

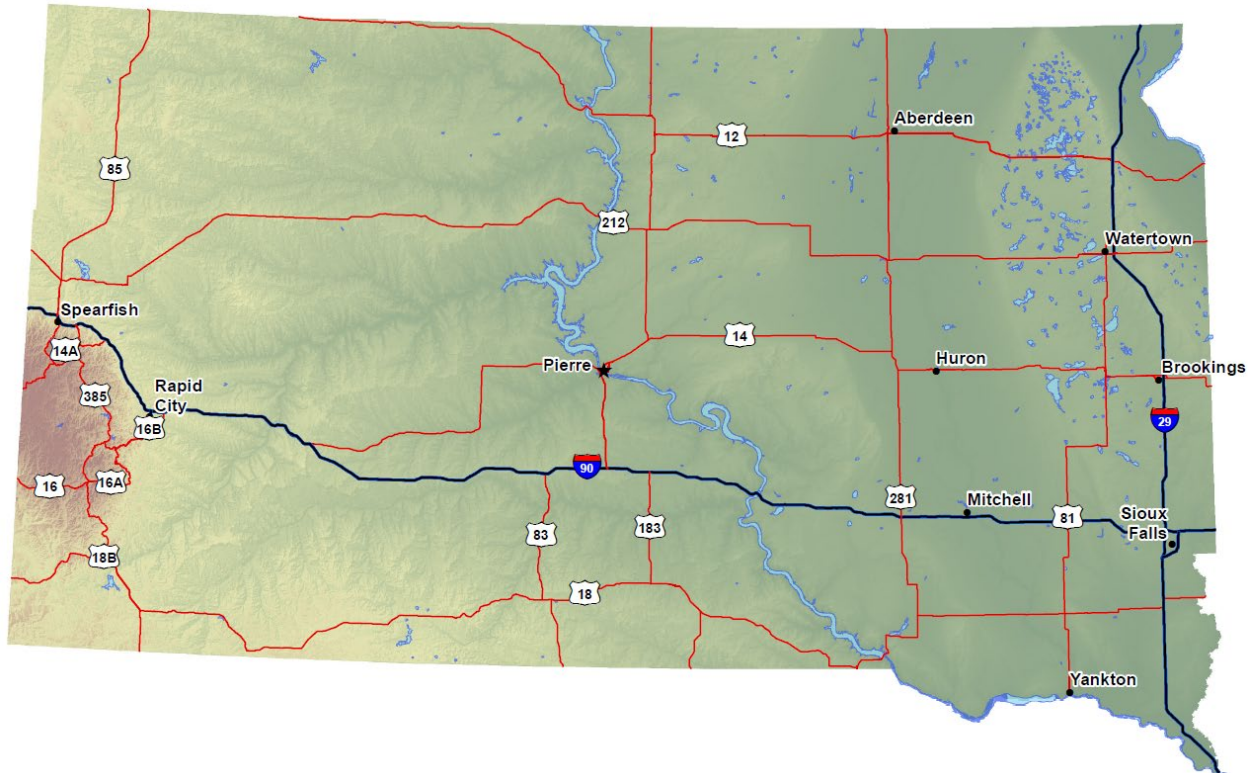
An aerial photograph of a winding asphalt road through a dense, green forest. The road curves through the trees, with a single white car visible on one of the curves. The lighting suggests a bright day, with shadows cast across the road and forest floor.

South Dakota

Single Audit Report

for the fiscal year ended June 30, 2022

***STATE OF SOUTH DAKOTA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2022***



KRISTI NOEM, GOVERNOR

LARRY RHODEN, LT. GOVERNOR

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

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



March 31, 2023

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, 2022. This report includes the financial statements for the State of South Dakota as of June 30, 2022, and for the year then ended. The report also presents the audit results of the State's compliance with state and federal laws and regulations.

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

Respectfully Submitted,

A handwritten signature in blue ink that reads 'Jim Terwilliger'.

Jim Terwilliger
Commissioner
Bureau of Finance and Management

A handwritten signature in black ink that reads 'Russell A. Olson'.

