| Construction in Progress  |                    |                         |                              | (258)                        |                             |                 |
| Sales of Capital Assets   |                    | 38                      | 13                           |                              | 7                           |                 |
| Payments on Capital Lease Obligations   |                    | (119)                   | (138)                        |                              |                             | (69)            |
| <b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>                           | <b>0</b>           | <b>(543)</b>            | <b>(335)</b>                 | <b>(258)</b>                 | <b>(98)</b>                 | <b>(69)</b>     |
| <b>Cash Flows from Noncapital Financing Activities:</b>   |                    |                         |                              |                              |                             |                 |
| Transfers In  |                    |                         |                              | 599                          |                             |                 |
| Grants and Other Noncapital Financing Activities  |                    |                         | 23                           |                              |                             |                 |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>                                    | <b>0</b>           | <b>0</b>                | <b>23</b>                    | <b>599</b>                   | <b>0</b>                    | <b>0</b>        |
| <b>Cash Flows from Investing Activities:</b>  |                    |                         |                              |                              |                             |                 |
| Investment Income   | 767                | 119                     | 51                           | 174                          | 21                          | 25              |
| Investment Expense  | (3)                |                         |                              | (1)                          |                             |                 |
| <b>Net Cash Provided (Used) by Investing Activities</b>   | <b>764</b>         | <b>119</b>              | <b>51</b>                    | <b>173</b>                   | <b>21</b>                   | <b>25</b>       |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year</b>                    | <b>28,886</b>      | <b>516</b>              | <b>(521)</b>                 | <b>801</b>                   | <b>513</b>                  | <b>100</b>      |
| Cash and Cash Equivalents at Beginning of Year  | 20,027             | 3,876                   | 2,365                        | 2,950                        | 707                         | 564             |
| <b>Cash and Cash Equivalents at End of Year</b>   | <b>\$ 48,913</b>   | <b>\$ 4,392</b>         | <b>\$ 1,844</b>              | <b>\$ 3,751</b>              | <b>\$ 1,220</b>             | <b>\$ 664</b>   |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                    |                         |                              |                              |                             |                 |
| Operating Income (Loss)   | \$ 23,524          | \$ (1,002)              | \$ (1,045)                   | \$ (210)                     | \$ (294)                    | \$ (122)        |
| Adjustments to Reconcile Operating Income (Loss):   |                    |                         |                              |                              |                             |                 |
| Depreciation/Amortization Expense   |                    | 427                     | 500                          | 240                          | 33                          | 67              |
| Interest Expense  |                    | 1                       | 9                            |                              |                             | 6               |
| Decrease/(Increase) in Assets:  |                    |                         |                              |                              |                             |                 |
| Accounts Receivable   | (1,156)            |                         | 1                            |                              |                             | (4)             |
| Due From Other Funds  | (791)              | (445)                   | (206)                        | 131                          | 442                         | (66)            |
| Due From Component Units  |                    |                         | 13                           | 38                           |                             |                 |
| Due From Other Governments  |                    |                         |                              |                              |                             |                 |
| Inventory   |                    | (1)                     | 24                           |                              |                             | 191             |
| Other Assets  | 3,055              | (407)                   | (235)                        | (94)                         |                             |                 |
| Restricted Net Pension Asset  | (2)                | (54)                    | (17)                         | (5)                          | (10)                        | (1)             |
| Decrease/(Increase) in Deferred Outflows of Resources:  |                    |                         |                              |                              |                             |                 |
| Deferred Outflows Related to Pensions   | 98                 | 2,039                   | 481                          | 166                          | 337                         | 39              |
| Increase/(Decrease) in Liabilities:   |                    |                         |                              |                              |                             |                 |
| Accounts Payable  | 58                 | (123)                   | (67)                         | (42)                         | (1)                         | 28              |
| Accrued Liabilities   | 10                 | 112                     | 48                           | 4                            | 19                          | 1               |
| Compensated Absences Payable  | 36                 | 22                      | 122                          | 12                           | (1)                         | 4               |
| Due To Other Funds  | 11                 | (27)                    | 28                           | 28                           | 20                          | (1)             |
| Due To Component Units  |                    |                         |                              |                              |                             |                 |
| Due To Other Governments  | 1                  |                         |                              |                              | 6                           | (1)             |
| Unearned Revenue  | 1,678              | 198                     |                              |                              |                             |                 |
| Policy Claim Liabilities  | 1,594              |                         |                              |                              |                             |                 |
| Increase/(Decrease) in Deferred Inflows of Resources:   |                    |                         |                              |                              |                             |                 |
| Deferred Inflows Related to Pensions  | 6                  | 200                     | 84                           | 19                           | 39                          | 3               |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>\$ 28,122</b>   | <b>\$ 940</b>           | <b>\$ (260)</b>              | <b>\$ 287</b>                | <b>\$ 590</b>               | <b>\$ 144</b>   |
| <b>Noncash Investing, Capital, and Financing Activities:</b>  |                    |                         |                              |                              |                             |                 |
| Gain (Loss) on Disposal of Capital Assets   | \$                 | \$ 33                   | \$ 13                        | \$                           | \$ 5                        | \$              |
| Capital Lease Obligations Entered Into  |                    | 1,204                   |                              |                              |                             |                 |
| Transfers In (Out) of Capital Assets  |                    |                         |                              |                              |                             |                 |

| Digital<br>Dakota<br>Network | Public<br>Entity<br>Pool for<br>Liability | Fleet<br>and Travel<br>Management | Personnel       | Workers<br>Compensation | Other           | Total            |
|------------------------------|---|-----------------------------------|-----------------|-------------------------|-----------------|------------------|
| \$ 413                       | \$ 1,093                                  | \$ 2,438                          | \$ 17           | \$ 1,441                | \$ 2,739        | \$ 101,726       |
| 328                          | 2,586                                     | 13,107                            | 4,705           | 4,552                   | 8,573           | 186,918          |
| (110)                        | (1,872)                                   | (7,326)                           | (498)           | (5,398)                 | (2,670)         | (204,636)        |
| (489)                        | (619)                                     | (760)                             | (3,767)         | (281)                   | (6,410)         | (44,071)         |
| (114)                        | (122)                                     | (1,504)                           | (547)           | (33)                    | (1,715)         | (10,450)         |
|                              | 1   | 14                                | 11              |                         | 178             | 8,297            |
| <b>28</b>                    | <b>1,067</b>                              | <b>5,969</b>                      | <b>(79)</b>     | <b>281</b>              | <b>695</b>      | <b>37,784</b>    |
| (69)                         |   | (741)                             |                 |                         | (941)           | (2,528)          |
|                              |   | 474                               |                 |                         | 17              | (258)            |
|                              |   | (4,944)                           |                 |                         | (73)            | (5,343)          |
| <b>(69)</b>                  | <b>0</b>                                  | <b>(5,211)</b>                    | <b>0</b>        | <b>0</b>                | <b>(997)</b>    | <b>(7,580)</b>   |
|                              |   |                                   | 273             |                         | 589             | 1,461            |
|                              |   |                                   |                 |                         |                 | 23               |
| <b>0</b>                     | <b>0</b>                                  | <b>0</b>                          | <b>273</b>      | <b>0</b>                | <b>589</b>      | <b>1,484</b>     |
| 25                           | 442                                       | 46                                | 45              | 150                     | 198             | 2,063            |
|                              | (2)                                       |                                   |                 | (1)                     | (1)             | (8)              |
| <b>25</b>                    | <b>440</b>                                | <b>46</b>                         | <b>45</b>       | <b>149</b>              | <b>197</b>      | <b>2,055</b>     |
| (16)                         | 1,507                                     | 804                               | 239             | 430                     | 484             | 33,743           |
| 566                          | 10,835                                    | 25                                | 1,007           | 3,252                   | 4,632           | 50,806           |
| <b>\$ 550</b>                | <b>\$ 12,342</b>                          | <b>\$ 829</b>                     | <b>\$ 1,246</b> | <b>\$ 3,682</b>         | <b>\$ 5,116</b> | <b>\$ 84,549</b> |
| \$ (1)                       | \$ 650                                    | \$ 471                            | \$ (599)        | \$ (445)                | \$ 283          | \$ 21,210        |
| 35                           |   | 4,584                             |                 |                         | 420             | 6,306            |
|                              |   | 506                               |                 |                         | 14              | 536              |
| (6)                          | (4)                                       | (10)                              |                 | (32)                    | 39              | (1,172)          |
| 23                           |   | 259                               | 133             |                         | (414)           | (934)            |
| (26)                         |   | 181                               | 1               |                         | 14              | 221              |
|                              |   |                                   |                 |                         | (26)            | (26)             |
|                              |   |                                   |                 |                         | (492)           | (278)            |
| <b>(53)</b>                  | <b>(38)</b>                               |                                   | <b>18</b>       | <b>6</b>                | <b>13</b>       | <b>2,265</b>     |
| (1)                          | (2)                                       | (2)                               | (10)            | (1)                     | (17)            | (122)            |
| 46                           | 15  | 71                                | 307             | 24                      | 527             | 4,150            |
| (1)                          |   | (66)                              | (6)             |                         | 43              | (177)            |
| 3                            | 3   | 2                                 | (2)             | 3                       | 17              | 220              |
| 5                            | 15  | (5)                               | 38              | 5                       | 18              | 271              |
| (2)                          | (2)                                       | (59)                              | (7)             | 4                       | 169             | 162              |
|                              |   | 28                                | 4               |                         |                 | 32               |
|                              |   |                                   |                 |                         | (2)             | 4                |
|                              |   |                                   | (3)             |                         | 8               | 1,881            |
|                              | 412                                       |                                   |                 | 714                     |                 | 2,720            |
| 6                            | 18  | 9                                 | 47              | 3                       | 81              | 515              |
| <b>\$ 28</b>                 | <b>\$ 1,067</b>                           | <b>\$ 5,969</b>                   | <b>\$ (79)</b>  | <b>\$ 281</b>           | <b>\$ 695</b>   | <b>\$ 37,784</b> |
| \$                           | \$  | \$ 112                            | \$              | \$                      | \$ (17)         | \$ 146           |
|                              |   | 4,056                             |                 |                         | 120             | 5,380            |

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS  
June 30, 2020  
(Expressed in Thousands)**

|   | <b>Common<br/>School</b> | <b>Child's Own</b> | <b>Corrections</b> | <b>Other</b>    | <b>Total</b>      |
|---|--------------------------|--------------------|--------------------|-----------------|-------------------|
| <b>Assets</b>                               |                          |                    |                    |                 |                   |
| Cash and Cash Equivalents                   | \$ 130                   | \$ 315             | \$ 933             | \$ 1,070        | \$ 2,448          |
| <b>Receivables:</b>                         |                          |                    |                    |                 |                   |
| Due From Other Funds                        |                          |                    | 119                |                 | 119               |
| Investment Income                           | 384                      | 1                  |                    | 2               | 387               |
| Other                                       | 83                       | 28                 |                    |                 | 111               |
| <b>Total Receivables</b>                    | <b>467</b>               | <b>29</b>          | <b>119</b>         | <b>2</b>        | <b>617</b>        |
| <b>Investments, at Fair Value:</b>          |                          |                    |                    |                 |                   |
| Pooled Investment Funds                     | 265,270                  |                    |                    |                 | 265,270           |
| <b>Total Investments</b>                    | <b>265,270</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>        | <b>265,270</b>    |
| Properties, at Cost                         | 14,162                   |                    |                    | 50              | 14,212            |
| Other Assets                                |                          |                    |                    | 13              | 13                |
| <b>Total Assets</b>                         | <b>280,029</b>           | <b>344</b>         | <b>1,052</b>       | <b>1,135</b>    | <b>282,560</b>    |
| <b>Liabilities</b>                          |                          |                    |                    |                 |                   |
| Payables:                                   |                          |                    |                    |                 |                   |
| Accounts Payable and Other Liabilities      | 20                       | 147                |                    | 39              | 206               |
| Due To Other Funds                          |                          |                    | 59                 | 26              | 85                |
| <b>Total Liabilities</b>                    | <b>20</b>                | <b>147</b>         | <b>59</b>          | <b>65</b>       | <b>291</b>        |
| <b>Net Position - Restricted for Others</b> | <b>\$ 280,009</b>        | <b>\$ 197</b>      | <b>\$ 993</b>      | <b>\$ 1,070</b> | <b>\$ 282,269</b> |

**STATE OF SOUTH DAKOTA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
**For the Fiscal Year Ended June 30, 2020**  
**(Expressed in Thousands)**

|  | <u>Common<br/>School</u> | <u>Child's Own</u> | <u>Corrections</u> | <u>Other</u>    | <u>Total</u>      |
|--|--------------------------|--------------------|--------------------|-----------------|-------------------|
| <b>Additions</b>                                     |                          |                    |                    |                 |                   |
| <b>Contributions:</b>                                |                          |                    |                    |                 |                   |
| From Clients and Inmates                             | \$                       | \$                 | \$ 7,815           | \$ 1,615        | \$ 9,430          |
| Other  | 7,922                    |                    |                    |                 | 7,922             |
| <b>Total Contributions</b>                           | <b>7,922</b>             | <b>0</b>           | <b>7,815</b>       | <b>1,615</b>    | <b>17,352</b>     |
| <b>Investment Income:</b>                            |                          |                    |                    |                 |                   |
| <i>From Investing Activities</i>                     |                          |                    |                    |                 |                   |
| Net Increase (Decrease) in Fair Value of Investments | 8,406                    |                    |                    |                 | 8,406             |
| Real Estate  | 380                      |                    |                    |                 | 380               |
| Pooled Interest and Dividends                        | 5,038                    | 5                  |                    |                 | 5,043             |
| <b>Net Investment Income (Loss)</b>                  | <b>13,824</b>            | <b>5</b>           | <b>0</b>           | <b>0</b>        | <b>13,829</b>     |
| <i>From Security Lending Activities</i>              |                          |                    |                    |                 |                   |
| Securities Lending Income                            | 28                       |                    |                    |                 | 28                |
| Escheated Property                                   | 137                      |                    |                    |                 | 137               |
| Miscellaneous Income                                 |                          | 717                |                    | 37              | 754               |
| <b>Total Additions</b>                               | <b>21,911</b>            | <b>722</b>         | <b>7,815</b>       | <b>1,652</b>    | <b>32,100</b>     |
| <b>Deductions</b>                                    |                          |                    |                    |                 |                   |
| Distribution to School Districts                     | 12,695                   |                    |                    |                 | 12,695            |
| Payments Made for Trust Purposes                     |                          | 715                | 8,147              | 1,498           | 10,360            |
| Administrative Expenses                              |                          |                    |                    | 8               | 8                 |
| <b>Total Deductions</b>                              | <b>12,695</b>            | <b>715</b>         | <b>8,147</b>       | <b>1,506</b>    | <b>23,063</b>     |
| <b>Change in Net Position</b>                        | <b>9,216</b>             | <b>7</b>           | <b>(332)</b>       | <b>146</b>      | <b>9,037</b>      |
| Net Position at Beginning of Year                    | 270,793                  | 190                | 1,325              | 924             | 273,232           |
| <b>Net Position at End of Year</b>                   | <b>\$ 280,009</b>        | <b>\$ 197</b>      | <b>\$ 993</b>      | <b>\$ 1,070</b> | <b>\$ 282,269</b> |



STATE OF SOUTH DAKOTA  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 June 30, 2020  
 (Expressed in Thousands)

|  | Department<br>of Revenue<br>Tax<br>Collections | Social<br>Services<br>Child<br>Support | State<br>Auditor<br>Payroll<br>Withholding | State<br>Clerk of<br>Courts | Other           | Total            |
|--|--|--|--|-----------------------------|-----------------|------------------|
| <b>Assets</b>                          |  |  |  |                             |                 |                  |
| Cash and Cash Equivalents              | \$ 25,122                                      | \$ 3,608                               | \$ 7,643                                   | \$ 7,485                    | \$ 3,476        | \$ 47,334        |
| <b>Receivables:</b>                    |  |  |  |                             |                 |                  |
| Taxes Receivable, net                  | 47,772   |  |  |                             |                 | 47,772           |
| Interest and Dividends Receivable      | 10   |  |  |                             | 1               | 11               |
| Other                                  | 648  |  |  |                             | 106             | 754              |
| <b>Total Receivables</b>               | <b>48,430</b>                                  | <b>0</b>                               | <b>0</b>                                   | <b>0</b>                    | <b>107</b>      | <b>48,537</b>    |
| <b>Total Assets</b>                    | <b>\$ 73,552</b>                               | <b>\$ 3,608</b>                        | <b>\$ 7,643</b>                            | <b>\$ 7,485</b>             | <b>\$ 3,583</b> | <b>\$ 95,871</b> |
| <b>Liabilities</b>                     |  |  |  |                             |                 |                  |
| <b>Payables:</b>                       |  |  |  |                             |                 |                  |
| Accounts Payable and Other Liabilities | \$ 1,248                                       | \$ 3,608                               | \$ 36                                      | \$ 7,485                    | \$ 2,869        | \$ 15,246        |
| Due To Other Governments               | 72,304   |  | 7,607                                      |                             | 714             | 80,625           |
| <b>Total Liabilities</b>               | <b>\$ 73,552</b>                               | <b>\$ 3,608</b>                        | <b>\$ 7,643</b>                            | <b>\$ 7,485</b>             | <b>\$ 3,583</b> | <b>\$ 95,871</b> |

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | Balance<br>July 1, 2019 | Additions         | Deductions        | Balance<br>June 30, 2020 |
|--|-------------------------|-------------------|-------------------|--------------------------|
| <b>Department of Revenue - Tax Collections</b> |                         |                   |                   |                          |
| <b>Assets:</b>                                 |                         |                   |                   |                          |
| Cash and Cash Equivalents                      | \$ 1,655                | \$ 433,178        | \$ 409,711        | \$ 25,122                |
| Accounts Receivable                            | 569                     | 648               | 569               | 648                      |
| Taxes Receivable, net                          | 45,856                  | 47,785            | 45,869            | 47,772                   |
| Interest and Dividends Receivable              |                         | 10                |                   | 10                       |
| <b>Total Assets</b>                            | <b>\$ 48,080</b>        | <b>\$ 481,621</b> | <b>\$ 456,149</b> | <b>\$ 73,552</b>         |
| <b>Liabilities:</b>                            |                         |                   |                   |                          |
| Accounts Payable and Other Liabilities         | \$ 1,201                | \$ 293            | \$ 246            | \$ 1,248                 |
| Due To Other Governments                       | 46,879                  | 481,328           | 455,903           | 72,304                   |
| <b>Total Liabilities</b>                       | <b>\$ 48,080</b>        | <b>\$ 481,621</b> | <b>\$ 456,149</b> | <b>\$ 73,552</b>         |
| <b>Social Services - Child Support</b>         |                         |                   |                   |                          |
| <b>Assets:</b>                                 |                         |                   |                   |                          |
| Cash and Cash Equivalents                      | \$ 2,526                | \$ 133,479        | \$ 132,397        | \$ 3,608                 |
| <b>Total Assets</b>                            | <b>\$ 2,526</b>         | <b>\$ 133,479</b> | <b>\$ 132,397</b> | <b>\$ 3,608</b>          |
| <b>Liabilities:</b>                            |                         |                   |                   |                          |
| Accounts Payable and Other Liabilities         | \$ 2,526                | \$ 133,479        | \$ 132,397        | \$ 3,608                 |
| <b>Total Liabilities</b>                       | <b>\$ 2,526</b>         | <b>\$ 133,479</b> | <b>\$ 132,397</b> | <b>\$ 3,608</b>          |
| <b>State Auditor - Payroll Withholding</b>     |                         |                   |                   |                          |
| <b>Assets:</b>                                 |                         |                   |                   |                          |
| Cash and Cash Equivalents                      | \$ 8,074                | \$ 247,772        | \$ 248,203        | \$ 7,643                 |
| <b>Total Assets</b>                            | <b>\$ 8,074</b>         | <b>\$ 247,772</b> | <b>\$ 248,203</b> | <b>\$ 7,643</b>          |
| <b>Liabilities:</b>                            |                         |                   |                   |                          |
| Accounts Payable and Other Liabilities         | \$ 41                   | \$ 12,458         | \$ 12,463         | \$ 36                    |
| Due To Other Governments                       | 8,033                   | 235,314           | 235,740           | 7,607                    |
| <b>Total Liabilities</b>                       | <b>\$ 8,074</b>         | <b>\$ 247,772</b> | <b>\$ 248,203</b> | <b>\$ 7,643</b>          |
| <b>State Clerk of Courts</b>                   |                         |                   |                   |                          |
| <b>Assets:</b>                                 |                         |                   |                   |                          |
| Cash and Cash Equivalents                      | \$ 6,659                | \$ 15,262         | \$ 14,436         | \$ 7,485                 |
| <b>Total Assets</b>                            | <b>\$ 6,659</b>         | <b>\$ 15,262</b>  | <b>\$ 14,436</b>  | <b>\$ 7,485</b>          |
| <b>Liabilities:</b>                            |                         |                   |                   |                          |
| Accounts Payable and Other Liabilities         | \$ 6,659                | \$ 15,262         | \$ 14,436         | \$ 7,485                 |
| <b>Total Liabilities</b>                       | <b>\$ 6,659</b>         | <b>\$ 15,262</b>  | <b>\$ 14,436</b>  | <b>\$ 7,485</b>          |

Continued on next page

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES  
AGENCY FUNDS (continued)  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | Balance<br>July 1, 2019 | Additions         | Deductions        | Balance<br>June 30, 2020 |
|--|-------------------------|-------------------|-------------------|--------------------------|
| <b>Other Agency Funds</b>              |                         |                   |                   |                          |
| <b>Assets:</b>                         |                         |                   |                   |                          |
| Cash and Cash Equivalents              | \$ 1,472                | \$ 83,857         | \$ 81,853         | \$ 3,476                 |
| Accounts Receivable                    | 54                      | 106               | 54                | 106                      |
| Interest and Dividends Receivable      | 1                       | 1                 | 1                 | 1                        |
| <b>Total Assets</b>                    | <b>\$ 1,527</b>         | <b>\$ 83,964</b>  | <b>\$ 81,908</b>  | <b>\$ 3,583</b>          |
| <b>Liabilities:</b>                    |                         |                   |                   |                          |
| Accounts Payable and Other Liabilities | \$ 737                  | \$ 82,882         | \$ 80,750         | \$ 2,869                 |
| Due To Other Governments               | 790                     | 1,082             | 1,158             | 714                      |
| <b>Total Liabilities</b>               | <b>\$ 1,527</b>         | <b>\$ 83,964</b>  | <b>\$ 81,908</b>  | <b>\$ 3,583</b>          |
| <b>Total All Agency Funds</b>          |                         |                   |                   |                          |
| <b>Assets:</b>                         |                         |                   |                   |                          |
| Cash and Cash Equivalents              | \$ 20,386               | \$ 913,548        | \$ 886,600        | \$ 47,334                |
| Accounts Receivable                    | 623                     | 754               | 623               | 754                      |
| Taxes Receivable, net                  | 45,856                  | 47,785            | 45,869            | 47,772                   |
| Interest and Dividends Receivable      | 1                       | 11                | 1                 | 11                       |
| <b>Total Assets</b>                    | <b>\$ 66,866</b>        | <b>\$ 962,098</b> | <b>\$ 933,093</b> | <b>\$ 95,871</b>         |
| <b>Liabilities:</b>                    |                         |                   |                   |                          |
| Accounts Payable and Other Liabilities | \$ 11,164               | \$ 244,374        | \$ 240,292        | \$ 15,246                |
| Due To Other Governments               | 55,702                  | 717,724           | 692,801           | 80,625                   |
| <b>Total Liabilities</b>               | <b>\$ 66,866</b>        | <b>\$ 962,098</b> | <b>\$ 933,093</b> | <b>\$ 95,871</b>         |

STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
June 30, 2020  
(Expressed in Thousands)

|   | Business-type Activities |                                  |                     |                  | Total               |
|---|--------------------------|----------------------------------|---------------------|------------------|---------------------|
|   | Housing Authority        | Science and Technology Authority | Higher Education    | Nonmajor         |                     |
| <b>Assets</b>                                   |                          |                                  |                     |                  |                     |
| <b>Current Assets:</b>                          |                          |                                  |                     |                  |                     |
| Cash and Cash Equivalents                       | \$ 254,250               | \$ 20,424                        | \$ 280,869          | \$ 19,039        | \$ 574,582          |
| Receivables:                                    |                          |                                  |                     |                  |                     |
| Interest and Dividends                          | 4,677                    | 76                               | 1,569               | 123              | 6,445               |
| Primary Government                              |                          |                                  | 1,144               |                  | 1,144               |
| Other Governments                               |                          |                                  | 16,703              |                  | 16,703              |
| Loans and Notes, net                            | 36,478                   |                                  | 5,516               | 829              | 42,823              |
| Other, net                                      | 642                      | 2,571                            | 43,177              | 468              | 46,858              |
| Investments                                     | 123,106                  |                                  | 43,478              | 481              | 167,065             |
| Restricted Assets:                              |                          |                                  |                     |                  |                     |
| Investments                                     |                          |                                  |                     | 2,536            | 2,536               |
| Inventory                                       | 3,530                    | 2,451                            | 6,841               |                  | 12,822              |
| Other Assets                                    | 416                      | 643                              | 5,850               | 120              | 7,029               |
| <b>Total Current Assets</b>                     | <b>423,099</b>           | <b>26,165</b>                    | <b>405,147</b>      | <b>23,596</b>    | <b>878,007</b>      |
| Investments                                     | 1,123,308                |                                  | 412,040             | 1,406            | 1,536,754           |
| Assets Held for Resale                          |                          |                                  |                     | 3,855            | 3,855               |
| Restricted Assets:                              |                          |                                  |                     |                  |                     |
| Cash and Cash Equivalents                       |                          |                                  | 31,238              | 2,602            | 33,840              |
| Investments                                     |                          |                                  | 160,735             | 704              | 161,439             |
| Net Pension Asset                               | 16                       | 52                               | 1,546               |                  | 1,614               |
| Other   |                          |                                  | 30,027              |                  | 30,027              |
| <b>Capital Assets:</b>                          |                          |                                  |                     |                  |                     |
| Land and Other Non-depreciable Assets           | 220                      | 19,821                           | 46,086              |                  | 66,127              |
| Property, Plant, and Equipment                  | 10,925                   | 77,195                           | 2,033,786           | 24,124           | 2,146,030           |
| Accumulated Depreciation                        | (6,066)                  | (18,134)                         | (816,068)           | (5,023)          | (845,291)           |
| Construction in Progress                        |                          | 1,824                            | 103,824             |                  | 105,648             |
| <b>Total Capital Assets</b>                     | <b>5,079</b>             | <b>80,706</b>                    | <b>1,367,628</b>    | <b>19,101</b>    | <b>1,472,514</b>    |
| Other Noncurrent Assets, net                    | 389,528                  | 8,934                            | 70,618              | 8,090            | 477,170             |
| <b>Total Assets</b>                             | <b>1,941,030</b>         | <b>115,857</b>                   | <b>2,478,979</b>    | <b>59,354</b>    | <b>4,595,220</b>    |
| <b>Deferred Outflows of Resources</b>           |                          |                                  |                     |                  |                     |
| Deferred Outflow Related to Pensions            | 901                      | 2,943                            | 80,241              |                  | 84,085              |
| Deferred Swap Outflow                           | 9,401                    |                                  |                     |                  | 9,401               |
| Deferred Forward Contract Outflow               | 949                      |                                  |                     |                  | 949                 |
| Deferred Outflow on Debt Refunding              | 2,879                    |                                  | 11,846              |                  | 14,725              |
| <b>Total Deferred Outflows of Resources</b>     | <b>14,130</b>            | <b>2,943</b>                     | <b>92,087</b>       | <b>0</b>         | <b>109,160</b>      |
| <b>Liabilities</b>                              |                          |                                  |                     |                  |                     |
| <b>Current Liabilities:</b>                     |                          |                                  |                     |                  |                     |
| Accounts Payable and Other Liabilities          | 1,358                    | 1,988                            | 46,238              | 113              | 49,697              |
| Payable to Primary Government                   | 92                       |                                  | 1,008               |                  | 1,100               |
| Escrow Payable                                  | 3,352                    |                                  |                     |                  | 3,352               |
| Bonds, Notes, and Leases Payable                | 51,582                   |                                  | 34,295              | 503              | 86,380              |
| Claims, Judgments, and Compensated Absences     | 337                      | 758                              | 14,182              |                  | 15,277              |
| Accrued Interest Payable                        | 6,294                    |                                  | 3,747               | 112              | 10,153              |
| Unearned Revenue                                |                          |                                  | 26,200              | 3,260            | 29,460              |
| Advances from Primary Government                |                          |                                  |                     | 1,130            | 1,130               |
| Other Current Liabilities                       |                          |                                  | 18,962              | 551              | 19,513              |
| <b>Total Current Liabilities</b>                | <b>63,015</b>            | <b>2,746</b>                     | <b>144,632</b>      | <b>5,669</b>     | <b>216,062</b>      |
| <b>Noncurrent Liabilities:</b>                  |                          |                                  |                     |                  |                     |
| Bonds, Notes, and Leases Payable                | 1,266,954                | 6,000                            | 506,691             | 9,973            | 1,789,618           |
| Claims, Judgments, and Compensated Absences     | 298                      | 758                              | 30,680              |                  | 31,736              |
| Federal Capital Contribution Refundable Advance |                          |                                  | 36,603              |                  | 36,603              |
| Advances from Primary Government                |                          |                                  |                     | 18,126           | 18,126              |
| Other Noncurrent Liabilities                    | 11,300                   |                                  | 12,398              | 1,186            | 24,884              |
| <b>Total Noncurrent Liabilities</b>             | <b>1,278,552</b>         | <b>6,758</b>                     | <b>586,372</b>      | <b>29,285</b>    | <b>1,900,967</b>    |
| <b>Total Liabilities</b>                        | <b>1,341,567</b>         | <b>9,504</b>                     | <b>731,004</b>      | <b>34,954</b>    | <b>2,117,029</b>    |
| <b>Deferred Inflows of Resources</b>            |                          |                                  |                     |                  |                     |
| Deferred Inflow Related to Pensions             | 345                      | 1,267                            | 31,494              |                  | 33,106              |
| Deferred Inflow on Gain on Debt Refunding       | 2,758                    |                                  | 216                 |                  | 2,974               |
| Deferred Inflow on Swaps                        | 331                      |                                  |                     |                  | 331                 |
| Deferred Forward Contract Inflow                | 86                       |                                  |                     |                  | 86                  |
| <b>Total Deferred Inflows of Resources</b>      | <b>3,520</b>             | <b>1,267</b>                     | <b>31,710</b>       | <b>0</b>         | <b>36,497</b>       |
| <b>Net Position</b>                             |                          |                                  |                     |                  |                     |
| Net Investment in Capital Assets                | (951)                    | 80,706                           | 872,148             | 522              | 952,425             |
| Restricted for:                                 |                          |                                  |                     |                  |                     |
| Debt Service                                    | 516,496                  |                                  | 3,416               | 5,000            | 524,912             |
| HOME and NSP Program                            | 79,510                   |                                  |                     |                  | 79,510              |
| Higher Education - Expendable                   |                          |                                  | 258,324             |                  | 258,324             |
| Higher Education - Nonexpendable                |                          |                                  | 485,391             |                  | 485,391             |
| Experiments                                     |                          | 729                              |                     |                  | 729                 |
| Mine Closure                                    |                          | 1,521                            |                     |                  | 1,521               |
| Sanford Center for Science Education            |                          | 83                               |                     |                  | 83                  |
| Maintenance Support Facility                    |                          | 4,676                            |                     |                  | 4,676               |
| Indemnification                                 |                          | 7,500                            |                     |                  | 7,500               |
| Pensions  | 572                      | 1,728                            | 50,293              |                  | 52,593              |
| Other   | 14,446                   |                                  |                     |                  | 14,446              |
| Unrestricted                                    |                          | 11,086                           | 138,780             | 18,878           | 168,744             |
| <b>Total Net Position</b>                       | <b>\$ 610,073</b>        | <b>\$ 108,029</b>                | <b>\$ 1,808,352</b> | <b>\$ 24,400</b> | <b>\$ 2,550,854</b> |

**STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
COMPONENT UNITS  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|   | Business-type Activities |                                  |                     |                  | Total               |
|---|--------------------------|----------------------------------|---------------------|------------------|---------------------|
|   | Housing Authority        | Science and Technology Authority | Higher Education    | Nonmajor         |                     |
| <b>Operating Revenue:</b>   |                          |                                  |                     |                  |                     |
| Tuition and Fees (net of discounts and allowances for scholarships of Higher Education of \$45,557)   | \$                       | \$                               | \$ 244,928          | \$               | \$ 244,928          |
| Use of Money and Property   | 107,610                  |                                  |                     | 476              | 108,086             |
| Sales and Services (net of discounts and allowances for scholarships of Higher Education of \$10,936) |                          | 278                              | 105,625             | 3,774            | 109,677             |
| Administering Programs  | 30,896                   | 29,814                           | 113,755             | 303              | 174,768             |
| Other Revenue   | 8,618                    | 127                              | 83,214              | 52               | 92,011              |
| <b>Total Operating Revenue</b>  | <b>147,124</b>           | <b>30,219</b>                    | <b>547,522</b>      | <b>4,605</b>     | <b>729,470</b>      |
| <b>Operating Expenses:</b>  |                          |                                  |                     |                  |                     |
| Personal Services and Benefits  | 4,836                    | 18,773                           | 509,864             |                  | 533,473             |
| Travel  | 315                      | 177                              | 15,338              | 12               | 15,842              |
| Contractual Services  | 8,045                    | 8,199                            | 110,624             | 1,765            | 128,633             |
| Supplies and Materials  | 3,202                    | 3,672                            | 57,290              | 184              | 64,348              |
| Grants and Subsidies  | 26,060                   |                                  | 45,197              | 239              | 71,496              |
| Other   |                          |                                  | 3,968               | 451              | 4,419               |
| Interest  | 37,045                   |                                  | 101                 | 430              | 37,576              |
| Provisions for Loan Loss (Recovery)   | 4,081                    |                                  |                     | (10)             | 4,071               |
| Depreciation/Amortization   | 394                      | 2,006                            | 61,490              | 850              | 64,740              |
| <b>Total Operating Expenses</b>   | <b>83,978</b>            | <b>32,827</b>                    | <b>803,872</b>      | <b>3,921</b>     | <b>924,598</b>      |
| <b>Operating Income (Loss)</b>  | <b>63,146</b>            | <b>(2,608)</b>                   | <b>(256,350)</b>    | <b>684</b>       | <b>(195,128)</b>    |
| <b>Nonoperating Revenue (Expenses):</b>   |                          |                                  |                     |                  |                     |
| Gain on Disposal of Assets  |                          |                                  |                     | 745              | 745                 |
| Loss on Disposal of Assets  |                          | (325)                            | (2,930)             |                  | (3,255)             |
| Investment Income   |                          | 760                              | 62,221              | 832              | 63,813              |
| Interest Expense  |                          |                                  | (18,577)            | (604)            | (19,181)            |
| Other Expense   |                          | (241)                            | (20,854)            | (1,501)          | (22,596)            |
| State Aid from Primary Government   |                          |                                  | 229,545             |                  | 229,545             |
| Federal Appropriation   |                          |                                  | 5,881               |                  | 5,881               |
| Grant and Other Income  |                          |                                  | 44,708              |                  | 44,708              |
| <b>Total Nonoperating Revenue (Expenses)</b>  | <b>0</b>                 | <b>194</b>                       | <b>299,994</b>      | <b>(528)</b>     | <b>299,660</b>      |
| <b>Income (Loss) Before Capital Grants and Additions to Endowments</b>                                | <b>63,146</b>            | <b>(2,414)</b>                   | <b>43,644</b>       | <b>156</b>       | <b>104,532</b>      |
| Capital Grants  |                          | 2,926                            | 6,967               |                  | 9,893               |
| Additions to Endowments   |                          |                                  | 26,141              |                  | 26,141              |
| <b>Change in Net Position</b>   | <b>63,146</b>            | <b>512</b>                       | <b>76,752</b>       | <b>156</b>       | <b>140,566</b>      |
| Net Position at Beginning of Year, as restated  | 546,927                  | 107,517                          | 1,731,600           | 24,244           | 2,410,288           |
| <b>Net Position at End of Year</b>  | <b>\$ 610,073</b>        | <b>\$ 108,029</b>                | <b>\$ 1,808,352</b> | <b>\$ 24,400</b> | <b>\$ 2,550,854</b> |

**STATE OF SOUTH DAKOTA  
STATEMENT OF CASH FLOWS  
HIGHER EDUCATION  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | <b>Higher<br/>Education</b> |
|--|-----------------------------|
| <b>Cash Flows from Operating Activities:</b>   |                             |
| Tuition and Fees   | \$ 244,545                  |
| Auxiliaries  | 55,039                      |
| Sales & Services - General   | 50,864                      |
| Federal Contracts & Grants   | 76,595                      |
| State Contracts & Grants   | 10,985                      |
| Private Contracts & Grants   | 24,497                      |
| Other Revenue and Additions  | 303                         |
| Loans Issued to Students   | (2,096)                     |
| Loans Collected from Students  | 3,298                       |
| Student Loan Interest  | 612                         |
| Payments for Personal Services Expenditures  | (452,176)                   |
| Payments for Travel Expenditures   | (14,892)                    |
| Payments for Contractual Expenditures  | (108,962)                   |
| Payments for Supply Expenditures and Non-Capitalized Equipment                         | (56,357)                    |
| Payments for Grant and Subsidy Expenditures  | (46,236)                    |
| Payments for Other Expenditures  | (146)                       |
| Foundation Activity  | 13,988                      |
| <b>Net Cash Provided (Used) by Operating Activities</b>                                | <b>(200,139)</b>            |
| <b>Cash Flows from Noncapital Financing Activities:</b>                                |                             |
| General Fund Appropriations  | 229,545                     |
| School & Public Lands  | 3,145                       |
| Federal Fund Appropriations  | 7,576                       |
| Federal loan Disbursements   | (144,370)                   |
| Federal Loan Receipts  | 144,370                     |
| Private Loan Disbursements   | (1,273)                     |
| Private Loan Receipts  | 1,273                       |
| Federal Capital Contribution - Student Loan  | (3,188)                     |
| Other Revenues & Additions   | 40,256                      |
| Payments for Other Expenditures  | (9,190)                     |
| Foundation Activity  | 44,916                      |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>                     | <b>313,060</b>              |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                       |                             |
| Capital Grants & Contracts   | 5,203                       |
| Proceeds from Capital Debt   | 86,916                      |
| Revenue Bond Discounts and Related Costs   | (7,895)                     |
| Sale of Capital Asset  | 5,504                       |
| Principal Paid on Capital Debt and Leases  | (84,941)                    |
| Interest Paid on Capital Debt and Leases   | (20,745)                    |
| Purchase of Capital Assets   | (127,610)                   |
| Foundation Activity  | 5,579                       |
| <b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>            | <b>(137,989)</b>            |
| <b>Cash Flows from Investing Activities:</b>   |                             |
| Investment Income  | 8,280                       |
| Foundation Activity  | 5,103                       |
| <b>Net Cash Provided (Used) by Investing Activities</b>                                | <b>13,383</b>               |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents during the<br/>Fiscal Year</b> | <b>(11,685)</b>             |
| Cash and Cash Equivalents at Beginning of Year   | 323,792                     |
| <b>Cash and Cash Equivalents at End of Year</b>  | <b>\$ 312,107</b>           |

Continued on next page

**STATE OF SOUTH DAKOTA  
STATEMENT OF CASH FLOWS  
HIGHER EDUCATION  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)**

|  | <u>Higher<br/>Education</u> |
|--|-----------------------------|
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b> |                             |
| <b>by Operating Activities</b>   |                             |
| Operating Income (Loss)  | \$ (256,350)                |
| Adjustments to Reconcile Operating Income (Loss):                            |                             |
| Depreciation Expense   | 61,490                      |
| Bad Debt Expense   | 285                         |
| Loan Cancellation Expense  | 561                         |
| Pension Adjustment   | 45,373                      |
| Foundation Activity  | (50,600)                    |
| Decrease/(Increase) in Assets:   |                             |
| Accounts Receivable Students   | 280                         |
| Accounts Receivable - Dept   | 2,124                       |
| Interest Receivable  | (56)                        |
| Notes Receivable   | 2,876                       |
| Due From Federal Sources   | 158                         |
| Due From Primary Govt  | 328                         |
| Due from Component Unit  | 358                         |
| Prepaid Expense and Deferred Charges   | (345)                       |
| Inventory  | 597                         |
| Increase/(Decrease) in Liabilities:  |                             |
| Accounts Payable   | (6,568)                     |
| Accrued Wages & Benefits   | 1,642                       |
| Due to Federal Sources   | 633                         |
| Due to Primary Government  | (56)                        |
| Due To Component Unit  | (345)                       |
| Student Deposits   | (127)                       |
| Compensated Absences   | 1,752                       |
| Other Accrued Liabilities  | 45                          |
| Unearned Revenue   | (4,164)                     |
| Agency Funds Held for Others   | (30)                        |
| <b>Net Cash Provided (Used) by Operating Activities</b>                      | <b>\$ (200,139)</b>         |
| <b>Noncash Investing, Capital and Financing Activities:</b>                  |                             |
| Transfers In (Out) of Capital Assets   | \$ 283                      |
| Gain or (Loss) on Disposal of Capital Assets                                 | (2,930)                     |
| Bond Proceeds Deposited Directly into an Escrow Account                      | 4,507                       |