Russell A. Olson
Auditor General
Department of Legislative Audit

TABLE OF CONTENTS

Title Page

Joint Transmittal Letter

INTRODUCTORY SECTION:

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

FINANCIAL SECTION:

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

Basic Financial Statements 33

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

Notes to the Financial Statements 49

Required Supplementary Information 117

Budgetary Comparison Schedule – General Fund	118
Budgetary Comparison Schedule – Transportation Fund	130
Budgetary Comparison Schedule – Social Services Federal Fund	131
Budgetary Comparison Schedule – Budget-to-GAAP Reconciliation	132
Notes to Required Supplementary Information – Budgetary Reporting.....	133
Schedule of Proportionate Share of Net Pension Liability (Asset).....	134
Schedule of Contributions	134
Notes to Required Supplementary Information – Schedule of Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions.....	135

Combining Financial Statements 137

Combining Balance Sheet – Nonmajor Governmental Funds – By Type.....	138
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – By Type	139
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	140
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	144
Combining Balance Sheet – Nonmajor Debt Service Funds.....	148
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds.....	149
Combining Statement of Net Position – Nonmajor Enterprise Funds	150

TABLE OF CONTENTS

Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds	152
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	154
Combining Statement of Net Position – Internal Service Funds	156
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	158
Combining Statement of Cash Flows – Internal Service Funds.....	160
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	162
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	163
Combining Statement of Fiduciary Net Position – Custodial Funds	164
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	165
Combining Statement of Net Position – Component Units	166
Combining Statement of Revenues, Expenses, and Changes in Net Position – Component Units	167
Statement of Cash Flows – Higher Education	168
Combining Statement of Fiduciary Net Position – Higher Education.....	170
Combining Statement of Changes in Fiduciary Net Position – Higher Education	170
Combining Statement of Net Position – Nonmajor Component Units.....	171
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Component Units.....	172

STATISTICAL SECTION:

Index to the Statistical Section	173
Net Position by Component.....	174
Changes in Net Position	175
Fund Balances, Governmental Funds.....	176
Changes in Fund Balances, All Governmental Funds	177
Sales Tax Revenue Payers by Industry	178
Taxable Sales by Industry	180
Ratios of Outstanding Long-Term Debt.....	181
Pledged Revenue Coverage	182
Population.....	183
Total Personal Income	183
Unemployment Rate.....	184
Per Capita Personal Income	184
Nonfarm Wage and Salary Employment by Industry	185
Expanded and New Industries	185
Employment by Industry Type.....	186
Full-Time Equivalent State Employees by Function.....	187
Capital Asset Statistics by Function	188
Operating Indicators by Function	190

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

Independent Auditor's Report on Supplementary Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	195
Schedule of Expenditures of Federal Awards	197
Notes to the Schedule of Expenditures of Federal Awards	227

AUDITOR'S REPORTS ON INTERNAL CONTROL AND COMPLIANCE:

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	233
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	235

TABLE OF CONTENTS

AUDITOR PREPARED SCHEDULE OF FINDINGS AND QUESTIONED COSTS:

Index of Schedule of Findings and Questioned Costs	239
Summary of Auditor's Results	240
Current Audit Findings and Recommendations	
South Dakota Science and Technology Authority	242
Department of Transportation	246
Department of Human Services	248
Soybean Research and Promotion Council	252
South Dakota Public Broadcasting	253
South Dakota Corn Utilization Council	254

AUDITEE PREPARED CORRECTIVE ACTION PLANS:

South Dakota Science and Technology Authority	257
Department of Transportation	258
Department of Human Services	258
Soybean Research and Promotion Council	258
South Dakota Public Broadcasting	259
South Dakota Corn Utilization Council	259

AUDITEE PREPARED SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS:

Department of Revenue	261
Board of Economic Development	261
Statewide Financial Reporting Process	261
Department of Labor and Regulation	262
Department of Health	262
Coronavirus Relief Fund	263
Department of Transportation	263
South Dakota Soybean Research and Promotion Council	263
South Dakota Public Broadcasting	263
South Dakota Corn Utilization Council	264
South Dakota Wheat Utilization Research and Market Development Council	265

165 copies of this document were printed by the Department of Legislative Audit at a cost of \$18.75 per copy.