STATE OF SOUTH DAKOTA  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR COMPONENT UNITS  
June 30, 2020  
(Expressed in Thousands)

|  | Business-type Activities                             |  |   |   |   | Total            |
|--|--|--|---|---|---|------------------|
|  | S.D. Economic<br>Development<br>Finance<br>Authority | Value<br>Added<br>Finance<br>Authority | S.D.<br>Ellsworth<br>Development<br>Authority | S.D.<br>Authority<br>Captive<br>Insurance Co. | S.D. Property<br>and Casualty<br>Captive<br>Insurance Co. |                  |
| <b>Assets</b>                          |  |  |   |   |   |                  |
| <b>Current Assets:</b>                 |  |  |   |   |   |                  |
| Cash and Cash Equivalents              | \$ 1,288   | \$ 793                                 | \$ 5,001                                      | \$ 5,335                                      | \$ 6,622  | \$ 19,039        |
| Receivables:                           |  |  |   |   |   |                  |
| Interest and Dividends                 | 65   | 1                                      |   | 26  | 31  | 123              |
| Loans and Notes, net                   | 661  | 168                                    |   |   |   | 829              |
| Other, net                             |  |  | 466   |   | 2   | 468              |
| Investments                            | 481  |  |   |   |   | 481              |
| Restricted Assets:                     |  |  |   |   |   |                  |
| Investments                            | 2,536  |  |   |   |   | 2,536            |
| Other Assets                           |  |  | 45  |   | 75  | 120              |
| <b>Total Current Assets</b>            | <b>5,031</b>   | <b>962</b>                             | <b>5,512</b>                                  | <b>5,361</b>                                  | <b>6,730</b>  | <b>23,596</b>    |
| Investments                            | 1,406  |  |   |   |   | 1,406            |
| Assets Held for Resale                 |  |  | 3,855   |   |   | 3,855            |
| Restricted Assets:                     |  |  |   |   |   |                  |
| Cash and Cash Equivalents              | 2,602  |  |   |   |   | 2,602            |
| Investments                            | 704  |  |   |   |   | 704              |
| <b>Capital Assets:</b>                 |  |  |   |   |   |                  |
| Property, Plant, and Equipment         |  |  | 24,124  |   |   | 24,124           |
| Accumulated Depreciation               |  |  | (5,023)                                       |   |   | (5,023)          |
| <b>Total Capital Assets</b>            | <b>0</b>   | <b>0</b>                               | <b>19,101</b>                                 | <b>0</b>                                      | <b>0</b>  | <b>19,101</b>    |
| Other Noncurrent Assets, net           | 6,790  | 1,250                                  | 50  |   |   | 8,090            |
| <b>Total Assets</b>                    | <b>16,533</b>  | <b>2,212</b>                           | <b>28,518</b>                                 | <b>5,361</b>                                  | <b>6,730</b>  | <b>59,354</b>    |
| <b>Liabilities</b>                     |  |  |   |   |   |                  |
| <b>Current Liabilities:</b>            |  |  |   |   |   |                  |
| Accounts Payable and Other Liabilities | 5  |  | 84  | 8   | 16  | 113              |
| Bonds, Notes, and Leases Payable       | 420  | 83                                     |   |   |   | 503              |
| Accrued Interest Payable               | 105  | 7                                      |   |   |   | 112              |
| Unearned Revenue                       |  |  | 3,260   |   |   | 3,260            |
| Advances from Primary Government       |  |  | 1,130   |   |   | 1,130            |
| Other Current Liabilities              |  |  |   | 114   | 437   | 551              |
| <b>Total Current Liabilities</b>       | <b>530</b>   | <b>90</b>                              | <b>4,474</b>                                  | <b>122</b>                                    | <b>453</b>  | <b>5,669</b>     |
| <b>Noncurrent Liabilities:</b>         |  |  |   |   |   |                  |
| Bonds, Notes, and Leases Payable       | 7,135  | 1,217                                  | 1,621   |   |   | 9,973            |
| Advances from Primary Government       |  |  | 18,126  |   |   | 18,126           |
| Other Noncurrent Liabilities           | 847  |  |   | 308   | 31  | 1,186            |
| <b>Total Noncurrent Liabilities</b>    | <b>7,982</b>   | <b>1,217</b>                           | <b>19,747</b>                                 | <b>308</b>                                    | <b>31</b>   | <b>29,285</b>    |
| <b>Total Liabilities</b>               | <b>8,512</b>   | <b>1,307</b>                           | <b>24,221</b>                                 | <b>430</b>                                    | <b>484</b>  | <b>34,954</b>    |
| <b>Net Position</b>                    |  |  |   |   |   |                  |
| Net Investment in Capital Assets       |  |  | 522   |   |   | 522              |
| Restricted for:                        |  |  |   |   |   |                  |
| Debt Service                           | 5,000  |  |   |   |   | 5,000            |
| Unrestricted                           | 3,021  | 905                                    | 3,775   | 4,931   | 6,246   | 18,878           |
| <b>Total Net Position</b>              | <b>\$ 8,021</b>                                      | <b>\$ 905</b>                          | <b>\$ 4,297</b>                               | <b>\$ 4,931</b>                               | <b>\$ 6,246</b>   | <b>\$ 24,400</b> |

STATE OF SOUTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION  
 NONMAJOR COMPONENT UNITS  
 For the Fiscal Year Ended June 30, 2020  
 (Expressed in Thousands)

|  | Business-type Activities                             |  |   |   |   | Total            |
|--|--|--|---|---|---|------------------|
|  | S.D. Economic<br>Development<br>Finance<br>Authority | Value<br>Added<br>Finance<br>Authority | S.D.<br>Ellsworth<br>Development<br>Authority | S.D.<br>Authority<br>Captive<br>Insurance Co. | S.D. Property<br>and Casualty<br>Captive<br>Insurance Co. |                  |
| <b>Operating Revenue:</b>                    |  |  |   |   |   |                  |
| Use of Money and Property                    | \$ 431   | \$ 45                                  | \$  | \$  | \$  | \$ 476           |
| Sales and Services                           |  |  | 2,675   | 214   | 885   | 3,774            |
| Administering Programs                       |  |  | 303   |   |   | 303              |
| Other Revenue                                |  | 4                                      | 48  |   |   | 52               |
| <b>Total Operating Revenue</b>               | <b>431</b>   | <b>49</b>                              | <b>3,026</b>                                  | <b>214</b>                                    | <b>885</b>  | <b>4,605</b>     |
| <b>Operating Expenses:</b>                   |  |  |   |   |   |                  |
| Travel                                       |  |  | 12  |   |   | 12               |
| Contractual Services                         | 50   |  | 1,539   | 56  | 120   | 1,765            |
| Supplies and Materials                       |  |  | 184   |   |   | 184              |
| Grants and Subsidies                         |  |  | 239   |   |   | 239              |
| Other  |  |  | 115   | 64  | 272   | 451              |
| Interest                                     | 430  |  |   |   |   | 430              |
| Provisions for Loan Loss (Recovery)          |  | (10)                                   |   |   |   | (10)             |
| Depreciation/Amortization                    |  |  | 850   |   |   | 850              |
| <b>Total Operating Expenses</b>              | <b>480</b>   | <b>(10)</b>                            | <b>2,939</b>                                  | <b>120</b>                                    | <b>392</b>  | <b>3,921</b>     |
| <b>Operating Income (Loss)</b>               | <b>(49)</b>  | <b>59</b>                              | <b>87</b>                                     | <b>94</b>                                     | <b>493</b>  | <b>684</b>       |
| <b>Nonoperating Revenue (Expenses):</b>      |  |  |   |   |   |                  |
| Gain on Disposal of Assets                   |  |  | 745   |   |   | 745              |
| Investment Income                            | 274  | 1                                      | 12  | 252   | 293   | 832              |
| Interest Expense                             |  | (13)                                   | (591)   |   |   | (604)            |
| Other Expense                                | (1,500)  |  |   |   | (1)   | (1,501)          |
| <b>Total Nonoperating Revenue (Expenses)</b> | <b>(1,226)</b>                                       | <b>(12)</b>                            | <b>166</b>                                    | <b>252</b>                                    | <b>292</b>  | <b>(528)</b>     |
| <b>Change in Net Position</b>                | <b>(1,275)</b>                                       | <b>47</b>                              | <b>253</b>                                    | <b>346</b>                                    | <b>785</b>  | <b>156</b>       |
| Net Position at Beginning of Year            | 9,296  | 858                                    | 4,044   | 4,585   | 5,461   | 24,244           |
| <b>Net Position at End of Year</b>           | <b>\$ 8,021</b>                                      | <b>\$ 905</b>                          | <b>\$ 4,297</b>                               | <b>\$ 4,931</b>                               | <b>\$ 6,246</b>   | <b>\$ 24,400</b> |

STATE OF SOUTH DAKOTA  
STATEMENT OF CASH FLOWS  
VALUE ADDED FINANCE AUTHORITY  
For the Fiscal Year Ended June 30, 2020  
(Expressed in Thousands)

|   | <b>Value<br/>Added<br/>Finance<br/>Authority</b> |
|---|--|
| <b>Cash Flows from Operating Activities:</b>  |  |
| Receipts from Customers and Users   | \$ 4   |
| Receipts from Loan Payments   | 255  |
| Payments for Loans Originated   | (360)  |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>(101)</b>                                     |
| <b>Cash Flows From Noncapital Financing Activities:</b>   |  |
| Principal Paid on Capital Debt and Leases   | (82)   |
| Interest Paid on Capital Debt and Leases  | (14)   |
| <b>Net Cash Provided (Used) by Noncapital Financing Activities</b>  | <b>(96)</b>                                      |
| <b>Cash Flows from Investing Activities:</b>  |  |
| Investment Income   | 1  |
| <b>Net Cash Provided (Used) by Investing Activities</b>   | <b>1</b>   |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents<br/>during the Fiscal Year</b>                    | <b>(196)</b>                                     |
| Cash and Cash Equivalents at Beginning of Year  | 989  |
| <b>Cash and Cash Equivalents at End of Year</b>   | <b>\$ 793</b>                                    |
| <b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Provided (Used) by Operating Activities:</b> |  |
| Operating Income (Loss)   | \$ 59  |
| Adjustments to Reconcile Operating Income (Loss):   |  |
| Bad Debt Expense  | 10   |
| Decrease/(Increase) in Assets:  |  |
| Notes Receivable  | (168)  |
| Other Assets  | (2)  |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>\$ (101)</b>                                  |



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***STATISTICAL SECTION***

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***STATISTICAL SECTION***

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# **STATISTICAL SECTION**

This section of the State of South Dakota’s Comprehensive Annual 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.

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

(Accrual Basis of Accounting, Dollars Expressed in Thousands)

|  | Fiscal Year         |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2020                | 2019                | 2018                | 2017                | 2016                |
| <b>Governmental Activities:</b>                    |                     |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | \$ 4,259,851        | \$ 4,126,405        | \$ 4,051,612        | \$ 3,961,256        | \$ 3,804,409        |
| Restricted   | 1,726,738           | 1,755,692           | 1,751,888           | 1,588,336           | 1,509,441           |
| Unrestricted                                       | 586,958             | 363,208             | 283,343             | 267,296             | 254,579             |
| <b>Total Governmental Activities Net Position</b>  | <b>\$ 6,573,547</b> | <b>\$ 6,245,305</b> | <b>\$ 6,086,843</b> | <b>\$ 5,816,888</b> | <b>\$ 5,568,429</b> |
| <b>Business-type Activities:</b>                   |                     |                     |                     |                     |                     |
| 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                                       | 782,424             | 739,281             | 707,805             | 684,730             | 660,697             |
| <b>Total Business-type Activities Net Position</b> | <b>\$ 803,734</b>   | <b>\$ 751,752</b>   | <b>\$ 721,614</b>   | <b>\$ 696,875</b>   | <b>\$ 672,535</b>   |
| <b>Primary Government:</b>                         |                     |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | \$ 4,266,403        | \$ 4,133,055        | \$ 4,058,639        | \$ 3,968,316        | \$ 3,810,766        |
| Restricted   | 1,741,496           | 1,761,513           | 1,758,670           | 1,593,421           | 1,514,922           |
| Unrestricted                                       | 1,369,382           | 1,102,489           | 991,148             | 952,026             | 915,276             |
| <b>Total Primary Government Net Position</b>       | <b>\$ 7,377,281</b> | <b>\$ 6,997,057</b> | <b>\$ 6,808,457</b> | <b>\$ 6,513,763</b> | <b>\$ 6,240,964</b> |

|  | Fiscal Year         |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2015                | 2014                | 2013                | 2012                | 2011                |
| <b>Governmental Activities:</b>                    |                     |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | \$ 3,713,057        | \$ 3,673,267        | \$ 3,548,433        | \$ 3,480,152        | \$ 3,300,829        |
| Restricted   | 1,537,781           | 1,383,140           | 1,241,520           | 1,114,366           | 1,144,456           |
| Unrestricted                                       | 264,916             | 246,555             | 202,835             | 158,316             | 95,317              |
| <b>Total Governmental Activities Net Position</b>  | <b>\$ 5,515,754</b> | <b>\$ 5,302,962</b> | <b>\$ 4,992,788</b> | <b>\$ 4,752,834</b> | <b>\$ 4,540,602</b> |
| <b>Business-type Activities:</b>                   |                     |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | \$ 2,810            | \$ 3,650            | \$ 4,379            | \$ 3,893            | \$ 4,360            |
| Restricted   | 6,155               | 912                 | 916                 | 891                 | 1,931               |
| Unrestricted                                       | 624,416             | 588,495             | 545,751             | 520,208             | 498,567             |
| <b>Total Business-type Activities Net Position</b> | <b>\$ 633,381</b>   | <b>\$ 593,057</b>   | <b>\$ 551,046</b>   | <b>\$ 524,992</b>   | <b>\$ 504,858</b>   |
| <b>Primary Government:</b>                         |                     |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | \$ 3,715,867        | \$ 3,676,917        | \$ 3,552,812        | \$ 3,484,045        | \$ 3,305,189        |
| Restricted   | 1,543,936           | 1,384,052           | 1,242,436           | 1,115,257           | 1,146,387           |
| Unrestricted                                       | 889,332             | 835,050             | 748,586             | 678,524             | 593,884             |
| <b>Total Primary Government Net Position</b>       | <b>\$ 6,149,135</b> | <b>\$ 5,896,019</b> | <b>\$ 5,543,834</b> | <b>\$ 5,277,826</b> | <b>\$ 5,045,460</b> |

**Source:** South Dakota Comprehensive Annual Financial Reports (FY 2011-2020). Previous years' amounts are not restated.

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

(Accrual Basis of Accounting, Dollars Expressed in Thousands)

|   | Fiscal Year           |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  | 2014                  | 2013                  | 2012                  | 2011                  |
| <b>Expenses</b>   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Governmental Activities:</b>                           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| General Government  | \$ 209,723            | \$ 215,879            | \$ 217,355            | \$ 198,531            | \$ 198,079            | \$ 185,273            | \$ 180,221            | \$ 169,843            | \$ 164,005            | \$ 157,405            |
| Education - Elementary, Secondary, and Vocational Schools | 223,524               | 228,729               | 213,449               | 223,668               | 210,777               | 210,271               | 206,939               | 201,177               | 211,413               | 218,959               |
| Education - State Support to Higher Education             | 229,545               | 213,843               | 210,972               | 206,253               | 232,245               | 192,950               | 219,341               | 176,294               | 171,701               | 185,757               |
| Health, Human, and Social Services                        | 1,544,824             | 1,552,490             | 1,500,037             | 1,503,967             | 1,423,411             | 1,406,586             | 1,380,648             | 1,367,355             | 1,354,764             | 1,354,829             |
| Law, Justice, Public Protection, and Regulation           | 313,534               | 301,008               | 258,727               | 294,852               | 269,583               | 279,097               | 321,186               | 277,223               | 286,127               | 286,824               |
| Agriculture and Natural Resources                         | 157,010               | 155,789               | 144,690               | 161,412               | 153,087               | 140,921               | 152,666               | 144,245               | 130,279               | 151,116               |
| Economic Resources  | 45,920                | 71,819                | 43,560                | 52,771                | 56,138                | 74,004                | 40,121                | 43,300                | 40,865                | 51,157                |
| Transportation  | 676,547               | 533,336               | 455,118               | 459,424               | 561,536               | 507,300               | 473,323               | 537,497               | 482,400               | 508,548               |
| Pandemic Response   | 116,299               |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Intergovernmental - Payments to School Districts          | 563,878               | 559,484               | 547,119               | 516,880               | 421,666               | 404,909               | 393,606               | 394,857               | 375,008               | 412,310               |
| Intergovernmental - Revenue                               |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Sharing   | 196,425               | 194,537               | 187,573               | 176,836               | 173,721               | 169,514               | 161,564               | 141,514               | 122,320               | 100,493               |
| Unallocated Interest Expense                              | 6,861                 | 7,524                 | 7,899                 | 6,419                 | 6,627                 | 6,712                 | 9,198                 | 14,537                | 17,393                | 18,711                |
| Unallocated Depreciation                                  | 53                    | 53                    | 53                    | 53                    | 53                    | 53                    | 53                    | 53                    | 53                    | 58                    |
| <b>Total Governmental Activities Expenses</b>             | <b>4,284,143</b>      | <b>4,034,491</b>      | <b>3,786,552</b>      | <b>3,801,066</b>      | <b>3,706,923</b>      | <b>3,577,590</b>      | <b>3,538,866</b>      | <b>3,467,895</b>      | <b>3,356,328</b>      | <b>3,446,167</b>      |
| <b>Business-type Activities:</b>                          |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Lottery   | 50,484                | 51,016                | 45,256                | 39,907                | 43,454                | 41,053                | 42,806                | 44,114                | 39,877                | 36,775                |
| Clean Water State Revolving                               | 13,516                | 11,662                | 12,345                | 9,638                 | 8,290                 | 9,673                 | 9,879                 | 10,898                | 16,406                | 11,109                |
| Drinking Water State Revolving                            | 9,349                 | 8,222                 | 10,314                | 7,511                 | 9,031                 | 8,651                 | 9,352                 | 10,337                | 10,936                | 11,964                |
| Unemployment Insurance                                    | 241,343               |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Other   | 30,696                | 55,331                | 55,571                | 60,920                | 60,352                | 56,081                | 66,042                | 81,648                | 92,096                | 100,406               |
| <b>Total Business-type Activities Expenses</b>            | <b>345,388</b>        | <b>126,231</b>        | <b>123,486</b>        | <b>117,976</b>        | <b>121,127</b>        | <b>115,458</b>        | <b>128,079</b>        | <b>146,997</b>        | <b>159,315</b>        | <b>160,254</b>        |
| <b>Total Primary Government Expenses</b>                  | <b>\$ 4,629,531</b>   | <b>\$ 4,160,722</b>   | <b>\$ 3,910,038</b>   | <b>\$ 3,919,042</b>   | <b>\$ 3,828,050</b>   | <b>\$ 3,693,048</b>   | <b>\$ 3,666,945</b>   | <b>\$ 3,614,892</b>   | <b>\$ 3,515,643</b>   | <b>\$ 3,606,421</b>   |
| <b>Program Revenues</b>                                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Governmental Activities:</b>                           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for Services:                                     |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| General Government  | \$ 272,984            | \$ 260,567            | \$ 258,406            | \$ 242,343            | \$ 236,003            | \$ 244,728            | \$ 227,851            | \$ 212,529            | \$ 194,439            | \$ 170,598            |
| Education - Elementary, Secondary, and Vocational Schools | 8,750                 | 10,442                | 10,112                | 11,136                | 10,016                | 8,489                 | 7,687                 | 7,888                 | 6,147                 | 5,843                 |
| Health, Human, and Social Services                        | 34,115                | 39,525                | 31,807                | 39,584                | 41,741                | 39,058                | 36,597                | 38,098                | 33,030                | 36,256                |
| Law, Justice, Public Protection, and Regulation           | 89,945                | 87,061                | 85,139                | 85,221                | 82,456                | 85,252                | 76,048                | 80,750                | 66,235                | 60,555                |
| Agriculture and Natural Resources                         | 84,795                | 82,993                | 86,130                | 85,226                | 82,891                | 76,994                | 77,514                | 72,972                | 69,331                | 67,815                |
| Economic Resources  | 178                   | 231                   | 845                   | 433                   | 452                   | 1,611                 | 3,789                 | 3,064                 | 3,268                 | 1,332                 |
| Transportation  | 16,519                | 15,279                | 14,723                | 15,927                | 14,755                | 9,007                 | 6,979                 | 6,682                 | 7,514                 | 7,776                 |
| Operating Grants and Contributions                        | 1,918,543             | 1,589,862             | 1,520,834             | 1,553,460             | 1,475,671             | 1,493,542             | 1,582,641             | 1,588,413             | 1,670,046             | 1,838,312             |
| Capital Grants and Contributions                          | 16,761                | 3,378                 | 2,342                 | 3,886                 | 7,045                 | 21,946                | 1,516                 | 1,046                 | 1,608                 | 3,945                 |
| <b>Total Governmental Activities Program Revenues</b>     | <b>2,442,590</b>      | <b>2,089,338</b>      | <b>2,010,338</b>      | <b>2,037,216</b>      | <b>1,951,030</b>      | <b>1,980,627</b>      | <b>2,020,622</b>      | <b>2,011,442</b>      | <b>2,051,618</b>      | <b>2,192,432</b>      |
| <b>Business-type Activities:</b>                          |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for Services:                                     |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Lottery   | 177,306               | 179,644               | 170,099               | 156,814               | 160,728               | 152,362               | 148,323               | 151,414               | 143,078               | 144,460               |
| Clean Water State Revolving                               | 7,401                 | 7,250                 | 7,213                 | 6,963                 | 6,899                 | 6,856                 | 6,019                 | 5,277                 | 5,677                 | 6,014                 |
| Drinking Water State Revolving                            | 5,033                 | 4,587                 | 4,740                 | 4,519                 | 4,333                 | 4,197                 | 4,327                 | 4,321                 | 4,922                 | 4,807                 |
| Unemployment Insurance                                    | 201,950               |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Other   | 29,279                | 63,755                | 60,688                | 68,543                | 75,424                | 71,243                | 81,681                | 85,946                | 94,455                | 112,210               |
| Operating Grants and Contributions                        | 89,829                | 26,910                | 30,971                | 25,334                | 32,772                | 30,005                | 33,994                | 30,519                | 30,910                | 52,926                |
| Capital Grants and Contributions                          | 19                    | 200                   | 84                    | 426                   | 727                   | 2,810                 |                       |                       |                       |                       |
| <b>Total Business-type Activities Program Revenues</b>    | <b>510,817</b>        | <b>282,346</b>        | <b>273,795</b>        | <b>262,599</b>        | <b>280,883</b>        | <b>267,473</b>        | <b>274,344</b>        | <b>277,477</b>        | <b>279,042</b>        | <b>320,417</b>        |
| <b>Total Primary Government Program Revenues</b>          | <b>\$ 2,953,407</b>   | <b>\$ 2,371,684</b>   | <b>\$ 2,284,133</b>   | <b>\$ 2,299,815</b>   | <b>\$ 2,231,913</b>   | <b>\$ 2,248,100</b>   | <b>\$ 2,294,966</b>   | <b>\$ 2,288,919</b>   | <b>\$ 2,330,660</b>   | <b>\$ 2,512,849</b>   |
| <b>Net (Expense)/Revenue</b>                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities                                   | \$ (1,841,553)        | \$ (1,945,153)        | \$ (1,776,214)        | \$ (1,763,850)        | \$ (1,755,893)        | \$ (1,596,963)        | \$ (1,518,244)        | \$ (1,456,453)        | \$ (1,304,710)        | \$ (1,253,735)        |
| Business-type Activities                                  | 165,429               | 156,115               | 150,309               | 144,623               | 159,756               | 152,015               | 146,265               | 130,480               | 119,727               | 160,163               |
| <b>Total Primary Government Net (Expense)/Revenue</b>     | <b>\$ (1,676,124)</b> | <b>\$ (1,789,038)</b> | <b>\$ (1,625,905)</b> | <b>\$ (1,619,227)</b> | <b>\$ (1,596,137)</b> | <b>\$ (1,444,948)</b> | <b>\$ (1,371,979)</b> | <b>\$ (1,325,973)</b> | <b>\$ (1,184,983)</b> | <b>\$ (1,093,572)</b> |
| <b>General Revenues and Other Changes in Net Position</b> |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Governmental Activities:</b>                           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Taxes:  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Sales Taxes   | \$ 1,149,732          | \$ 1,089,336          | \$ 1,025,111          | \$ 991,155            | \$ 905,475            | \$ 871,402            | \$ 858,001            | \$ 802,700            | \$ 779,002            | \$ 741,455            |
| Motor Fuel Taxes  | 184,949               | 184,027               | 183,441               | 183,795               | 184,105               | 151,901               | 136,395               | 139,048               | 130,864               | 130,542               |
| Contractors Excise Taxes                                  | 132,043               | 118,873               | 112,518               | 106,834               | 104,979               | 101,678               | 93,746                | 94,967                | 90,636                | 66,518                |
| Bank Card and Franchise Taxes                             | 44,727                | 35,411                | 31,448                | 32,844                | 25,943                | 20,669                | 23,943                | 49,493                | 32,941                | 16,954                |
| Other Taxes   | 385,180               | 376,813               | 382,375               | 371,864               | 360,917               | 331,649               | 311,397               | 299,726               | 297,750               | 266,415               |
| Investment Earnings                                       | 91,816                | 96,270                | 72,379                | 109,684               | 14,997                | 47,130                | 142,003               | 130,881               | 29,925                | 143,106               |
| Gain on Sale of Capital Assets                            | 1,515                 | 1,978                 | 1,737                 | 1,463                 | 2,057                 | 1,198                 | 2,726                 | 2,127                 | 3,915                 | 819                   |
| Miscellaneous   | 61,664                | 79,632                | 110,159               | 80,500                | 89,493                | 81,275                | 133,988               | 76,047                | 51,652                | 41,519                |
| Special Items   | (3,636)               | (4,702)               |                       |                       |                       |                       | 17,619                |                       |                       |                       |
| Transfers   | 121,805               | 125,977               | 125,570               | 120,283               | 120,602               | 113,558               | 102,937               | 104,426               | 100,257               | 107,750               |
| <b>Total Governmental Activities</b>                      | <b>2,169,795</b>      | <b>2,103,615</b>      | <b>2,044,738</b>      | <b>1,998,422</b>      | <b>1,808,568</b>      | <b>1,720,460</b>      | <b>1,822,755</b>      | <b>1,699,415</b>      | <b>1,516,942</b>      | <b>1,515,078</b>      |
| <b>Business-type Activities:</b>                          |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Transfers   | (121,805)             | (125,977)             | (125,570)             | (120,283)             | (120,602)             | (113,558)             | (102,937)             | (104,426)             | (100,257)             | (107,750)             |
| <b>Total Business-type Activities</b>                     | <b>(121,805)</b>      | <b>(125,977)</b>      | <b>(125,570)</b>      | <b>(120,283)</b>      | <b>(120,602)</b>      | <b>(113,558)</b>      | <b>(102,937)</b>      | <b>(104,426)</b>      | <b>(100,257)</b>      | <b>(107,750)</b>      |
| <b>Total Primary Government</b>                           | <b>\$ 2,047,990</b>   | <b>\$ 1,977,638</b>   | <b>\$ 1,919,168</b>   | <b>\$ 1,878,139</b>   | <b>\$ 1,687,966</b>   | <b>\$ 1,606,902</b>   | <b>\$ 1,719,818</b>   | <b>\$ 1,594,989</b>   | <b>\$ 1,416,685</b>   | <b>\$ 1,407,328</b>   |
| <b>Change in Net Position</b>                             |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities                                   | \$ 328,242            | \$ 158,462            | \$ 268,524            | \$ 234,572            | \$ 52,675             | \$ 123,497            | \$ 304,511            | \$ 242,962            | \$ 212,232            | \$ 261,343            |
| Business-type Activities                                  | 43,624                | 30,138                | 24,739                | 24,340                | 39,154                | 38,457                | 43,328                | 26,054                | 19,470                | 52,413                |
| <b>Total Primary Government</b>                           | <b>\$ 371,866</b>     | <b>\$ 188,600</b>     | <b>\$ 293,263</b>     | <b>\$ 258,912</b>     | <b>\$ 91,829</b>      | <b>\$ 161,954</b>     | <b>\$ 347,839</b>     | <b>\$ 269,016</b>     | <b>\$ 231,702</b>     | <b>\$ 313,756</b>     |

Source: South Dakota Comprehensive Annual Financial Reports (FY 2011-2020). Previous years' amounts are not restated.

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

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

|                                       | Fiscal Year         |                     |                     |                     |                     |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | 2020                | 2019                | 2018                | 2017                | 2016                |
| <b>General Fund:</b>                  |                     |                     |                     |                     |                     |
| Non-Spendable                         | \$ 5,300            | \$ 5,503            | \$ 6,097            | \$ 6,458            | \$ 4,193            |
| Restricted                            | 3,382               | 3,300               | 3,300               | 3,300               | 8,384               |
| <b>Committed</b>                      |                     |                     |                     |                     |                     |
| Assigned                              | 136,363             | 74,156              | 60,691              | 54,835              | 54,516              |
| Unassigned                            | 381,326             | 294,225             | 268,052             | 249,087             | 242,449             |
| <b>Total General Fund</b>             | <b>\$ 526,371</b>   | <b>\$ 377,184</b>   | <b>\$ 338,140</b>   | <b>\$ 313,680</b>   | <b>\$ 309,542</b>   |
| <b>Other Governmental Funds:</b>      |                     |                     |                     |                     |                     |
| Non-Spendable                         | \$ 582,096          | \$ 571,644          | \$ 563,385          | \$ 526,968          | \$ 512,525          |
| Restricted                            | 1,098,864           | 1,087,753           | 1,080,962           | 1,033,158           | 893,833             |
| <b>Committed</b>                      | <b>51,243</b>       | <b>41,816</b>       | <b>36,863</b>       | <b>38,940</b>       | <b>43,652</b>       |
| Assigned                              | 25,593              | 22,430              | 17,514              | 29,404              | 27,022              |
| Unassigned                            | (8,359)             | (4,036)             | (11,758)            | (5,742)             | (5,048)             |
| <b>Total Other Governmental Funds</b> | <b>\$ 1,749,437</b> | <b>\$ 1,719,607</b> | <b>\$ 1,686,966</b> | <b>\$ 1,622,728</b> | <b>\$ 1,471,984</b> |

|                                       | Fiscal Year         |                     |                     |                     |                     |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | 2015                | 2014                | 2013                | 2012                | 2011                |
| <b>General Fund:</b>                  |                     |                     |                     |                     |                     |
| Non-Spendable                         | \$ 3,911            | \$ 3,629            | \$ 3,419            | \$ 2,916            | \$ 3,148            |
| Restricted                            | 10,479              | 8,264               | 1,018               |                     |                     |
| <b>Committed</b>                      |                     |                     |                     |                     |                     |
| Assigned                              | 120,180             | 149,021             | 126,872             | 140,706             | 148,137             |
| Unassigned                            | 183,570             | 159,403             | 186,444             | 147,445             | 136,018             |
| <b>Total General Fund</b>             | <b>\$ 318,140</b>   | <b>\$ 320,317</b>   | <b>\$ 317,753</b>   | <b>\$ 291,067</b>   | <b>\$ 287,303</b>   |
| <b>Other Governmental Funds:</b>      |                     |                     |                     |                     |                     |
| Non-Spendable                         | \$ 501,093          | \$ 493,227          | \$ 717,108          | \$ 706,054          | \$ 683,786          |
| Restricted                            | 949,713             | 918,910             | 551,014             | 460,450             | 493,638             |
| <b>Committed</b>                      | <b>51,119</b>       | <b>46,766</b>       | <b>43,993</b>       | <b>38,930</b>       | <b>36,844</b>       |
| Assigned                              | 27,633              | 34,339              | 49,758              | 43,815              | 34,684              |
| Unassigned                            | (3,624)             | (5,040)             | (1,462)             | (2,931)             | (18,859)            |
| <b>Total Other Governmental Funds</b> | <b>\$ 1,525,934</b> | <b>\$ 1,488,202</b> | <b>\$ 1,360,411</b> | <b>\$ 1,246,318</b> | <b>\$ 1,230,093</b> |

**Source:** South Dakota Comprehensive Annual Financial Reports (FY 2011-2020). Previous years' amounts are not restated.

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

|   | Fiscal Year       |                  |                  |                   |                    |                  |                   |                   |                  |                   |
|---|-------------------|------------------|------------------|-------------------|--------------------|------------------|-------------------|-------------------|------------------|-------------------|
|   | 2020              | 2019             | 2018             | 2017              | 2016               | 2015             | 2014              | 2013              | 2012             | 2011              |
| <b>Revenues:</b>  |                   |                  |                  |                   |                    |                  |                   |                   |                  |                   |
| Taxes:  |                   |                  |                  |                   |                    |                  |                   |                   |                  |                   |
| Sales and Use   | \$ 1,129,007      | \$ 1,062,456     | \$ 1,025,607     | \$ 990,332        | \$ 905,203         | \$ 876,138       | \$ 857,559        | \$ 802,700        | \$ 779,002       | \$ 741,455        |
| Insurance Company                                       | 94,277            | 88,270           | 91,062           | 83,952            | 83,291             | 80,133           | 73,876            | 70,740            | 66,679           | 61,799            |
| Liquor  | 19,231            | 19,919           | 17,135           | 15,994            | 17,580             | 16,356           | 15,988            | 15,835            | 14,519           | 14,953            |
| Cigarette   | 45,885            | 45,501           | 49,729           | 52,149            | 52,081             | 52,776           | 51,616            | 51,940            | 50,704           | 46,700            |
| Bank Franchise  | 44,693            | 34,706           | 31,462           | 32,800            | 25,412             | 20,669           | 23,943            | 49,493            | 32,941           | 16,954            |
| Contractor's Excise                                     | 126,946           | 112,705          | 112,473          | 106,845           | 104,938            | 102,246          | 93,746            | 94,967            | 90,636           | 66,518            |
| Severance   | 8,640             | 4,777            | 9,055            | 10,154            | 8,260              | 7,508            | 9,286             | 9,141             | 15,153           | 9,748             |
| Other Tobacco   | 10,357            | 9,470            | 9,231            | 8,226             | 8,882              | 7,995            | 8,131             | 6,562             | 6,495            | 6,075             |
| Motor Fuel and Vehicle                                  | 305,620           | 302,498          | 298,774          | 294,918           | 293,045            | 240,382          | 215,203           | 212,521           | 206,259          | 192,198           |
| Other   | 86,123            | 90,396           | 90,854           | 90,251            | 81,993             | 78,434           | 73,688            | 72,018            | 68,807           | 65,482            |
| Licenses, Permits, and Fees                             | 312,714           | 307,301          | 304,754          | 301,216           | 302,156            | 281,742          | 267,628           | 252,420           | 225,803          | 202,449           |
| Fines, Forfeits, and Penalties                          | 18,697            | 15,070           | 13,347           | 14,400            | 12,647             | 14,516           | 10,781            | 16,189            | 13,490           | 12,142            |
| Use of Money and Property                               | 116,694           | 128,161          | 84,549           | 123,183           | 27,578             | 59,865           | 157,633           | 153,479           | 42,881           | 162,577           |
| Sales and Services                                      | 41,564            | 53,192           | 44,973           | 44,916            | 39,797             | 42,531           | 39,712            | 37,679            | 34,290           | 32,499            |
| Administering Programs                                  | 1,889,237         | 1,555,548        | 1,493,062        | 1,546,964         | 1,464,030          | 1,503,362        | 1,567,027         | 1,573,326         | 1,657,602        | 1,820,205         |
| Tobacco Settlement                                      | 20,865            | 20,558           | 46,000           | 24,302            | 24,582             | 23,421           | 26,561            | 24,128            | 24,135           | 23,673            |
| Other Revenue   | 78,640            | 95,092           | 106,339          | 80,380            | 87,874             | 77,614           | 129,147           | 65,272            | 42,676           | 40,008            |
| <b>Total Revenues</b>                                   | <b>4,349,190</b>  | <b>3,945,620</b> | <b>3,828,406</b> | <b>3,820,982</b>  | <b>3,539,349</b>   | <b>3,485,688</b> | <b>3,621,525</b>  | <b>3,508,410</b>  | <b>3,372,072</b> | <b>3,515,435</b>  |
| <b>Expenditures:</b>                                    |                   |                  |                  |                   |                    |                  |                   |                   |                  |                   |
| General Government                                      | 104,375           | 104,963          | 102,803          | 94,658            | 99,874             | 87,785           | 87,409            | 74,394            | 73,714           | 70,493            |
| Education   | 1,015,113         | 999,426          | 977,720          | 977,833           | 859,072            | 804,348          | 835,894           | 782,276           | 778,707          | 832,936           |
| Health, Human, and Social Services                      | 1,523,558         | 1,531,129        | 1,516,592        | 1,487,068         | 1,428,259          | 1,435,850        | 1,387,821         | 1,364,933         | 1,351,100        | 1,350,402         |
| Law, Justice, Public Protection, and Regulation         | 304,836           | 282,912          | 272,661          | 283,053           | 268,818            | 281,688          | 320,080           | 280,691           | 303,237          | 311,583           |
| Agriculture and Natural Resources                       | 164,876           | 155,168          | 161,734          | 173,111           | 155,006            | 143,466          | 148,596           | 139,861           | 138,598          | 155,064           |
| Economic Resources                                      | 45,258            | 71,505           | 43,978           | 52,432            | 56,202             | 74,182           | 40,062            | 43,108            | 40,553           | 50,986            |
| Transportation  | 788,580           | 614,680          | 575,332          | 600,346           | 655,752            | 554,536          | 582,939           | 604,048           | 625,661          | 576,777           |
| Pandemic Response                                       | 116,299           |                  |                  |                   |                    |                  |                   |                   |                  |                   |
| State Shared Revenue                                    | 196,425           | 194,537          | 187,573          | 176,836           | 173,721            | 169,514          | 161,564           | 141,514           | 122,320          | 100,493           |
| Capital Outlay  | 13,912            | 28,163           | 8,182            | 1,023             | 1,017              | 2,038            | 2,541             | 387               | 4,773            | 4,381             |
| Debt Service:   |                   |                  |                  |                   |                    |                  |                   |                   |                  |                   |
| Principal   | 14,280            | 14,407           | 14,962           | 15,583            | 16,415             | 17,272           | 20,973            | 30,059            | 25,622           | 22,225            |
| Interest  | 6,510             | 7,234            | 7,563            | 8,647             | 9,177              | 9,261            | 10,206            | 13,896            | 16,219           | 17,504            |
| Bond Issuance Costs                                     | 65                |                  | 67               | 322               | 6                  | 346              | 83                | 1,817             |                  |                   |
| Payment to Refunded Bond Escrow Agent                   |                   |                  |                  |                   |                    |                  | 16,924            | 8,016             |                  |                   |
| <b>Total Expenditures</b>                               | <b>4,294,087</b>  | <b>4,004,124</b> | <b>3,869,167</b> | <b>3,870,912</b>  | <b>3,723,319</b>   | <b>3,580,286</b> | <b>3,615,092</b>  | <b>3,485,000</b>  | <b>3,480,504</b> | <b>3,492,844</b>  |
| <b>Excess of Revenues Over (Under) Expenditures</b>     | <b>55,103</b>     | <b>(58,504)</b>  | <b>(40,761)</b>  | <b>(49,930)</b>   | <b>(183,970)</b>   | <b>(94,598)</b>  | <b>6,433</b>      | <b>23,410</b>     | <b>(108,432)</b> | <b>22,591</b>     |
| <b>Other Financing Sources (Uses):</b>                  |                   |                  |                  |                   |                    |                  |                   |                   |                  |                   |
| Capital Leases  |                   |                  | 1,322            | 32,048            |                    | 1,125            | 20,350            | 12,605            | 23,770           | 19,465            |
| Proceeds from Sale of Capital Assets                    | 2,895             | 5,663            | 2,627            | 2,253             | 2,136              | 2,099            | 4,459             | 5,154             | 6,096            | 1,588             |
| Insurance Proceeds                                      | 15                | 33               | 13               | 80                | 85                 |                  | 24                |                   | 222              |                   |
| Bonds Issued  |                   |                  |                  | 44,305            |                    | 13,410           | 4,500             |                   |                  | 9,505             |
| Premiums on Bond Issuance                               |                   |                  |                  | 6,173             |                    | 314              |                   |                   |                  | 154               |
| Proceeds of Refunding Bonds                             | 7,130             |                  |                  | 1,405             |                    | 10,408           |                   | 169,645           |                  | 801               |
| Premiums on Refunding Bonds                             |                   |                  |                  | 206               |                    | 1,657            |                   | 9,026             |                  | 24                |
| Payments on Advance Refundings                          | (6,469)           |                  |                  | (1,488)           |                    | (11,379)         |                   | (176,854)         |                  | (741)             |
| Transfers In  | 289,409           | 283,840          | 298,786          | 261,279           | 274,598            | 271,301          | 262,172           | 254,094           | 270,315          | 237,968           |
| Transfers Out   | (169,066)         | (159,347)        | (174,720)        | (142,563)         | (155,397)          | (158,782)        | (167,866)         | (150,699)         | (171,982)        | (135,374)         |
| <b>Net Other Financing Sources (Uses)</b>               | <b>123,914</b>    | <b>130,189</b>   | <b>128,028</b>   | <b>203,698</b>    | <b>121,422</b>     | <b>130,153</b>   | <b>123,639</b>    | <b>122,971</b>    | <b>128,421</b>   | <b>133,390</b>    |
| <b>Net Change in Fund Balances</b>                      | <b>\$ 179,017</b> | <b>\$ 71,685</b> | <b>\$ 87,267</b> | <b>\$ 153,768</b> | <b>\$ (62,548)</b> | <b>\$ 35,555</b> | <b>\$ 130,072</b> | <b>\$ 146,381</b> | <b>\$ 19,989</b> | <b>\$ 155,981</b> |
| Debt Service as a Percentage of Noncapital Expenditures | 0.52%             | 0.57%            | 0.62%            | 0.69%             | 0.73%              | 0.79%            | 1.42%             | 1.63%             | 1.31%            | 1.21%             |

Source: South Dakota Comprehensive Annual Financial Reports (FY 2011-2020). Previous years' amounts are not restated.

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

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

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

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

| <b>Fiscal Year 2011</b>             |                         |                         |                      |                         |
|-------------------------------------|-------------------------|-------------------------|----------------------|-------------------------|
|                                     | <b>Number of Filers</b> | <b>Percent of Total</b> | <b>Taxable Sales</b> | <b>Percent of Total</b> |
| Agriculture, Forestry, and Fishing  | 3,165                   | 3.99%                   | \$ 224,548           | 1.27%                   |
| Mining                              | 223                     | 0.28%                   | 95,566               | 0.54%                   |
| Construction                        | 447                     | 0.56%                   | 19,479               | 0.11%                   |
| Manufacturing                       | 3,306                   | 4.17%                   | 944,070              | 5.33%                   |
| Transportation and Public Utilities | 3,297                   | 4.16%                   | 2,920,135            | 16.49%                  |
| Wholesale Trade                     | 6,741                   | 8.50%                   | 1,300,644            | 7.34%                   |
| Retail Trade                        | 29,017                  | 36.59%                  | 8,930,620            | 50.43%                  |
| Finance, Insurance, and Real Estate | 2,121                   | 2.67%                   | 291,692              | 1.65%                   |
| Services                            | 30,934                  | 39.01%                  | 2,980,187            | 16.83%                  |
| Public Administration               | 55                      | 0.07%                   | 2,082                | 0.01%                   |
| <b>Total</b>                        | <b>79,306</b>           | <b>100.00%</b>          | <b>\$ 17,709,023</b> | <b>100.00%</b>          |

| Fiscal Year 2019 |                  |                      |                  |
|------------------|------------------|----------------------|------------------|
| Number of Filers | Percent of Total | Taxable Sales        | Percent of Total |
| 3,378            | 3.49%            | \$ 405,756           | 1.78%            |
| 219              | 0.23%            | 70,449               | 0.31%            |
| 384              | 0.40%            | 27,292               | 0.12%            |
| 4,820            | 4.98%            | 1,144,740            | 5.03%            |
| 2,642            | 2.73%            | 3,008,229            | 13.21%           |
| 7,919            | 8.18%            | 1,696,169            | 7.45%            |
| 41,642           | 43.00%           | 11,646,177           | 51.14%           |
| 2,254            | 2.33%            | 496,573              | 2.18%            |
| 33,498           | 34.59%           | 4,271,983            | 18.76%           |
| 67               | 0.07%            | 4,942                | 0.02%            |
| <b>96,823</b>    | <b>100.00%</b>   | <b>\$ 22,772,310</b> | <b>100.00%</b>   |

| Fiscal Year 2016 |                  |                      |                  |
|------------------|------------------|----------------------|------------------|
| Number of Filers | Percent of Total | Taxable Sales        | Percent of Total |
| 3,202            | 3.77%            | \$ 338,993           | 1.60%            |
| 210              | 0.25%            | 71,002               | 0.34%            |
| 475              | 0.56%            | 26,495               | 0.13%            |
| 4,076            | 4.80%            | 917,873              | 4.34%            |
| 2,625            | 3.09%            | 2,767,864            | 13.09%           |
| 7,117            | 8.38%            | 1,618,465            | 7.65%            |
| 32,455           | 38.19%           | 11,137,027           | 52.66%           |
| 2,135            | 2.51%            | 432,211              | 2.04%            |
| 32,618           | 38.38%           | 3,835,074            | 18.14%           |
| 55               | 0.07%            | 2,799                | 0.01%            |
| <b>84,968</b>    | <b>100.00%</b>   | <b>\$ 21,147,803</b> | <b>100.00%</b>   |

| Fiscal Year 2013 |                  |                      |                  |
|------------------|------------------|----------------------|------------------|
| Number of Filers | Percent of Total | Taxable Sales        | Percent of Total |
| 3,424            | 4.13%            | \$ 253,605           | 1.34%            |
| 233              | 0.28%            | 102,408              | 0.54%            |
| 463              | 0.56%            | 25,832               | 0.14%            |
| 3,608            | 4.35%            | 778,735              | 4.12%            |
| 2,941            | 3.55%            | 2,556,524            | 13.54%           |
| 7,226            | 8.72%            | 1,403,736            | 7.43%            |
| 30,452           | 36.74%           | 10,162,245           | 53.81%           |
| 2,133            | 2.57%            | 367,556              | 1.95%            |
| 32,354           | 39.03%           | 3,231,543            | 17.11%           |
| 60               | 0.07%            | 4,082                | 0.02%            |
| <b>82,894</b>    | <b>100.00%</b>   | <b>\$ 18,886,266</b> | <b>100.00%</b>   |

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

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

| Fiscal Year 2012 |                  |                      |                  |
|------------------|------------------|----------------------|------------------|
| Number of Filers | Percent of Total | Taxable Sales        | Percent of Total |
| 3,274            | 4.05%            | \$ 241,819           | 1.33%            |
| 218              | 0.27%            | 112,925              | 0.62%            |
| 469              | 0.58%            | 23,842               | 0.13%            |
| 3,399            | 4.20%            | 788,163              | 4.33%            |
| 3,034            | 3.75%            | 2,422,870            | 13.30%           |
| 7,186            | 8.88%            | 1,460,278            | 8.02%            |
| 29,963           | 37.02%           | 9,764,051            | 53.60%           |
| 2,116            | 2.61%            | 308,237              | 1.69%            |
| 31,216           | 38.57%           | 3,090,080            | 16.97%           |
| 56               | 0.07%            | 1,799                | 0.01%            |
| <b>80,931</b>    | <b>100.00%</b>   | <b>\$ 18,214,064</b> | <b>100.00%</b>   |

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

**Notes:**

- (a) Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's sales tax resources, representing the largest source of funding for the General Fund.
- (b) Taxable sales: This is the amount of sales and use taxable sales of tangible personal property, services, and products delivered electronically which are subject to state tax or reservation tax unless specifically exempted. No Contractors Excise taxes are included.
- (c) Whenever there are fewer than 3 licenses in any one classification, the information is combined into the "Nonclassifiable Establishments" category.
- (d) Prior to June 1, 2016, a tax was imposed upon gross receipts from selling, leasing, and renting tangible personal property and the sales of services. Beginning June 1, 2016, all items subject to the state sales tax will be taxed at 4.5% to conform to the HB 1182 passed during the 2016 Session. A use tax of the same rate as the sales tax rate was imposed on goods and services that are used, stored, or consumed in South Dakota on which South Dakota sales tax was not paid. An excise tax of the same rate as the sales tax rate was imposed on farm machinery and amusement device tax.
- (e) The taxable figures could include amended returns that were due in prior periods.

**State of South Dakota**  
**Taxable Sales by Industry**  
**Last Ten Fiscal Years**  
(Dollars Expressed in Thousands)

|                                     | Fiscal Year          |                      |                      |                      |                      |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                     | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 |
| <b>Taxable Sales by Industry</b>    |                      |                      |                      |                      |                      |
| Agriculture, Forestry, and Fishing  | \$ 414,827           | \$ 405,756           | \$ 367,891           | \$ 348,540           | \$ 338,993           |
| Mining                              | 74,930               | 70,449               | 68,101               | 63,973               | 71,002               |
| Construction                        | 30,204               | 27,292               | 32,765               | 31,077               | 26,495               |
| Manufacturing                       | 1,281,161            | 1,144,740            | 1,065,841            | 958,294              | 917,873              |
| Transportation and Public Utilities | 3,038,835            | 3,008,229            | 2,938,739            | 2,833,338            | 2,767,864            |
| Wholesale Trade                     | 1,773,771            | 1,696,169            | 1,523,330            | 1,438,813            | 1,618,465            |
| Retail Trade                        | 12,427,707           | 11,646,177           | 11,100,575           | 10,789,651           | 11,137,027           |
| Finance, Insurance, and Real Estate | 529,407              | 496,573              | 476,306              | 451,550              | 432,211              |
| Services                            | 4,311,839            | 4,271,983            | 4,125,512            | 3,873,304            | 3,835,074            |
| Public Administration               | 3,169                | 4,942                | 2,547                | 3,920                | 2,799                |
| <b>Totals</b>                       | <b>\$ 23,885,850</b> | <b>\$ 22,772,310</b> | <b>\$ 21,701,607</b> | <b>\$ 20,792,460</b> | <b>\$ 21,147,803</b> |
| Direct Sales Tax Rate               | 4.50%                | 4.50%                | 4.50%                | 4.50%                | 4.50%                |

|                                     | Fiscal Year          |                      |                      |                      |                      |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                     | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 |
| <b>Taxable Sales by Industry</b>    |                      |                      |                      |                      |                      |
| Agriculture, Forestry, and Fishing  | \$ 297,936           | \$ 287,680           | \$ 253,605           | \$ 241,819           | \$ 224,548           |
| Mining                              | 105,773              | 118,587              | 102,408              | 112,925              | 95,566               |
| Construction                        | 27,123               | 31,241               | 25,832               | 23,842               | 19,479               |
| Manufacturing                       | 873,909              | 902,791              | 778,735              | 788,163              | 944,070              |
| Transportation and Public Utilities | 2,765,194            | 2,769,521            | 2,556,524            | 2,422,870            | 2,920,135            |
| Wholesale Trade                     | 1,617,613            | 1,514,416            | 1,403,736            | 1,460,278            | 1,300,644            |
| Retail Trade                        | 10,864,164           | 10,571,228           | 10,162,245           | 9,764,051            | 8,930,620            |
| Finance, Insurance, and Real Estate | 394,780              | 384,474              | 367,556              | 308,237              | 291,692              |
| Services                            | 3,650,026            | 3,396,424            | 3,231,543            | 3,090,080            | 2,980,187            |
| Public Administration               | 2,390                | 2,029                | 4,082                | 1,799                | 2,082                |
| <b>Totals</b>                       | <b>\$ 20,598,908</b> | <b>\$ 19,978,391</b> | <b>\$ 18,886,266</b> | <b>\$ 18,214,064</b> | <b>\$ 17,709,023</b> |
| Direct Sales Tax Rate               | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                |

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

**Notes:**

- (a) Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's sales tax resources, representing the largest source of funding for the General Fund.
- (b) Taxable sales: This is the amount of sales and use taxable sales on tangible personal property, services, and products delivered electronically which are subject to state tax or reservation tax unless specifically exempted. No Contractors Excise taxes are included.
- (c) Whenever there are fewer than 3 licenses in any one classification, the information is combined into the "Nonclassifiable Establishments" category.
- (d) Prior to June 1, 2016, a tax was imposed upon gross receipts from selling, leasing, and renting tangible personal property and the sales of services. Beginning June 1, 2016, all items subject to the state sales tax will be taxed at 4.5% to conform to the HB 1182 passed during the 2016 Session. A use tax of the same rate as the sales tax rate was imposed on goods and services that are used, stored, or consumed in South Dakota on which South Dakota sales tax was not paid. An excise tax of the same rate as the sales tax rate was imposed on farm machinery and amusement device tax.
- (e) The taxable figures could include amended returns that were due in prior periods.

**State of South Dakota**  
**Ratios of Outstanding Long-Term Debt**  
**Last Ten Fiscal Years**

(Dollars Expressed in Thousands)

|   | Fiscal Year       |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2020              | 2019              | 2018              | 2017              | 2016              |
| Governmental Activities:                  |                   |                   |                   |                   |                   |
| Revenue Bonds                             | \$ 146,764        | \$ 160,839        | \$ 176,322        | \$ 192,360        | \$ 157,847        |
| Trust Certificates                        |                   |                   |                   |                   | 280               |
| Capital Leases                            | 133,352           | 136,417           | 139,181           | 145,681           | 116,289           |
| <b>Total Governmental Activities</b>      | <b>280,116</b>    | <b>297,256</b>    | <b>315,503</b>    | <b>338,041</b>    | <b>274,416</b>    |
| Business-type Activities:                 |                   |                   |                   |                   |                   |
| Revenue Bonds                             | 351,302           | 375,803           | 287,206           | 230,912           | 247,852           |
| <b>Total Business-type Activities</b>     | <b>351,302</b>    | <b>375,803</b>    | <b>287,206</b>    | <b>230,912</b>    | <b>247,852</b>    |
| <b>Total Primary Government</b>           | <b>\$ 631,418</b> | <b>\$ 673,059</b> | <b>\$ 602,709</b> | <b>\$ 568,953</b> | <b>\$ 522,268</b> |
| South Dakota Total Personal Income (r)    | \$ 52,313,000     | \$ 47,738,000     | \$ 46,249,000     | \$ 43,275,000     | \$ 41,960,000     |
| Debt as a Percentage of Personal Income   | 1.2%              | 1.4%              | 1.3%              | 1.3%              | 1.2%              |
| South Dakota Population (in thousands)(r) | 891               | 885               | 879               | 873               | 863               |
| Long-Term Debt per Capita                 | \$ 708.66         | \$ 760.52         | \$ 685.68         | \$ 651.72         | \$ 605.18         |

|   | Fiscal Year       |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2015              | 2014              | 2013              | 2012              | 2011              |
| Governmental Activities:                  |                   |                   |                   |                   |                   |
| Revenue Bonds                             | \$ 174,764        | \$ 177,303        | \$ 191,295        | \$ 227,586        | \$ 250,376        |
| Trust Certificates                        | 570               | 880               | 13,595            | 16,490            | 19,250            |
| Capital Leases                            | 116,352           | 100,727           | 78,682            | 64,279            | 40,187            |
| <b>Total Governmental Activities</b>      | <b>291,686</b>    | <b>278,910</b>    | <b>283,572</b>    | <b>308,355</b>    | <b>309,813</b>    |
| Business-type Activities:                 |                   |                   |                   |                   |                   |
| Revenue Bonds                             | 263,818           | 207,448           | 212,523           | 222,705           | 174,218           |
| <b>Total Business-type Activities</b>     | <b>263,818</b>    | <b>207,448</b>    | <b>212,523</b>    | <b>222,705</b>    | <b>174,218</b>    |
| <b>Total Primary Government</b>           | <b>\$ 555,504</b> | <b>\$ 486,358</b> | <b>\$ 496,095</b> | <b>\$ 531,060</b> | <b>\$ 484,031</b> |
| South Dakota Total Personal Income (r)    | \$ 41,548,000     | \$ 39,872,000     | \$ 38,109,000     | \$ 37,659,000     | \$ 36,742,000     |
| Debt as a Percentage of Personal Income   | 1.3%              | 1.2%              | 1.3%              | 1.4%              | 1.3%              |
| South Dakota Population (in thousands)(r) | 854               | 849               | 842               | 833               | 823               |
| Long-Term Debt per Capita                 | \$ 650.47         | \$ 572.86         | \$ 589.19         | \$ 637.53         | \$ 588.13         |

**Source:** Debt information obtained from the South Dakota Comprehensive Annual Financial Reports (FY 2011-2020)  
Total Personal Income and Population data: US Bureau of Economic Analysis

- Note:**
- (a) South Dakota Total Personal Income figure for 2020 is preliminary.
  - (b) Detail about the State's debt can be found in Note 14 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 2011 through 2019.  
Data for South Dakota Population has been revised for fiscal years 2011 through 2019.

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

|  | Fiscal Year      |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|  | 2020             | 2019             | 2018             | 2017             | 2016             | 2015             | 2014             | 2013             | 2012             | 2011             |
| Revenue Bonds and Trust Certificates   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| - Building Authority                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Revenue - Lease Payments               | \$ 6,966         | \$ 6,968         | \$ 7,019         | \$ 8,071         | \$ 8,607         | \$ 8,898         | \$ 12,654        | \$ 13,569        | \$ 14,646        | \$ 15,052        |
| Less: Operating Expenses               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Net Available Revenue</b>           | <b>\$ 6,966</b>  | <b>\$ 6,968</b>  | <b>\$ 7,019</b>  | <b>\$ 8,071</b>  | <b>\$ 8,607</b>  | <b>\$ 8,898</b>  | <b>\$ 12,654</b> | <b>\$ 13,569</b> | <b>\$ 14,646</b> | <b>\$ 15,052</b> |
| Debt Service                           |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Principal                              | \$ 3,680         | \$ 3,507         | \$ 3,462         | \$ 3,648         | \$ 2,321         | \$ 4,047         | \$ 6,978         | \$ 10,713        | \$ 11,243        | \$ 11,240        |
| Interest                               | 3,112            | 3,451            | 3,532            | 4,388            | 6,283            | 4,377            | 5,478            | 2,559            | 3,355            | 3,731            |
| <b>Total</b>                           | <b>\$ 6,792</b>  | <b>\$ 6,958</b>  | <b>\$ 6,994</b>  | <b>\$ 8,036</b>  | <b>\$ 8,604</b>  | <b>\$ 8,424</b>  | <b>\$ 12,456</b> | <b>\$ 13,272</b> | <b>\$ 14,598</b> | <b>\$ 14,971</b> |
| Coverage                               | 1.03             | 1.00             | 1.00             | 1.00             | 1.00             | 1.06             | 1.02             | 1.02             | 1.00             | 1.01             |
| Revenue Bonds                          |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| -Educational Enhancement Funding Corp. |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Revenue:                               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Tobacco Settlement                     | \$ 20,832        | \$ 20,024        | \$ 46,015        | \$ 22,815        | \$ 25,156        | \$ 23,306        | \$ 26,326        | \$ 23,914        | \$ 24,359        | \$ 22,908        |
| Investment Earnings                    | 341              | 462              | 257              | 102              | 68               | 13               | 7                | 1,079            | 1,202            | 1,098            |
| Less: Operating Expenses               |                  |                  |                  |                  |                  |                  |                  | 165              | 152              | 152              |
| <b>Net Available Revenue</b>           | <b>\$ 21,173</b> | <b>\$ 20,486</b> | <b>\$ 46,272</b> | <b>\$ 22,917</b> | <b>\$ 25,224</b> | <b>\$ 23,319</b> | <b>\$ 26,333</b> | <b>\$ 24,828</b> | <b>\$ 25,409</b> | <b>\$ 23,854</b> |
| Debt Service                           |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Principal                              | \$ 10,600        | \$ 10,900        | \$ 11,500        | \$ 11,935        | \$ 12,535        | \$ 13,225        | \$ 13,995        | \$ 18,800        | \$               | \$               |
| Interest                               | 3,145            | 3,530            | 3,789            | 4,018            | 4,215            | 4,376            | 4,498            | 10,828           | 12,975           | 13,799           |
| <b>Total</b>                           | <b>\$ 13,745</b> | <b>\$ 14,430</b> | <b>\$ 15,289</b> | <b>\$ 15,953</b> | <b>\$ 16,750</b> | <b>\$ 17,601</b> | <b>\$ 18,493</b> | <b>\$ 29,628</b> | <b>\$ 12,975</b> | <b>\$ 13,799</b> |
| Coverage                               | 1.54             | 1.42             | 3.03             | 1.44             | 1.51             | 1.32             | 1.42             | 0.84             | 1.96             | 1.73             |
| Revenue Bonds                          |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| -Clean Water State Revolving Fund      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Revenue:                               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Loan Repayments                        | \$ 36,697        | \$ 30,004        | \$ 27,944        | \$ 28,764        | \$ 28,998        | \$ 26,637        | \$ 25,502        | \$ 24,394        | \$ 29,078        | \$ 43,202        |
| Investment Income                      | 5,752            | 6,637            | 4,605            | 4,181            | 4,192            | 3,900            | 3,988            | 3,402            | 3,494            | 3,259            |
| Other Income                           | 1,701            | 1,597            | 1,528            | 1,428            | 1,410            | 1,442            | 1,332            | 1,238            | 1,243            | 1,320            |
| Less: Operating Expenses               | 1,698            | 2,288            | 3,737            | 2,348            | 982              | 1,294            | 1,080            | 2,476            | 1,304            | 982              |
| <b>Net Available Revenue</b>           | <b>\$ 42,452</b> | <b>\$ 35,950</b> | <b>\$ 30,340</b> | <b>\$ 32,025</b> | <b>\$ 33,618</b> | <b>\$ 30,685</b> | <b>\$ 29,742</b> | <b>\$ 26,558</b> | <b>\$ 32,511</b> | <b>\$ 46,799</b> |
| Debt Service                           |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Principal                              | \$ 13,130        | \$ 12,505        | \$ 10,125        | \$ 9,875         | \$ 9,290         | \$ 7,580         | \$ 7,415         | \$ 6,110         | \$ 4,320         | \$ 3,665         |
| Interest                               | 10,304           | 9,293            | 7,862            | 6,821            | 7,088            | 6,663            | 5,361            | 5,578            | 4,063            | 3,188            |
| <b>Total</b>                           | <b>\$ 23,434</b> | <b>\$ 21,798</b> | <b>\$ 17,987</b> | <b>\$ 16,696</b> | <b>\$ 16,378</b> | <b>\$ 14,243</b> | <b>\$ 12,776</b> | <b>\$ 11,688</b> | <b>\$ 8,383</b>  | <b>\$ 6,853</b>  |
| Coverage                               | 1.81             | 1.65             | 1.69             | 1.92             | 2.05             | 2.15             | 2.33             | 2.27             | 3.88             | 6.83             |
| Revenue Bonds                          |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| -Drinking Water State Revolving Fund   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Revenue:                               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Loan Repayments                        | \$ 15,449        | \$ 20,165        | \$ 21,007        | \$ 17,634        | \$ 23,042        | \$ 25,234        | \$ 19,597        | \$ 19,956        | \$ 34,599        | \$ 31,338        |
| Investment Income                      | 3,727            | 4,230            | 3,233            | 2,930            | 3,104            | 2,639            | 3,148            | 2,558            | 2,351            | 1,987            |
| Other Income                           | 1,050            | 921              | 955              | 916              | 899              | 885              | 909              | 929              | 1,064            | 1,034            |
| Less: Operating Expenses               | 1,476            | 1,282            | 1,076            | 695              | 105              | 123              | 142              | 146              | 137              | 164              |
| <b>Net Available Revenue</b>           | <b>\$ 18,750</b> | <b>\$ 24,034</b> | <b>\$ 24,119</b> | <b>\$ 20,785</b> | <b>\$ 26,940</b> | <b>\$ 28,635</b> | <b>\$ 23,512</b> | <b>\$ 23,297</b> | <b>\$ 37,877</b> | <b>\$ 34,195</b> |
| Debt Service                           |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Principal                              | \$ 8,575         | \$ 8,085         | \$ 6,075         | \$ 5,925         | \$ 5,535         | \$ 4,475         | \$ 4,380         | \$ 4,050         | \$ 2,845         | \$ 2,495         |
| Interest                               | 4,073            | 3,315            | 2,409            | 2,116            | 2,255            | 2,276            | 2,155            | 2,284            | 2,676            | 2,517            |
| <b>Total</b>                           | <b>\$ 12,648</b> | <b>\$ 11,400</b> | <b>\$ 8,484</b>  | <b>\$ 8,041</b>  | <b>\$ 7,790</b>  | <b>\$ 6,751</b>  | <b>\$ 6,535</b>  | <b>\$ 6,334</b>  | <b>\$ 5,521</b>  | <b>\$ 5,012</b>  |
| Coverage                               | 1.48             | 2.11             | 2.84             | 2.58             | 3.46             | 4.24             | 3.60             | 3.68             | 6.86             | 6.82             |

**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 |
|-------|---------------|----------------|---------|----------------|--------------|----------------|
| 2019r | 328,240       | 0.5 %          | 21,427  | 0.4 %          | 885          | 0.7 %          |
| 2018r | 326,688       | 0.5 %          | 21,350  | 0.4 %          | 879          | 0.7 %          |
| 2017r | 324,986       | 0.6 %          | 21,267  | 0.4 %          | 873          | 1.2 %          |
| 2016r | 322,941       | 0.7 %          | 21,175  | 0.4 %          | 863          | 1.1 %          |
| 2015r | 320,635       | 0.7 %          | 21,083  | 0.5 %          | 854          | 0.6 %          |
| 2014r | 318,301       | 0.7 %          | 20,983  | 0.5 %          | 849          | 0.8 %          |
| 2013r | 315,994       | 0.7 %          | 20,870  | 0.6 %          | 842          | 1.1 %          |
| 2012r | 313,831       | 0.7 %          | 20,751  | 0.5 %          | 833          | 1.1 %          |
| 2011r | 311,557       | 0.7 %          | 20,641  | 0.5 %          | 824          | 1.0 %          |
| 2010r | 309,322       | 0.8 %          | 20,536  | 0.7 %          | 816          | 1.1 %          |

**Note:** Midyear population estimates updated September 2020. Revised estimates for 2010 through 2019. With each new release of population estimates, the Census Bureau Revises estimates for years back to the last census.

r = Revised Estimates

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

**Source:** U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2020

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

| YEAR  | UNITED STATES | PERCENT CHANGE | PLAINS*      | PERCENT CHANGE | SOUTH DAKOTA | PERCENT CHANGE |
|-------|---------------|----------------|--------------|----------------|--------------|----------------|
| 2019r | \$ 18,542,262 | 3.9 %          | \$ 1,146,515 | 3.5 %          | \$ 47,738    | 3.2 %          |
| 2018r | 17,839,255    | 5.3 %          | 1,107,630    | 5.0 %          | 46,249       | 6.4 %          |
| 2017r | 16,937,582    | 4.9 %          | 1,055,029    | 3.2 %          | 43,457       | 3.3 %          |
| 2016r | 16,151,881    | 2.8 %          | 1,022,336    | 1.3 %          | 42,049       | 1.1 %          |
| 2015r | 15,717,140    | 4.9 %          | 1,009,286    | 3.4 %          | 41,571       | 4.3 %          |
| 2014r | 14,982,715    | 5.7 %          | 975,637      | 4.4 %          | 39,872       | 4.6 %          |
| 2013r | 14,175,503    | 1.3 %          | 934,446      | 1.1 %          | 38,109       | 1.2 %          |
| 2012r | 13,998,383    | 5.1 %          | 924,061      | 5.7 %          | 37,659       | 2.5 %          |
| 2011r | 13,315,478    | 6.2 %          | 874,230      | 7.4 %          | 36,742       | 9.4 %          |
| 2010r | 12,541,995    | 4.1 %          | 814,191      | 3.7 %          | 33,596       | 5.7 %          |

**Note:** Revised estimates reflect the revision of the National Income and Product Accounts (NIPA's), and newly available state and local data. Revised estimates for 2010 through 2019.

r = Revised Estimates

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

**Source:** U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2020

## **UNEMPLOYMENT RATE**

| <b>YEAR</b> | <b>SOUTH DAKOTA</b> | <b>UNITED STATES</b> |
|-------------|---------------------|----------------------|
| 2019        | 3.3%                | 3.7%                 |
| 2018        | 3.1%                | 3.9%                 |
| 2017        | 3.2%                | 4.4%                 |
| 2016        | 3.0%                | 4.9%                 |
| 2015        | 3.1%                | 5.3%                 |
| 2014        | 3.4%                | 6.2%                 |
| 2013        | 3.8%                | 7.4%                 |
| 2012        | 4.3%                | 8.1%                 |
| 2011        | 4.7%                | 8.9%                 |
| 2010        | 5.0%                | 9.6%                 |

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

## **PER CAPITA PERSONAL INCOME**

| <b>YEAR</b> | <b>UNITED STATES</b> | <b>PERCENT CHANGE</b> | <b>PLAINS*</b> | <b>PERCENT CHANGE</b> | <b>SOUTH DAKOTA</b> | <b>PERCENT CHANGE</b> |
|-------------|----------------------|-----------------------|----------------|-----------------------|---------------------|-----------------------|
| 2019r       | \$ 56,490            | 3.5 %                 | \$ 53,509      | 3.1 %                 | \$ 53,962           | 2.5 %                 |
| 2018r       | 54,606               | 4.8 %                 | 51,879         | 4.6 %                 | 52,633              | 5.7 %                 |
| 2017r       | 52,118               | 4.2 %                 | 49,609         | 2.8 %                 | 49,787              | 2.2 %                 |
| 2016r       | 50,015               | 2.0 %                 | 48,280         | 0.9 %                 | 48,724              | 0.1 %                 |
| 2015r       | 49,019               | 4.1 %                 | 47,872         | 3.0 %                 | 48,678              | 3.7 %                 |
| 2014r       | 47,071               | 4.9 %                 | 46,497         | 3.8 %                 | 46,957              | 3.8 %                 |
| 2013r       | 44,860               | 0.6 %                 | 44,775         | 0.5 %                 | 45,243              | 0.1 %                 |
| 2012r       | 44,605               | 4.4 %                 | 44,532         | 5.1 %                 | 45,179              | 1.3 %                 |
| 2011r       | 42,739               | 5.4 %                 | 42,353         | 6.8 %                 | 44,612              | 8.4 %                 |
| 2010r       | 40,547               | 3.2 %                 | 39,647         | 3.0 %                 | 41,163              | 4.5 %                 |

**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

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

**Source:** U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2020.

**NONFARM WAGE AND SALARY EMPLOYMENT BY INDUSTRY<sup>1</sup>**  
**(Expressed in Thousands)**

|   | 2020p        | 2019r        | 2018r        | 2017r        | 2016r        | 2015r        | 2014r        | 2013r        | 2012r        | 2011r        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Natural Resources/Mining/Construction         | 26.7         | 24.6         | 24.0         | 23.4         | 23.7         | 23.1         | 22.2         | 21.4         | 21.1         | 21.1         |
| Manufacturing                                 | 42.8         | 44.8         | 44.4         | 43.1         | 42.2         | 42.6         | 42.3         | 41.5         | 41.2         | 39.2         |
| Trade/Transportation/Utilities                | 82.9         | 86.0         | 86.5         | 87.0         | 88.0         | 87.3         | 85.6         | 83.5         | 82.8         | 81.6         |
| Wholesale Trade                               | 20.9         | 21.2         | 20.8         | 20.8         | 21.0         | 21.0         | 20.6         | 19.8         | 19.3         | 18.8         |
| Retail Trade                                  | 49.1         | 51.2         | 52.3         | 53.0         | 53.7         | 52.9         | 51.9         | 51.1         | 51.0         | 50.2         |
| Trans/Warehousing/Utility                     | 12.9         | 13.7         | 13.5         | 13.3         | 13.3         | 13.4         | 13.1         | 12.6         | 12.5         | 12.6         |
| Information                                   | 5.3          | 5.5          | 5.6          | 5.7          | 5.8          | 5.9          | 6.0          | 6.0          | 6.2          | 6.4          |
| Financial Activities                          | 29.1         | 29.0         | 29.2         | 29.3         | 29.3         | 29.7         | 29.7         | 29.7         | 28.6         | 28.1         |
| Professional/Business Svcs.                   | 33.3         | 33.2         | 32.3         | 31.5         | 31.4         | 30.8         | 30.5         | 29.7         | 29.3         | 28.9         |
| Educational/Health Services                   | 71.4         | 73.5         | 72.5         | 71.5         | 70.3         | 69.1         | 68.3         | 68.0         | 67.1         | 65.3         |
| Leisure and Hospitality                       | 41.2         | 47.3         | 47.3         | 47.0         | 46.7         | 46.2         | 45.4         | 44.7         | 44.3         | 43.4         |
| Other Services (Except Public Administration) | 15.6         | 16.9         | 16.7         | 16.7         | 16.6         | 16.3         | 16.1         | 16.2         | 16.0         | 15.7         |
| Government                                    | 76.1         | 79.9         | 79.5         | 79.1         | 78.4         | 77.8         | 77.8         | 77.3         | 77.5         | 78.0         |
| <b>TOTAL</b>                                  | <b>507.3</b> | <b>526.8</b> | <b>524.6</b> | <b>521.4</b> | <b>520.4</b> | <b>516.1</b> | <b>509.5</b> | <b>501.5</b> | <b>496.9</b> | <b>489.3</b> |
| % Change in Nonfarm Employment                | -3.7%        | 0.4%         | 0.6%         | 0.2%         | 0.8%         | 1.3%         | 1.6%         | 0.9%         | 1.6%         | 21.2%        |

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

<sup>1</sup> Based on North American Industry Classification System (NAICS)

p = Preliminary Data

r = Revised Data

**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 |
| 2019 | 372        | \$ 324.2               | 0      | \$ 0.0                 | 372    | \$ 324.2               |
| 2018 | 304        | 423.3                  | 6      | 26.1                   | 310    | 449.4                  |
| 2017 | 207        | 387.8                  | 4      | 9.3                    | 211    | 397.1                  |
| 2016 | 163        | 256.6                  | 2      | 0.6                    | 165    | 257.2                  |
| 2015 | 330        | 406.5                  | 2      | 3.4                    | 332    | 409.9                  |
| 2014 | 352        | 459.4                  | 8      | 16.3                   | 360    | 475.7                  |
| 2013 | 283        | 278.6                  | 8      | 204.7                  | 291    | 483.3                  |
| 2012 | 406        | 403.3                  | 3      | 0.0                    | 409    | 403.3                  |
| 2011 | 367        | 276.5                  | 4      | 0.9                    | 371    | 277.4                  |
| 2010 | 323        | 111.2                  | 12     | 0.3                    | 335    | 111.5                  |

**Note:** Only manufacturing and processing companies are included in the above totals.

**Source:** Governor's Office of Economic Development

**State of South Dakota**

**Employment by Industry Type**

**2020 as Compared to 2011**

| <b>June<br/>2020<br/>Rank</b>   | <b>Industry</b>                            | <b>South Dakota<br/>Employees</b> | <b>Percentage of<br/>Industry<br/>Types</b> |
|---------------------------------|--|-----------------------------------|---|
| 1                               | Government                                 | 74,300                            | 17.4%                                       |
| 2                               | Health Care and Social Assistance          | 63,700                            | 14.9%                                       |
| 3                               | Retail Trade                               | 49,500                            | 11.6%                                       |
| 4                               | Manufacturing                              | 43,200                            | 10.1%                                       |
| 5                               | Leisure and Hospitality                    | 42,900                            | 10.1%                                       |
| 6                               | Professional and Business Services         | 33,600                            | 7.9%  |
| 7                               | Mining, Logging, and Construction          | 29,800                            | 7.0%  |
| 8                               | Financial Activities                       | 29,400                            | 6.9%  |
| 9                               | Wholesale Trade                            | 21,100                            | 5.0%  |
| 10                              | Other Services                             | 15,400                            | 3.6%  |
| 11                              | Transportation, Warehousing, and Utilities | 12,400                            | 2.9%  |
| 12                              | Educational Services                       | 6,000                             | 1.4%  |
| 13                              | Information                                | 5,300                             | 1.2%  |
| <b>Total Nonfarm Employment</b> |  | <b>426,600</b>                    | <b>100.0%</b>                               |

**Sources:** June, 2020 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: 12/15/2020

**Notes:** Due to confidentiality issues, employment numbers of the ten largest employers is not available. The categories presented are intended to provide alternative information regarding employment.

| <b>June<br/>2011<br/>Rank</b>   | <b>Industry</b>                            | <b>South Dakota<br/>Employees</b> | <b>Percentage of<br/>Industry<br/>Types</b> |
|---------------------------------|--|-----------------------------------|---|
| 1                               | Government                                 | 80,000                            | 19.2%                                       |
| 2                               | Health Care and Social Assistance          | 58,400                            | 14.0%                                       |
| 3                               | Retail Trade                               | 50,700                            | 12.1%                                       |
| 4                               | Leisure and Hospitality                    | 46,500                            | 11.1%                                       |
| 5                               | Manufacturing                              | 39,500                            | 9.5%  |
| 6                               | Professional and Business Services         | 29,300                            | 7.0%  |
| 7                               | Financial Activities                       | 28,300                            | 6.8%  |
| 8                               | Mining, Logging, and Construction          | 23,300                            | 5.6%  |
| 9                               | Wholesale Trade                            | 19,100                            | 4.6%  |
| 10                              | Other Services                             | 16,000                            | 3.8%  |
| 11                              | Transportation, Warehousing, and Utilities | 12,700                            | 3.0%  |
| 12                              | Educational Services                       | 7,000                             | 1.7%  |
| 13                              | Information                                | 6,500                             | 1.6%  |
| <b>Total Nonfarm Employment</b> |  | <b>417,300</b>                    | <b>100.0%</b>                               |

**Sources:** June, 2011 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: 12/15/2020

**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  |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
|   | 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          |
| <b>State Total</b>                              | <b>8,233</b> | <b>8,320</b> | <b>8,361</b> | <b>8,391</b> | <b>8,387</b> |

| Function of State Government:                   | Fiscal Year  |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
|   | 2015         | 2014         | 2013         | 2012         | 2011         |
| General Government                              | 998          | 983          | 970          | 967          | 1,003        |
| Health, Human, and Social Services              | 3,007        | 2,999        | 3,009        | 3,004        | 3,040        |
| Law, Justice, Public Protection, and Regulation | 2,215        | 2,223        | 2,186        | 2,142        | 2,160        |
| Agriculture and Natural Resources               | 943          | 929          | 941          | 925          | 938          |
| Transportation                                  | 977          | 980          | 978          | 965          | 987          |
| Education                                       | 178          | 128          | 130          | 132          | 133          |
| Economic Resources                              | 158          | 198          | 197          | 170          | 264          |
| <b>State Total</b>                              | <b>8,476</b> | <b>8,440</b> | <b>8,411</b> | <b>8,305</b> | <b>8,525</b> |

**Source:** State's Budget System RB16 - June 30, 2020 *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    |                |                |                |
|--|----------------|----------------|----------------|----------------|
|  | 2020           | 2019           | 2018           | 2017           |
| <b>General Government</b>                                  |                |                |                |                |
| Vehicles   | 2,897          | 3,012          | 2,948          | 2,908          |
| Land (Acres)   | 762,538        | 761,475        | 761,465        | 760,743        |
| Equipment  | 1,359          | 1,406          | 1,382          | 1,386          |
| Buildings  | 24             | 24             | 22             | 22             |
| Infrastructure   | 0              | 0              | 0              | 0              |
| <b>Health, Human, and Social Services</b>                  |                |                |                |                |
| Vehicles   | 7              | 7              | 7              | 7              |
| Land (Acres)   | 642            | 644            | 584            | 710            |
| Equipment  | 653            | 689            | 665            | 650            |
| Buildings  | 81             | 81             | 84             | 89             |
| Infrastructure   | 0              | 0              | 0              | 0              |
| <b>Law, Justice, Public Protection,<br/>and Regulation</b> |                |                |                |                |
| Vehicles   | 297            | 358            | 361            | 361            |
| Land (Acres)   | 1,413          | 1,413          | 1,512          | 1,504          |
| Equipment  | 1,246          | 1,263          | 1,196          | 1,180          |
| Buildings  | 137            | 137            | 135            | 157            |
| Infrastructure   | 0              | 0              | 0              | 0              |
| <b>Agriculture and Natural Resources</b>                   |                |                |                |                |
| Vehicles   | 353            | 366            | 369            | 378            |
| Land (Acres)   | 363,285        | 363,221        | 363,222        | 362,876        |
| Equipment  | 1,667          | 1,715          | 1,668          | 1,647          |
| Buildings  | 129            | 128            | 120            | 96             |
| Infrastructure   | 0              | 0              | 0              | 0              |
| <b>Transportation</b>                                      |                |                |                |                |
| Vehicles   | 1,197          | 1,295          | 1,301          | 1,281          |
| Land (Acres)   | 3,199          | 3,182          | 3,177          | 3,199          |
| Land, ROW Roads  | \$ 108,226,917 | \$ 107,257,048 | \$ 103,939,192 | \$ 97,004,207  |
| Land Improvements, Roads                                   | \$ 529,014,507 | \$ 529,014,507 | \$ 527,033,832 | \$ 527,033,832 |
| Equipment  | 4,109          | 4,257          | 4,066          | 3,917          |
| Buildings  | 209            | 207            | 203            | 199            |
| Infrastructure   |                |                |                |                |
| -Roads: Lane Miles   | 8,847          | 8,847          | 8,850          | 8,850          |
| -Bridges: Number of  | 1,802          | 1,795          | 1,796          | 1,796          |
| -Railroads: Track Miles                                    | 530            | 530            | 530            | 530            |
| <b>Education</b>   |                |                |                |                |
| Vehicles   | 0              | 0              | 0              | 0              |
| Land (Acres)   | 187            | 187            | 284            | 284            |
| Equipment  | 76             | 81             | 81             | 86             |
| Buildings  | 32             | 32             | 32             | 34             |
| Infrastructure   | 0              | 0              | 0              | 0              |
| <b>Economic Resources</b>                                  |                |                |                |                |
| Vehicles   | 0              | 0              | 0              | 0              |
| Land (Acres)   | 6              | 6              | 6              | 0              |
| Equipment  | 1              | 1              | 1              | 3              |
| Buildings  | 0              | 0              | 0              | 0              |
| Infrastructure   | 0              | 0              | 0              | 0              |