South Dakota



GREAT FACES. GREAT PLACES. ©



INTRODUCTORY SECTION



INTRODUCTORY SECTION



DEPARTMENT OF EXECUTIVE MANAGEMENT BUREAU OF FINANCE AND MANAGEMENT

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

December 30, 2022

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 36th *Annual Comprehensive Financial Report* (ACFR) for the State of South Dakota (the State) for the fiscal year ended June 30, 2022.

Report. This report is prepared by the Bureau of Finance and Management as required by South Dakota Codified Law 4-4-6. The financial statements and notes to the financial statements contained in the ACFR are prepared in conformity with generally accepted accounting principles (GAAP) applicable to 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 ACFR has been audited by the South Dakota Department of Legislative Audit (DLA), a division of the legislative branch of State government. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The Independent Auditor's Report (issued by DLA) includes expressions of opinions on the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, for the fiscal year.

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

Internal Controls. Management of the State is responsible for establishing and maintaining an effective system of internal control designed to provide reasonable, but not absolute, assurance the State is achieving its operational, reporting, and compliance objectives. Those objectives include, but are not limited to, the safeguarding of assets from loss, theft, or misuse, and 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 39th or 40th state (with its twin, North Dakota). South Dakota has 75,885 square miles of land and a population estimated to be 0.9 million. As established in Article II of the *Constitution of The State of South Dakota*, State government is comprised of three distinct and separate branches of government: legislative, executive, and judicial. The State Legislature is composed of a 35-member Senate and a 70-member House of Representatives. Legislators are elected for two-year terms and limited to four consecutive terms for the same seat. The State has a strong executive branch with a bicameral legislative form of government. The Governor may be elected for two consecutive four-year terms. The Governor appoints all heads of state departments who serve at the pleasure of the Governor. The judicial branch is governed by the Unified Judicial System consisting of the Supreme Court, circuit courts, and courts of limited jurisdiction. The State's principal state officials, functions of state government, and organizational chart can be found immediately following this letter.

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

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

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

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

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

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

The Capital Expenditure Plan includes capital projects being considered 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 2022 was the 132nd 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 June 30	Budget Reserve	General Revenue Replacement Fund	Property Tax Reduction Fund	Total Reserves	General Fund Expenditures	Total Reserves As Percentage of General Fund Expenditures
2013	\$ 95.3		\$ 67.8	\$ 163.1	\$ 1,278.8	12.8%
2014	105.2		48.2	153.4	1,413.9	10.8%
2015	126.7		44.6	171.3	1,440.0	11.9%
2016	113.4	44.0		157.4	1,514.0	10.4%
2017	121.3	44.0		165.3	1,598.2	10.3%
2018	132.4	44.0		176.4	1,644.4	10.7%
2019	145.1	44.0		189.1	1,678.8	11.3%
2020	169.6	46.3		215.9	1,655.9	13.0%
2021	169.6	137.5		307.1	1,635.8	18.8%
2022	176.8	245.8		422.6	2,016.7	21.0%

The combined accrual basis balance of these two reserve accounts for fiscal year 2022 was \$422.6 million, an increase of \$115.5 million. This increase from the prior year was a result of unspent General Fund appropriations as General Fund revenues were \$72.3 million higher than expected and expenditures were \$43.2 million lower than budgeted. The combined reserve balance of \$422.6 million is approximately 21.0% of the fiscal year 2022 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.

- **Annual Comprehensive Financial Report.** In 1987, the State issued its first ACFR. That report contained an unmodified opinion from the Department of Legislative Audit (the independent auditors). The Independent Auditor's Report included in this report represents the 36th consecutive year South Dakota has received an unmodified opinion on its ACFR.

As of June 30	SDRS	Projected Average of Other State Retirement Systems **
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%	73%
2020	100.0%	70%
2021	105.5%	83%
2022	100.1%	70% (est.)