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

| <b>Fiscal Year</b> |                |                |                |                |                |
|--------------------|----------------|----------------|----------------|----------------|----------------|
| <b>2016</b>        | <b>2015</b>    | <b>2014</b>    | <b>2013</b>    | <b>2012</b>    | <b>2011</b>    |
| 2,987              | 2,904          | 2,929          | 2,862          | 2,852          | 2,949          |
| 760,806            | 760,806        | 760,806        | 760,804        | 760,828        | 760,828        |
| 1,427              | 1,406          | 1,367          | 1,388          | 1,406          | 1,296          |
| 23                 | 22             | 19             | 15             | 17             | 17             |
| 0                  | 0              | 0              | 0              | 0              | 0              |
| 7                  | 7              | 7              | 8              | 8              | 8              |
| 763                | 799            | 799            | 777            | 710            | 710            |
| 667                | 651            | 604            | 610            | 590            | 554            |
| 89                 | 92             | 93             | 48             | 47             | 47             |
| 0                  | 0              | 0              | 0              | 0              | 0              |
| 332                | 317            | 320            | 339            | 324            | 320            |
| 1,504              | 1,510          | 1,510          | 1,484          | 1,387          | 2,066          |
| 1,090              | 1,047          | 940            | 932            | 826            | 762            |
| 156                | 159            | 156            | 71             | 74             | 74             |
| 0                  | 0              | 0              | 0              | 0              | 0              |
| 389                | 392            | 373            | 373            | 377            | 365            |
| 361,821            | 360,938        | 360,323        | 360,137        | 360,039        | 360,039        |
| 1,617              | 1,576          | 1,509          | 1,490          | 1,457          | 1,357          |
| 76                 | 73             | 65             | 55             | 52             | 52             |
| 0                  | 0              | 0              | 0              | 0              | 0              |
| 1,287              | 1,279          | 1,250          | 1,183          | 1,206          | 1,268          |
| 3,213              | 3,217          | 3,206          | 3,294          | 3,498          | 3,618          |
| \$ 95,308,778      | \$ 93,472,606  | \$ 92,796,015  | \$ 92,689,993  | \$ 89,954,671  | \$ 86,389,686  |
| \$ 523,392,571     | \$ 520,147,538 | \$ 514,620,856 | \$ 512,129,195 | \$ 512,129,195 | \$ 512,410,674 |
| 3,806              | 3,661          | 3,415          | 3,211          | 3,081          | 3,043          |
| 193                | 183            | 175            | 115            | 109            | 104            |
| 8,861              | 8,862          | 8,850          | 8,850          | 8,858          | 8,858          |
| 1,795              | 1,799          | 1,796          | 1,798          | 1,799          | 1,805          |
| 530                | 530            | 530            | 530            | 513            | 513            |
| 0                  | 0              | 0              | 0              | 0              | 0              |
| 284                | 184            | 77             | 77             | 77             | 45             |
| 78                 | 25             | 24             | 17             | 11             | 15             |
| 27                 | 27             | 27             | 26             | 22             | 22             |
| 0                  | 0              | 0              | 0              | 0              | 0              |
| 0                  | 0              | 0              | 1              | 2              | 2              |
| 0                  | 0              | 0              | 0              | 0              | 0              |
| 3                  | 47             | 49             | 45             | 42             | 48             |
| 0                  | 1              | 1              | 0              | 0              | 0              |
| 0                  | 0              | 0              | 0              | 0              | 0              |

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

| General Government  | Fiscal Year     |                 |                 |
|---|-----------------|-----------------|-----------------|
|   | 2020            | 2019            | 2018            |
| Executive Management  |                 |                 |                 |
| Bureau of Finance and Management  |                 |                 |                 |
| Complete Governors Budget Book  | Annual          | Annual          | Annual          |
| Finalize State Operating Budget   | Annual          | Annual          | Annual          |
| Bureau of Information and Telecommunications  |                 |                 |                 |
| SDPB Local Production (Hours)   | 3,068           | 3,237           | 3,239           |
| Radio Calls through Digital Network   | 27,376,199      | 25,879,566      | 27,038,877      |
| Bureau of Human Resources   |                 |                 |                 |
| Health: Employees, COBRA, Retirees/Dependents   | 12,897 / 14,204 | 13,073 / 14,311 | 13,240 / 14,179 |
| Bureau of Administration  |                 |                 |                 |
| Pieces of Mail Handled/Year   | 6,594,534       | 6,783,673       | 7,254,250       |
| Total Miles Driven  | 32,786,517      | 37,538,989      | 37,677,337      |
| Revenue   |                 |                 |                 |
| Total Active Business Licenses  | 91,793          | 89,842          | 85,147          |
| Vehicles Registered   | 1,509,538       | 1,527,593       | 1,533,549       |
| Misc. Special Tax Licenses  | 5,878           | 6,059           | 6,757           |
| Lottery   |                 |                 |                 |
| Licensed Lottery Retailers--Instant Only  | 13              | 13              | 13              |
| Licensed Lottery Retailers--On-line   | 614             | 616             | 636             |
| Legislature   |                 |                 |                 |
| Auditor General   |                 |                 |                 |
| Audits Performed  | 57              | 56              | 53              |
| Audits Reviewed (IPA reports)   | 352             | 345             | 316             |
| School and Public Lands   |                 |                 |                 |
| Apportion Common School Interest Fund and<br>Income to School Districts (Thousands)   | \$ 12,695       | \$ 12,112       | \$ 11,282       |
| Apportion Endowed Income and Interest Fund to<br>Ten Endowed Institutions (Thousands) | \$ 3,412        | \$ 2,813        | \$ 2,642        |
| Secretary of State  |                 |                 |                 |
| Business and Secured Transaction Filings  | 127,036         | 122,122         | 125,600         |
| State Treasurer   |                 |                 |                 |
| Cash Receipts (Thousands)   | \$ 6,971,719    | \$ 5,432,711    | \$ 5,205,064    |
| Unclaimed Property - Claims Paid  | 6,467           | 4,624           | 5,822           |
| State Auditor   |                 |                 |                 |
| Vouchers Audited  | 257,420         | 285,516         | 281,596         |
| Warrants Written  | 236,466         | 239,860         | 250,707         |
| <b>Health, Human, and Social Services</b>   |                 |                 |                 |
| Social Services   |                 |                 |                 |
| Medicaid Enrolled/Month   | 115,731         | 116,709         | 118,338         |
| Long Term Care Services - Clients Served  | 3,487           | 3,694           | 3,723           |
| Health  |                 |                 |                 |
| Public Health Investigations  | 11,716          | 28,087          | 21,187          |
| Labor   |                 |                 |                 |
| State Labor Force   | 466,631         | 463,061         | 457,835         |
| Unemployment Rate   | 4.80%           | 2.90%           | 3.30%           |
| South Dakota Retirement System  |                 |                 |                 |
| Budget Compared to Assets   | 0.040%          | 0.040%          | 0.040%          |
| Budget Compared to Benefits   | 0.860%          | 0.840%          | 0.860%          |
| Veterans Benefits and Services  |                 |                 |                 |
| South Dakota Veteran Population   | 67,119          | 65,893          | 66,811          |
| State Veterans' Home  |                 |                 |                 |
| Average Daily Census  | 98              | 96              | 94              |
| Human Services  |                 |                 |                 |
| People with Developmental Disabilities Served   | 3,012           | 3,031           | 3,105           |
| People with Mental Illness Served   | 18,047          | 18,189          | 17,866          |
| People with Substance Abuse Issues Served   | 11,693          | 11,361          | 12,351          |
| People Receiving Vocational Rehabilitation Services                                   | 4,753           | 5,174           | 5,581           |

| Fiscal Year      |                  |                  |                  |                  |                  |                  |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 2017             | 2016             | 2015             | 2014             | 2013             | 2012             | 2011             |
| Annual<br>Annual |
| 3,110            | 3,271            | 3,760            | 3,735            | 3,656            | 2,056            | 2,456            |
| 24,549,762       | 29,858,306       | 27,888,987       | 26,319,746       | 26,968,003       | 26,052,239       | 24,122,503       |
| 13,264 / 13,730  | 13,242 / 13,418  | 13,328 / 13,360  | 13,413 / 13,426  | 13,296 / 13,305  | 13,234 / 13,008  | 13,372 / 12,488  |
| 7,448,095        | 7,536,209        | 7,720,306        | 7,719,049        | 8,047,767        | 8,631,113        | 8,991,825        |
| 38,898,000       | 38,344,195       | 38,848,323       | 38,241,658       | 38,739,712       | 38,755,956       | 37,663,512       |
| 84,242           | 82,640           | 80,779           | 80,236           | 81,047           | 80,130           | 78,399           |
| 1,484,111        | 1,519,080        | 1,425,379        | 1,258,147        | 1,402,128        | 1,081,516        | 1,156,109        |
| 6,663            | 6,612            | 5,228            | 5,372            | 5,430            | 5,333            | 5,332            |
| 13               | 13               | 12               | 12               | 12               | 12               | 13               |
| 632              | 610              | 608              | 600              | 597              | 591              | 584              |
| 54               | 54               | 46               | 56               | 49               | 73               | 59               |
| 351              | 333              | 326              | 322              | 338              | 327              | 356              |
| \$ 10,196        | \$ 10,227        | \$ 9,969         | \$ 8,774         | \$ 7,422         | \$ 7,433         | \$ 8,274         |
| \$ 2,410         | \$ 2,267         | \$ 2,104         | \$ 1,500         | \$ 1,991         | \$ 1,957         | \$ 1,629         |
| 112,454          | 121,302          | 120,807          | 151,658          | 100,492          | 92,608           | 90,291           |
| \$ 5,197,293     | \$ 4,955,107     | \$ 4,917,575     | \$ 4,883,829     | \$ 4,621,725     | \$ 4,667,076     | \$ 4,435,684     |
| 3,162            | 5,127            | 4,500            | 10,024           | 3,973            | 2,992            | 4,619            |
| 279,250          | 288,653          | 290,861          | 297,649          | 289,083          | 291,219          | 293,522          |
| 257,678          | 270,702          | 298,293          | 306,344          | 318,863          | 400,307          | 433,121          |
| 119,619          | 118,674          | 117,346          | 115,328          | 116,128          | 115,731          | 114,405          |
| 3,702            | 3,867            | 3,977            | 4,051            | 4,053            | 4,138            | 4,276            |
| 16,999           | 13,224           | 13,750           | 13,875           | 12,618           | 10,386           | 10,379           |
| 455,475          | 453,175          | 450,900          | 450,660          | 446,990          | 444,805          | 444,980          |
| 2.90%            | 2.80%            | 3.50%            | 3.70%            | 4.30%            | 4.50%            | 4.90%            |
| 0.040%           | 0.040%           | 0.040%           | 0.040%           | 0.040%           | 0.042%           | 0.053%           |
| 0.860%           | 0.860%           | 0.870%           | 0.890%           | 0.870%           | 0.900%           | 1.120%           |
| 72,000           | 72,000           | 75,000           | 75,000           | 75,000           | 72,000           | 72,000           |
| 94               | 96               | 121              | 113              | 118              | 130              | 129              |
| 3,092            | 3,103            | 3,104            | 3,078            | 3,032            | 2,970            | 2,899            |
| 17,169           | 17,194           | 16,653           | 16,142           | 16,110           | 15,572           | 14,915           |
| 12,003           | 12,297           | 11,525           | 11,579           | 12,305           | 14,307           | 14,893           |
| 5,608            | 5,484            | 5,299            | 5,798            | 6,166            | 6,477            | 6,224            |

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

|  | Fiscal Year     |                 |                 |
|--|-----------------|-----------------|-----------------|
|  | 2020            | 2019            | 2018            |
| <b>Law, Justice, Public Protection, and Regulation</b>             |                 |                 |                 |
| Corrections  |                 |                 |                 |
| Adult System ADP (Average Daily Population)                        | 3,772           | 3,902           | 3,949           |
| Avg. Daily Population on Supervision                               | 3,186           | 2,951           | 2,573           |
| Juvenile Institutional and Placement ADP                           | 191             | 197             | 231             |
| Unified Judicial System  |                 |                 |                 |
| Felony Offenses Filings  | 13,476          | 12,527          | 12,259          |
| Class One Misdemeanor Filings                                      | 19,725          | 20,828          | 22,144          |
| Class Two Misdemeanor Filings                                      | 92,764          | 104,426         | 115,784         |
| Attorney General   |                 |                 |                 |
| New Cases Opened/Closed/Pending (Thousands)                        | 1.3 / 1.6 / 2.3 | 1.1 / 1.9 / 2.0 | 1.4 / 1.7 / 2.3 |
| Investigations Conducted by DCI                                    | 1,277           | 819             | 935             |
| Public Safety  |                 |                 |                 |
| Patrol of Public Highways (Percentage)                             | 63%             | 60%             | 59%             |
| Patrol of Public Highways (Hours)                                  | N/A             | N/A             | N/A             |
| Driver Licenses Issued   | 169,997         | 163,658         | 196,733         |
| Military and Veterans Affairs                                      |                 |                 |                 |
| Assigned Strength of the Army Guard                                | 3,072           | 3,141           | 3,148           |
| Assigned Strength of the Air Guard                                 | 1,055           | 1,055           | 1,051           |
| Appraiser Program  |                 |                 |                 |
| New / Renewed Licenses   | 5 / 402         | 14 / 410        | 14 / 387        |
| Revenue Financial Services   |                 |                 |                 |
| Banking Institutions Examined                                      | N/A             | N/A             | N/A             |
| Dealer, Broker & Investment Advisor                                |                 |                 |                 |
| Agents Licensed  | 107,764         | 104,188         | 100,956         |
| Renewed & Issued Insurance   |                 |                 |                 |
| Appointments/Licenses  | 403,025         | 366,307         | 360,232         |
| Revenue Boards and Commissions                                     |                 |                 |                 |
| New & Renewed Licenses Issued                                      | 5,280           | 6,396           | 6,939           |
| Public Utilities Commission  |                 |                 |                 |
| Dockets Opened   | 128             | 180             | 183             |
| <b>Agriculture and Natural Resources</b>                           |                 |                 |                 |
| Agriculture  |                 |                 |                 |
| Wildfires Suppressed: (Fires/Acres)                                | 324 / 3,404     | 259 / 4,413     | 731 / 65,659    |
| Dairy Inspections  | 378             | 458             | 434             |
| Marketing Consultations  | N/A             | N/A             | N/A             |
| Insect & Disease Individual Assists                                | 1,599           | 1,072           | 412             |
| Game, Fish and Parks   |                 |                 |                 |
| Total Park Visitations   | 11,255,067      | 7,298,423       | 7,646,131       |
| Acres of Walk-In Areas   | 1,200,000       | 1,270,000       | 1,355,000       |
| Environment and Natural Resources                                  |                 |                 |                 |
| Dollars Awarded/Number of Grants and Loans                         | 189.6 M / 112   | 155.0 M / 70    | 66.1 M / 66     |
| Total Number of Regulated Facilities                               | N/A             | 29,463          | 29,225          |
| Petroleum Release Compensation                                     |                 |                 |                 |
| Petroleum Release Cases Initiated                                  | 36              | 34              | 30              |
| Abandoned Tank Site Cases Initiated                                | 35              | 36              | 39              |
| <b>Transportation</b>  |                 |                 |                 |
| Transportation   |                 |                 |                 |
| Percent of Non-interstate State Highway System                     |                 |                 |                 |
| Main Lane Pavement Mileage Rated Good or Better on Condition Index | 87              | 88              | 86              |
| Percent of Interstate Pavement in Excellent                        |                 |                 |                 |
| Condition Based on Condition Index                                 | 50              | 56              | 50              |
| <b>Education</b>   |                 |                 |                 |
| Student K-12 Public School Fall Enrollment                         | 136,119         | 135,317         | 133,861         |
| <b>Economic Resources</b>  |                 |                 |                 |
| Tourism and State Development                                      |                 |                 |                 |
| Capital Investment Reported (Millions)                             | N/A             | N/A             | \$ 400.9        |
| New Jobs Created (Calendar Year)                                   | N/A             | N/A             | 1,138           |
| Tourism's Impact on South Dakota Economy (Billions)                | \$ 2.75         | \$ 2.65         | \$ 2.64         |

Source: State's Budget System and/or survey of department finance personnel.  
N/A= Not Applicable

| Fiscal Year     |                 |                 |                 |                 |                 |                 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2017            | 2016            | 2015            | 2014            | 2013            | 2012            | 2011            |
| 3,844           | 3,613           | 3,610           | 3,645           | 3,637           | 3,565           | 3,479           |
| 2,480           | 2,345           | 2,315           | 2,297           | 2,473           | 2,418           | 2,452           |
| 316             | 482             | 650             | 649             | 688             | 526             | 459             |
| 11,512          | 10,800          | 10,392          | 9,413           | 6,856           | 7,225           | 6,456           |
| 21,884          | 22,055          | 20,979          | 20,518          | 22,720          | 21,690          | 19,929          |
| 114,231         | 114,445         | 112,323         | 105,213         | 111,461         | 117,594         | 112,853         |
| 1.0 / 2.0 / 2.0 | 2.1 / 1.8 / 2.1 | 1.9 / 2.0 / 1.9 | 2.2 / 2.9 / 1.5 | 1.2 / 2.2 / 1.6 | .85 / 2.1 / 1.5 | 1.0 / 1.3 / 2.5 |
| 963             | 1,063           | 1,062           | 1,077           | 1,013           | 1,012           | 902             |
| 55%             | 59%             | 54%             | 60%             | 45%             | 46%             | 45%             |
| N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | 131,508         |
| 196,780         | 203,012         | 198,279         | 156,731         | 198,733         | 201,766         | 198,871         |
| 3,163           | 3,130           | 3,165           | 3,204           | 3,220           | 3,266           | 3,420           |
| 1,037           | 1,040           | 1,050           | 1,044           | 1,030           | 1,038           | 1,057           |
| 19 / 378        | 36 / 410        | 11 / 380        | 10 / 368        | 20 / 399        | 15 / 383        | 11 / 381        |
| N/A             | N/A             | N/A             | 542             | 534             | 563             | 562             |
| 96,156          | 96,262          | 91,545          | 86,131          | 81,567          | 79,886          | 77,038          |
| 326,870         | 295,526         | 282,241         | 269,568         | 286,078         | 243,465         | 270,412         |
| 6,688           | 7,161           | 6,708           | 7,102           | 7,137           | 7,517           | 6,853           |
| 152             | 154             | 193             | 240             | 265             | 238             | 143             |
| 748 / 74,228    | 614 / 17,359    | 642 / 53,145    | 451 / 11,421    | 1,253 / 148,604 | 1,267 / 123,484 | 468 / 7,100     |
| 635             | 604             | 500             | 520             | 713             | 831             | 956             |
| N/A             | N/A             | N/A             | N/A             | 390             | 375             | 375             |
| 317             | 305             | 279             | 288             | 491             | 354             | 307             |
| 7,729,787       | 7,509,840       | 7,605,595       | 8,115,000       | 8,091,937       | 7,682,751       | 7,469,331       |
| 1,331,000       | 1,392,000       | 1,389,734       | 1,270,000       | 1,277,000       | 1,271,743       | 1,300,000       |
| 121.6 M / 91    | 77.5 M / 106    | 118.3 M / 113   | 78.9M / 95      | 88.8M / 108     | 96.4M / 129     | 119.1M / 155    |
| 29,108          | 29,186          | 28,359          | 28,740          | 27,820          | 27,331          | 26,679          |
| 42              | 55              | 60              | 45              | 120             | 95              | 62              |
| 45              | 57              | 62              | 100             | 81              | 45              | 36              |
| 83              | 82              | 90              | 89              | 88              | 93              | 88              |
| 50              | 45              | 53              | 46              | 45              | 53              | 33              |
| 132,520         | 130,936         | 129,772         | 128,924         | 127,169         | 125,152         | 123,629         |
| \$ 257.2        | \$ 400.0        | \$ 475.0        | \$ 300.0        | \$ 400.0        | \$ 282.0        | \$ 118.0        |
| 163             | 3,000           | 3,300           | 4,000           | 3,000           | 4,248           | 4,462           |
| \$ 2.46         | \$ 2.36         | \$ 1.99         | \$ 1.98         | \$ 1.95         | \$ 1.86         | \$ 1.76         |





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

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

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

RUSSELL A. OLSON  
AUDITOR GENERAL

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

The Honorable Kristi Noem  
Governor of South Dakota

and

Members of the Legislature  
State of South Dakota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Dakota as of and for the year ended June 30, 2020, 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, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted 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, 2020. 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.

The State's basic financial statements include the operation of the South Dakota Housing Development Authority (discretely presented component unit), which expended \$34,378,700 in federal awards which are not included on the schedule of expenditures of federal awards for the year ended June 30, 2020. Our audit, described above, did not include the operations of the South Dakota Housing Development Authority because the component unit has a separately issued audit in accordance with the audit requirements of Uniform Guidance.

Basis of Accounting

As described in Note 2C of the Notes to the Schedule of Expenditures of Federal Awards, the accompanying schedule is prepared on the cash basis of accounting, 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.

Unmodified Opinion

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.

A handwritten signature in black ink that reads "Russell A. Olson". The signature is written in a cursive style with a large initial 'R'.

Russell A. Olson  
Auditor General

April 22, 2021

**STATE OF SOUTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2020**

| Federal Agency Number | Federal Agency                                   | Total Expenditures      | Amount Passed Through to Non-State Agencies |
|-----------------------|--|-------------------------|---|
| 10                    | U.S. Department of Agriculture                   | \$ 234,426,087          | \$ 59,857,512                               |
| 11                    | U.S. Department of Commerce                      | 2,874,638               |   |
| 12                    | U.S. Department of Defense                       | 30,706,665              | 1,289,609                                   |
| 14                    | U.S. Department of Housing and Urban Development | 6,668,963               | 6,531,577                                   |
| 15                    | U.S. Department of Interior                      | 24,838,615              | 2,062,406                                   |
| 16                    | U.S. Department of Justice                       | 13,822,929              | 7,619,256                                   |
| 17                    | U.S. Department of Labor                         | 265,000,037             | 138,314                                     |
| 20                    | U.S. Department of Transportation                | 462,572,147             | 15,972,761                                  |
| 21                    | U.S. Department of Treasury                      | 94,397,446              |   |
| 30                    | U.S. Equal Employment Opportunity Commission     | 35,023                  |   |
| 39                    | General Services Administration                  | 2,337,355               |   |
| 43                    | National Aeronautics and Space Administration    | 1,990,650               | 434,434                                     |
| 45                    | Institute of Museum and Library Services         | 1,255,844               |   |
| 45                    | National Endowment for the Arts                  | 803,453                 | 682,594                                     |
| 45                    | National Endowment for the Humanities            | 155,582                 |   |
| 47                    | National Science Foundation                      | 13,314,866              | 1,608,399                                   |
| 59                    | U.S. Small Business Administration               | 911,747                 | 346,029                                     |
| 64                    | U.S. Department of Veterans Affairs              | 5,943,252               |   |
| 66                    | U.S. Environmental Protection Agency             | 497,621,446             | 75,267,022                                  |
| 81                    | U.S. Department of Energy                        | 34,281,695              | 2,082,977                                   |
| 84                    | U.S. Department of Education                     | 339,122,919             | 111,979,566                                 |
| 90                    | U.S. Election Assistance Commission              | 2,412,554               | 583,961                                     |
| 93                    | U.S. Department of Health and Human Services     | 844,233,628             | 20,757,439                                  |
| 94                    | Corporation for National and Community Service   | 26,066                  |   |
| 95                    | Executive Office of the President                | 1,058,290               | 416,603                                     |
| 96                    | Social Security Administration                   | 4,340,042               |   |
| 97                    | U.S. Department of Homeland Security             | 25,171,889              | 20,133,087                                  |
| 98                    | Agency for International Development             | 16,319                  |   |
|                       | <b>Total Expenditures of Federal Awards</b>      | <b>\$ 2,910,340,147</b> | <b>\$ 327,763,546</b>                       |

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, 2020

| Federal Agency/Program Title/Cluster   | CFDA # | Federal/Pass-Through<br>Entity Identifying Number  | Pass-Through Entity     | State Agency                              | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|--|--------|--|-------------------------|---|--------------------|---|
| <b>U.S. Department of Agriculture</b>  |        |  |                         |   |                    |   |
| <i>SNAP Cluster</i>  |        |  |                         |   |                    |   |
| Supplemental Nutrition Assistance Program (Note 3E)  | 10.551 |  |                         | Social Services                           | \$ 128,347,246     | \$  |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program   | 10.561 |  |                         | Social Services                           | 9,421,462          |   |
| <i>Total SNAP Cluster</i>  |        |  |                         |   | <u>137,768,708</u> |   |
| <i>Child Nutrition Cluster</i>   |        |  |                         |   |                    |   |
| School Breakfast Program   | 10.553 |  |                         | Education                                 | 8,323,678          | 8,323,678   |
| National School Lunch Program (Note 3A)  | 10.555 |  |                         | Education                                 | 30,567,803         | 27,507,002  |
| Special Milk Program for Children  | 10.556 |  |                         | Education                                 | 12,975             | 12,975  |
| Summer Food Service Program for Children (Note 3A)   | 10.559 |  |                         | Education                                 | 4,821,866          | 4,737,317   |
| <i>Total Child Nutrition Cluster</i>   |        |  |                         |   | <u>43,726,322</u>  | <u>40,580,972</u>                                 |
| <i>Food Distribution Cluster</i>   |        |  |                         |   |                    |   |
| Commodity Supplemental Food Program  | 10.565 |  |                         | Education                                 | 466,709            | 426,105   |
| Emergency Food Assistance Program (Administrative Costs)   | 10.568 |  |                         | Education                                 | 250,971            | 174,202   |
| COVID-19 Emergency Food Assistance Program (Administrative Costs)  | 10.568 |  |                         | Education                                 | 19,340             |   |
| Emergency Food Assistance Program (Food Commodities) (Note 3A)   | 10.569 |  |                         | Education                                 | 3,784,187          | 3,784,187   |
| <i>Total Food Distribution Cluster</i>   |        |  |                         |   | <u>4,521,207</u>   | <u>4,384,494</u>                                  |
| <i>Forest Service Schools and Roads Cluster</i>  |        |  |                         |   |                    |   |
| Schools and Roads - Grants to States   | 10.665 |  |                         | State Auditor                             | 1,210,589          | 1,210,589   |
| <i>Total Forest Service Schools and Roads Cluster</i>  |        |  |                         |   | <u>1,210,589</u>   | <u>1,210,589</u>                                  |
| <i>Community Facilities Loans and Grants Cluster</i>   |        |  |                         |   |                    |   |
| Community Facilities Loans and Grants  | 10.766 | Agreement dated 09/13/19   |                         | SDSMT                                     | 33,649             |   |
| <i>Total Community Facilities Loans and Grants Cluster</i>   |        |  |                         |   | <u>33,649</u>      |   |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>                                   |        |  |                         |   |                    |   |
| <i>Plant and Animal Disease, Pest Control, and Animal Care</i>   |        |  |                         |   |                    |   |
|  | 10.025 | 15-8446-0087-CA;<br>15-8446-1821-CA;<br>15-8446-1801-CA;<br>AP18VSNVSL00C002;<br>AP19VSNVSL00C026<br>19-9746-2132-CA |                         | Agriculture/SDSU<br>Animal Industry Board | 317,405<br>82,015  |   |
| Plant and Animal Disease, Pest Control, and Animal Care  |        |  |                         |   |                    |   |
| Plant and Animal Disease, Pest Control, and Animal Care - Animal Disease Traceability (ADT)  |        |  |                         |   |                    |   |
| Plant and Animal Disease, Pest Control, and Animal Care - National Surveillance and Response for Animal Health Activities (Umbrella) |        | 19-9746-2216-CA  |                         | Animal Industry Board                     | 176,665            |   |
| <i>Total CFDA #10.025</i>  |        |  |                         |   | <u>576,085</u>     |   |
| Conservation Reserve Program   | 10.069 | NR196740XXXXG009   |                         | SDSU                                      | 20,221             |   |
| Market News  | 10.153 | 15-LPSMN-SD-0005   |                         | Agriculture                               | 42,190             |   |
|  |        | 16SCBGPSD0047;<br>AM190100XXXXG031;<br>AM180100XXXXG049;<br>AM170100XXXXG043   |                         |   |                    |   |
| Specialty Crop Block Grant Program - Farm Bill - SDDA Dakota Flavor Marketplace  | 10.170 |  |                         | Agriculture                               | 156,082            | 140,006   |
| Trade Mitigation Program Eligible Recipient Agency Operational Funds   | 10.178 |  |                         | Education                                 | 50,000             | 50,000  |
|  |        | 2017-38640-26916;<br>2019-38640-29879;<br>2015-38640-23781   | University of Minnesota | SDSU                                      | 44,449             |   |
| Sustainable Agriculture Research and Education   | 10.215 |  |                         |   |                    |   |
| Homeland Security Agricultural   | 10.304 | 2016-37620-25766   | Kansas State University | SDSU                                      | 17,100             |   |
| Agriculture and Food Research Initiative (AFRI)  | 10.310 | 2016-67032-25011   |                         | SDSU                                      | 12,787             |   |
| Women and Minorities in Science, Technology, Engineering, and Mathematics Fields   | 10.318 | 2014-38503-22188   |                         | SDSU                                      | 45,014             |   |

**STATE OF SOUTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended June 30, 2020

| Federal Agency/Program Title/Cluster   | CFDA # | Federal/Pass-Through<br>Entity Identifying Number                  | Pass-Through Entity                                  | State Agency          | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|--|--------|--|--|-----------------------|--------------------|---|
| <b>U.S. Department of Agriculture (continued)</b>  |        |  |  |                       |                    |   |
| National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program | 10.328 | 20187002028877   | Iowa State University                                | SDSU                  | 1,404              |   |
| <i>Crop Protection and Pest Management Competitive Grants Program</i>  | 10.329 |  |  |                       |                    |   |
| Crop Protection and Pest Management Competitive Grants Program   |        | 2014-700006-22486  | The Board of Trustees of the University of Illinois  | SDSU                  | 245                |   |
| Crop Protection and Pest Management Competitive Grants Program   |        | RC108974AA   | The Nebraska Board of Regents/University of Nebraska | SDSU                  | 4,462              |   |
| Crop Protection and Pest Management Competitive Grants Program   |        | 2017-70006-27206;  |  | SDSU                  | 110,422            |   |
| COVID-19 Crop Protection and Pest Management Competitive Grants Program  |        | 2014-70006-22566   |  | SDSU                  | 447                |   |
| <i>Total CFDA #10.329</i>  |        | 2017-70006-27206   |  |                       | 115,576            |   |
| Alfalfa and Forage Research Program  | 10.330 | 2018-70005-28774   | Regents of the University of Minnesota               | SDSU                  | 10,626             |   |
| Food Insecurity Nutrition Incentive Grants Program   | 10.331 | 2018-70025-28153   |  | SDSU                  | 38,172             |   |
| State Mediation Grants   | 10.435 | 470300-46600364  |  | Agriculture           | 139,119            |   |
| Cooperative Agreements with States for Intrastate Meat and Poultry Inspection                                      | 10.475 |  |  | Animal Industry Board | 1,062,014          |   |
| Meat, Poultry, and Egg Products Inspection   | 10.477 | FSIS-C-32-2010/01  | North Dakota Department of Game, Fish and Parks      | SDSU                  | 5,977              |   |
| <i>Cooperative Extension Service</i>   | 10.500 |  |  |                       |                    |   |
| Cooperative Extension Service  |        | 2018-70027-28586;  | The Nebraska Board of Regents/University of Nebraska | SDSU                  | 34,391             |   |
| Cooperative Extension Service  |        | 20154920024226   |  |                       |                    |   |
| Cooperative Extension Service  |        | 2018-39592-28959   | Board of Trustees of Michigan State University       | SDSU                  | 14,398             |   |
| Cooperative Extension Service  |        | 20194610030279   | University of Minnesota                              | SDSU                  | 25,194             |   |
| Cooperative Extension Service  |        | 20184159028723;  |  | SDSU                  | 3,191,634          | 29,601  |
| COVID-19 Cooperative Extension Service   |        | 20194152029987   |  | SDSU                  | 4,404              |   |
| <i>Total CFDA #10.500</i>  |        |  |  |                       | 3,270,021          | 29,601  |
| CACFP Meal Service Training Grants   | 10.534 |  |  | Education             | 18,940             |   |
| SNAP Fraud Framework Implementation Grant  | 10.535 |  |  | Social Services       | 20,540             |   |
| Child Nutrition-Technology Innovation Grant  | 10.541 |  |  | Education             | 14,487             |   |
| WIC Special Supplemental Nutrition Program for Women, Infants, and Children (Note 3l)                              | 10.557 | 193SD708W1003;<br>19SD808W5003;<br>183SD708W1006;<br>203SD708W1003 |  | Health                | 14,611,442         | 963,722   |
| Child and Adult Care Food Program  | 10.558 |  |  | Education             | 7,350,461          | 6,423,535   |
| State Administrative Expenses for Child Nutrition  | 10.560 |  |  | Education             | 1,473,185          |   |
| Team Nutrition Grants  | 10.574 |  |  | Education             | 173,057            |   |
| Farm to School Grant Program   | 10.575 | CN-F2S-PLN-19-SD-1   | Brookings School District 5-1                        | SDSU                  | 21,208             |   |

**STATE OF SOUTH DAKOTA**  
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For the Fiscal Year Ended June 30, 2020

| Federal Agency/Program Title/Cluster  | CFDA #     | Federal/Pass-Through<br>Entity Identifying Number  | Pass-Through Entity | State Agency               | Total Expenditures   | Amount Passed<br>Through to Non-State<br>Agencies |
|---|------------|--|---------------------|----------------------------|----------------------|---|
| <b>U.S. Department of Agriculture (continued)</b>   |            |  |                     |                            |                      |   |
| WIC Grants to States (WGS)  | 10.578     | 18SD701W5414;<br>17SD542W5412  |                     | Health                     | 87,313               | 3,625   |
| Child Nutrition Discretionary Grants Limited Availability - NSLP Equipment  | 10.579     |  |                     | Education                  | 101,443              | 96,151  |
| Fresh Fruit and Vegetable Program - Administrative Review and Training Method II  | 10.582     |  |                     | Education                  | 1,654,169            | 1,615,502   |
| Forestry Research - Forest Inventory Analysis   | 10.652     | 16-JV-11242305-033   |                     | Agriculture                | 28,388               |   |
| <i>Cooperative Forestry Assistance</i>  | 10.664     |  |                     |                            |                      |   |
|   |            | 15-DG-11020000-038;<br>16-DG-11020000-014;<br>17-DG-11020000-039;<br>18-DG-11020000-054;<br>19-DG-11020000-054;<br>20-DG-11020000-010;<br>19-DG-11020000-016;<br>16-DG-11020000-033;<br>17-DG-11020000-046;<br>16-DG-11020000-013;<br>17-DG-11020000-041;<br>18-DG-11020000-051;<br>19-DG-11020000-053<br>14-DG-11020000-051 |                     | Agriculture<br>Agriculture | 4,145,500<br>110,434 | 484,811   |
| Cooperative Forestry Assistance   |            |  |                     | Agriculture                | 4,145,500            | 484,811   |
| Cooperative Forestry Assistance - Hazardous Fuels Reduction   |            |  |                     | Agriculture                | 110,434              |   |
| <i>Total CFDA #10.664</i>   |            |  |                     |                            | <u>4,255,934</u>     | <u>484,811</u>                                    |
| Forest Legacy Program   | 10.676     | 16-DG-11020000-027   |                     | Agriculture                | 186                  |   |
|   |            | 16-DG-11020000-022;<br>17-DG-11020000-069;<br>18-DG-11020000-059;<br>19-DG-11020000-024  |                     | Agriculture                | 83,044               |   |
| Forest Health Protection - Western Bark Beetle  | 10.680     |  |                     | Agriculture                | 83,044               |   |
| Soil and Water Conservation   | 10.902     | NR196740XXXXG009   |                     | SDSU                       | 6,740                |   |
| <i>Environmental Quality Incentives Program</i>   | 10.912     |  |                     |                            |                      |   |
| Environmental Quality Incentives Program - Agro-Forestry  |            | 65-6740-17-017   |                     | Agriculture                | 6,371                |   |
| Environmental Quality Incentives Program - Thinning   |            | 65-6740-17-018<br>NR186740XXXXG003;<br>NR196740XXXXG009  |                     | Agriculture<br>SDSU        | 11,004<br>53,139     |   |
| Environmental Quality Incentives Program  |            |  |                     | SDSU                       | 53,139               |   |
| <i>Total CFDA #10.912</i>   |            |  |                     |                            | <u>70,514</u>        |   |
| Emergency Watershed Protection Program  | 10.923     | NR19670XXXXC003  |                     | Game, Fish and Parks       | 55,946               |   |
| Conservation Stewardship Program  | 10.924     | NR196740XXXXG009   |                     | SDSU                       | 6,740                |   |
| Agricultural Conservation Easement Program  | 10.931     | NR196740XXXXG009   |                     | SDSU                       | 20,221               |   |
| <i>CFDA # UNKNOWN - U.S. Department of Agriculture</i>  | 10.UNKNOWN |  |                     |                            |                      |   |
| Challenge Cost-Share for Long Term Archival Services for Black Hills National Forest Historical Collection              |            | 17-CS-11020300-023   |                     | BHSU                       | 8,454                |   |
| Challenge Cost-Share Supplemental for Long Term Archival Services for Black Hills National Forest Historical Collection |            | 20-CS-11020300-020   |                     | BHSU                       | 4,697                |   |
| <i>Total CFDA # UNKNOWN - U.S. Department of Agriculture</i>  |            |  |                     |                            | <u>13,151</u>        |   |
| <b>Total U.S. Department of Agriculture</b>   |            |  |                     |                            | <u>234,426,087</u>   | <u>59,857,512</u>                                 |
| <b>U.S. Department of Commerce</b>  |            |  |                     |                            |                      |   |
| <i>Economic Development Cluster</i>   |            |  |                     |                            |                      |   |
| Investments for Public Works and Economic Development Facilities  | 11.300     |  |                     | DSU                        | 1,270,636            |   |
| <i>Total Economic Development Cluster</i>   |            |  |                     |                            | <u>1,270,636</u>     |   |

**STATE OF SOUTH DAKOTA**  
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| Federal Agency/Program Title/Cluster  | CFDA # | Federal/Pass-Through<br>Entity Identifying Number                               | Pass-Through Entity | State Agency                                    | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|---|--------|---|---------------------|---|--------------------|---|
| <b>U.S. Department of Commerce (continued)</b>  |        |   |                     |   |                    |   |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>  |        |   |                     |   | 322,199            |   |
| Cluster Grants - FY2017 Regional Innovation Strategies Program  | 11.020 | ED17HDQ0200087  |                     | Governor's Office of<br>Economic Development    | 266,823            |   |
| State and Local Implementation Grant Program  | 11.549 | 46-10-S18046  |                     | Bureau of Information and<br>Telecommunications | 167,541            |   |
| Manufacturing Extension Partnership   | 11.611 | 70NANB18H013;<br>70NANB18H234   |                     | USD   | 847,439            |   |
| <b>Total U.S. Department of Commerce</b>  |        |   |                     |   | <b>2,874,638</b>   |   |
| <b>U.S. Department of Defense</b>   |        |   |                     |   |                    |   |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>  |        |   |                     |   | 3,573,212          | 197,400   |
| Procurement Technical Assistance For Business Firms   | 12.002 | SP4800-19-2-1983;<br>SP4800-20-2-2083   |                     | USD   | 196,698            | 52,443  |
| Payments to States in Lieu of Real Estate Taxes   | 12.112 |   |                     | State Treasurer                                 | 8,175              | 8,175   |
| State Memorandum of Agreement Program for the Reimbursement of Technical Services - Defense<br>Environmental Restoration Program                          | 12.113 |   |                     | Environment and Natural<br>Resources            | 118,502            |   |
| <i>Military Construction, National Guard</i>  | 12.400 |   |                     |   |                    |   |
| Military Construction, National Guard - Aviation Readiness Center   |        | W912MM-17-2-2001  |                     | Military  | 7,863,749          |   |
| Military Construction, National Guard - South Gate Access Control Building  |        | W912MM-20-2-2001  |                     | Military  | 193,749            |   |
| <i>Total CFDA #12.400</i>   |        |   |                     |   | <u>8,057,498</u>   |   |
| <i>National Guard Military Operations and Maintenance (O&amp;M) Projects</i>  | 12.401 |   |                     |   |                    |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Interservice Support Agreement:<br>Aberdeen Armed Forces Reserve Center               |        | W5BM2T-87001-001  |                     | Military  | 47,295             |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ANG Environmental Resources Management               |        | W912MM-20-2-1022;<br>W912MM-16-2-1022   |                     | Military  | 62,548             |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ANG Facilities Operations and Maintenance Activities |        | W912MM-20-2-1021;<br>W912MM-19-2-1021   |                     | Military  | 1,412,293          |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ARNG Anti-Terrorism Program Coordinator Activities   |        | W912MM-15-2-1010;<br>W912MM-20-2-1010   |                     | Military  | 99,246             |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ARNG Training Ranges/Range Training                  |        | W912MM-15-2-1007;<br>W912MM-20-2-1007   |                     | Military  | 31,171             |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ARNG Administrative Services                         |        | W912MM-20-2-1014;<br>W912MM-19-2-1014   |                     | Military  | 49,263             |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ANG Fire Protection Activities                       |        | W912MM-20-2-1024;<br>W912MM-16-2-1024   |                     | Military  | 2,419,639          |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ANG Security Guard Activities                        |        | W912MM-16-2-1023;<br>W912MM-20-2-1023   |                     | Military  | 897,335            |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ARNG Distance Learning                               |        | W912MM-15-2-1040;<br>W912MM-20-2-1040   |                     | Military  | 196,652            |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ARNG Electronic Security                             |        | W912MM-20-2-1004;<br>W912MM-19-2-1004   |                     | Military  | 217,912            |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ARNG Environmental Resource Management               |        | W912MM-15-2-1002;<br>W912MM-20-2-1002<br>W912MM-19-2-1001;<br>W912MM-15-2-1001; |                     | Military  | 814,871            |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ARNG Real Property Operations and Maintenance        |        | W912MM-20-2-1001;<br>W912MM-20-2-1003;  |                     | Military  | 9,706,769          |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ARNG Security Guard Activities                       |        | W912MM-15-2-1003;<br>W912MM-20-2-1005;  |                     | Military  | 1,082,596          |   |
| National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement:<br>ARNG Telecommunications                              |        | W912MM-15-2-1005  |                     | Military  | 505,954            |   |
| <i>Total CFDA #12.401</i>   |        |   |                     |   | <u>17,543,544</u>  |   |
| National Guard ChalleNGe Program (STARBASE)   | 12.404 | W912MM-19-2-4002;<br>W912MM-20-2-4002   |                     | Military  | 1,031,592          | 1,031,591   |

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| Federal Agency/Program Title/Cluster  | CFDA #     | Federal/Pass-Through<br>Entity Identifying Number            | Pass-Through Entity | State Agency                                 | Total Expenditures       | Amount Passed<br>Through to Non-State<br>Agencies |
|---|------------|--|---------------------|--|--------------------------|---|
| <b>U.S. Department of Defense (continued)</b>   |            |  |                     |  |                          |   |
| Basic, Applied, and Advanced Research in Science and Engineering  | 12.630     | W911NF-17-2-0044   |                     | SDSU   | 32,880                   |   |
| <i>CFDA # UNKNOWN - U.S. Department of Defense</i>  | 12.UNKNOWN |  |                     |  |                          |   |
| Cultural Resource Agreements  |            | W9128F-10-P-0092   |                     | Game, Fish and Parks                         | 82,337                   |   |
| Cultural Resources Management Plans   |            | W9218-F-08-A-0025  |                     | Education                                    | 62,227                   |   |
| <i>Total CFDA # UNKNOWN - U.S. Department of Defense</i>  |            |  |                     |  | <u>144,564</u>           |   |
| <b>Total U.S. Department of Defense</b>   |            |  |                     |  | <u><b>30,706,665</b></u> | <u><b>1,289,609</b></u>                           |
| <b>U.S. Department of Housing and Urban Development</b>   |            |  |                     |  |                          |   |
| Manufactured Home Dispute Resolution  | 14.171     |  |                     | Public Safety                                | 3,798                    |   |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii                                 | 14.228     |  |                     | Governor's Office of<br>Economic Development | 6,665,165                | 6,531,577   |
| <b>Total U.S. Department of Housing and Urban Development</b>   |            |  |                     |  | <u><b>6,668,963</b></u>  | <u><b>6,531,577</b></u>                           |
| <b>U.S. Department of Interior</b>  |            |  |                     |  |                          |   |
| <i>Fish and Wildlife Cluster</i>  |            |  |                     |  |                          |   |
| Sport Fish Restoration  | 15.605     |  |                     | Game, Fish and Parks                         | 4,309,282                | 150,095   |
| Wildlife Restoration and Basic Hunter Education   | 15.611     |  |                     | Game, Fish and Parks                         | 15,326,938               | 937,490   |
| <i>Total Fish and Wildlife Cluster</i>  |            |  |                     |  | <u>19,636,220</u>        | <u>1,087,585</u>                                  |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>                      |            |  |                     |  |                          |   |
| Distribution of Receipts to State and Local Governments - Mineral Leasing and Taylor Grazing                            | 15.227     |  |                     | Education                                    | 535,430                  | 535,430   |
| BLM Fuels Management and Community Fire Assistance Program Activities   | 15.228     | L15AC00005;<br>Discovery Center Mini-Grant<br>-Closed 9/2019 |                     | Agriculture                                  | 42,001                   |   |
| Title XVI Water Reclamation and Reuse - Handicap Accessibility and Retrofitting at Angostura, Shadehill and Rocky Point | 15.504     |  |                     | Game, Fish and Parks                         | 730,142                  |   |
| National Land Remote Sensing Education Outreach and Research  | 15.815     | G18AP00077   | Americaview Inc     | SDSU   | 30,148                   |   |
| Historic Preservation Fund Grants-In-Aid  | 15.904     |  |                     | Education                                    | 823,884                  | 113,306   |
| Outdoor Recreation Acquisition, Development and Planning  | 15.916     |  |                     | Game, Fish and Parks                         | 708,367                  | 284,961   |
| <b>Total U.S. Department of Interior</b>  |            |  |                     |  | <u><b>24,838,615</b></u> | <u><b>2,062,406</b></u>                           |
| <b>U.S. Department of Justice</b>   |            |  |                     |  |                          |   |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>                      |            |  |                     |  |                          |   |
| Sexual Assault Services Formula Program   | 16.017     |  |                     | Public Safety                                | 391,330                  | 360,652   |
| Joint Law Enforcement Operations  | 16.111     |  |                     | Attorney General                             | 6,531                    |   |
| Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus                             | 16.525     | 2016-WA-AX-0039  |                     | USD  | 45,495                   | 5,191   |
| Juvenile Justice and Delinquency Prevention - Allocation to States  | 16.540     |  |                     | Corrections                                  | 430,225                  | 304,906   |
| Missing Children's Assistance - SD Internet Crimes Against Children   | 16.543     | 2019-MC-FX-K018  |                     | Attorney General                             | 359,561                  |   |
| National Criminal History Improvement Program (NCHIP)   | 16.554     | BX-K027  |                     | Attorney General                             | 751,433                  |   |
| Crime Victim Assistance   | 16.575     |  |                     | Public Safety                                | 5,983,859                | 5,479,166   |
| Crime Victim Compensation   | 16.576     |  |                     | Public Safety                                | 59,219                   | 59,219  |
| Crime Victim Assistance/Discretionary Grant   | 16.582     |  |                     | Public Safety                                | 2,750                    |   |

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| Federal Agency/Program Title/Cluster   | CFDA #     | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity     | State Agency            | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|--|------------|---|-------------------------|-------------------------|--------------------|---|
| <b>U.S. Department of Justice (continued)</b>  |            |   |                         |                         |                    |   |
| Violence Against Women Formula Grant   | 16.588     |   |                         | Public Safety           | 647,400            | 619,882   |
| Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program          | 16.589     | 2018-WR-AX-0014                                   |                         | Health                  | 135,447            |   |
| Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program                   | 16.590     | 2016-WE-AX-0003                                   |                         | Attorney General        | 246,256            | 243,154   |
| State Criminal Alien Assistance Program  | 16.606     |   |                         | Corrections             | 33,643             |   |
| Public Safety Partnership and Community Policing Grants  | 16.710     | 2018-AM-WX-0009;<br>2018-HP-WX-0009               |                         | Attorney General        | 1,228,942          | 423,091   |
| Special Data Collections and Statistical Studies   | 16.734     | 2019-FU-CX-K010                                   |                         | Attorney General        | 172,000            |   |
| Edward Byrne Memorial Justice Assistance Grant Program   | 16.738     |   |                         | Public Safety           | 671,550            |   |
| DNA Backlog Reduction Program  | 16.741     | 2018-DN-BX-0135;<br>2019-DN-BX-0041               |                         | Attorney General        | 476,486            |   |
| Paul Coverdell Forensic Sciences Improvement Grant Program   | 16.742     | 2019-CD-BX-0031                                   |                         | Attorney General        | 415,075            |   |
| Support for Adam Walsh Act Implementation Grant Program  | 16.750     | 2018-AW-BX-0002;<br>2019-AW-BX-0022               |                         | Attorney General        | 250,436            |   |
| Harold Rogers Prescription Drug Monitoring Program   | 16.754     | 2018-PM-BX-0016                                   |                         | Health                  | 504,941            |   |
| John R. Justice Prosecutors and Defenders Incentive Act  | 16.816     | 2019-RJ-BX-0015                                   |                         | Attorney General        | 60,115             | 60,115  |
| Justice Reinvestment Initiative  | 16.827     |   |                         | Corrections             | 451,329            |   |
| Technical Assistance Grant   | 16.UNKNOWN | SJI-20-T-008                                      | State Justice Institute | Unified Judicial System | 47,942             |   |
| <b>Total U.S. Department of Justice</b>  |            |   |                         |                         | <b>13,822,929</b>  | <b>7,619,256</b>                                  |
| <b>U.S. Department of Labor</b>  |            |   |                         |                         |                    |   |
| <i>Employment Service Cluster</i>  |            |   |                         |                         |                    |   |
| Employment Service/Wagner-Peyser Funded Activities   | 17.207     |   |                         | Labor                   | 4,458,565          |   |
| Jobs for Veterans State Grants   | 17.801     |   |                         | Labor                   | 361,685            |   |
| Local Veterans' Employment Representative Program  | 17.804     |   |                         | Labor                   | 106,528            |   |
| <i>Total Employment Service Cluster</i>  |            |   |                         |                         | <u>4,926,778</u>   |   |
| <i>WIOA Cluster</i>  |            |   |                         |                         |                    |   |
| WIOA Adult Program   | 17.258     |   |                         | Labor                   | 2,519,126          | 89,987  |
| WIOA Youth Activities  | 17.259     |   |                         | Labor                   | 2,056,863          |   |
| WIOA Dislocated Worker Formula Grants  | 17.278     |   |                         | Labor                   | 667,855            | 47,749  |
| <i>Total WIOA Cluster</i>  |            |   |                         |                         | <u>5,243,844</u>   | <u>137,736</u>                                    |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i> |            |   |                         |                         | 74,378             |   |
| Labor Force Statistics   | 17.002     |   |                         | Labor                   | 532,451            |   |
| <i>Unemployment Insurance (Note 3K)</i>  |            |   |                         |                         |                    |   |
| Unemployment Insurance (Note 3K)   | 17.225     |   |                         | Labor                   | 250,244,880        |   |
| COVID-19 Unemployment Insurance  |            |   |                         | Labor                   | 1,580,332          |   |
| <i>Total CFDA #17.225</i>  |            |   |                         |                         | <u>251,825,212</u> |   |
| Senior Community Service Employment Program  | 17.235     |   |                         | Labor                   | 453,248            |   |
| Trade Adjustment Assistance  | 17.245     |   |                         | Labor                   | 650,124            |   |
| Work Opportunity Tax Credit Program (WOTC)   | 17.271     |   |                         | Labor                   | 34,795             |   |
| Temporary Labor Certification for Foreign Workers  | 17.273     |   |                         | Labor                   | 107,216            |   |

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| Federal Agency/Program Title/Cluster  | CFDA # | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity | State Agency                | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|---|--------|---|---------------------|-----------------------------|--------------------|---|
| <b>U.S. Department of Labor (continued)</b>   |        |   |                     |                             |                    |   |
| COVID-19 WIOA National Dislocated Worker Grants / WIA National Emergency Grants   | 17.277 |   |                     | Labor                       | 968                |   |
| Apprenticeship USA Grants   | 17.285 |   |                     | Labor                       | 633,195            | 578   |
| Consultation Agreements   | 17.504 |   |                     |                             |                    |   |
| Consultation Agreements   |        | CS-32043-CSO;                                     |                     | SDSU                        | 517,809            |   |
| COVID-19 Consultation Agreements  |        | CS-31043-CS9                                      |                     | SDSU                        | 19                 |   |
| Total CFDA #17.504  |        | CS-32043-CSO                                      |                     |                             | <u>517,828</u>     |   |
| <b>Total U.S. Department of Labor</b>   |        |   |                     |                             | <b>265,000,037</b> | <b>138,314</b>                                    |
| <b>U.S. Department of Transportation</b>  |        |   |                     |                             |                    |   |
| <i>Federal Transit Cluster</i>  |        |   |                     |                             |                    |   |
| Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Programs   | 20.526 |   |                     | Transportation              | 2,770,056          | 2,770,056   |
| Total Federal Transit Cluster   |        |   |                     |                             | <u>2,770,056</u>   | <u>2,770,056</u>                                  |
| <i>FMCSA Cluster</i>  |        |   |                     |                             |                    |   |
| Motor Carrier Safety Assistance   | 20.218 |   |                     | Public Safety               | 2,582,875          |   |
| Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements  | 20.237 | IT064601G00000                                    |                     | Transportation              | 1,844,309          |   |
| Total FMCSA Cluster   |        |   |                     |                             | <u>4,427,184</u>   |   |
| <i>Highway Planning and Construction Cluster</i>  |        |   |                     |                             |                    |   |
| Highway Planning and Construction   | 20.205 |   |                     | Transportation              | 420,024,184        | 2,179,225   |
| Recreational Trails Program   | 20.219 |   |                     | Game, Fish and Parks        | 1,045,372          | 303,963   |
| Total Highway Planning and Construction Cluster   |        |   |                     |                             | <u>421,069,556</u> | <u>2,483,188</u>                                  |
| <i>Highway Safety Cluster</i>   |        |   |                     |                             |                    |   |
| State and Community Highway Safety  | 20.600 |   |                     | Public Safety               | 1,607,077          | 432,543   |
| National Priority Safety Programs   | 20.616 |   |                     | Public Safety               | 914,009            | 252,500   |
| Total Highway Safety Cluster  |        |   |                     |                             | <u>2,521,086</u>   | <u>685,043</u>                                    |
| <i>Transit Services Programs Cluster</i>  |        |   |                     |                             |                    |   |
| Enhanced Mobility of Seniors and Individuals with Disabilities  | 20.513 |   |                     | Transportation              | 528,729            | 528,729   |
| Total Transit Services Programs Cluster   |        |   |                     |                             | <u>528,729</u>     | <u>528,729</u>                                    |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>  |        |   |                     |                             |                    |   |
| Airport Improvement Program (Note 3J)   | 20.106 | 510692  |                     | Transportation              | 1,011,712          |   |
| Commercial Drivers License Program Improvement Grant  | 20.232 |   |                     | Public Safety               | 18,500             |   |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research   | 20.505 |   |                     | Transportation              | 420,017            | 161,257   |
| <i>Formula Grants for Rural Areas and Tribal Transit Program</i>  |        |   |                     |                             |                    |   |
| Formula Grants for Rural Areas and Tribal Transit Program   | 20.509 |   |                     | Transportation              | 5,397,438          | 5,397,438   |
| COVID-19 Formula Grants for Rural Areas and Tribal Transit Program  |        |   |                     | Transportation              | 3,799,635          | 3,799,635   |
| Total CFDA #20.509  |        |   |                     |                             | <u>9,197,073</u>   | <u>9,197,073</u>                                  |
| Public Transportation Research, Technical Assistance, and Training  | 20.514 |   |                     | Transportation              | 13,948             | 13,948  |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated  | 20.608 |   |                     | Public Safety               | 1,134,185          |   |
| 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               | 43,711             |   |
| E-911 Grant Program   | 20.615 |   |                     | Public Safety               | 364,480            |   |
| Pipeline Safety Program State Base Grant  | 20.700 | 693JK31930039PGSB                                 |                     | Public Utilities Commission | 197,214            |   |
| Interagency Hazardous Materials Public Sector Training and Planning Grants  | 20.703 |   |                     | Public Safety               | 130,309            | 119,228   |

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| Federal Agency/Program Title/Cluster   | CFDA # | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity                 | State Agency                | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|--|--------|---|-------------------------------------|-----------------------------|--------------------|---|
| <b>U.S. Department of Transportation (continued)</b>   |        |   |                                     |                             |                    |   |
| State Damage Prevention Program Grants   | 20.720 | 693JK31940019PSDP                                 |                                     | Public Utilities Commission | 20,000             |   |
| National Infrastructure Investments  | 20.933 |   |                                     | Transportation              | 1,600,000          |   |
| Nationally Significant Freight and Highway Projects  | 20.934 |   |                                     | Transportation              | 16,772,957         |   |
| <b>Total U.S. Department of Transportation</b>   |        |   |                                     |                             | <b>462,572,147</b> | <b>15,972,761</b>                                 |
| <b>U.S. Department of Treasury</b>   |        |   |                                     |                             |                    |   |
| Low Income Taxpayer Clinics  | 21.008 | 19-LITC0434-01;<br>20-LITC0434-02                 |                                     | USD                         | 116,112            |   |
| COVID-19 Coronavirus Relief Fund   | 21.019 |   |                                     | State of South Dakota       | 94,281,334         |   |
| <b>Total U.S. Department of Treasury</b>   |        |   |                                     |                             | <b>94,397,446</b>  |   |
| <b>U.S. Equal Employment Opportunity Commission</b>  |        |   |                                     |                             |                    |   |
| Employment Discrimination - State and Local Fair Employment Practices Agency Contracts             | 30.002 | EECCN100108                                       |                                     | Labor                       | 35,023             |   |
| <b>Total U.S. Equal Employment Opportunity Commission</b>  |        |   |                                     |                             | <b>35,023</b>      |   |
| <b>General Services Administration</b>   |        |   |                                     |                             |                    |   |
| Donation of Federal Surplus Personal Property (Note 3B)  | 39.003 |   |                                     | Bureau of Administration    | 1,902,308          |   |
| Election Reform Payments - Help America Vote Act   | 39.011 |   |                                     | Secretary of State          | 435,047            |   |
| <b>Total General Services Administration</b>   |        |   |                                     |                             | <b>2,337,355</b>   |   |
| <b>National Aeronautics and Space Administration</b>   |        |   |                                     |                             |                    |   |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i> |        |   |                                     |                             | 1,979,100          | 434,434   |
| Science - NASA @ My Library  | 43.001 | 00956   | Space Science Institute             | Education                   | 3,105              |   |
| <i>Exploration</i>   |        |   |                                     |                             |                    |   |
| Exploration  | 43.003 | 80NSSC18M0035                                     | National Space Grant<br>Foundation  | SDSU                        | 7,875              |   |
| Exploration  |        | NNX16AH16A  | University Of Alabama<br>Huntsville | SDSU                        | 570                |   |
| <i>Total CFDA #43.003</i>  |        |   |                                     |                             | <u>8,445</u>       |   |
| <b>Total National Aeronautics and Space Administration</b>   |        |   |                                     |                             | <b>1,990,650</b>   | <b>434,434</b>                                    |
| <b>Institute of Museum and Library Services</b>  |        |   |                                     |                             |                    |   |
| <i>Grants to States</i>  |        |   |                                     |                             |                    |   |
| Grants to States   | 45.310 |   |                                     | Education                   | 1,240,344          |   |
| COVID-19 Grants to States  |        |   |                                     | Education                   | 15,500             |   |
| <i>Total CFDA #45.310</i>  |        |   |                                     |                             | <u>1,255,844</u>   |   |
| <b>Total Institute of Museum and Library Services</b>  |        |   |                                     |                             | <b>1,255,844</b>   |   |
| <b>National Endowment for the Arts</b>   |        |   |                                     |                             |                    |   |
| Promotion of the Arts Grants to Organizations and Individuals                                      | 45.024 | 1854217-55-19                                     |                                     | SDSU                        | 11,184             |   |
| Promotion of the Arts Partnership Agreements   | 45.025 |   |                                     | Tourism                     | 792,269            | 682,594   |
| <b>Total National Endowment for the Arts</b>   |        |   |                                     |                             | <b>803,453</b>     | <b>682,594</b>                                    |

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| Federal Agency/Program Title/Cluster   | CFDA #     | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity             | State Agency           | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|--|------------|---|---------------------------------|------------------------|--------------------|---|
| <b>National Endowment for the Humanities</b>   |            |   |                                 |                        |                    |   |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>                 |            |   |                                 |                        | 12,037             |   |
| <i>Promotion of the Humanities Federal/State Partnership</i>   |            |   |                                 |                        |                    |   |
|  | 45.129     |   |                                 |                        |                    |   |
| Promotion of the Humanities Federal/State Partnership  |            | 8021; SO-253172-17; 9030                          | South Dakota Humanities Council | SDSU                   | 2,399              |   |
| Promotion of the Humanities Federal/State Partnership - Challenge Grants - Annual Ethics, Law, and Society Lecture |            | 8292  | South Dakota Humanities Council | USD                    | 375                |   |
| Promotion of the Humanities Federal/State Partnership - Challenge Grants - Annual Schell Lecture                   |            | 8324  | South Dakota Humanities Council | USD                    | 500                |   |
| Promotion of the Humanities Federal/State Partnership - Challenge Grants - Flutter Productions Evaluation          |            | 18-0081   | Black Hills Works, Inc.         | USD                    | 15,582             |   |
| Promotion of the Humanities Federal/State Partnership - Challenge Grants - Honors 1st Year Reading Project         |            | 8229  | South Dakota Humanities Council | USD                    | 1,000              |   |
| Promotion of the Humanities Federal/State Partnership - Challenge Grants - Native Voices Lecture                   |            | 8281  | South Dakota Humanities Council | USD                    | 500                |   |
| <i>Total CFDA #45.129</i>  |            |   |                                 |                        | <u>20,356</u>      |   |
| Promotion of the Humanities Division of Preservation and Access - National Digital Newspaper Program               | 45.149     | PJ-50136-14                                       |                                 | Education              | 123,189            |   |
| <b>Total National Endowment for the Humanities</b>   |            |   |                                 |                        | <u>155,582</u>     |   |
| <b>National Science Foundation</b>   |            |   |                                 |                        |                    |   |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>                 |            |   |                                 |                        | 13,314,866         | 1,608,399   |
| <b>Total National Science Foundation</b>   |            |   |                                 |                        | <u>13,314,866</u>  | <u>1,608,399</u>                                  |
| <b>U.S. Small Business Administration</b>  |            |   |                                 |                        |                    |   |
| Small Business Development Centers   | 59.037     | SBAHQ19B0062;<br>SBAHQ20B0039                     |                                 | USD                    | 632,905            | 346,029   |
| <i>Women's Business Ownership Assistance</i>   | 59.043     |   |                                 |                        |                    |   |
| Women's Business Ownership Assistance - Renewal  |            | SBAHQ-17-W-0015                                   |                                 | BHSU                   | 163,698            |   |
| COVID-19 Women's Business Ownership Assistance   |            | ; SBAHQ20C0163                                    |                                 | BHSU                   | 11,340             |   |
| <i>Total CFDA #59.043</i>  |            |   |                                 |                        | <u>175,038</u>     |   |
| Veterans Outreach Program  | 59.044     | UND01-14996                                       | University of North Dakota      | BHSU                   | 16,335             |   |
| Federal and State Technology Partnership Program   | 59.058     | SBAHQ18G0022                                      |                                 | USD                    | 87,469             |   |
| <b>Total U.S. Small Business Administration</b>  |            |   |                                 |                        | <u>911,747</u>     | <u>346,029</u>                                    |
| <b>U.S. Department of Veterans Affairs</b>   |            |   |                                 |                        |                    |   |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>                 |            |   |                                 |                        | 1,098              |   |
| Veterans State Domiciliary Care (Note 3C)  | 64.014     |   |                                 | Veterans Affairs       | 289,552            |   |
| Veterans State Nursing Home Care (Note 3C)   | 64.015     |   |                                 | Veterans Affairs       | 4,322,608          |   |
| VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces              | 64.034     | SPORTS-19-114                                     |                                 | SDSU                   | 14,986             |   |
| Vocational and Educational Counseling For Servicemembers and Veterans  | 64.125     | V101 (223C) P-5181                                |                                 | Veterans Affairs       | 186,766            |   |
| Veterans Cemetery Grants Program   | 64.203     | FAI Number SD-18-06;<br>36C78619D0057             |                                 | Veterans Affairs/ BHSU | 1,128,071          |   |
| National Cemetery Administration   | 64.UNKNOWN | VA786J85074                                       |                                 | BHSU                   | 171                |   |
| <b>Total U.S. Department of Veterans Affairs</b>   |            |   |                                 |                        | <u>5,943,252</u>   |   |

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| Federal Agency/Program Title/Cluster   | CFDA # | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity                      | State Agency                                  | Total Expenditures        | Amount Passed<br>Through to Non-State<br>Agencies |
|--|--------|---|--|---|---------------------------|---|
| <b>U.S. Environmental Protection Agency</b>  |        |   |  |   |                           |   |
| <i>Clean Water State Revolving Fund Cluster</i>  |        |   |  |   |                           |   |
| Capitalization Grants for Clean Water State Revolving Funds (Notes 3F and 3G)  | 66.458 |   |  | Environment and Natural Resources             | 298,891,039               | 46,137,875  |
| <i>Total Clean Water State Revolving Fund Cluster</i>  |        |   |  |   | <u>298,891,039</u>        | <u>46,137,875</u>                                 |
| <i>Drinking Water State Revolving Fund Cluster</i>   |        |   |  |   |                           |   |
| Capitalization Grants for Drinking Water State Revolving Funds (Notes 3F and 3G)   | 66.468 |   |  | Environment and Natural Resources             | 190,275,240               | 27,822,553  |
| <i>Total Drinking Water State Revolving Fund Cluster</i>   |        |   |  |   | <u>190,275,240</u>        | <u>27,822,553</u>                                 |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>                       |        |   |  |   |                           |   |
| Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act | 66.034 |   |  | Environment and Natural Resources             | 278,297                   |   |
| State Clean Diesel Grant Program   | 66.040 |   |  | Environment and Natural Resources             | 490,775                   |   |
| Water Pollution Control State, Interstate, and Tribal Program Support  | 66.419 |   |  | Environment and Natural Resources             | 297,529                   | 62,300  |
| Water Quality Management Planning  | 66.454 |   |  | Environment and Natural Resources             | 61,833                    | 56,148  |
| <i>Nonpoint Source Implementation Grants</i>   |        |   |  |   |                           |   |
| Nonpoint Source Implementation Grants  | 66.460 |   |  | Environment and Natural Resources             | 1,821,129                 | 1,143,989   |
| Nonpoint Source Implementation Grants  |        | 999818515   | South Dakota Grassland Coalition         | SDSU  | 1,225                     |   |
| Nonpoint Source Implementation Grants  |        | 2017-84/99818517                                  | South Dakota Soil Health Coalition       | SDSU  | 7,751                     |   |
| Nonpoint Source Implementation Grants  |        | 99818517  | South Dakota Discovery Center & Aquarium | SDSU  | 4,077                     |   |
| <i>Total CFDA #66.460</i>  |        |   |  |   | <u>1,834,182</u>          | <u>1,143,989</u>                                  |
| Performance Partnership Grants   | 66.605 | BG-96810113-0;<br>BG-96810116-0                   |  | Environment and Natural Resources/Agriculture | 4,272,958                 | 44,157  |
| Environmental Information Exchange Network Grant Program and Related Assistance  | 66.608 |   |  | Environment and Natural Resources             | 41,841                    |   |
| Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements                            | 66.802 |   |  | Environment and Natural Resources             | 117,120                   |   |
| Underground Storage Tank (UST) Prevention, Detection and Compliance Program  | 66.804 |   |  | Environment and Natural Resources             | 216,839                   |   |
| Leaking Underground Storage Tank Trust Fund Corrective Action Program  | 66.805 |   |  | Environment and Natural Resources             | 170,028                   |   |
| State and Tribal Response Program Grants   | 66.817 |   |  | Environment and Natural Resources             | 618,100                   |   |
| <b>Total U.S. Environmental Protection Agency</b>  |        |   |  |   | <u><b>497,621,446</b></u> | <u><b>75,267,022</b></u>                          |
| <b>U.S. Department of Energy</b>   |        |   |  |   |                           |   |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>                       |        |   |  |   |                           |   |
| State Energy Program   | 81.041 |   |  | Governor's Office of Economic Development     | 335,199                   |   |
| Weatherization Assistance for Low-Income Persons   | 81.042 |   |  | Social Services                               | 2,020,866                 | 1,976,138   |

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| Federal Agency/Program Title/Cluster   | CFDA #     | Federal/Pass-Through<br>Entity Identifying Number                     | Pass-Through Entity                               | State Agency                                 | Total Expenditures       | Amount Passed<br>Through to Non-State<br>Agencies |
|--|------------|---|---|--|--------------------------|---|
| <b>U.S. Department of Energy (continued)</b>   |            |   |   |  |                          |   |
| Office of Science Financial Assistance Program   | 81.049     | DE-SC0020216  |   | Science and Technology<br>Authority          | 15,055,850               |   |
| State Heating Oil and Propane Program  | 81.138     |   |   | Governor's Office of<br>Economic Development | 2,740                    |   |
| <i>CFDA # UNKNOWN - U.S. Department of Energy</i>  | 81.UNKNOWN |   |   |  |                          |   |
| Fermi National Accelerator Laboratory Contract   |            | 629760;<br>654406;<br>630223  | Fermi National Accelerator<br>Laboratory Contract | Science and Technology<br>Authority          | 12,608,899               |   |
| Lawrence Berkeley National Laboratory Contract   |            | 4000144149<br>7255146;<br>7351116;<br>7371823;<br>7525117;<br>7355157 | Lawrence Berkeley National<br>Laboratory          | Science and Technology<br>Authority          | 2,110,286                |   |
| Oak Ridge National Laboratory Contract   |            |   | Oak Ridge National<br>Laboratory Contract         | Science and Technology<br>Authority          | 24,891                   |   |
| <i>Total CFDA # UNKNOWN - U.S. Department of Energy</i>  |            |   |   |  | <u>14,744,076</u>        |   |
| <b>Total U.S. Department of Energy</b>   |            |   |   |  | <b><u>34,281,695</u></b> | <b><u>2,082,977</u></b>                           |
| <b>U.S. Department of Education</b>  |            |   |   |  |                          |   |
| <i>Special Education Cluster (IDEA)</i>  |            |   |   |  |                          |   |
| Special Education Grants to States (IDEA, Part B)  | 84.027     |   |   |  | 39,337,560               | 35,281,339  |
| Special Education Preschool Grants (IDEA Preschool)  | 84.173     |   |   |  | 1,448,649                | 1,081,456   |
| <i>Total Special Education Cluster (IDEA)</i>  |            |   |   |  | <u>40,786,209</u>        | <u>36,362,795</u>                                 |
| <i>TRIO Cluster</i>  |            |   |   |  |                          |   |
| TRIO Student Support Services  | 84.042     | P042A151306;<br>P042A150723;<br>P042A150834;<br>P042A170790;          |   | BHSU/NSU/SDSU/USD                            | 1,233,488                |   |
| COVID-19 TRIO Student Support Services   | 84.042     | P042A150723   |   | BHSU/NSU/SDSU/USD                            | 15,108                   |   |
| TRIO Talent Search   | 84.044     | P044A170241   |   | USD  | 544,967                  |   |
| COVID-19 TRIO Upward Bound   | 84.047     | P047A170328<br>P047A180585;<br>P047A170328;<br>P047A171174            |   | SDSU   | 4,480                    |   |
| TRIO Upward Bound  | 84.047     |   |   | NSU/SDSU/USD                                 | 999,532                  |   |
| <i>Total TRIO Cluster</i>  |            |   |   |  | <u>2,797,575</u>         |   |
| <i>Student Financial Assistance Cluster (Individual Federal Awards Reported at bottom of Schedule)</i> |            |   |   |  | 192,871,952              |   |
| Adult Education - Basic Grants to States   | 84.002     |   |   | Labor  | 1,338,219                | 1,095,336   |
| Civil Rights Training and Advisory Services (also known as Equity Assistance Centers)                  | 84.004     | IN4296347BHSU   | Indiana University                                | BHSU   | 37,964                   |   |
| Title I Grants to Local Educational Agencies   | 84.010     |   |   | Education                                    | 48,420,301               | 46,646,607  |
| Migrant Education State Grant Program  | 84.011     |   |   | Education                                    | 772,148                  | 737,516   |
| Higher Education Institutional Aid   | 84.031     |   |   | DSU  | 510,225                  |   |
| Career and Technical Education -- Basic Grants to States   | 84.048     |   |   | Education                                    | 4,761,453                | 4,215,071   |
| Fund for the Improvement of Postsecondary Education  | 84.116     | P116F140166   |   | SDSU   | 99,242                   | 49,365  |
| Rehabilitation Services Vocational Rehabilitation Grants to States                                     | 84.126     |   |   | Human Services                               | 10,260,030               | 614,372   |
| Rehabilitation Long-Term Training  | 84.129     | H129B140033;<br>H129B190001   |   | SDSU   | 110,408                  |   |
| Migrant Education Coordination Program   | 84.144     |   |   | Education                                    | 191,512                  |   |
| Rehabilitation Services Independent Living Services for Older Individuals Who are Blind                | 84.177     |   |   | Human Services                               | 227,661                  |   |

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| Federal Agency/Program Title/Cluster  | CFDA #  | Federal/Pass-Through<br>Entity Identifying Number        | Pass-Through Entity             | State Agency                    | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|---|---------|--|---------------------------------|---------------------------------|--------------------|---|
| <b>U.S. Department of Education (continued)</b>   |         |  |                                 |                                 |                    |   |
| Special Education - Grants for Infants and Families   | 84.181  |  |                                 | Education                       | 1,477,379          |   |
| Supported Employment Services for Individuals with the Most Significant Disabilities  | 84.187  |  |                                 | Human Services                  | 199,578            |   |
| Education for Homeless Children and Youth   | 84.196  |  |                                 | Education                       | 225,567            | 191,402   |
| Twenty-First Century Community Learning Centers   | 84.287  |  |                                 | Education                       | 4,993,106          | 4,871,431   |
| Special Education - State Personnel Development Grants Program  | 84.323  |  |                                 | Education                       | 942,570            | 682,891   |
| Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities   | 84.326  | H326T180053  |                                 | USD                             | 104,927            |   |
| Gaining Early Awareness and Readiness for Undergraduate Programs  | 84.334  |  |                                 | Education                       | 1,475,400          | 618,146   |
| Rural Education   | 84.358  |  |                                 | Education                       | 235,860            | 225,057   |
| English Language Acquisition State Grants   | 84.365  |  |                                 | Education                       | 959,051            | 832,564   |
| Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)   | 84.367  |  |                                 | Education                       | 9,156,466          | 8,742,277   |
| Grants for State Assessments and Related Activities   | 84.369  |  |                                 | Education                       | 2,686,920          | 13,380  |
| School Improvement Grants   | 84.377  |  |                                 | Education                       | 789,055            | 789,055   |
| Promoting Readiness of Minors in Supplemental Security Income   | 84.418  | Utah# 146215   | Utah Department of<br>Education | Human Services                  | 45,085             | 45,085  |
| Student Support and Academic Enrichment Program   | 84.424  |  |                                 | Education                       | 5,369,020          | 5,247,216   |
| COVID-19 Education Stabilization Fund – Higher Education Emergency Relief Fund (HEERF) Student Aid Portion  | 84.425E | P425E201956;<br>P425E203122;<br>P425E201286;<br>13072875 |                                 | BHSU/DSU/NSU/SDSMT/<br>SDSU/USD | 6,032,405          |   |
| COVID-19 Education Stabilization Fund – Higher Education Emergency Relief Fund (HEERF) Institutional Portion  | 84.425F | 13072875;<br>P425F201807;<br>P425F201010;<br>P425F200885 |                                 | BHSU/NSU/SDMST/SDSU/<br>USD     | 1,201,582          |   |
| National Assessment of Educational Progress (NAEP)  | 84.902  | ED-IES-14-C-0102   |                                 | Education                       | 44,049             |   |
| <b>Total U.S. Department of Education</b>   |         |  |                                 |                                 | <b>339,122,919</b> | <b>111,979,566</b>                                |
| <b>U.S. Election Assistance Commission</b>  |         |  |                                 |                                 |                    |   |
| Help America Vote Act Requirements Payments   | 90.401  |  |                                 | Secretary of State              | 585,791            | 583,961   |
| 2018 HAVA Election Security Grant   | 90.404  |  |                                 | Secretary of State              | 1,826,763          |   |
| <b>Total U.S. Election Assistance Commission</b>  |         |  |                                 |                                 | <b>2,412,554</b>   | <b>583,961</b>                                    |
| <b>U.S. Department of Health and Human Services</b>   |         |  |                                 |                                 |                    |   |
| <i>Aging Cluster</i>  |         |  |                                 |                                 |                    |   |
| Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers  | 93.044  |  |                                 | Human Services                  | 1,892,819          | 144,197   |
| COVID-19 CARES Act Special Programs for the Aging, Title III, Part C, Nutrition Services - Title III-C of the Older Americans Act   | 93.045  |  |                                 | Human Services                  | 240,000            | 240,000   |
| COVID-19 Families First Coronavirus Response Act Special Programs for the Aging, Title III, Part C, Nutrition Services - Older Americans Act Title III - Home-Delivered Meals | 93.045  |  |                                 | Human Services                  | 1,200,000          | 1,200,000   |
| Special Programs for the Aging, Title III, Part C, Nutrition Services   | 93.045  |  |                                 | Human Services                  | 3,769,458          | 3,398,343   |
| Nutrition Services Incentive Program  | 93.053  |  |                                 | Human Services                  | 827,791            | 827,791   |
| <i>Total Aging Cluster</i>  |         |  |                                 |                                 | <b>7,930,068</b>   | <b>5,810,331</b>                                  |

**STATE OF SOUTH DAKOTA**  
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For the Fiscal Year Ended June 30, 2020

| Federal Agency/Program Title/Cluster  | CFDA # | Federal/Pass-Through<br>Entity Identifying Number   | Pass-Through Entity | State Agency     | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|---|--------|---|---------------------|------------------|--------------------|---|
| <b>U.S. Department of Health and Human Services (continued)</b>   |        |   |                     |                  |                    |   |
| <i>CCDF Cluster</i>   |        |   |                     |                  |                    |   |
| COVID-19 Child Care and Development Block Grant   | 93.575 |   |                     | Social Services  | 1,471,310          |   |
| Child Care and Development Block Grant  | 93.575 |   |                     | Social Services  | 10,280,383         | 1,851,052   |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund  | 93.596 |   |                     | Social Services  | 6,995,548          |   |
| COVID-19 Child Care Mandatory and Matching Funds of the Child Care and Development Fund   | 93.596 |   |                     | Social Services  | 385,973            |   |
| <i>Total CCDF Cluster</i>   |        |   |                     |                  | <u>19,133,214</u>  | <u>1,851,052</u>                                  |
| <i>Head Start Cluster</i>   |        |   |                     |                  |                    |   |
| Head Start  | 93.600 | 08CH010864  |                     | Education/USD    | 2,897,686          |   |
| <i>Total Head Start Cluster</i>   |        |   |                     |                  | <u>2,897,686</u>   |   |
| <i>Medicaid Cluster</i>   |        |   |                     |                  |                    |   |
| State Medicaid Fraud Control Units  | 93.775 | 1901SD5050; 2001SD5050<br>05-1905-SD-5000;<br>05-1905-SD-IMPACT;<br>05-2005-SDIMPACT;<br>2005SD5000 |                     | Attorney General | 353,442            |   |
| State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare  | 93.777 |   |                     | Health           | 1,485,623          |   |
| COVID-19 Medical Assistance Program - 6.2% FFCRA increase   | 93.778 |   |                     | Social Services  | 27,240,466         |   |
| Medical Assistance Program  | 93.778 |   |                     | Social Services  | 598,279,751        |   |
| <i>Total Medicaid Cluster</i>   |        |   |                     |                  | <u>627,359,282</u> |   |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>  |        |   |                     |                  | 9,291,545          | 1,737,189   |
| <i>Student Financial Assistance Cluster (Individual Federal Awards Reported at bottom of Schedule)</i>  |        |   |                     |                  | 12,454,870         |   |
| Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation                         | 93.041 |   |                     | Human Services   | 63,485             |   |
| Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals                                   | 93.042 |   |                     | Human Services   | 75,922             |   |
| Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services   | 93.043 |   |                     | Human Services   | 148,762            | 11,000  |
| Special Programs for the Aging, Title IV, and Title II, Discretionary Projects  | 93.048 |   |                     | Human Services   | 212,586            | 82,998  |
| National Family Caregiver Support, Title III, Part E  | 93.052 |   |                     | Human Services   | 651,562            | 161,045   |
| Chronic Diseases: Research, Control, and Prevention   | 93.068 | 73-1328414  |                     | SDSU             | 6,942              |   |
| Public Health Emergency Preparedness  | 93.069 | NU90TP922021  |                     | Health           | 4,965,079          | 95,521  |
| Medicare Enrollment Assistance Program  | 93.071 |   |                     | Human Services   | 76,840             | 35,435  |
| Lifespan Respite Care Program   | 93.072 |   |                     | Human Services   | 60,862             |   |
| Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance                       | 93.079 | N787PS004310;<br>NU5887PS004310   |                     | Health           | 93,874             |   |
| <i>Guardianship Assistance</i>  | 93.090 |   |                     | Social Services  | 163,125            |   |
| Guardianship Assistance   |        |   |                     | Social Services  | 7,642              |   |
| COVID-19 Guardianship Assistance - 6.2% FFCRA increase  |        |   |                     |                  | <u>170,767</u>     |   |
| <i>Total CFDA #93.090</i>   |        |   |                     |                  |                    |   |
| Affordable Care Act (ACA) Personal Responsibility Education Program   | 93.092 | 1901SDPREP  |                     | Health           | 218,609            | 182,568   |
| Area Health Education Centers - Point of Service Maintenance and Enhancement Awards   | 93.107 | U77HP26850  |                     | USD              | 416,466            | 255,593   |
| <i>Maternal and Child Health Federal Consolidated Programs</i>  |        |   |                     |                  |                    |   |
| Maternal and Child Health Federal Consolidated Programs   | 93.110 | T73MC00037  |                     | USD              | 699,011            |   |
| Maternal and Child Health Federal Consolidated Programs - SD State Systems Development Initiative and Children's Oral Healthcare Access Program |        | H18MC00046  |                     | Health           | 112,409            |   |
| <i>Total CFDA #93.110</i>   |        |   |                     |                  | <u>811,420</u>     |   |

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| Federal Agency/Program Title/Cluster  | CFDA # | Federal/Pass-Through<br>Entity Identifying Number               | Pass-Through Entity                   | State Agency                     | Total Expenditures     | Amount Passed<br>Through to Non-State<br>Agencies |
|---|--------|---|---------------------------------------|----------------------------------|------------------------|---|
| <b>U.S. Department of Health and Human Services (continued)</b>   |        |   |                                       |                                  |                        |   |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs   | 93.116 | NU52PS004697;<br>NU52PS210204                                   |                                       | Health                           | 250,584                |   |
| Emergency Medical Services for Children   | 93.127 | H33MC06693  |                                       | USD                              | 128,722                |   |
| Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices   | 93.130 | U68HP11439  |                                       | Health                           | 141,021                |   |
| Injury Prevention and Control Research and State and Community Based Programs - Sexual Violence Prevention and Education                                  | 93.136 | NUF2CE002491;<br>NU17CE924922;<br>NU17CE924866;<br>NU17CE924994 |                                       | Health                           | 1,345,980              | 112,507   |
| Community Programs to Improve Minority Health Grant Program   | 93.137 | CPIMP151092   |                                       | USD                              | 339,153                | 31,720  |
| Protection and Advocacy for Individuals with Mental Illness   | 93.138 |   |                                       | Human Services                   | 160,000                |   |
| Projects for Assistance in Transition from Homelessness (PATH)  | 93.150 |   |                                       | Social Services                  | 274,747                | 274,631   |
| Family Planning Services  | 93.217 | FPHPA006469   |                                       | Health                           | 1,362,248              | 628,967   |
| Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program  | 93.235 | 1901SDSRAE  |                                       | Health                           | 135,966                | 122,465   |
| State Rural Hospital Flexibility Program  | 93.241 | H54RH00024;<br>U2WRH33329                                       |                                       | Health                           | 830,526                |   |
| <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 - Project AWARE   |        | H79TI082565   |                                       | Education<br>Social Services/USD | 1,121,819<br>1,649,917 | 592,625   |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance - Strategic Prevention Framework State Incentive Grant          |        |   | Southeastern Behavioral<br>HealthCare | Social Services<br>SDSU          | 155,437<br>163,988     |   |
| <i>Total CFDA #93.243</i>   |        |   |                                       |                                  | <u>3,091,161</u>       | <u>592,625</u>                                    |
| Advanced Nursing Education Workforce Grant Program  | 93.247 | T94HP30879; D09HP28685  |                                       | SDSU                             | 383,207                | 108,692   |
| Early Hearing Detection and Intervention  | 93.251 | H61MC28391; H61MC33906  |                                       | Health/USD                       | 220,641                | 22,473  |
| Immunization Cooperative Agreements   | 93.268 | NH23IP922581  |                                       | Health                           | 12,469,063             | 44,604  |
| Centers for Disease Control and Prevention Investigations and Technical Assistance  | 93.283 | 283-02-9026   |                                       | Social Services                  | 37,889                 |   |
| <i>Small Rural Hospital Improvement Grant Program</i>   | 93.301 |   |                                       |                                  |                        |   |
| Small Rural Hospital Improvement Grant Program  |        | H3HRH00021  |                                       | Health<br>Health                 | 485,746<br>34,313      | 485,746<br>34,313                                 |
| <i>Total CFDA #93.301</i>   |        |   |                                       |                                  | <u>520,059</u>         | <u>520,059</u>                                    |
| PPHF 2018: Office of Smoking and Health- National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF) | 93.305 | NU58DP0005996;<br>NU58DP005996                                  |                                       | Health                           | 883,405                |   |
| Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas  | 93.319 | NU58DP006571  |                                       | SDSU                             | 355,367                |   |
| <i>Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</i>   | 93.323 |   |                                       |                                  |                        |   |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)  |        | NU50CK000380;<br>NU58CK000512                                   |                                       | Health<br>Health                 | 1,363,053<br>1,042,762 |   |
| <i>Total CFDA #93.323</i>   |        |   |                                       |                                  | <u>2,405,815</u>       |   |
| State Health Insurance Assistance Program   | 93.324 |   |                                       | Human Services                   | 267,528                | 220,190   |
| Behavioral Risk Factor Surveillance System  | 93.336 | NU58DP006063  |                                       | Health                           | 330,224                |   |

**STATE OF SOUTH DAKOTA**  
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For the Fiscal Year Ended June 30, 2020

| Federal Agency/Program Title/Cluster  | CFDA # | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity     | State Agency            | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|---|--------|---|-------------------------|-------------------------|--------------------|---|
| <b>U.S. Department of Health and Human Services (continued)</b>   |        |   |                         |                         |                    |   |
| <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   |        | NU90TP921980;<br>NU90TP922117                     |                         | Health                  | 1,616,960          |   |
| COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response  |        | NU90TP922117                                      |                         | Health                  | 3,057,371          |   |
| <i>Total CFDA #93.354</i>   |        |   |                         |                         | <u>4,674,331</u>   |   |
| <i>Nurse Education, Practice Quality and Retention Grants</i>   | 93.359 |   |                         |                         |                    |   |
| Nurse Education, Practice Quality and Retention Grants  |        | UK1HP31729  |                         | SDSU                    | 488,962            |   |
| COVID-19 Nurse Education, Practice Quality and Retention Grants   |        | UK1HP31729  |                         | SDSU                    | 5,460              |   |
| <i>Total CFDA #93.359</i>   |        |   |                         |                         | <u>494,422</u>     |   |
| ACL Independent Living State Grants Program   | 93.369 |   |                         | Human Services          | 84,609             | 84,175  |
| The State Flexibility to Stabilize the Market Grant Program   | 93.413 |   |                         | Labor                   | 63,977             |   |
| Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke - Diabetes and Heart Disease & Stroke Prevent Programs                           | 93.426 | NU58DP006526                                      |                         | Health                  | 1,931,501          |   |
| ACL National Institute on Disability, Independent Living, and Rehabilitation Research   | 93.433 | SGU-USD-2018-01                                   | Sinte Gleska University | USD                     | 115,980            |   |
| Food Safety and Security Monitoring Project   | 93.449 | HHSF223201310169C                                 |                         | Agriculture             | 2,772              |   |
| 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 | NU50MN000004                                      | Kennedy Krieger Inc.    | USD                     | 37,818             |   |
| ACL Assistive Technology  | 93.464 |   |                         | Human Services          | 394,172            | 394,172   |
| MaryLee Allen Promoting Safe and Stable Families Program  | 93.556 |   |                         | Social Services         | 711,207            |   |
| Temporary Assistance for Needy Families   | 93.558 |   |                         | Social Services         | 21,193,463         | 374,517   |
| Child Support Enforcement (Note 3N)   | 93.563 |   |                         | Social Services         | 5,320,468          |   |
| Refugee and Entrant Assistance State/Replacement Designee Administered Programs   | 93.566 |   |                         | Social Services         | 103,817            |   |
| Low-Income Home Energy Assistance   | 93.568 |   |                         | Social Services         | 17,360,384         | 931,333   |
| Community Services Block Grant  | 93.569 |   |                         | Social Services         | 3,087,188          | 2,949,005   |
| <i>State Court Improvement Program</i>  | 93.586 |   |                         |                         |                    |   |
| State Court Improvement Program   |        | 1901SDSCIP  |                         | Unified Judicial System | 101,884            | 101,884   |
| State Court Improvement Program - Data Sharing  |        | 1901SDSCID; 1801SDSCID                            |                         | Unified Judicial System | 58,698             | 7,598   |
| State Court Improvement Program - Training  |        | 1801SDSCIT; 1901SDSCIT                            |                         | Unified Judicial System | 59,858             | 14,782  |
| <i>Total CFDA #93.586</i>   |        |   |                         |                         | <u>220,440</u>     | <u>124,264</u>                                    |
| Community-Based Child Abuse Prevention Grants - Child Abuse Prevention and Treatment  | 93.590 |   |                         | Social Services         | 180,365            |   |
| Grants to States for Access and Visitation Programs   | 93.597 |   |                         | Public Safety           | 106,214            | 106,214   |
| Chafee Education and Training Vouchers Program (ETV)  | 93.599 |   |                         | Social Services         | 58,750             |   |
| Adoption and Legal Guardianship Incentive Payments  | 93.603 |   |                         | Social Services         | 335,400            |   |
| Voting Access for Individuals with Disabilities - Grants for Protection and Advocacy Systems  | 93.618 |   |                         | Human Services          | 50,000             |   |
| Developmental Disabilities Basic Support and Advocacy Grants  | 93.630 |   |                         | Human Services          | 550,338            | 490,819   |
| University Centers for Excellence in Developmental Disabilities Education, Research, and Service  | 93.632 | 90DDUC0024; 90DDTI0032                            |                         | USD                     | 611,692            |   |
| ACA-Transforming Clinical Practice Initiative: Practice Transformation Networks (PTNs)  | 93.638 |   |                         | DSU                     | 160,634            |   |

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| Federal Agency/Program Title/Cluster  | CFDA # | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity           | State Agency         | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|---|--------|---|-------------------------------|----------------------|--------------------|---|
| <b>U.S. Department of Health and Human Services (continued)</b>   |        |   |                               |                      |                    |   |
| Children's Justice Grants to States   | 93.643 |   |                               | Social Services      | 93,636             |   |
| Stephanie Tubbs Jones Child Welfare Services Program  | 93.645 |   |                               | Social Services      | 534,162            |   |
| <i>Foster Care Title IV-E</i>   | 93.658 |   |                               |                      |                    |   |
| Foster Care Title IV-E  |        |   |                               | Social Services      | 7,142,084          |   |
| COVID-19 Foster Care Title IV-E - 6.2% FFCRA increase   |        |   |                               | Social Services      | 194,965            |   |
| <i>Total CFDA #93.658</i>   |        |   |                               |                      | <u>7,337,049</u>   |   |
| <i>Adoption Assistance</i>  | 93.659 |   |                               |                      |                    |   |
| Adoption Assistance   |        |   |                               | Social Services      | 6,143,121          |   |
| COVID-19 Adoption Assistance - 6.2% FFCRA increase  |        |   |                               | Social Services      | 306,806            |   |
| <i>Total CFDA #93.659</i>   |        |   |                               |                      | <u>6,449,927</u>   |   |
| COVID-19 Emergency Grants to Address Mental and Substance Use Disorders During COVID-19   | 93.665 |   |                               | Social Services      | 586                |   |
| Social Services Block Grant   | 93.667 |   |                               | Social Services      | 4,245,237          |   |
| Child Abuse and Neglect State Grants  | 93.669 |   |                               | Social Services      | 58,348             |   |
| Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services   | 93.671 |   |                               | Public Safety        | 767,951            | 723,357   |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood   | 93.674 |   |                               | Social Services      | 568,007            | 355,797   |
| Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs - Financed by Prevention and Public Health Funds (PPHF) | 93.734 | 90CSSG0028  |                               | SDSU                 | 115,394            |   |
| State Public Health Approaches for Ensuring Quitline Capacity - Funded in part by Prevention and Public Health Funds (PPHF)   | 93.735 | NU58DP005319                                      |                               | Health               | 61,555             |   |
| Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)   | 93.761 | 90FPSG0022  |                               | SDSU                 | 37,694             | 6,897   |
| <i>Children's Health Insurance Program</i>  | 93.767 |   |                               |                      |                    |   |
| Children's Health Insurance Program   |        |   |                               | Social Services      | 26,438,159         |   |
| COVID-19 Children's Health Insurance Program - 4.34% FFCRA increase   |        |   |                               | Social Services      | 696,098            |   |
| <i>Total CFDA #93.767</i>   |        |   |                               |                      | <u>27,134,257</u>  |   |
| <i>Opioid STR</i>   | 93.788 |   |                               |                      |                    |   |
| Opioid STR  |        | H79T1081899                                       |                               | Social Services/SDSU | 5,194,196          | 60,849  |
| Opioid STR  |        | H79T1081898                                       | Trustees of Purdue University | SDSU                 | 30,218             |   |
| COVID-19 Opioid STR   |        | H79T1081898                                       | Trustees of Purdue University | SDSU                 | 520                |   |
| <i>Total CFDA #93.788</i>   |        |   |                               |                      | <u>5,224,934</u>   | <u>60,849</u>                                     |
| <i>Money Follows the Person Rebalancing Demonstration</i>   | 93.791 |   |                               |                      |                    |   |
| Money Follows the Person Rebalancing Demonstration  |        |   |                               | Social Services      | 1,288,756          |   |
| COVID-19 Money Follows the Person Rebalancing Demonstration - 3.1% FFCRA increase   |        |   |                               | Social Services      | 27,044             |   |
| <i>Total CFDA #93.791</i>   |        |   |                               |                      | <u>1,315,800</u>   |   |
| State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid  | 93.796 | 05-1905-SD-5001;<br>2005SD5001                    |                               | Health               | 1,037,813          |   |
| Organized Approaches to Increase Colorectal Cancer Screening  | 93.800 | NU58DP006107                                      |                               | Health               | 370,809            | 116,060   |
| Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities  | 93.817 | U3REP150499                                       |                               | Health               | 99,247             | 89,722  |
| Maternal, Infant and Early Childhood Home Visiting Grant  | 93.870 | X10MC32220  |                               | Health               | 1,064,820          |   |

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| Federal Agency/Program Title/Cluster  | CFDA #     | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity        | State Agency     | Total Expenditures        | Amount Passed<br>Through to Non-State<br>Agencies |
|---|------------|---|----------------------------|------------------|---------------------------|---|
| <b>U.S. Department of Health and Human Services (continued)</b>   |            |   |                            |                  |                           |   |
| National Bioterrorism Hospital Preparedness Program   | 93.889     | U3REP190559                                       |                            | Health           | 1,043,266                 | 297,864   |
| National Bioterrorism Hospital Preparedness Program   |            | U3REP190559CV;<br>U3REP0559C3                     |                            | Health           | 3,828                     |   |
| COVID-19 National Bioterrorism Hospital Preparedness Program<br>Total CFDA #93.889  |            |   |                            |                  | <u>1,047,094</u>          | <u>297,864</u>                                    |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations                                      | 93.898     | NU58DP006293                                      |                            | Health           | 1,620,262                 |   |
| Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider<br>Quality Improvement | 93.912     | D04RH31802;<br>P10RH31852;<br>G25RH33001          |                            | SDSU/USD         | 278,019                   | 19,338  |
| Grants to States for Operation of State Offices of Rural Health   | 93.913     | H96RH00127  |                            | Health           | 204,298                   |   |
| HIV Care Formula Grants - Ryan White Care Act Title II  | 93.917     | X07HA00010  |                            | Health           | 1,984,360                 | 218,847   |
| HIV Prevention Activities Health Department Based   | 93.940     | NU62PS924534                                      |                            | Health           | 791,078                   | 299,932   |
| Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs                         | 93.946     | U01DP006196                                       |                            | Health           | 175,720                   |   |
| Block Grants for Community Mental Health Services   | 93.958     |   |                            | Social Services  | 1,608,798                 |   |
| Block Grants for Prevention and Treatment of Substance Abuse  | 93.959     |   |                            | Social Services  | 6,336,573                 | 20,021  |
| PPHF Geriatric Education Centers  | 93.969     | U1QHP33081  | University of North Dakota | SDSU             | 10,146                    |   |
| Sexually Transmitted Diseases (STD) Prevention and Control Grants   | 93.977     | NH25PS005161                                      |                            | Health           | 204,809                   |   |
| Mental Health Disaster Assistance and Emergency Mental Health   | 93.982     |   |                            | Social Services  | 173,783                   | 134,504   |
| Preventive Health and Health Services Block Grant   | 93.991     | NB01OT009190;<br>NB01OT009276                     |                            | Health           | 458,821                   | 5,000   |
| Maternal and Child Health Services Block Grant to the States  | 93.994     | B04MC32571;<br>B04MC33867                         |                            | Health           | 1,954,252                 | 53,087  |
| Telligen QPP SURS CMS   | 93.UNKNOWN | HHSM-500-017-00012C                               |                            | DSU              | 45,300                    |   |
| <b>Total U.S. Department of Health and Human Services</b>   |            |   |                            |                  | <u><b>844,233,628</b></u> | <u><b>20,757,439</b></u>                          |
| <b>Corporation for National and Community Service</b>   |            |   |                            |                  |                           |   |
| Retired and Senior Volunteer Program  | 94.002     | 18SRNSD002  |                            | BHSU             | 6,066                     |   |
| Volunteers in Service to America  | 94.013     | 17VSNSD001  |                            | SDSU             | 20,000                    |   |
| <b>Total Corporation for National and Community Service</b>   |            |   |                            |                  | <u><b>26,066</b></u>      |   |
| <b>Executive Office of the President</b>  |            |   |                            |                  |                           |   |
| High Intensity Drug Trafficking Areas Program   | 95.001     | G19MW0004A;<br>G20MW0004A                         |                            | Attorney General | 1,058,290                 | 416,603   |
| <b>Total Executive Office of the President</b>  |            |   |                            |                  | <u><b>1,058,290</b></u>   | <u><b>416,603</b></u>                             |
| <b>Social Security Administration</b>   |            |   |                            |                  |                           |   |
| Disability Insurance/SSI Cluster  |            |   |                            |                  |                           |   |
| Social Security Disability Insurance  | 96.001     | 04-0804SDDI00                                     |                            | Human Services   | 4,340,042                 |   |
| Total Disability Insurance/SSI Cluster  |            |   |                            |                  | <u>4,340,042</u>          |   |
| <b>Total Social Security Administration</b>   |            |   |                            |                  | <u><b>4,340,042</b></u>   |   |

**STATE OF SOUTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended June 30, 2020

| Federal Agency/Program Title/Cluster   | CFDA # | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity                               | State Agency                         | Total Expenditures      | Amount Passed<br>Through to Non-State<br>Agencies |
|--|--------|---|---|--------------------------------------|-------------------------|---|
| <b>U.S. Department of Homeland Security</b>  |        |   |   |                                      |                         |   |
| Non-Profit Security Program  | 97.008 |   |   | Public Safety                        | 119,833                 | 119,833   |
| Boating Safety Financial Assistance  | 97.012 |   |   | Game, Fish and Parks                 | 1,169,974               |   |
| Community Assistance Program State Support Services Element (CAP-SSSE)                             | 97.023 |   |   | Public Safety                        | 126,548                 |   |
| Crisis Counseling  | 97.032 |   |   | Public Safety                        | 251,586                 | 225,152   |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters)                            | 97.036 |   |   | Public Safety                        | 13,501,813              | 13,348,206  |
| Hazard Mitigation Grant  | 97.039 |   |   | Public Safety                        | 953,631                 | 906,820   |
| National Dam Safety Program  | 97.041 |   |   | Environment and Natural<br>Resources | 215,700                 |   |
| Emergency Management Performance Grants  | 97.042 |   |   | Public Safety                        | 3,950,868               | 1,823,164   |
| Pre-Disaster Mitigation  | 97.047 |   |   | Public Safety                        | 805,801                 | 785,909   |
| Homeland Security Grant Program  | 97.067 |   |   | Public Safety                        | 4,076,135               | 2,924,003   |
| <b>Total U.S. Department of Homeland Security</b>  |        |   |   |                                      | <b>25,171,889</b>       | <b>20,133,087</b>                                 |
| <b>Agency for International Development</b>  |        |   |   |                                      | 16,319                  |   |
| <i>Research and Development Cluster (Individual Federal Awards Reported at bottom of Schedule)</i> |        |   |   |                                      |                         |   |
| <b>Total Agency for International Development</b>  |        |   |   |                                      | <b>16,319</b>           |   |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>  |        |   |   |                                      | <b>\$ 2,910,340,147</b> | <b>\$ 327,763,546</b>                             |
| <b>Research and Development Cluster</b>  |        |   |   |                                      |                         |   |
| <i>U.S. Department of Agriculture</i>  |        |   |   |                                      |                         |   |
| Agricultural Research Basic and Applied Research   | 10.001 | 59-0206-0-115                                     |   | SDSU                                 | 119                     |   |
| Agricultural Research Basic and Applied Research   | 10.001 | 58-3080-0-002                                     |   | SDSU                                 | 5,935                   |   |
| Agricultural Research Basic and Applied Research   | 10.001 | 58-3060-9-049                                     |   | SDSU                                 | 15,776                  |   |
| Agricultural Research Basic and Applied Research   | 10.001 | 58-5030-8-065                                     |   | SDSU                                 | 17,880                  |   |
| Agricultural Research Basic and Applied Research   | 10.001 | 58-3060-9-048                                     |   | SDSU                                 | 17,999                  |   |
| Agricultural Research Basic and Applied Research   | 10.001 | 58-3060-9-036                                     |   | SDSU                                 | 21,723                  |   |
| Agricultural Research Basic and Applied Research   | 10.001 | 59-0206-8-192                                     |   | SDSU                                 | 24,897                  |   |
| Agricultural Research Basic and Applied Research   | 10.001 | 58-3080-9-003                                     |   | SDSU                                 | 59,255                  |   |
| Agricultural Research Basic and Applied Research   | 10.001 | 58-3060-7-029                                     |   | SDSU                                 | 72,076                  |   |
| Agricultural Research Basic and Applied Research   | 10.001 | 59-0206-8-193                                     |   | SDSU                                 | 83,245                  |   |
| Agricultural Research Basic and Applied Research   | 10.001 | 59-0206-8-194                                     |   | SDSU                                 | 91,895                  |   |
| COVID-19 Agricultural Research Basic and Applied Research  | 10.001 | 59-0206-8-194                                     |   | SDSU                                 | 47                      |   |
| Agricultural Research Basic and Applied Research   | 10.001 | 58-5409-4-007                                     |   | SDSU                                 | 10,784                  | 10,784  |
| Conservation Reserve Program   | 10.069 | 68-3A75-16-500                                    | SD Conservation Districts                         | SDSU                                 | 14,895                  |   |
| Conservation Reserve Program   | 10.069 | NR186740XXXXG005                                  |   | SDSU                                 | 16,864                  |   |
| Wetlands Reserve Program   | 10.072 | 68-3A75-16-500                                    | SD Conservation Districts                         | SDSU                                 | 2,979                   |   |
| Grants for Agricultural Research, Special Research Grants  | 10.200 | 20193862430282                                    | North Dakota State<br>University                  | SDSU                                 | 12,137                  |   |
| Grants for Agricultural Research, Special Research Grants  | 10.200 | 20193438329882                                    | Board of Trustees of<br>Michigan State University | SDSU                                 | 59,000                  |   |
| Grants for Agricultural Research, Special Research Grants  | 10.200 | 20173438327028                                    | Board of Trustees of<br>Michigan State University | SDSU                                 | 74,600                  |   |
| Cooperative Forestry Research  | 10.202 |   |   | SDSU                                 | 319,038                 |   |
| Payments to Agricultural Experiment Stations Under the Hatch Act                                   | 10.203 |   |   | SDSU                                 | 908,151                 |   |
| Payments to Agricultural Experiment Stations Under the Hatch Act                                   | 10.203 | 415-49-02   |   | SDSU                                 | 1,662,673               |   |
| Animal Health and Disease Research   | 10.207 |   |   | SDSU                                 | 69,085                  |   |
| Sustainable Agriculture Research and Education   | 10.215 | 2018-38640-28416                                  | University of Minnesota                           | SDSU                                 | 60                      |   |
| Sustainable Agriculture Research and Education   | 10.215 | 2018-38640-28416                                  | University of Minnesota                           | SDSU                                 | 33,925                  | 1,874   |

**STATE OF SOUTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended June 30, 2020

| Federal Agency/Program Title/Cluster                     | CFDA # | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity                             | State Agency | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|--|--------|---|---|--------------|--------------------|---|
| <b>Research and Development Cluster (continued)</b>      |        |   |   |              |                    |   |
| Higher Education - Institution Challenge Grants Program  | 10.217 | 2020-70003-30933                                  |   | SDSU         | 13,839             |   |
| Higher Education - Institution Challenge Grants Program  | 10.217 | 2018-70003-27666                                  |   | SDSU         | 72,380             |   |
| Biotechnology Risk Assessment Research                   | 10.219 | 2018-33522-28795                                  |   | SDSU         | 142,061            |   |
| COVID-19 Biotechnology Risk Assessment Research          | 10.219 | 2018-33522-28795                                  |   | SDSU         | 182                |   |
|  |        |   | Fort Berthold Community<br>College              | SDSU         | 27,396             |   |
| 1994 Institutions Research Program                       | 10.227 | 2019-38424-29292                                  |   | SDSU         | 3,668              |   |
| Integrated Programs                                      | 10.303 | 2018-51150-28698                                  | University of Minnesota<br>Board of Trustees of | SDSU         | 10,224             | 6,601   |
| Integrated Programs                                      | 10.303 | 2018-51150-28698                                  | Michigan State University                       | SDSU         | 12,714             |   |
| Organic Agriculture Research and Extension Initiative    | 10.307 | 2014-51300-22233                                  | University of Illinois                          | SDSU         | 38,216             |   |
| Specialty Crop Research Initiative                       | 10.309 | 2017-51181-26829                                  | Cornell University<br>University of             | SDSU         | 12,871             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2014-67001-21851                                  | Tennessee/Knoxville                             | SDSU         | 17,079             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 20166800424827                                    | University of Missouri                          | SDSU         | 19,190             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2017-67007-26502                                  | Cornell University<br>Board of Trustees of      | SDSU         | 33,582             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2019-67013-29015                                  | Michigan State University<br>Trustees of Purdue | SDSU         | 34,835             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2015-68007-23193                                  | University<br>Regents of the University of      | SDSU         | 74,769             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 20176700725939                                    | California-Davis<br>Board of Trustees of        | SDSU         | 73                 |   |
| COVID-19 Agriculture and Food Research Initiative (AFRI) | 10.310 | 2019-67013-29015                                  | Michigan State University                       | SDSU         | 4,392              |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2016-67016-24949                                  |   | SDSU         | 4,482              |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2020-68018-30656                                  |   | SDSU         | 12,819             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2015-67029-23654                                  |   | SDSU         | 16,186             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2017-68010-25956                                  |   | SDSU         | 24,770             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2017-67016-26775                                  |   | SDSU         | 27,089             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2018-67020-27885                                  |   | SDSU         | 27,167             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2019-67032-29308                                  |   | SDSU         | 28,826             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2017-67016-26776                                  |   | SDSU         | 30,664             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2016-67032-25011                                  |   | SDSU         | 43,091             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2019-67016-29444                                  |   | SDSU         | 43,838             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2017-67032-26016                                  |   | SDSU         | 44,123             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2018-67032-27712                                  |   | SDSU         | 49,254             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2018-67014-27454                                  |   | SDSU         | 49,504             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 20196701629958                                    |   | SDSU         | 57,651             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2019-67022-29695                                  |   | SDSU         | 58,141             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2018-67016-27578                                  |   | SDSU         | 59,545             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 20176702026335                                    |   | SDSU         | 67,595             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 20186701727566                                    |   | SDSU         | 78,320             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2018-67016-28292                                  |   | SDSU         | 79,600             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2016-68006-24630                                  |   | SDSU         | 89,992             |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2016-67014-24589                                  |   | SDSU         | 103,277            |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2019-67014-29238                                  |   | SDSU         | 113,483            |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2018-67020-27809                                  |   | SDSU         | 126,485            |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2017-67020-26511                                  |   | SDSU         | 170,763            |   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2017-67014-26530                                  |   | SDSU         | 37,561             | 5,286   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2015-67020-23453                                  |   | SDSU         | 37,917             | 10,672  |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2017-67014-26210                                  |   | SDSU         | 102,964            | 35,117  |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2017-69008-26208                                  |   | SDSU         | 154,602            | 122,368   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2017-67024-26279                                  |   | SDSU         | 155,203            | 4,535   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2017-67008-25934                                  |   | SDSU         | 174,974            | 46,372  |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2013-69004-20401                                  |   | SDSU         | 668,081            | 115,424   |
| Agriculture and Food Research Initiative (AFRI)          | 10.310 | 2016-68004-24768                                  |   | SDSU         | 13,901             |   |
| New ERA Rural Technology Competitive Grants Program      | 10.314 | 2018-67014-27360                                  |   | SDSU         | 11,594             |   |
| Sun Grant Program  | 10.320 | 2019-38502-30120                                  |   | SDSU         | 3,627,013          | 3,490,086   |
| Sun Grant Program  | 10.320 | 2014-38502-22598                                  |   | SDSU         |                    |   |
|  |        |   | North Dakota State<br>University                | SDSU         | 20,144             |   |
| Alfalfa and Forage Research Program                      | 10.330 | 20197000530239                                    |   | SDSU         | 30,379             |   |
| Food Safety Cooperative Agreements                       | 10.479 | FSIS-C-23-2018                                    |   | SDSU         | 38,393             |   |
| Food Safety Cooperative Agreements                       | 10.479 | FSIS-C-23-2019                                    |   | SDSU         | 108,103            | 25,385  |
| Cooperative Extension Service                            | 10.500 | 20184610028766                                    |   | SDSU         |                    |   |

**STATE OF SOUTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2020**

| Federal Agency/Program Title/Cluster   | CFDA #     | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity                                 | State Agency | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|--|------------|---|---|--------------|--------------------|---|
| <b>Research and Development Cluster (continued)</b>  |            |   |   |              |                    |   |
| Partnership Agreements   | 10.699     | 18-JV-11111133-031                                |   | SDSU         | 35,234             |   |
| Research Joint Venture and Cost Reimbursable Agreements  | 10.707     | 19-JV-11221635-090                                |   | SDSU         | 3,908              |   |
| Community Facilities Loans and Grants  | 10.766     | Grant dated 09/26/18                              |   | SDSMT        | 94,127             |   |
| Community Facilities Loans and Grants  | 10.766     | Grant Dated 01/02/19                              |   | SDSMT        | 39,468             |   |
| Norman E. Borlaug International Agricultural Science and Technology Fellowship                   | 10.777     | FX17BF-10777R033                                  |   | SDSU         | 1,482              |   |
|  |            |   | SESD Experiment Farm<br>Corp                        |              |                    |   |
| Soil and Water Conservation  | 10.902     | 69-6740-17-034                                    |   | SDSU         | 26,846             |   |
| COVID-19 Soil and Water Conservation   | 10.902     | NR186740XXXXG006                                  |   | SDSU         | 26                 |   |
| Soil and Water Conservation  | 10.902     | NR196740XXXXG012                                  |   | SDSU         | 1,362              |   |
| Soil and Water Conservation  | 10.902     | NR196740XXXXG005                                  |   | SDSU         | 2,346              |   |
| Soil and Water Conservation  | 10.902     | NR186740XXXXG007                                  |   | SDSU         | 14,065             |   |
| Soil and Water Conservation  | 10.902     | NR186740XXXXG005                                  |   | SDSU         | 22,485             |   |
| Soil and Water Conservation  | 10.902     | NR186740XXXXG006                                  |   | SDSU         | 29,433             |   |
| Soil and Water Conservation  | 10.902     | NR183A750023C001                                  |   | SDSU         | 38,098             |   |
| Soil Survey  | 10.903     | 356002041   | Purdue University                                   | SDSU         | 9,383              |   |
| Environmental Quality Incentives Program   | 10.912     | 69-67401-16-526                                   | Ducks Unlimited<br>North Dakota State<br>University | SDSU         | 10,000             |   |
| Environmental Quality Incentives Program   | 10.912     | 69-3A75-17-282                                    |   | SDSU         | 82,973             |   |
| Environmental Quality Incentives Program   | 10.912     | 69-6740-16-509                                    |   | SDSU         | 1,587              |   |
| Environmental Quality Incentives Program   | 10.912     | NR196740XXXXG012                                  |   | SDSU         | 2,043              |   |
| Environmental Quality Incentives Program   | 10.912     | NR196740XXXXG007                                  |   | SDSU         | 2,881              |   |
| Environmental Quality Incentives Program   | 10.912     | 69-6740-16-525                                    |   | SDSU         | 4,067              |   |
| Environmental Quality Incentives Program   | 10.912     | NR186740XXXXG007                                  |   | SDSU         | 7,033              |   |
| Environmental Quality Incentives Program   | 10.912     | NR186740XXXXG005                                  |   | SDSU         | 11,243             |   |
| Environmental Quality Incentives Program   | 10.912     | NR196740XXXXG005                                  |   | SDSU         | 18,765             |   |
| Environmental Quality Incentives Program   | 10.912     | 69-3A75-17-285                                    |   | SDSU         | 146,665            |   |
| Conservation Stewardship Program   | 10.924     | 68-3A75-16-500                                    | SD Conservation Districts                           | SDSU         | 9,831              |   |
|  |            |   | SESD Experiment Farm<br>Corp                        |              |                    |   |
| Conservation Stewardship Program   | 10.924     | 69-6740-17-034                                    |   | SDSU         | 15,407             |   |
| Conservation Stewardship Program   | 10.924     | NR196740XXXXG005                                  |   | SDSU         | 2,346              |   |
| Conservation Stewardship Program   | 10.924     | NR186740XXXXG005                                  |   | SDSU         | 5,621              |   |
| Conservation Stewardship Program   | 10.924     | NR196740XXXXG012                                  |   | SDSU         | 10,214             |   |
| Conservation Stewardship Program   | 10.924     | NR186740XXXXG007                                  |   | SDSU         | 49,228             |   |
| Conservation Stewardship Program   | 10.924     | NR186740XXXXG006                                  |   | SDSU         | 68,677             |   |
| COVID-19 Conservation Stewardship Program  | 10.924     | NR186740XXXXG006                                  |   | SDSU         | 60                 |   |
| Agricultural Conservation Easement Program   | 10.931     | 68-3A75-16-500                                    | SD Conservation Districts                           | SDSU         | 2,085              |   |
| Initial Development of an Interactive, Web-based Science Application Tool for Grassland Managers | 10.UNKNOWN | 15-JV-11221632-142                                |   | SDSU         | 22,674             |   |
| <i>Total U.S. Department of Agriculture Research and Development</i>                             |            |   |   |              | 11,491,666         | 3,874,504   |
| <i>U.S. Department of Commerce</i>   |            |   |   |              |                    |   |
| Economic Development Technical Assistance  | 11.303     | ED18DEN3030025                                    |   | SDSU         | 241,613            |   |
|  |            |   | University Corporation for<br>Atmospheric Research  |              |                    |   |
| Climate and Atmospheric Research   | 11.431     | NA16NWS4670042                                    |   | SDSMT        | 7,703              |   |
| National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes                    | 11.432     | NA14NES4320003                                    |   | SDSU         | 66,538             |   |
| Office for Coastal Management  | 11.473     | 0318.18.062467                                    | Rutgers University                                  | SDSU         | 6,345              |   |
| <i>Total U.S. Department of Commerce Research and Development</i>                                |            |   |   |              | 322,199            |   |
| <i>U.S. Department of Defense</i>  |            |   |   |              |                    |   |
| Collaborative Research and Development   | 12.114     | GR09638   | Desert Research Institute                           | USD          | 1,480              |   |
| Collaborative Research and Development   | 12.114     | 656.6280  | Desert Research Institute                           | USD          | 6,276              |   |
| Collaborative Research and Development   | 12.114     | W912P618C0007                                     |   | USD          | 70,782             |   |
| Basic and Applied Scientific Research  | 12.300     | N00174-18-1-0001                                  |   | SDSMT        | 26,221             |   |
| Basic and Applied Scientific Research  | 12.300     | N00014-17-1-2965                                  |   | SDSMT        | 81,283             |   |
| Basic and Applied Scientific Research  | 12.300     | N002531910003                                     |   | SDSMT        | 13,392             |   |
| Basic and Applied Scientific Research  | 12.300     | N00174-19-1-0014                                  |   | SDSMT        | 67,364             |   |
| Basic and Applied Scientific Research  | 12.300     | N00174-19-1-0027                                  |   | SDSMT        | 164,282            |   |
| Basic and Applied Scientific Research  | 12.300     | N00014-18-1-2733                                  |   | SDSMT        | 80,042             | 37,567  |
| Basic and Applied Scientific Research  | 12.300     | N00174-20-1-0007                                  |   | SDSMT        | 5,513              |   |
| Basic and Applied Scientific Research  | 12.300     | W9126G-18-2-0061                                  |   | SDSU         | 39,944             |   |
|  |            |   | Defense Threat Reduction<br>Agency                  |              |                    |   |
| Basic Scientific Research - Combating Weapons of Mass Destruction                                | 12.351     | HDTRA1-14-1-0050                                  |   | SDSMT        | 55,830             |   |
| Pest Management and Vector Control Research  | 12.355     | W911QY1910013                                     |   | USD          | 206,530            | 60,000  |
| Basic Scientific Research  | 12.431     | W911NF-15-2-0034                                  | HF Webster, LLC                                     | SDSMT        | 104,272            |   |

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| Federal Agency/Program Title/Cluster  | CFDA #     | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity                                      | State Agency         | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|---|------------|---|--|----------------------|--------------------|---|
| <b>Research and Development Cluster (continued)</b>                                 |            |   |  |                      |                    |   |
| Basic Scientific Research   | 12.431     | W911NF1920329                                     | HF Webster, LLC  | SDSMT                | 119,335            |   |
|   |            |   | Academy of Applied Sciences                              | SDSMT                | 2,000              |   |
| Basic, Applied, and Advanced Research in Science and Engineering                    | 12.630     | W911SR-15-2-0001                                  | Wichita State University                                 | SDSMT                | 17,384             |   |
| Basic, Applied, and Advanced Research in Science and Engineering                    | 12.630     | 57CD0C03-C841-41                                  | Arizona State University                                 | SDSMT                | 48,832             |   |
| Air Force Defense Research Sciences Program   | 12.800     | FA9550-19-1-0070                                  |  | SDSMT                | 63,132             |   |
| Air Force Defense Research Sciences Program   | 12.800     | FA9550-19-1-0289                                  |  | SDSMT                | 162,801            |   |
| Information Security Grants   | 12.902     |   |  | DSU                  | 222,524            |   |
| GenCyber Grants Program   | 12.903     |   |  | DSU                  | 48,827             |   |
| GenCyber Grants Program   | 12.903     | H98230-19-1-0046                                  |  | SDSMT                | 93,000             |   |
| CyberSecurity Core Curriculum - Cybersecurity Regional Resource Center              | 12.905     |   |  | DSU                  | 31,371             |   |
| NSA Cyber Security IPA  | 12.UNKNOWN | PO 519994   |  | DSU                  | 20,371             |   |
| NSA IPA   | 12.UNKNOWN | PO 975018   |  | DSU                  | 518,970            |   |
| VENICEKISS  | 12.UNKNOWN | H98230-16-C-0957                                  |  | DSU                  | 51,661             |   |
| Basic and Applied Research  | 12.UNKNOWN | SBIR N6833517C0556                                | VRC Metal Systems, LLC                                   | SDSMT                | 85,124             |   |
| Basic and Applied Scientific Research   | 12.UNKNOWN | N0002417C4020                                     | VRC Metal Systems, LLC                                   | SDSMT                | 149,738            |   |
| Basic and Applied Scientific Research   | 12.UNKNOWN | W15QKN-18-C-0002                                  | Sustainment & Restoration Services, LLC                  | SDSMT                | 202,840            |   |
| Basic and Applied Scientific Research   | 12.UNKNOWN | W9128F19F0341                                     | HF Webster, LLC  | SDSMT                | 135,797            |   |
| Basic and Applied Scientific Research   | 12.UNKNOWN | W911NF1920329                                     | Lynnntech  | SDSMT                | 17,815             |   |
| Basic and Applied Scientific Research   | 12.UNKNOWN | N68335-19-C-0092                                  | NanoCoatings Inc.  | SDSMT                | 72,523             |   |
| Basic and Applied Scientific Research   | 12.UNKNOWN | N68335-C-17-0016                                  | Netherlands Organization for Applied Scientific Research |                      |                    |   |
| Basic and Applied Scientific Research   | 12.UNKNOWN | W912HQ19C0067                                     | TNO  | SDSMT                | 21,878             |   |
| Basic Expeditionary Airfield Resources (BEAR) Energy Saving Technologies (BEAR-EST) | 12.UNKNOWN | FA4819-14-C-0010                                  | Universal Technology Corp                                | SDSMT                | 111,977            |   |
| Small Business Innovation Research  | 12.UNKNOWN | FA864920-P-0398                                   | VRC Metal Systems, LLC                                   | SDSMT                | 7,500              |   |
| Small Business Innovation Research  | 12.UNKNOWN | 191-104   | NanoCoatings Inc.  | SDSMT                | 45,000             |   |
| Small Business Innovation Research  | 12.UNKNOWN | FA8650-20-P-5166                                  | VRC Metal Systems, LLC                                   | SDSMT                | 39,935             |   |
| Small Business Innovation Research  | 12.UNKNOWN | N6833519C0558                                     | VRC Metal Systems, LLC                                   | SDSMT                | 11,538             |   |
| Small Business Innovation Research  | 12.UNKNOWN | N6833520C0458                                     | VRC Metal Systems, LLC                                   | SDSMT                | 11,731             |   |
| Small Business Innovation Research  | 12.UNKNOWN | N6833519C0850                                     | VRC Metal Systems, LLC                                   | SDSMT                | 45,958             |   |
| Small Business Innovation Research  | 12.UNKNOWN | SBIR N68335-18-C-0221                             | NanoCoatings Inc.  | SDSMT                | 11,126             |   |
| Small Business Technology Transfer  | 12.UNKNOWN | FA864919PA043                                     | HF Webster, LLC  | SDSMT                | 7,500              |   |
| Small Business Technology Transfer  | 12.UNKNOWN | FA864920-P-0393                                   | HF Webster, LLC  | SDSMT                | 7,500              |   |
| Small Business Technology Transfer  | 12.UNKNOWN | W912HZ19P0032                                     | NanoCoatings Inc.  | SDSMT                | 50,000             |   |
| Basic Scientific Research   | 12.UNKNOWN | W9128F-16-P-0140                                  |  | SDSMT                | 22,489             |   |
| Development of Additive Manufacturing Technologies for Energetic Materials          | 12.UNKNOWN | DOTC-16-01 INIT1199                               | Advanced Technology International                        | SDSMT                | 165,331            | 99,833  |
| Basic Expeditionary Airfield Resources (BEAR) Energy Saving Technologies (BEAR-EST) | 12.UNKNOWN | FA4819-14-C-0004                                  |  | SDSMT                | 26,493             |   |
| <i>Total U.S. Department of Defense Research and Development</i>                    |            |   |  |                      | 3,573,212          | 197,400   |
| <i>U.S. Department of Interior</i>  |            |   |  |                      |                    |   |
| Rangeland Resource Management   | 15.237     | L18AC00089  |  | SDSMT                | 45,091             |   |
| Wildlife Restoration and Basic Hunter Education                                     | 15.611     | F16AF00908 (FY17)                                 | Idaho Department of Fish and Game                        | SDSU                 | 3,596              |   |
| Wildlife Restoration and Basic Hunter Education                                     | 15.611     | F17AF01167 (W-136-R-1)                            | Nebraska Department Of Game, Fish And Parks              | SDSU                 | 56,381             |   |
| Wildlife Restoration and Basic Hunter Education                                     | 15.611     | F17AF01062  | North Dakota Department of Game, Fish and Parks          | SDSU                 | 89,623             |   |
| Wildlife Restoration and Basic Hunter Education                                     | 15.611     | F17AF00375  | Nebraska Department Of Game, Fish And Parks              | SDSU                 | 151,247            |   |
| Multistate Conservation Grant   | 15.628     | F19AP00094  | North Carolina State University                          | SDSU                 | 4,562              |   |
| State Wildlife Grants   | 15.634     |   |  | Game, Fish and Parks | 338,260            | 41,124  |
| Migratory Bird Joint Ventures - Prairie Pothole Venture                             | 15.637     |   |  | Game, Fish and Parks | 67,197             |   |
| Migratory Bird Joint Ventures   | 15.637     | F15AC01071  | Nebraska Community Foundation                            | SDSU                 | 122,702            |   |
| Migratory Bird Joint Ventures   | 15.637     | F15AC01071  |  | SDSU                 | 621                |   |
| Endangered Species Conservation - Recovery Implementation Funds                     | 15.657     | F19AC00386  |  | USD                  | 58,367             |   |
| Cooperative Ecosystem Studies Units   | 15.678     | F17AC01252  |  | SDSU                 | 1,560              |   |
| Assistance to State Water Resources Research Institutes                             | 15.805     | G15AP00170  |  | SDSU                 | 56,774             |   |
| Assistance to State Water Resources Research Institutes                             | 15.805     | G16AP00083  |  | SDSU                 | 97,905             |   |
| U.S. Geological Survey Research and Data Collection                                 | 15.808     | G18AC00207  |  | SDSMT                | 20,765             |   |
| COVID-19 U.S. Geological Survey Research and Data Collection                        | 15.808     | G19AC00177  |  | SDSU                 | 3,179              |   |

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| Federal Agency/Program Title/Cluster  | CFDA #     | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity                            | State Agency | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|---|------------|---|--|--------------|--------------------|---|
| <b>Research and Development Cluster (continued)</b>   |            |   |  |              |                    |   |
| U.S. Geological Survey Research and Data Collection   | 15.808     | G14AC00370  |  | SDSU         | 100,143            |   |
| U.S. Geological Survey Research and Data Collection   | 15.808     | G19AC00177  |  | SDSU         | 170,787            |   |
| U.S. Geological Survey Research and Data Collection - Develop eDNA Techniques   | 15.808     | G16AC00130  |  | USD          | 4,433              |   |
| Cooperative Research Units  | 15.812     | G16AC00261  |  | SDSU         | 65,547             |   |
| Cooperative Research Units  | 15.812     | G17AC00336; RWO 118                               |  | SDSU         | 74,792             |   |
| Cooperative Research Units  | 15.812     | G17AC00337; RWO 116                               |  | SDSU         | 251,104            |   |
| Cooperative Research Units  | 15.812     | G17AC00338; RWO 117                               |  | SDSU         | 304,778            |   |
| Cooperative Research and Training Programs – Resources of the National Park System  | 15.945     | P19AC00164  |  | SDSMT        | 30,236             |   |
| Cooperative Research and Training Programs – Resources of the National Park System  | 15.945     | P18AC00403; P1800478                              |  | SDSU         | 4,238              |   |
| Cooperative Research and Training Programs – Resources of the National Park System  | 15.945     | P17AC00057; P16AC00011                            |  | SDSU         | 32,509             |   |
| National Recreational River American Indian Traditional Cultural Property Survey & Inventory  | 15.945     | 21H088-01   | Texas Tech University                          | USD          | 870                |   |
| Cooperative Research and Training Programs – Resources of the National Park System - Evaluating Post-Flood Sandbar Succession and Species Biodiversity Related to Listed Species Habitat-MNRR | 15.945     | P18AC00040  |  | USD          | 118,220            |   |
| Cooperative Research and Training Programs – Resources of the National Park System - Expand Missouri River Intern Program   | 15.945     | P20AC00365  |  | USD          | 3,277              |   |
| Cooperative Research and Training Programs – Resources of the National Park System - Natural Resources Intern Program-MNRR  | 15.945     | P16AC00369  |  | USD          | 14,721             |   |
| Effect of Water Velocity and Temperature on Energy Reserves, Growth, Survival and Dispersal Distance of Larval Pallid Sturgeon  | 15.UNKNOWN | 17-UGPR-47  |  | SDSU         | 1,789              |   |
| Intergovernmental Personnel Agreement with USGS EROS -2016-2018   | 15.UNKNOWN | 4500104003  |  | SDSU         | 37,149             |   |
| <i>Total U.S. Department of Interior Research and Development</i>   |            |   |  |              | 2,332,423          | 41,124  |
| <i>U.S. Department of Justice</i>   |            |   |  |              |                    |   |
| National Institute of Justice Research, Evaluation, and Development Project Grants  | 16.560     | 2017-IJ-CX-0026                                   |  | SDSMT        | 232,241            | 13,009  |
| National Institute of Justice Research, Evaluation, and Development Project Grants  | 16.560     | 2018-DU-BX-0228                                   | George Mason University                        | SDSU         | 9,115              |   |
| National Institute of Justice Research, Evaluation, and Development Project Grants  | 16.560     | 2018-R2-CX-0010                                   |  | SDSU         | 47,355             |   |
| National Institute of Justice Research, Evaluation, and Development Project Grants  | 16.560     | 2017-DN-BX-0148                                   | Regents of the University of California        | SDSU         | 104,371            | 50,871  |
| Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program   | 16.589     | 2019-MU-GX-K014-B                                 | Avera Health                                   | USD          | 35,720             |   |
| Innovations in Community-Based Crime Reduction  | 16.817     | 2019-BJ-BX-0002                                   | City of Rapid City                             | USD          | 12,864             |   |
| National Sexual Assault Kit Initiative  | 16.833     | 2019-AK-BX-0033                                   | The Network -Beadle County                     | USD          | 9,298              |   |
| <i>Total U.S. Department of Justice Research and Development</i>  |            |   |  |              | 450,964            | 63,880  |
| <i>U.S. Department of Labor</i>   |            |   |  |              |                    |   |
| Mine Health and Safety Grants   | 17.600     | MS-05082-18-55-46                                 |  | SDSMT        | 29,369             |   |
| Mine Health and Safety Grants   | 17.600     | MS-04601-19-55-46                                 |  | SDSMT        | 45,009             |   |
| <i>Total U.S. Department of Labor Research and Development</i>  |            |   |  |              | 74,378             |   |
| <i>U.S. Department of Transportation</i>  |            |   |  |              |                    |   |
| Highway Research and Development Program  | 20.200     | NCHRP-200   | National Academy of Sciences                   | SDSMT        | 2,243              |   |
| Highway Research and Development Program  | 20.200     | DTFH61-13-H-00024<br>HR 12-105/                   | National Academy of Sciences                   | SDSMT        | 40,607             | 14,239  |
| Highway Research and Development Program  | 20.200     | DTFH61-08-H-00035                                 | Nevada Board of Regents                        | SDSU         | 12,360             |   |
| National Priority Safety Programs   | 20.616     | 2019-02-24  |  | SDSMT        | 2,077              |   |
| University Transportation Centers Program   | 20.701     | 26220120361                                       |  | SDSMT        | 25,000             |   |
| University Transportation Centers Program   | 20.701     | DTRT13-G-UT38                                     | North Dakota State University                  | SDSU         | 846                |   |
| University Transportation Centers Program   | 20.701     | 69A3551947137                                     | Washington State University                    | SDSU         | 6,364              |   |
| University Transportation Centers Program   | 20.701     | 69A3551747108                                     | North Dakota State University                  | SDSU         | 241,933            |   |
| <i>Total U.S. Department of Transportation Research and Development</i>   |            |   |  |              | 331,430            | 14,239  |
| <i>National Aeronautics and Space Administration</i>  |            |   |  |              |                    |   |
| Science   | 43.001     | NNX16AL68G  | North Carolina State University                | SDSU         | 3,211              |   |
| Science   | 43.001     | 80MSFC18M0047                                     | Wichita State University                       | SDSU         | 15,918             |   |
| Science   | 43.001     | 80NSSC19M0132                                     | Board of Trustees of Michigan State University | SDSU         | 42,758             |   |
| Science   | 43.001     | 80NSSC1K0235                                      | State of Maryland                              | SDSU         | 60,062             |   |

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| Federal Agency/Program Title/Cluster   | CFDA # | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity      | State Agency                       | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|--|--------|---|--------------------------|------------------------------------|--------------------|---|
| <b>Research and Development Cluster (continued)</b>  |        |   |                          |                                    |                    |   |
| Science  | 43.001 | 80NSSC18K1423                                     |                          | SDSU                               | 9,330              |   |
| Science  | 43.001 | 80NSSC18K0626                                     |                          | SDSU                               | 173,362            |   |
| Science  | 43.001 | NNX15AP36A  |                          | SDSU                               | 331,083            |   |
| Science  | 43.001 | NNX15AP81G  |                          | SDSU                               | 157,204            | 90,517  |
| Aeronautics  | 43.002 | 80NSSC20K0475                                     |                          | SDSU                               | 31,025             |   |
| Office of Stem Engagement (OSTEM) - Education  | 43.008 | NNX16AI83A  |                          | SDSMT                              | 23,564             |   |
| Office of Stem Engagement (OSTEM) - Education  | 43.008 | 80NSSC19M0080                                     |                          | SDSMT                              | 63,163             |   |
| Office of Stem Engagement (OSTEM) - Education  | 43.008 | 80NSSC19M0168                                     |                          | SDSMT                              | 69,641             |   |
| Office of Stem Engagement (OSTEM) - Education  | 43.008 | 80NSSC19M0063                                     |                          | SDSMT                              | 51,612             |   |
| Office of Stem Engagement (OSTEM) - Education  | 43.008 | NNX15AM83A  |                          | SDSMT                              | 20,582             | 18,624  |
| Office of Stem Engagement (OSTEM) - Education  | 43.008 | NNX16AI84A  |                          | SDSMT                              | 27,290             |   |
| Office of Stem Engagement (OSTEM) - Education  | 43.008 | NNX16AQ98A  |                          | SDSMT                              | 35,369             | 25,350  |
| Office of Stem Engagement (OSTEM) - Education  | 43.008 | NNX15AK54A  |                          | SDSMT                              | 116,663            | 21,908  |
| Office of Stem Engagement (OSTEM) - Education  | 43.008 | 80NSSC20M0040                                     |                          | SDSMT                              | 164,056            | 2,600   |
| Office of Stem Engagement (OSTEM) - Education  | 43.008 | 80NSSC18M0022                                     |                          | SDSMT                              | 209,473            | 99,201  |
| Office of Stem Engagement (OSTEM) - Education  | 43.008 | NNX15AJ13H-03-22-2015                             |                          | SDSMT                              | 357,707            | 176,234   |
| Space Technology   | 43.012 | 80NSSC19K0971                                     | Wichita State University | SDSU                               | 16,027             |   |
| <i>Total National Aeronautics and Space Administration Research and Development</i>                  |        |   |                          |                                    | 1,979,100          | 434,434   |
| <i>National Endowment for the Humanities</i>   |        |   |                          |                                    |                    |   |
| Promotion of the Humanities Federal/State Partnership  | 45.129 | SO-253172-17                                      |                          | South Dakota Humanities<br>Council | 454                |   |
| Promotion of the Humanities Federal/State Partnership  | 45.129 | 8119  |                          | South Dakota Humanities<br>Council | 4,583              |   |
| Promotion of the Humanities Federal/State Partnership  | 45.129 | 8121  |                          | South Dakota Humanities<br>Council | 7,000              |   |
| <i>Total National Endowment for the Humanities Research and Development</i>                          |        |   |                          |                                    | 12,037             |   |
| <i>National Science Foundation</i>   |        |   |                          |                                    |                    |   |
| Engineering  | 47.041 | 1842577   |                          | Colorado State University          | 56,538             |   |
| Engineering  | 47.041 | 1560421   |                          | SDSMT                              | 5,075              |   |
| Engineering  | 47.041 | 1806034   |                          | SDSMT                              | 8,814              |   |
| Engineering  | 47.041 | 2010696   |                          | SDSMT                              | 16,896             |   |
| Engineering  | 47.041 | 1454102   |                          | SDSMT                              | 22,238             |   |
| Engineering  | 47.041 | 1663646   |                          | SDSMT                              | 47,488             |   |
| Engineering  | 47.041 | 1947303   |                          | SDSMT                              | 54,470             |   |
| Engineering  | 47.041 | 1852336   |                          | SDSMT                              | 69,932             |   |
| Engineering  | 47.041 | 1652958   |                          | SDSMT                              | 73,925             |   |
| Engineering  | 47.041 | 1805550   |                          | SDSMT                              | 137,061            |   |
| Engineering  | 47.041 | 1711946   |                          | SDSMT                              | 143,984            |   |
| Engineering  | 47.041 | 1826314   |                          | SDSMT                              | 185,122            |   |
| Engineering  | 47.041 | 1840478   |                          | SDSMT                              | 34,386             | 19,915  |
| COVID-19 Engineering   | 47.041 | 1852177   |                          | SDSU                               | 697                |   |
| Engineering  | 47.041 | 1906755   |                          | SDSU                               | 3,795              |   |
| Engineering  | 47.041 | EEC-1559958                                       |                          | SDSU                               | 7,570              |   |
| Engineering  | 47.041 | 1841502   |                          | SDSU                               | 12,904             |   |
| Engineering  | 47.041 | 1852177   |                          | SDSU                               | 14,036             |   |
| Engineering  | 47.041 | ECCS-1608722                                      |                          | SDSU                               | 23,875             |   |
| Engineering  | 47.041 | ECCS-1726964                                      |                          | SDSU                               | 24,974             |   |
| Engineering  | 47.041 | CBET-1428992                                      |                          | SDSU                               | 43,117             |   |
| Engineering  | 47.041 | 1929814   |                          | SDSU                               | 96,664             | 20,361  |
| Engineering  | 47.041 | IIP-1841518                                       |                          | USD                                | 10,074             |   |
| Engineering  | 47.041 | EEC-1852306                                       |                          | USD                                | 11,310             |   |
| Engineering - Collaborative Research: REU Site: Security Printing and Anti-Counterfeiting Technology | 47.041 | EEC-1560323                                       |                          | USD                                | 532                |   |
| Engineering - I-Corps: Analytic Tool Discovery System for Interdisciplinary Data Analysis            | 47.041 | IIP-1830157                                       |                          | USD                                | 12,169             |   |
| Mathematical and Physical Sciences   | 47.049 | PHY-1560474                                       |                          | BHSU                               | 2,779              |   |
| Mathematical and Physical Sciences   | 47.049 | PHY-1852575                                       |                          | BHSU                               | 75,021             |   |
| Mathematical and Physical Sciences   | 47.049 | 1913746   | University of Notre Dame | SDSMT                              | 2,406              |   |
| Mathematical and Physical Sciences   | 47.049 | 1913607   | University of Wisconsin  | SDSMT                              | 42,802             |   |
| Mathematical and Physical Sciences   | 47.049 | 1506033   |                          | SDSMT                              | 1,006              |   |
| Mathematical and Physical Sciences   | 47.049 | 1948838   |                          | SDSMT                              | 1,289              |   |
| Mathematical and Physical Sciences   | 47.049 | 1914835   |                          | SDSMT                              | 8,593              |   |
| Mathematical and Physical Sciences   | 47.049 | 1615050   |                          | SDSMT                              | 22,549             |   |
| Mathematical and Physical Sciences   | 47.049 | 1806826   |                          | SDSMT                              | 39,726             |   |
| Mathematical and Physical Sciences   | 47.049 | 1757799   |                          | SDSMT                              | 68,657             |   |

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|---|--------|---|--|--------------|--------------------|---|
| <b>Research and Development Cluster (continued)</b>   |        |   |  |              |                    |   |
| Mathematical and Physical Sciences  | 47.049 | 1615197   |  | SDSMT        | 92,062             |   |
| Mathematical and Physical Sciences  | 47.049 | 1830066   |  | SDSU         | 28,715             |   |
| Mathematical and Physical Sciences  | 47.049 | A004088508  | University of Minnesota                  | USD          | 5,095              |   |
| Mathematical and Physical Sciences - NSF Center for Sustainable Polymers  | 47.049 | A008060106  | University of Minnesota                  | USD          | 50,790             |   |
| Mathematical and Physical Sciences  | 47.049 | CHE-1800354                                       |  | USD          | 127,200            |   |
| Mathematical and Physical Sciences - Acquisition of a Dual-Source Single-Crystal X-ray Diffractometer   | 47.049 | CHE-1919637                                       |  | USD          | 229,992            |   |
| Mathematical and Physical Sciences - CAREER: Biomimetic Metal-Organic Super-Containers  | 47.049 | CHE-1352279                                       |  | USD          | 48,460             |   |
| Mathematical and Physical Sciences - Rational Design of Perfluoroalkylated N- and S-Containing Heteroaromatics for Engineering High Performance Air-stable OFET Materials with Lamellar Pi-Pi Stacked Structure | 47.049 | CHE-1355677                                       |  | USD          | 67,611             |   |
| Mathematical and Physical Sciences - REU Site: Undergraduate Research in Fluorine Chemistry   | 47.049 | CHE-1757652                                       |  | USD          | 28,167             |   |
| Mathematical and Physical Sciences - Undoped NaI/CsI Directly Coupled to PMTs at 77 K for Rare-Event Searches   | 47.049 | PHY-1506036                                       |  | USD          | 89,575             |   |
| Mathematical and Physical Sciences - Size-Selective Electrochemical Sensing via Metal-Organic Supercontainers   | 47.049 | DMR-1709912                                       |  | USD          | 24,046             | 3,038   |
| Geosciences   | 47.050 | OCE-1636653                                       | Columbia University                      | SDSMT        | 29,567             |   |
| Geosciences   | 47.050 | 1636653   | Columbia University                      | SDSMT        | 40,000             |   |
| Geosciences   | 47.050 | 1645466   |  | SDSMT        | 22,529             |   |
| Geosciences   | 47.050 | 1904142   |  | SDSU         | 74,878             |   |
| Geosciences   | 47.050 | 1443663   |  | SDSU         | 13,883             |   |
| Geosciences   | 47.050 | PLR-1602440                                       |  | SDSU         | 120,746            |   |
| Geosciences - RAPID: Radiocarbon Dating of Bernik Levels at Walakpa, North Slope, Alaska  | 47.050 | P0541978  | University of Alaska-Fairbanks           | USD          | 5,179              |   |
| Computer and Information Science and Engineering  | 47.070 | CNS 1738855                                       |  | BHSU         | 147,889            |   |
| Computer and Information Science and Engineering  | 47.070 |   |  | DSU          | 70,218             |   |
| Computer and Information Science and Engineering  | 47.070 |   |  | DSU          | 95,080             |   |
| Computer and Information Science and Engineering  | 47.070 | 1626579   |  | SDSMT        | 64,950             |   |
| Computer and Information Science and Engineering  | 47.070 | 1949921   | Florida Atlantic University              | SDSU         | 730                |   |
| Computer and Information Science and Engineering  | 47.070 | 1925681   | University of Missouri                   | SDSU         | 32,331             |   |
| Computer and Information Science and Engineering  | 47.070 | ACI-1559978                                       |  | SDSU         | 17,430             |   |
| Computer and Information Science and Engineering - BD Spokes: Digital Agriculture-Unmanned Aircraft Systems   | 47.070 | 016460-4044103E                                   | Iowa State University                    | USD          | 4,999              |   |
| Computer and Information Science and Engineering - Great Plains Regional Cyber Team   | 47.070 | C00066283-5                                       | University of Missouri                   | USD          | 39,042             |   |
| Computer and Information Science and Engineering  | 47.070 | OAC-1827227                                       |  | USD          | 503,349            |   |
| Computer and Information Science and Engineering - Biology-guided neural networks for discovering phenotypic traits   | 47.070 | OAC-1940340                                       |  | USD          | 824                |   |
| Computer and Information Science and Engineering - CC Storage: The South Dakota Data Store, a Modular, Affordable Platform to Enable Data-Intensive Research and Education                                      | 47.070 | ACI-1659282                                       |  | USD          | 97,863             |   |
| Computer and Information Science and Engineering - MRI: Acquisition of the Lawrence Supercomputer to Advance Multidisciplinary Research in South Dakota   | 47.070 | ACI-1626516                                       |  | USD          | 24,223             |   |
| Biological Sciences   | 47.074 | 1555725   |  | BHSU         | 44,760             |   |
| Biological Sciences   | 47.074 | DDBI-1602067                                      | University of Kansas Center for Research | SDSMT        | 52,965             |   |
| Biological Sciences   | 47.074 | DEB-1342721                                       |  | SDSMT        | 14,077             |   |
| Biological Sciences   | 47.074 | 1442600   |  | SDSMT        | 52,916             |   |
| Biological Sciences   | 47.074 | IOS-1340050                                       | Carnegie Institution                     | SDSU         | 26,597             |   |
| Biological Sciences   | 47.074 | 1922542   |  | SDSU         | 39,437             |   |
| Biological Sciences   | 47.074 | DBI-1532189                                       |  | SDSU         | 75,990             |   |
| Biological Sciences   | 47.074 | IOS-1350189                                       |  | SDSU         | 233,449            |   |
| Biological Sciences   | 47.074 | 1546869   | Saint Louis University                   | SDSU         | 153,660            | 70,524  |
| Biological Sciences   | 47.074 | DEB-1735679                                       |  | SDSU         | 34,958             | 17,432  |
| Biological Sciences   | 47.074 | DEB-1837233                                       |  | USD          | 56,787             |   |
| Biological Sciences - Collaborative Research: ABI Innovation: Enabling Machine-Actionable Semantics for Comparative Analyses of Trait Evolution   | 47.074 | DBI-1661529                                       |  | USD          | 94,381             |   |
| Biological Sciences - REU Site: Sustainable RIVER (Remediating InVasives to Encourage Resilience)   | 47.074 | DBI-1560048                                       |  | USD          | 76,063             |   |
| Social, Behavioral, and Economic Sciences - Land-Surface Processes, Dust Sources, and Particulate Fluxes of the 1930s Dust Bowl Drought in the US Great Plains, USA   | 47.075 | 32110204-01                                       | Baylor University                        | USD          | 8,295              |   |
| Social, Behavioral, and Economic Sciences - Long-Term Human Responses to Ecological Instability   | 47.075 | BCS-1916770                                       |  | USD          | 7,144              |   |
| Education and Human Resources - Research on Learning in Formal and Informal Settings "Expanding Pathways into Computer Science"   | 47.076 | DRL-1441080                                       |  | BHSU         | 33,531             |   |
| Education and Human Resources - NRT   | 47.076 |   |  | DSU          | 64,992             |   |

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|--|------------|---|--|------------------|--------------------|---|
| <b>Research and Development Cluster (continued)</b>  |            |   |  |                  |                    |   |
| Education and Human Resources - SFS Cyber Corp General Renewal   | 47.076     |   |  | DSU              | 1,251,537          |   |
| Education and Human Resources - SFS Cyber Corp Sch Renewal   | 47.076     |   |  | DSU              | 338,714            |   |
| Education and Human Resources  | 47.076     | DUE-1260101                                       |  | SDSMT            | 16,094             |   |
| Education and Human Resources  | 47.076     | 1712195   |  | SDSMT            | 24,849             |   |
| Education and Human Resources  | 47.076     | 1525831   |  | SDSMT            | 30,048             |   |
| Education and Human Resources  | 47.076     | 1642050   |  | SDSMT            | 78,826             |   |
| Education and Human Resources  | 47.076     | 1564837   |  | SDSMT            | 137,886            |   |
| Education and Human Resources  | 47.076     | 1828462   |  | SDSMT            | 224,224            |   |
| Education and Human Resources  | 47.076     | LCDC1665521; NSF 14-577                           | Lewis-Clark State College                | SDSU             | 10,542             |   |
| Education and Human Resources  | 47.076     | 1828492   |  | SDSU             | 37,485             |   |
| Education and Human Resources  | 47.076     | 1930415   |  | SDSU             | 40,990             |   |
| Education and Human Resources  | 47.076     | HRD-1642037                                       |  | SDSU             | 46,245             |   |
| Education and Human Resources  | 47.076     | DUE-1439789                                       |  | SDSU             | 73,414             |   |
| Education and Human Resources  | 47.076     | HRD-1463993                                       |  | SDSU             | 167,246            |   |
| Education and Human Resources  | 47.076     | DGE-1828288                                       |  | USD              | 48,654             |   |
| Education and Human Resources - Graduate Research Fellowship Program   | 47.076     | DGE-1939269                                       |  | USD              | 38,160             |   |
| Education and Human Resources - NRT-UIB: University of South Dakota Neuroscience and Nanotechnology Network                            | 47.076     | DGE-1633213                                       |  | USD              | 670,852            |   |
| Office of International Science and Engineering  | 47.079     | IIA-1355423                                       |  | SDSU             | 1,046,907          | 218,328   |
| Office of International Science and Engineering  | 47.079     | PHY-1902577                                       |  | USD              | 24,674             |   |
| Office of International Science and Engineering  | 47.079     | PHY-1812356                                       |  | USD              | 135,111            |   |
| Office of International Science and Engineering - PIRE: Advanced Germanium Detectors and Technologies for Underground Physics          | 47.079     | OISE-1743790                                      |  | USD              | 643,593            | 382,067   |
| Integrative Activities   | 47.083     |   |  | Board of Regents | 1,219,834          | 84,490  |
| Integrative Activities   | 47.083     | 1833069   |  | SDSMT            | 22,864             |   |
| Integrative Activities   | 47.083     | 1920954   |  | SDSMT            | 333,436            | 92,421  |
| Integrative Activities   | 47.083     | 1736255   |  | SDSMT            | 1,336,283          | 699,823   |
| Integrative Activities   | 47.083     | OIA-1920858                                       | University of Louisiana at Lafayette     | SDSU             | 2,874              |   |
| Integrative Activities   | 47.083     | 1740991   | University of Alaska-Fairbanks           | SDSU             | 3,500              |   |
| Integrative Activities   | 47.083     | 1833005   |  | SDSU             | 31,149             |   |
| Integrative Activities - R11 Track-2 FEC: Sustainable Socio-economic, Ecological, and Technological Scenarios                          | 47.083     | G137-17-W6274                                     | Montana State University                 | USD              | 368,193            |   |
| Integrative Activities   | 47.083     | OIA-1833095                                       |  | USD              | 41,151             |   |
| Integrative Activities - R11 Track-4: Development of High-purity Ge Detector Technology with LBNL for Dark Matter and Neutrino Physics | 47.083     | OIA-1738695                                       |  | USD              | 26,151             |   |
| Intergovernmental Personnel Act  | 47.UNKNOWN | DMR-1936490                                       |  | SDSMT            | 193,481            |   |
| <i>Total National Science Foundation Research and Development</i>  |            |   |  |                  | 13,314,866         | 1,608,399   |
| <i>U.S. Department of Veterans Affairs</i>   |            |   |  |                  |                    |   |
| Research and Development - Investigate the Impact of Blast Exposure on Recent War Veterans with Auditory Complaints                    | 64.054     | VA263-17-Q-0530                                   |  | USD              | 1,098              |   |
| <i>Total U.S. Department of Veterans Affairs Research and Development</i>  |            |   |  |                  | 1,098              |   |
| <i>U.S. Environmental Protection Agency</i>  |            |   |  |                  |                    |   |
| Nonpoint Source Implementation Grants  | 66.460     | 99818517  | South Dakota Discovery Center & Aquarium | SDSU             | 2,434              |   |
| Office of Research and Development Consolidated Research/Training/Fellowships  | 66.511     | 83617401  | Colorado School of Mines                 | SDSMT            | 53,231             |   |
| <i>Total U.S. Environmental Protection Agency Research and Development</i>   |            |   |  |                  | 55,665             |   |
| <i>U.S. Department of Energy</i>   |            |   |  |                  |                    |   |
| Office of Science Financial Assistance Program   | 81.049     | DE-SC0017229                                      | VRC Metal Systems, LLC                   | SDSMT            | 142,903            |   |
| Office of Science Financial Assistance Program   | 81.049     | DE-SC0017209/0003                                 | Olympic Research                         | SDSMT            | 17,822             |   |
| Office of Science Financial Assistance Program   | 81.049     | DE-SC0019430                                      |  | SDSMT            | 265,229            |   |
| Office of Science Financial Assistance Program   | 81.049     | DE-SC0014223                                      |  | SDSMT            | 402,693            |   |
| Office of Science Financial Assistance Program   | 81.049     | DE-SC0014156                                      | University of Texas at Austin            | SDSU             | 21,960             |   |
| Office of Science Financial Assistance Program   | 81.049     | DE-SC0020281                                      | University of Alaska-Fairbanks           | SDSU             | 86,211             |   |
| Office of Science Financial Assistance Program   | 81.049     | DE-SC0015657                                      |  | USD              | 88,730             |   |
| Office of Science Financial Assistance Program   | 81.049     | DE-SC0019463                                      |  | USD              | 160,832            |   |
| Renewable Energy Research and Development  | 81.087     | DE-AC02-76SF00515                                 | SLAC National Accelerator Laboratory     | SDSMT            | 47,505             |   |

**STATE OF SOUTH DAKOTA**  
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| Federal Agency/Program Title/Cluster   | CFDA #     | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity                                  | State Agency | Total Expenditures | Amount Passed<br>Through to Non-State<br>Agencies |
|--|------------|---|--|--------------|--------------------|---|
| <b>Research and Development Cluster (continued)</b>  |            |   |  |              |                    |   |
| Renewable Energy Research and Development  | 81.087     | DE-EE0008252                                      |  | SDSMT        | 294,225            | 106,839   |
| Renewable Energy Research and Development  | 81.087     | DEEE0008521                                       | University of Illinois                               | SDSU         | 48,392             |   |
| Renewable Energy Research and Development - Develop the Detector Configuration and Data Quality Monitoring Software for the SuperCDMS-SNOLAB Experiment and Performing DAQ Integration Tests | 81.087     | 169968  | Leland Stanford, Jr. University                      | USD          | 8,508              |   |
| National Nuclear Security Administration - Design, install, assess and monitor a clean room air environment for the GeIV counting facility   | 81.123     | B634625   | Lawrence Livermore National Laboratory               | USD          | 13,626             |   |
| Basic and Applied Scientific Research  | 81.UNKNOWN | DE-AC02-05CH11231                                 | Lawrence Berkeley National Laboratory                | SDSMT        | 7,307              |   |
| Basic and Applied Scientific Research  | 81.UNKNOWN | DE-AC02-07CH11359                                 | Fermi National Laboratory                            | SDSMT        | 5,341              |   |
| Basic Research and Development   | 81.UNKNOWN | DE-AC02-05CH11231                                 | Lawrence Berkeley National Laboratory                | SDSMT        | 23,596             |   |
| Basic Research and Development   | 81.UNKNOWN | DE-AC05-00OR22725                                 | UT Battelle, LLC                                     | SDSMT        | 317,182            |   |
| Basic Scientific Research  | 81.UNKNOWN | DE-AC02-05CH11231                                 | Lawrence Berkeley National Laboratory                | SDSMT        | 20,034             |   |
| Office of Science Financial Assistance Program   | 81.UNKNOWN | DE-AC02-05CH11231                                 | Lawrence Berkeley National Laboratory                | SDSMT        | 50,458             |   |
| Renewable Energy Research and Development  | 81.UNKNOWN | DE-AC36-08G028308                                 | Alliance for Sustainable Energy, LLC                 | SDSMT        | 47,156             |   |
| Small Business Innovation Research   | 81.UNKNOWN | DE-SC0018577                                      | VRC Metal Systems, LLC                               | SDSMT        | 22,844             |   |
| Small Business Innovation Research   | 81.UNKNOWN | DE-SC0020021                                      | VRC Metal Systems, LLC                               | SDSMT        | 30,000             |   |
| Unclassified Research and Development  | 81.UNKNOWN | DE-AC02-07CH11359                                 | Fermi National Laboratory                            | SDSMT        | 410                |   |
| <i>Total U.S. Department of Energy Research and Development</i>  |            |   |  |              | 2,122,964          | 106,839   |
| <i>U.S. Department of Health and Human Services</i>  |            |   |  |              |                    |   |
| COVID-19 Food and Drug Administration Research   | 93.103     | U18FD006558                                       |  | SDSU         | 3,969              |   |
| Food and Drug Administration Research  | 93.103     | U18FD005010                                       |  | SDSU         | 5,450              |   |
| Food and Drug Administration Research  | 93.103     | U18FD006181                                       |  | SDSU         | 43,181             |   |
| Food and Drug Administration Research  | 93.103     | U18FD006558                                       |  | SDSU         | 52,887             |   |
| Environmental Health   | 93.113     | R01ES028212                                       | The Regents of the University of California          | SDSU         | 47,381             |   |
| Environmental Health   | 93.113     | U54ES027698                                       | Regents of University of Colorado                    | SDSU         | 50,445             |   |
| Environmental Health   | 93.113     | U54ES027698                                       | Regents of University of Colorado                    | SDSU         | 77,675             |   |
| Mental Health Research Grants - Amygdalar Orexin Modulation of Affective Disorders   | 93.242     | R15MH104485                                       |  | USD          | 53,196             |   |
| Mental Health Research Grants - Characterization of Trophic Factor Induced Antidepressant Action   | 93.242     | R01MH106640                                       |  | USD          | 370,811            |   |
| Occupational Safety and Health Program   | 93.262     | U54OH008085                                       | Colorado State University                            | SDSU         | 5,918              |   |
| Occupational Safety and Health Program   | 93.262     | 5 U54OH008085-16-00                               | Colorado State University                            | SDSU         | 15,132             |   |
| Alcohol Research Programs - Alcohol and Implicit Process in Sexual Risk Behavior in MSM  | 93.273     | 27189-04107-S02                                   | Syracuse University                                  | USD          | 58,972             |   |
| Alcohol Research Programs  | 93.273     | R01AA027206                                       |  | USD          | 177,859            |   |
| Drug Abuse and Addiction Research Programs - Serotonergic Changes in the Frontal Cortex During Methamphetamine Reinstatement   | 93.279     | R00DA036012                                       |  | USD          | 146,814            |   |
| Drug Abuse and Addiction Research Programs - Summer Program for Undergraduate Research in Addiction  | 93.279     | 1R25DA033674                                      |  | USD          | 86,414             |   |
| Discovery and Applied Research for Technological Innovations to Improve Human Health   | 93.286     | R03EB028869                                       |  | SDSMT        | 1,567              |   |
| Trans-NIH Research Support   | 93.310     | OT2OD026663                                       |  | USD          | 16,638             | 14,478  |
| Cancer Cause and Prevention Research   | 93.393     | R01CA240080                                       | The General Hospital Corporation                     | SDSU         | 31,113             |   |
| Cancer Cause and Prevention Research   | 93.393     | R01CA201112                                       | Colorado State University                            | SDSU         | 141,664            |   |
| COVID-19 Cancer Cause and Prevention Research  | 93.393     | R01CA240080                                       | The General Hospital Corporation                     | SDSU         | 133                |   |
| Cancer Detection and Diagnosis Research  | 93.394     | 1R21CA212500-01                                   | The Nebraska Board of Regents/University of Nebraska | SDSU         | 2,615              |   |
| Cancer Biology Research  | 93.396     | R03CA223935                                       |  | USD          | 57,815             |   |
| Cardiovascular Diseases Research   | 93.837     | R01HL147105                                       |  | USD          | 217,426            |   |
| Cardiovascular Diseases Research - Cardiac Sympathetic Afferent Reflex Control of Venous Function  | 93.837     | R01HL136741                                       |  | USD          | 317,029            |   |
| Cardiovascular Diseases Research - Mechanical Response and Cytoskeletal Rearrangement Following Interrupted Cholesterol Metabolism in Vascular Smooth Muscle Cell                            | 93.837     | R15HL147214                                       |  | USD          | 9,916              |   |

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| Federal Agency/Program Title/Cluster  | CFDA #     | Federal/Pass-Through      |   | State Agency | Total Expenditures | Amount Passed Through to Non-State Agencies |
|---|------------|---------------------------|---|--------------|--------------------|---|
|   |            | Entity Identifying Number | Pass-Through Entity                       |              |                    |   |
| <b>Research and Development Cluster (continued)</b>   |            |                           |   |              |                    |   |
| Cardiovascular Diseases Research - Molecular Pathogenesis of Protein Surplus Cardiomyopathy   | 93.837     | R01HL072166               |   | USD          | 34,396             |   |
| Cardiovascular Diseases Research - The COP9 Signalosome in the Heart  | 93.837     | R01HL085629               |   | USD          | 373,605            |   |
| Cardiovascular Diseases Research - The NRF2-p62 Axis in the Cross-Talk between Proteasomal and Lysosomal Degradation  | 93.837     | R01HL131667               |   | USD          | 299,998            | 173,063                                     |
| Lung Diseases Research  | 93.838     | 5R01HL122154              | University of North Carolina              | SDSU         | 19,694             |   |
| Lung Diseases Research - Hyperoxic Modulation of Thioredoxin Signaling  | 93.838     | SR-2018-06                | Sanford Research                          | USD          | 4,539              |   |
| Diabetes, Digestive and Kidney Diseases Extramural Research - Novel Target Mechanism to Reduce Sodium Retention in Chronic Health Failure                                   | 93.847     | 34-5170-2096-001          | University of Nebraska-Medical Center     | USD          | 189,128            |   |
| Extramural Research Programs in the Neurosciences and Neurological Disorders - Modulating Low-Frequency Cortical Population Dynamics to Augment Motor Function After Stroke | 93.853     | 12099sc                   | University of California, San Francisco   | USD          | 23,333             |   |
| Extramural Research Programs in the Neurosciences and Neurological Disorders  | 93.853     | F30NS106788               |   | USD          | 36,663             |   |
| Extramural Research Programs in the Neurosciences and Neurological Disorders - Endovanilloid-Mediated Modulation and its Role in Habituation and Sensitization              | 93.853     | R01NS092716               |   | USD          | 276,311            |   |
| Extramural Research Programs in the Neurosciences and Neurological Disorders - Role of Ubiquitin in Ischemic Stroke   | 93.853     | R01NS088084               |   | USD          | 258,319            |   |
| Extramural Research Programs in the Neurosciences and Neurological Disorders - Rehabilitation Mechanisms of Hand Motor Recovery After Sensorimotor Cortex Injury            | 93.853     | R01NS097450               |   | USD          | 257,646            | 71,749                                      |
| Allergy and Infectious Diseases Research  | 93.855     | 1R21AI37963-01            | North Dakota State University             | SDSU         | 6,617              |   |
| Allergy and Infectious Diseases Research  | 93.855     | R21AI21906                | Kansas State University                   | SDSU         | 13,934             |   |
| Allergy and Infectious Diseases Research  | 93.855     | R21AI128558               |   | SDSU         | 72,437             |   |
| Allergy and Infectious Diseases Research  | 93.855     | R01AI141889               |   | SDSU         | 432,592            | 161,893                                     |
| Allergy and Infectious Diseases Research  | 93.855     | R03AI142593               |   | USD          | 61,153             |   |
| Allergy and Infectious Diseases Research  | 93.855     | R21AI140037               |   | USD          | 210,945            |   |
| Allergy and Infectious Diseases Research - Immunotherapeutic Intervention of Influenza-S. Pyogenes Coinfections   | 93.855     | R21AI115087               |   | USD          | 816                |   |
| Biomedical Research and Research Training   | 93.859     | R35GM131720               | The Regents of the University of Michigan | SDSU         | 17,013             |   |
| Biomedical Research and Research Training   | 93.859     | IR41GM132683              | DFH Pharma Inc                            | SDSU         | 57,078             |   |
| Biomedical Research and Research Training   | 93.859     | R15GM134502               |   | SDSU         | 20,031             |   |
| Biomedical Research and Research Training   | 93.859     | 1R15GM116040-01A1         |   | SDSU         | 93,848             |   |
| Biomedical Research and Research Training   | 93.859     | R15GM131263               |   | SDSU         | 147,824            |   |
| COVID-19 Biomedical Research and Research Training  | 93.859     | R15GM134502               |   | SDSU         | 31                 |   |
| Biomedical Research and Research Training   | 93.859     | 34-5250-2005-863          | University of Nebraska-Medical Ctr        | USD          | 1,164              |   |
| Biomedical Research and Research Training   | 93.859     | 34-5250-2005-793          | University of Nebraska-Medical Ctr        | USD          | 15,846             |   |
| Biomedical Research and Research Training   | 93.859     | 1UT2GM130175              | BBC Entrepreneurial Training & Consulting | USD          | 36,609             |   |
| Biomedical Research and Research Training   | 93.859     | UND10728                  | University of North Dakota                | USD          | 332,646            |   |
| Biomedical Research and Research Training - Dakota Cancer Collaborative on Translational Activity   | 93.859     | 34-5250-2016-0101         | University of Nebraska-Medical Ctr        | USD          | 15,350             |   |
| Biomedical Research and Research Training - Dakota Cancer Collaborative on Translational Activity   | 93.859     | UND0024341-S1             | University of North Dakota                | USD          | 53,773             |   |
| Biomedical Research and Research Training - Dakota Cancer Collaborative on Translational Activity   | 93.859     | UND0024341-S3             | University of North Dakota                | USD          | 32,227             |   |
| Biomedical Research and Research Training - Great Plains IDeA-CTR: Baugh  | 93.859     | 34-5250-2016-717          | University of Nebraska-Medical Ctr        | USD          | 3,366              |   |
| Biomedical Research and Research Training   | 93.859     | 34-5250-2005-523          | University of Nebraska-Medical Ctr        | USD          | 2,593              | 2,058                                       |
| Biomedical Research and Research Training - AKT/mTOR Pathway in Obesity and Colorectal Cancer   | 93.859     | UND0024341-S2             | University of North Dakota                | USD          | 63,098             | 553   |
| Biomedical Research and Research Training - Great Plains IDeA-CTR: Dirty Little Secrets: Wastewater Epidemiology Use to Determine Community Drug Use                        | 93.859     | 34-5250-2005-752          | University of Nebraska-Medical Ctr        | USD          | 53,710             | 39,965                                      |
| Biomedical Research and Research Training - Biomedical Technology -BRIN (Biomedical Research Infrastructure Network) for SD   | 93.859     | P20GM103443               |   | USD          | 3,229,737          | 1,249,503                                   |
| Child Health and Human Development Extramural Research  | 93.865     | R03HD099412               |   | SDSU         | 44,494             |   |
| Antimicrobial Resistance Surveillance in Retail Food Specimens  | 93.876     | U01FD005787               |   | SDSU         | 170,779            |   |
| Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement  | 93.912     | P10RH32094                | Avera Sacred Heart Hospital               | SDSU         | 5,988              |   |
| CDC's Collaboration with Academia to Strengthen Public Health   | 93.967     | 20IPA2008334DPG           |   | USD          | 24,701             |   |
| Numerical Modeling of Gas Emissions and Cave Ventilation in Block Caving Mines  | 93.UNKNOWN | 200-2014-59613            |   | SDSMT        | 161,429            |   |
| Safe Integrated Engineering in Mining   | 93.UNKNOWN | 75D30119C06090            |   | SDSMT        | 144,064            | 23,927                                      |
| <i>Total U.S. Department of Health and Human Services Research and Development</i>  |            |                           |   |              | <u>9,291,545</u>   | <u>1,737,189</u>                            |

**STATE OF SOUTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended June 30, 2020

| Federal Agency/Program Title/Cluster  | CFDA # | Federal/Pass-Through<br>Entity Identifying Number | Pass-Through Entity  | State Agency                    | Total Expenditures    | Amount Passed<br>Through to Non-State<br>Agencies |
|---|--------|---|--|---------------------------------|-----------------------|---|
| <b>Research and Development Cluster (continued)</b>   |        |   |  |                                 |                       |   |
| <i>Agency for International Development</i>   |        |   |  |                                 |                       |   |
| USAID Foreign Assistance for Programs Overseas  | 98.001 | RC102095;<br>RC102095BHEARD-MALI                  | Board of Trustees of<br>Michigan State University<br>National Academy of<br>Sciences | SDSU                            | 1,590                 |   |
| USAID Foreign Assistance for Programs Overseas  | 98.001 | AID-263-A-15-00002                                |  | SDSU                            | 14,729                |   |
| <i>Total Agency for International Development Research and Development</i>                                |        |   |  |                                 | <u>16,319</u>         |   |
| <b>Research and Development Cluster Total</b>   |        |   |  |                                 | <b>\$ 45,369,866</b>  | <b>\$ 8,078,008</b>                               |
| <b>Student Financial Assistance</b>   |        |   |  |                                 |                       |   |
| <i>U.S. Department of Education</i>   |        |   |  |                                 |                       |   |
| Federal Supplemental Educational Opportunity Grants   | 84.007 | P007A203840;<br>P007A193840                       |  | BHSU/DSU/NSU/SDSMT/<br>SDSU/USD | 1,933,247             |   |
| Federal Work-Study Program  | 84.033 | P033A183840;<br>P033A193840                       |  | BHSU/DSU/NSU/SDSMT/<br>SDSU/USD | 1,960,149             |   |
| Federal Perkins Loan Program - Federal Capital Contributions (Notes 3D and 3F)                            | 84.038 |   |  | BHSU/DSU/NSU/SDSMT/<br>SDSU/USD | 16,448,442            |   |
| Federal Pell Grant Program  | 84.063 | P063P192214;<br>P063P182214;<br>P063P202214       |  | BHSU/DSU/NSU/SDSMT/<br>SDSU/USD | 27,772,471            |   |
| Federal Direct Student Loans (Note 3H)  | 84.268 | P268K192214;<br>P268K212214;<br>P268K202214       |  | BHSU/DSU/NSU/SDSMT/<br>SDSU/USD | 144,370,400           |   |
| Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)                       | 84.379 | P379T202214                                       |  | BHSU/DSU/NSU/SDSU/<br>USD       | 387,243               |   |
| <i>Total U.S. Department of Education Student Financial Assistance</i>                                    |        |   |  |                                 | <u>192,871,952</u>    |   |
| <i>U.S. Department of Health and Human Services</i>   |        |   |  |                                 |                       |   |
| Nurse Faculty Loan Program (NFLP) (Note 3F)   | 93.264 | P379T092217                                       |  | SDSU                            | 879,716               |   |
| Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (Note 3F) | 93.342 | P379T092219                                       |  | SDSU/USD                        | 9,325,183             |   |
| Nursing Student Loans (Note 3F)   | 93.364 |   |  | SDSU/USD                        | 2,249,971             |   |
| <i>Total U.S. Department of Health and Human Services Student Financial Assistance</i>                    |        |   |  |                                 | <u>12,454,870</u>     |   |
| <b>Student Financial Assistance Cluster Total</b>   |        |   |  |                                 | <b>\$ 205,326,822</b> | <b>\$</b>   |

**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, 2020**

**NOTE 1: Purpose of the Schedule**

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

**NOTE 2: Significant Accounting Policies**

**A. Reporting Entity** - The accompanying Schedule includes all federal financial assistance programs administered by the State for the fiscal year ended June 30, 2020, except for programs administered by the South Dakota Housing Development Authority, which has elected to have its own Single Audit as described in Note 3P.

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

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

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

- 2. Clusters of Programs** – Closely related programs with different CFDA numbers which share common compliance requirements are considered clusters of programs, as determined by the Office of Management and Budget (OMB). Most clusters of programs are contained within a single federal awarding agency and are reported on the Schedule under the respective awarding agency. Two clusters, the Research and Development Cluster and the Student Financial Assistance Cluster, have awards from two or more federal agencies. These clusters are reported on the Schedule in total under each federal awarding agency, with the detail for each individual award being shown by federal awarding agency at the bottom of the Schedule.
- 3. Pandemic Funding** – Program expenditures of funds awarded in response to the Coronavirus Pandemic are identified with "COVID-19" in the Program Title.

**4. Type A and Type B Programs** - The Uniform Guidance establishes the levels of expenditures or expenses to be used in defining Type A and Type B federal financial assistance programs. Type A programs for the State are those which equaled or exceeded \$8,600,000 in expenditures/disbursements/issuances for the fiscal year ended June 30, 2020. Type B programs for the State are those which had less than \$8,600,000 in expenditures/disbursements/issuances for the fiscal year ended June 30, 2020.

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

The Schedule includes a portion of costs associated with general activities which are allocated to federal financial assistance programs under negotiated formulas commonly referred to as indirect cost rates. Several of South Dakota's state agencies have negotiated indirect cost rates or other approved cost allocation plans for the purpose of claiming indirect costs, while others do not. The Board of Regents Central Office claimed the 10 percent de minimis cost rate during fiscal year 2020 for CFDA #47.083 *Integrative Activities*. This was the only state agency that claimed the de minimis cost rate during fiscal year 2020.

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

**NOTE 3: Other**

A. Commodities administered through distributing agencies totaling \$6,945,851 (\$3,152,581 under CFDA #10.555, \$9,083 under CFDA #10.559, and \$3,784,187 under CFDA #10.569) are included in the definition of expenditures of federal awards for the purpose of the accompanying Schedule. Commodities are valued at the last purchase price.

B. As of June 30, 2020, donated federal surplus property (CFDA #39.003) reported on the Schedule totaled \$1,902,308, which represents 23.3% of the original acquisition cost of the federal surplus property received by the State. 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 CFDA #64.014 and 64.015 represent cash received. Federal reimbursements are based on approved rates for services provided, rather than reimbursement for specific expenditures.

D. Perkins Loan amounts (CFDA #84.038) include federal, state, and program revenues. The exact portion associated with federal dollars cannot be readily determined.

- E. Electronic benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA #10.551) totaled \$128,347,246 and are included in the federal financial assistance reported on the Schedule.
- F. Federally funded loan programs had the following current fiscal year disbursement and outstanding loan balances at year end:

| CFDA Number | Grant Program  | Current Year           |                   | Outstanding Loan Balance June 30, 2020 |
|-------------|--|------------------------|-------------------|--|
|             |  | Administrative Expense | Loan Disbursement |  |
| 66.458      | Clean Water State Revolving Fund                                   | \$ 440,222             | \$46,137,875      | \$298,450,817                          |
| 66.468      | Drinking Water State Revolving Fund                                | 914,115                | 27,792,553        | 189,361,125                            |
| 84.038      | Perkins Loans Funds  | 102,614                |                   | 16,345,828                             |
| 93.264      | Nurse Faculty Loan Program   |                        | 123,254           | 879,716                                |
| 93.342      | Health Professions Student Loans/ Loans For Disadvantaged Students |                        | 1,752,442         | 9,325,183                              |
| 93.364      | Nursing Student Loans  |                        | 643,700           | 2,249,971                              |

- G. The loan balances provided for the Clean Water State Revolving Fund (CFDA #66.458) and the Drinking Water State Revolving Fund (CFDA #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.
- H. Loans disbursed under the Federal Direct Student Loans program (CFDA #84.268) and issued to parents of eligible students or eligible students attending state universities had the following values:

|                                    |               |
|------------------------------------|---------------|
| Direct Subsidized Loans            | \$ 40,670,965 |
| Direct Unsubsidized Loans          | 81,105,054    |
| Direct PLUS & G PLUS Program Loans | 22,594,381    |

- I. During the fiscal year ended June 30, 2020, the South Dakota Department of Health (DOH) received \$3,443,218 in cash rebates from infant formula manufacturers on sales of formula to participants in the WIC Program (CFDA #10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(a) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food. The rebate contract allowed the DOH to serve 4,805 more persons during fiscal year 2020.

- J. The South Dakota Department of Transportation (SDDOT) acts as a channeling state for the various Airport Improvement Program grants (CFDA #20.106) funded through the Federal Aviation Administration (FAA). The majority of these grants are between the FAA and cities, counties, and airport authorities that carry out the projects. Total reimbursements processed in fiscal year 2020 for channeling grants amounted to \$21,695,169. These monies are not reflected on the Schedule as expenditures of federal awards of the State. The \$1,011,712 reported on the Schedule under CFDA #20.106 was expended under a separate agreement between the SDDOT and the FAA in which the SDDOT is considered the grant recipient and directly funds multiple small projects at these airports.
- K. The amount included as of June 30, 2020 on the unemployment insurance section of the Schedule (CFDA #17.225) includes the amount of federal unemployment insurance, the amount of the State's expenditure for unemployment insurance benefits, the amount of administrative expense, and the amount of Alternative Trade Adjustment Assistance as required by the U.S. Department of Labor and the Inspector General. The amounts are \$171,844,839, \$69,498,042, \$8,828,900, and \$73,099 respectively.
- L. The South Dakota Governor's Office of Economic Development, through the South Dakota Value Added Finance Authority (VAFA), participates in the United States Department of Agriculture Rural Business Cooperative Service (RBCS) Intermediary Relending Program (IRP). As of June 30, 2020, VAFA had drawn down \$2,179,030 of RBCS loan funds and had disbursed all these RBCS funds. The total value of loans issued as of June 30, 2020 was \$4,201,600, with the total remaining loans outstanding as of June 30, 2020 equaling \$1,431,720.
- M. Department of Energy (DOE) programs were funded in part by Petroleum Violation Escrow (PVE) funds which represent the State's share of settlement proceeds in various lawsuits between the Federal Government and oil producers. During fiscal year 2020, the South Dakota Department of Tourism had \$27,245 in expenditures from the trust fund in support of DOE programs and received \$1,072,429 in loan payments. These expenditures are not included on the Schedule.
- N. The amount of expenditures reported for the Child Support Enforcement program (CFDA #93.563) was not reduced by \$3,587,560 which is the federal share of prior quarters' Title IV-A collections retained to fund the Child Support Enforcement program during fiscal year 2020.
- O. (Unaudited) During fiscal year ended June 30, 2020, the State of South Dakota received inventory from the federal government to assist in the fight against the global COVID-19 pandemic. The Department of Health received \$2,668,694 and used \$1,574,818, the Department of Corrections received \$12,552 and used \$502, and the Department of Veteran's Affairs received \$1,423 and has yet to use the inventory received. Because donated PPE has no bearing on the single audit, this footnote was not audited as part of the Single Audit.
- P. The South Dakota Housing Development Authority (SDHDA) is a discretely presented component unit of the State. The SDHDA has chosen to have its own separate Single Audit performed and has reported its federal expenditures, including loan information, in its own SEFA. Copies of the SDHDA Single Audit are available from the Department of Legislative Audit, 427 South Chapelle, c/o 500 East Capitol, by calling (605) 773-3595, or online at <http://legislativeaudit.sd.gov/reports/reports.aspx>.





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

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

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

RUSSELL A. OLSON  
AUDITOR GENERAL

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

The Honorable Kristi Noem  
Governor of South Dakota

and

Members of the Legislature  
State of South Dakota

We have audited 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, 2020, 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, 2020. We conducted our audit 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 financial statements of the discretely presented component units (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 instances of reportable noncompliance associated with the discretely presented component units (foundations) of Higher Education. 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 Ellsworth Development Authority and foundations of Higher Education as described in our report on the State's financial statements. Except for the discretely presented component units (foundations) of Higher Education, 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.

**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 have

not been 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 and the other auditors consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2020-002, 2020-003 and 2020-004 to be material weaknesses.

We performed additional procedures which were completed April 22, 2021, in order to issue our opinion on the Supplementary Schedule of Expenditures of Federal Awards. As a result of these procedures, we have identified and consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2020-007 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 finding number 2020-001, to be a significant deficiency.

### **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 and those of other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **State's Response to Findings**

The State's response to the findings identified in our audit is described in the accompanying "Schedule of Findings and Questioned Costs". The State's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 State'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

December 31, 2020, except for additional procedures performed on the Supplementary Schedule of Expenditures of Federal Awards as to which the date is April 22, 2021.



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 COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

The Honorable Kristi Noem  
Governor of South Dakota

and

Members of the Legislature  
State of South Dakota

**Report on Compliance for Each Major Federal Program**

We have audited the State of South Dakota's (State's) compliance with the types of compliance requirements described 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, 2020. The State's major federal programs are identified in the "Summary of Auditor's Results" section of the accompanying "Schedule of Findings and Questioned Costs."

The State's basic financial statements include the operation of the South Dakota Housing Development Authority (discretely presented component unit), which expended \$34,378,700 in federal awards which are not included on the schedule of expenditures of federal awards for the year ended June 30, 2020. Our audit, described below, did not include the operations of the South Dakota Housing Development Authority because the component unit has a separately issued audit in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above.

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 and foundations of Higher Education. Those statements were audited by other auditors whose reports, including reports on compliance and internal control over compliance, 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, are based solely on the reports of the other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Uniform Guidance. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion on compliance for each major federal program. However, our audit and the reports of other auditors do not provide a legal determination of the State's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, based on our audit and the reports of other auditors, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying "Schedule of Findings and Questioned Costs" as item 2020-006. Our opinion on each major federal program is not modified with respect to this matter.

The State's response to the noncompliance finding identified in our audit is described in the accompanying "Schedule of Findings and Questioned Costs" and "Auditee Prepared Corrective Action Plan." The State's response and "Auditee Prepared Corrective Action Plan" were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

### **Report on Internal Control Over Compliance**

Management of the State is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been 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 deficiency in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs" as item 2020-006 to be a material weakness.

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 deficiency in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs" as item 2020-005 to be a significant deficiency.

The State's response to the internal control over compliance findings identified in our audit is described in the accompanying "Schedule of Findings and Questioned Costs" and "Auditee Prepared Corrective Action Plan." The State's response and "Auditee Prepared Corrective Action Plan" were not subjected to the 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

April 22, 2021





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

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

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**State of South Dakota  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2020  
Index**

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**State of South Dakota  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2020  
 (Continued)**

**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:

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u>                                   |
|---------------------|---|
|                     | Medicaid Cluster  |
|                     | Research and Development Cluster  |
|                     | Child Nutrition Cluster   |
|                     | Special Education Cluster (IDEA)  |
|                     | Clean Water State Revolving Fund Cluster                                    |
| 10.557              | WIC Special Supplemental Nutrition Program for Women, Infants, and Children |
| 10.558              | Child and Adult Care Food Program   |
| 17.225              | Unemployment Insurance  |
| 20.934              | Nationally Significant Freight and Highway Projects                         |
| 21.019              | Coronavirus Relief Fund   |

**State of South Dakota**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2020**  
**(Continued)**

|            |   |
|------------|---|
| 81.049     | Office of Science Financial Assistance Program  |
| 81.UNKNOWN | Fermi National Accelerator Laboratory Contract  |
| 84.010     | Title I Grants to Local Educational Agencies  |
| 84.424     | Student Support and Academic Enrichment Program   |
| 84.367     | Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) |
| 93.558     | Temporary Assistance for Needy Families   |
| 93.659     | Adoption Assistance   |
| 93.767     | Children's Health Insurance Program   |
| 97.036     | Disaster Grants – Public Assistance (Presidentially Declared Disasters)                         |

Dollar threshold used to distinguish between Type A and Type B programs - \$8,600,000

Auditee Qualified as low-risk auditee? No

DEPARTMENT OF REVENUE

**CURRENT AUDIT FINDING AND RECOMMENDATIONS**

Financial Statement Audit Finding:

**Finding No. 2020-001: Inadequate Segregation of Duties over Access Rights**

**Type of Finding: Significant Deficiency**

**Criteria:**

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the *Internal Control – Integrated Framework (2013 Framework)* defined internal control as:

... a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

The Government Accountability Office – *Standards for Internal Control in the Federal Government* principle of internal control 10 states, "The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels." and principle 12 states, "The organization deploys control activities through policies that establish what is expected and procedures that put policies into action."

The Government Accountability Office – *Standards for Internal Control in the Federal Government* principle of internal control 16 states, "[m]anagement should establish and operate monitoring activities to monitor the internal control system and evaluate the results" and principle 17 states, "[m]anagement should remediate identified internal control deficiencies on a timely basis".

**Condition:**

In the prior audit, we noted that employees had edit access rights to both the RV 23 Capitalizing on Efficiency and Data Accelerating Revenue (CEDAR) system and the South Dakota Accounting System (SDAS). We recommended to management that only necessary CEDAR system edit rights be provided for Department of Revenue (DOR) accountants or that policies be developed to ensure that the accountants with those rights do not have access to any cash or checks. Follow-up testing for FY2020 identified that the policies and procedures that the DOR has been working on have not been developed enough to compensate for this weakness. The DOR stated they are working towards security classifications within CEDAR to limit the amount of access employees have and started reviewing the edit logs but have not implemented any sort of signature control within this review. This represents a significant lack of segregation of duties and presents a general security risk.

**Cause:**

The internal controls over access rights are not adequate to ensure proper segregation of duties.

**Effect:**

As a result of inadequate controls over access rights, an employee could alter records without the knowledge of management or other staff. This could allow for hiding errors, incorrect or improper returns, or the misappropriation of assets.

**Repeat Finding from Prior Year:**

Yes

DEPARTMENT OF REVENUE  
(Continued)

Recommendations:

1. We recommend that controls continue to be developed to ensure segregation of duties among accounting staff.
2. We recommend the implementation of signature monitoring so that there is oversight if the duties cannot be separated.

Views of Responsible Officials:

The Department of Revenue concurs with the finding.

BOARD OF ECONOMIC DEVELOPMENT

**CURRENT AUDIT FINDING AND RECOMMENDATION**

Financial Statement Audit Finding:

**Finding No. 2020-002: Inadequate internal controls over financial reporting**

**Type of Finding: Material Weakness**

Criteria:

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

Condition:

The Revolving Economic Development Initiative Fund incorrectly reported the net position of the Disaster Relief Subfund.

Cause:

The Revolving Economic Development Initiative Fund reported the net position of the Disaster Relief Subfund as \$190,000, which was the subfund's ending cash balance. The net position should have also included outstanding loans receivable totaling \$10,310,000. The net position of the Disaster Relief Subfund was adjusted to total \$10,500,000.

Effect or Potential Effect:

The Statement of Net Position was materially misstated.

Repeat Finding from Prior Year:

No

Recommendation:

We recommend that controls be evaluated to ensure that they are able to prevent material misstatements from occurring.

Views of Responsible Officials: The Governor's Office of Economic Development concurs with the finding.

## STATEWIDE FINANCIAL REPORTING PROCESS

### CURRENT AUDIT FINDING AND RECOMMENDATION

Financial Statement Audit Finding:

**Finding No. 2020-003: Ineffective internal controls over financial reporting**

**Type of Finding: Material Weakness**

**Criteria:**

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

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

**Condition:**

The internal controls implemented by the agencies and BFM did not adequately detect and correct all of the material reporting errors and omissions.

For the reporting errors and omissions that we identified after the State's internal control procedures had been performed, we proposed correcting entries to the State's financial statements and the accompanying notes to the financial statements. The BFM posted adjusting entries to the accounting records as recommended by us during the audit or adjusted the financial statements or notes to the financial statements accordingly. Our audit identified errors for the following areas:

- Proper recognition and classification of assets, liabilities, revenues, and expenditures/expenses,
- Proper inclusion of separately issued audited financial statements for funds of the State,
- Financial statement preparation,
- Note disclosure preparation,
- Budget to Actual Required Supplementary Information preparation.

**Cause:**

In many instances the controls implemented by the agencies and BFM were not fully effective, and as a result, year-end entries and disclosure information had material reporting errors and omissions.

**Effect:**

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

STATEWIDE FINANCIAL REPORTING PROCESS  
(Continued)

Repeat Finding from Prior Year:

No

Recommendation:

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

Views of Responsible Officials:

The Bureau of Finance and Management concurs with this audit finding.

DEPARTMENT OF LABOR AND REGULATION

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

**CURRENT AUDIT FINDINGS AND RECOMMENDATIONS**

Financial Statement Audit Finding:

**Finding No. 2020-004:**

Material Weakness – Internal Control over Financial Reporting

Criteria:

The Fund's internal control structure should provide for the complete and accurate recording of all necessary adjustments in accordance with generally accepted accounting principles.

Condition:

During our engagement, we discovered errors based on our audit procedures and proposed certain material adjustments to amounts in the financial statements that were corrected by management. We also discovered a material error in the 2019 financial statements that was corrected in the current year with a prior period adjustment.

Cause:

Existing internal controls did not prevent or detect these misstatements which were identified and corrected during our audit.

Effect:

The identification of proposed audit adjustments increases the risk that unidentified and uncorrected misstatements in the financial statements and financial reporting is not materially correct.

Recommendation:

We recommend internal controls to be reviewed and revised relating to necessary fiscal year-end accrual basis adjustments to ensure all necessary receivables and payables are accrued in accordance with generally accepted accounting principles for a proprietary fund reporting on an accrual basis.

Views of Responsible Officials:

Management agrees with the finding.

**CURRENT AUDIT FINDINGS AND RECOMMENDATIONS**

Federal Compliance Audit Finding:

**Finding No. 2020-005: Internal Control over Compliance**  
**Type of Finding: Significant Deficiency**

*CFDA Title:* Unemployment Insurance

*CFDA Number:* 17.225

*Federal Agency:* Department of Labor

*Category of Finding:* Special Tests and Provisions – UI Reemployment Programs

**Criteria:**

The Reemployment Services and Eligibility Assessments (RESEA) program serves as one of the Unemployment Insurance (UI) program's primary programs that facilitates the reemployment needs of UI claimants. RESEA is authorized by Section 306 of the Social Security Act and uses an evidence-based integrated approach that combines an eligibility assessment for continuing UI eligibility and the provision of reemployment services. Operating guidance for the RESEA program is updated annually, UIPL 7-19 provides RESEA operating guidance for fiscal year 2019.

**Condition:**

In our testing of a sub-sample of RESEA cases, as instructed by the OMB Compliance Supplement, we identified 2 instances where case files were missing certain documentation to support compliance with program policies and program requirements. Those instances related to case files of selected participants who did not report or attend their scheduled initial intake meeting, and therefore were non-compliant, and there was no documentation of a notification made to the Reemployment Assistance Division reporting the noncompliance and potential eligibility issue to the Division.

**Cause:**

Existing controls in place did not ensure that proper notification was made, or supporting documentation of notification maintained, to support notification was made.

**Effect:**

Failure to report participant non-compliance or identified potential UI eligibility issues can result in claims of claimants not being properly adjudicated and potentially ineligible benefits being paid to claimants.

**Questioned Costs:**

None reported

**Context/Sampling:**

A nonstatistical sample of 60 participants out of 2,051 case files were selected for testing this special test and provision.

**Repeat Finding from Prior Year(s)::**

No

DEPARTMENT OF LABOR AND REGULATION  
(Continued)

Recommendation:

We recommend management review existing control procedures and implement necessary corrective action to revise current controls to ensure that all instances of program non-compliance and potential UI eligibility concerns are promptly reported to the Reemployment Assistance Division.

Views of Responsible Officials:

Management agrees with the finding.

DEPARTMENT OF TRANSPORTATION

**CURRENT AUDIT FINDING AND RECOMMENDATION**

Federal Compliance Audit Finding:

**Finding No. 2020-006: Inadequate internal controls over Federal Financial Reports**

**Type of Finding: Material Weakness and Noncompliance**

*CFDA Title:* Nationally Significant Freight and Highway Projects

*CFDA Number:* CFDA 20.934

*Federal Award Number:* INFRA 2017

*Federal Award Year:* 2019

*Federal Agency:* Department of Transportation

*Type of Finding:* Material Weakness and Noncompliance

*Category of Finding:* Reporting

**Criteria:**

The South Dakota Department of Transportation (DOT) is required under the *Term Sheet Under the Nationally Significant Freight and Highway Projects Discretionary Grant Program* (INFRA Grant) to submit Quarterly Project Progress Reports, which must include the SF-425 Federal Financial Report.

**Condition:**

The SF-425 Federal Financial Reports for the periods ending December 31<sup>st</sup>, 2019 and June 30<sup>th</sup>, 2020, two of the four quarters reported during the audit period, were selected for testing and determined to have material variances as compared to the accounting system. In comparing the data reported on the SF-425 to the South Dakota Accounting System, the following variances were identified:

|                                    | <u>Reported</u> | <u>Verified</u> | <u>Variance</u> |
|------------------------------------|-----------------|-----------------|-----------------|
| December 31, 2019                  |                 |                 |                 |
| a. Cash Receipts                   | \$15,988,839.93 | \$13,021,522.87 | \$2,967,317.06  |
| b. Cash Disbursements              | 15,988,839.93   | 13,021,522.87   | 2,967,317.06    |
| e. Federal Share of Expenditures   | 15,988,839.93   | 13,021,522.87   | 2,967,317.06    |
| j. Recipient Share of Expenditures | 7,795,611.80    | 3,257,197.47    | 4,538,414.33    |
| June 30, 2020                      |                 |                 |                 |
| a. Cash Receipts                   | \$20,339,987.01 | \$16,772,956.64 | \$3,567,030.37  |
| b. Cash Disbursements              | 20,339,987.01   | 16,772,956.64   | 3,567,030.37    |
| e. Federal Share of Expenditures   | 20,339,987.01   | 16,772,956.64   | 3,567,030.37    |
| j. Recipient Share of Expenditures | 10,529,721.97   | 4,193,239.16    | 6,336,482.81    |

**Cause:**

The INFRA Grant was awarded for a project already under construction by the DOT at the time of award and for which expenditures and reimbursements under another federal program had been previously incurred. The DOT prepares the SF-425 Federal Financial Reports utilizing data from an internal accounting system under the parameters of "Inception to Date." As a result, transactions which were not incurred or reimbursed under the INFRA program were included in the SF-425 report. The parameters utilized also included transactions after the

DEPARTMENT OF TRANSPORTATION  
(Continued)

cutoff date of the cash basis report. Further, no secondary review or other relevant internal control was in place to detect or correct misstatements.

Effect:

The result of the errors noted is in an overstatement of a. Federal Cash Receipts, b. Federal Cash Disbursements, e. Federal Share of Expenditures, and j. Recipient Share of Expenditures, as noted in the table above.

Questioned Costs:

None

Repeat Finding from Prior Year:

No

Recommendation:

We recommend the Department implement internal controls to ensure the accuracy of SF-425 reports submitted.

Views of Responsible Officials:

The Department agrees with the finding.

## STATEWIDE FINANCIAL REPORTING PROCESS (SEFA)

### CURRENT AUDIT FINDING AND RECOMMENDATION

Financial Statement Audit Finding:

**Finding No. 2020-007: Inadequate internal controls over the preparation of the Schedule of Expenditures of Federal Awards**

**Type of Finding: Material Weakness**

Criteria:

2 CFR 200.510 requires the auditee to prepare a Schedule of Expenditures of Federal Awards which, at a minimum, must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name.  
...
- (3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.  
...

Condition:

The following significant misstatements were noted in the State's Schedule of Expenditures of Federal Awards (SEFA) file submitted to the auditors on February 26, 2021:

- Nine federal grant programs were improperly classified as part of the *Employment Service Cluster*.
- CFDA No. 15.611 *Wildlife Restoration and Basic Hunter Education* was improperly classified as part of the Research and Development Cluster rather than the Fish and Wildlife Cluster.
- Two federal grant programs were improperly classified as part of the *477 Cluster*. No expenditures should have been reported in the *477 Cluster* since it only applies to tribal governments.
- One program received from the National Science Foundation was not properly classified as part of the Research and Development Cluster.
- For CFDA No. 47.083 *Integrative Activities*, Grant Award No. 1736255, the amount passed through to subrecipients exceeded total expenditures.
- A Department of Defense, Army grant award was improperly omitted from the SEFA.
- CFDA No. 12.112 *Payments to States in Lieu of Real Estate Taxes* grant program was improperly omitted from the SEFA.
- Incorrect expenditures were reported for eight programs.
- Incorrect amounts were reported as passed through to subrecipients for seven programs.

STATEWIDE FINANCIAL REPORTING PROCESS (SEFA)  
(Continued)

Adjustments were made to the final SEFA to properly report the items noted above. Other less significant misstatements were also noted and corrected.

Cause:

The Bureau of Finance and Management (BFM) is responsible for the preparation of the statewide SEFA submitted as part of the state's Single Audit Report in accordance with the provisions of the Uniform Guidance. Each state agency prepares and submits an agency SEFA to the BFM to be included in the statewide SEFA. To aid the state agencies in proper reporting of their federal expenditures, the BFM has provided detailed written procedures to the personnel responsible for preparation of the SEFA at each state agency. These procedures include performing a reconciliation between the expenditures reported on the agency's SEFA and the South Dakota Accounting System (SDAS).

Limitations in SDAS require the BFM to perform manual procedures when combining the state agency SEFAs into the statewide SEFA. The BFM has created detailed written procedures to be performed to ensure the accuracy of the statewide SEFA. These procedures include, in part, instructions on performing the following steps:

- Making sure the information from all state agency SEFAs are included on the final SEFA.
- Verifying the state agency reconciliations with SDAS and following up on any variances identified.
- Checking to make sure each federal program is reported under the proper CFDA number, program name, federal agency, and cluster of programs.

Based on the results of our testing, it does not appear these procedures were consistently followed by the BFM prior to submission of the SEFA file for audit and adequate review was not performed to detect and correct these errors prior to submission.

Effect:

Because internal controls were not effective in identifying and correcting material misstatements, significant audit adjustments were required to the Schedule of Expenditures of Federal Awards and there existed an increased risk of inaccurate reporting to federal awarding and pass-through agencies.

Repeat Finding from Prior Year:

No

Recommendation:

We recommend controls be implemented, including stronger oversight and review, to ensure written procedures are consistently followed to prevent misstatements in the SEFA for future periods.

Views of Responsible Officials:

The Bureau of Finance and Management concurs with this audit finding.

## CORN UTILIZATION COUNCIL

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

### **CURRENT AUDIT FINDING AND RECOMMENDATION**

Financial Statement Audit Finding:

**Finding No. 2020-008:**

Significant Deficiency - Preparation of Financial Statements

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

Effect:

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:

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.

## SOYBEAN RESEARCH AND PROMOTION COUNCIL

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

### **CURRENT AUDIT FINDING AND RECOMMENDATION**

Financial Statement Audit Finding:

**Finding No. 2020-009:**

Significant Deficiency - Preparation of Financial Statements

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 accounting standards changes that impact financial reporting are ever changing. The training specific to the Council's financial reporting under the modified accrual basis of accounting of a special revenue fund for a governmental entity is very specialized. The accounting manager was unable to obtain the necessary continuing education relating to financial reporting within the government industry, partially due to the COVID-19 pandemic and cancellation of Qualified State Soybean Board conference.

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:

The Council should look for opportunities of industry specific continuing education for the accounting manager.

Views of Responsible Officials:

We will actively look for industry specific continuing education for the accounting manager to be able to prepare the financial statements and the accompanying notes to the financial statements in the future. We have designated a member of management to review the propriety of the draft financial statements and accompanying notes to the financial statements.





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***AUDITEE PREPARED  
CORRECTIVE ACTION  
PLANS***

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***AUDITEE PREPARED  
CORRECTIVE ACTION  
PLANS***

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**STATE OF SOUTH DAKOTA**  
**AUDITEE PREPARED CORRECTIVE ACTION PLANS**  
**For the Fiscal Year Ended June 30, 2020**

**DEPARTMENT OF REVENUE**

**Finding No. 2020-001: Inadequate Segregation of Duties Over Access Rights**

*Corrective Action Plan:* The Department of Revenue concurs with the finding and offers the following corrective action plan. The Department has worked with the Bureau of Information and Telecommunications and the lead programmer of the CEDAR Tax Accounting System to create a new permission class in CEDAR titled "Accounting Finance". This new permission still allows Accounting Finance staff to perform the necessary duties in CEDAR, such as preparing vouchers and handling refunds, but restricts certain functions that affect ledger activity, including adjustments, transfers, moving payments, re-entering credits or debits and removing credits or debits.

The programming was delayed by programming related to the COVID-19 pandemic, but has now been completed and moved into production in October 2020. Prior to the completion of the programming, staff was trained on appropriate activity in CEDAR and directed to work through the Business Tax Accounting Manager for any updates that needed to be completed in CEDAR, which has always been the department's practice. Further, user activity was reviewed regularly to ensure no Accounting Finance staff were performing any activities in CEDAR that were not allowed by policy.

*Contact Person:* Toni Richardson, Director of Administration

*Anticipated Completion Date:* October 2020

**BOARD OF ECONOMIC DEVELOPMENT**

**Finding No. 2020-002: Inadequate Internal Controls Over Financial Reporting**

*Corrective Action Plan:* In order to prevent future material misstatements, we will add a control to ensure that legislation is reviewed each year to check for possible restrictions on assets.

*Contact Person:* Travis Dovre, Fiscal Officer

*Anticipated Completion Date:* The control will be added immediately; however, the review will only occur once a year after the legislative session.

**STATE OF SOUTH DAKOTA**  
**AUDITEE PREPARED CORRECTIVE ACTION PLANS**  
**For the Fiscal Year Ended June 30, 2020**

**STATEWIDE FINANCIAL REPORTING PROCESS**

**Finding No. 2020-003: Ineffective Internal Controls Over Financial Reporting**

*Corrective Action Plan:* The State is committed to timely and accurate financial reporting.

The State has numerous accounting and financial reporting procedures as well as preventive and detective controls in place to ensure accurate and timely financial reporting. However, the State struggles with hiring qualified accounting staff. Many accounting positions remain unfilled for extended periods of time. Additionally, the COVID-19 pandemic created even more challenges including further staffing shortages, slowed recruitment, lost training time, and increased research and reporting time for new pandemic relief funds. These obstacles added additional complications to the financial reporting process. Despite these hurdles, the State still managed to issue the fiscal year 2020 Comprehensive Annual Financial Report on time.

The Bureau of Finance and Management will continue to evaluate and improve the financial reporting process. We will continue to enhance and streamline training for new and existing accounting personnel across all state agencies. We will find ways to simplify and automate procedures to achieve accurate financial reporting.

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

*Anticipated Completion Date:* Ongoing

**DEPARTMENT OF LABOR AND REGULATION**

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

**Finding No. 2020-004: Auditor Proposed Adjustments and Prior Period Adjustment**

*Corrective Action Plan:* The Department of Labor and Regulation accounting staff will receive additional training in the next 12 months regarding preparation of financial statements. Both Reemployment Assistance staff and Administrative Services staff will receive training. When the financial statements are prepared in the future by Reemployment Assistance staff, Administrative Services staff will double-check the statements prior to the audit for accuracy.

*Contact Person:* Pauline Heier, Director of Reemployment Assistance; Mary Grode, Accountant Manager; Emily Ward, Director of Administrative Services

*Anticipated Completion Date:* August 31, 2021

**STATE OF SOUTH DAKOTA**  
**AUDITEE PREPARED CORRECTIVE ACTION PLANS**  
**For the Fiscal Year Ended June 30, 2020**

**DEPARTMENT OF LABOR AND REGULATION**  
(Continued)

**Finding No. 2020-005: Special Tests and Provisions – UI Reemployment Programs**

*Corrective Action Plan:* Development has started to extract the data from the Reemployment Services Eligibility Assessment review forms in SDWORKS and automatically upload it to the Reemployment Assistance system. Additionally, the processes will utilize review logic to flag potential eligibility issues for Reemployment Assistance staff to review and make a determination for eligibility/compliance.

Additional development is underway to create an automated process for sharing of relevant case note/fact-finding information between SDWORKS and the Reemployment Assistance system. This sharing of relevant case information will reduce the risk of miscommunication between divisions and contribute to timeliness and accuracy of claimant activity tracking.

Development is planned to automate processes between SDWORKS and the Reemployment Assistance system where the system will monitor claimant activity and if scheduled activities are missed, will automatically insert and/or remove a hold on payment of a claim for non-compliance with the Department of Labor and Regulation Reemployment Services Eligibility Assessment requirements.

*Contact Person:* Kendra Ringstmeyer, Director of Workforce Development

*Anticipated Completion Date:* December 31, 2021

**DEPARTMENT OF TRANSPORTATION**

**Finding No. 2020-006: Inadequate Internal Controls Over Federal Financial Reports**

*Corrective Action Plan:* The Organization agrees with the finding. By March 23, 2021, Jerry Ortbahn will Amend the completed SF-425 reports and the Quarterly Project Progress Reports using data from the Finance accounting system and resubmit them to Federal Highway.

Beginning March 31, 2021, The Department will receive a notification from FHWA Division office when a new quarterly report guidance, forms and share point site are available for use on any new grants. Patricia Devitt, Accounting Manager will notify Patty Thompson, Accountant III of the new grant for reporting on SEFA. Each quarter the Department will receive notification from FHWA Division office that the quarterly report is due and will specify project number and PCN number. Mary Hoyt, Accountant II will report the data on the SF-425. Patricia Devitt, Accounting Manager will review the report and send to Jerry Ortbahn in Project Development. Jerry will prepare the Quarterly Progress Report based off the SF-425 data and submit both reports to Federal Highway.

*Contact Person:* Kellie Beck, Director of Finance

*Anticipated Completion Date:* March 23, 2021

**STATE OF SOUTH DAKOTA  
AUDITEE PREPARED CORRECTIVE ACTION PLANS  
For the Fiscal Year Ended June 30, 2020**

**STATEWIDE FINANCIAL REPORTING PROCESS (SEFA)**

**Finding No. 2020-007: Inadequate controls over the preparation of the Schedule of Expenditures of Federal Awards**

*Corrective Action Plan:* The State is committed to timely and accurate financial reporting.

As stated in the finding, the State has numerous accounting and financial reporting written procedures and control activities designed to ensure the accuracy of the statewide Schedule of Expenditures of Federal Awards (SEFA). However, the State struggles with hiring qualified accounting staff. Many accounting positions remain unfilled for extended periods of time. Additionally, the COVID-19 pandemic created even more challenges including further staffing shortages, slowed recruitment, lost training time, and increased research and reporting time for new pandemic relief funds. These obstacles added additional complications to the financial reporting process.

The Bureau of Finance and Management will continue to evaluate and improve the financial reporting process. We will continue to enhance and streamline training for new and existing accounting personnel across all state agencies. We will find ways to simplify and automate procedures to achieve accurate financial reporting

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

*Anticipated Completion Date:* Ongoing

**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. 2020-008: Preparation of 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.

**STATE OF SOUTH DAKOTA  
AUDITEE PREPARED CORRECTIVE ACTION PLANS  
For the Fiscal Year Ended June 30, 2020**

**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. 2020-009: Preparation of Financial Statements**

*Corrective Action Plan:* We will actively look for industry specific continuing education for the accounting manager to be able to prepare the financial statements and the accompanying notes to the financial statements in the future. 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.





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

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

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**STATE OF SOUTH DAKOTA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Fiscal Year Ended June 30, 2020**

**DEPARTMENT OF REVENUE**

**Finding No. 2019-001: Inadequate Segregation of Duties Over Access Rights**

*Initial Year of Finding:* Fiscal Year 2019

*Status:* Repeat audit finding issued in Fiscal Year 2020 Single Audit – see Finding No. 2020-001

*Reason for Recurrence:* The necessary programming was not completed due to COVID-19 and Department of Revenue turnover.

**DEPARTMENT OF HUMAN SERVICES**

**Finding No. 2019-002: Inadequate Controls Over Matching Requirements**

*Initial Year of Finding:* Fiscal Year 2019

*Status:* Fully Corrected – Corrective Action was Taken

**CORN UTILIZATION COUNCIL**

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

**Finding No. 2019-003: Preparation of Financial Statements**

*Initial Year of Finding:* Fiscal Year 2010

*Status:* Repeat audit finding issued in Fiscal Year 2020 Single Audit – see Finding No. 2020-008

*Reason for Recurrence:* No reason given – see Finding No. 2020-008

**Finding No. 2019-004: Contracted Services Agreement**

*Initial Year of Finding:* Fiscal Year 2019

*Status:* There were no amendments during the year and the fee paid to SDCGA was supported by approval of the annual contract by the board of directors, however, the amount paid was in excess of the contract amount by an insignificant amount during the year ended June 30, 2020.

**STATE OF SOUTH DAKOTA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Fiscal Year Ended June 30, 2020**

**SOYBEAN RESEARCH AND PROMOTION COUNCIL**

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

**Finding No. 2019-005: Preparation of Financial Statements and Material Audit Adjustments**

*Initial Year of Finding:* Fiscal Year 2010

*Status:* Repeat audit finding issued in Fiscal Year 2020 Single Audit – see Finding No. 2020-009

*Reason for Recurrence:* No reason given – see Finding No. 2020-009

**Finding No. 2019-006: Segregation of Duties**

*Initial Year of Finding:* Fiscal Year 2018

*Status:* The Council continues to be fully staffed and has implemented procedures and processes to segregate duties to the extent possible for the size of its organization to reduce this risk. Although we have limited staffing, the controls established over the current processes and oversight exercised by the Executive Director and the Board of Directors are taken seriously and evaluated on a continuous basis.

**Finding No. 2019-007: Late Submission of USB Remittances and QSSB Remittances**

*Initial Year of Finding:* Fiscal Year 2019

*Status:* Fully Corrected – Corrective Action was Taken