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

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

Lottery. The South Dakota Lottery Fund was created during the 1987 legislative session to market instant scratch games. Video lottery was authorized during the 1989 legislative session, and approval for multi-state lotto games was given during the 1990 legislative session. The purpose of the Lottery is to provide the State additional revenues to fund vital public programs and projects. During fiscal year 2022, the Lottery generated \$179.4 million of income (before transfers) and provided \$179.3 million in transfers to other funds that improve the quality of life in South Dakota. Since its inception in 1987, the Lottery has distributed \$3.4 billion to those funds.

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

Annual SDRS funding is determined based on actuarial assumptions that are more conservative than most public pension plans, including an annual investment return assumption of 6.50% and assumed inflation of 2.50%. The actuarial value of assets is equal to the fair value of assets. The fixed statutory employer and employee contributions support benefits that vary automatically from year-to-year based on investment returns and the assets available to pay future benefits. Additionally, 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 after recognizing the automatic benefit adjustments the funded ratio of the system is below 100% or the fixed contributions are not sufficient to support the current benefits, the SDRS Board of Trustees is required by state statute to take immediate corrective action including recommending corrective actions to the Legislature. Therefore, unfunded actuarial accrued liabilities are anticipated only in significant economic downturns and are expected to be temporary.

As previously stated, as of June 30, 2022, SDRS is fully funded with an actuarial value funded ratio and a fair value funded ratio of 100.07%. SDRS currently has no unfunded actuarial accrued liability. During the fiscal year, SDRS experienced a -0.69% (time-weighted) market return, or 7.19% less than the assumed rate of return of 6.50%. Plan investments at fair value in fiscal year 2022 were \$14.1 billion compared to \$9.1 billion in fiscal year 2013.

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, 2020, 2021, and 2022 with a relatively small net pension liability in 2016.

South Dakota Retirement System

As of June 30	Total Pension Liability	Plan Fiduciary Net Position	Fair Value Funded Ratio	Primary Government's Proportionate Share	Primary Government's Net Pension Asset (Liability)
2014	\$9.9 billion	\$10.6 billion	107.3%	22.1%	\$159.0 million (FY15)
2015	10.4 billion	10.8 billion	104.1%	22.4%	95.2 million (FY16)
2016	10.8 billion	10.5 billion	96.9%	22.3%	(75.2 million) (FY17)
2017	11.6 billion	11.6 billion	100.1%	21.6%	2.0 million (FY18)
2018	12.2 billion	12.2 billion	100.0%	21.0%	0.5 million (FY19)
2019	12.5 billion	12.5 billion	100.1%	20.7%	2.2 million (FY20)
2020	12.3 billion	12.3 billion	100.0%	20.6%	0.9 million (FY21)
2021	13.9 billion	14.6 billion	105.5%	20.4%	156.6 million (FY22)
2022	14.1 billion	14.1 billion	100.1%	20.6%	1.9 million (FY23) *

* Unaudited

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

Health and Life Insurance Benefits. The State (rather than an insurance carrier) assumes substantially all risk associated with claims of covered public employees for health insurance. However, an insurance carrier provides claims administration services for health insurance. The Group Insurance Program within the Bureau of Human Resources was established to administer and improve group health, life, and flexible benefit plans for state employees and their dependents. The program provides for 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 premiums, co-pays, deductibles, and dependent costs.

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

ECONOMIC CONDITIONS AND OUTLOOK

Employment growth is an important indicator of the State's economic health. Prior to 2020, South Dakota's employment situation had been stable for about a decade. From 2011-2019, nonfarm employment growth averaged 1% per year. In 2020, nonfarm employment declined 3.3% in South Dakota due to the disruption in the economy but has since rebounded strongly. Employment grew 3.2% in 2021 and is projected to finish 2022 at 2.2%.

The unemployment rate in South Dakota remained low through fiscal year 2022 and remains among the lowest in the nation due to steady economic growth. In November 2022, South Dakota's unemployment rate was 2.4%, which was 1.3% lower than the U.S. unemployment rate of 3.7% for the same month.

Income growth is another important indicator of the State's economy. In calendar year 2021, which is the most recent annual data that is available, South Dakota's personal income grew 7.6%, slightly higher than the U.S. growth rate of 7.5%. From 2011 to 2021, South Dakota's total personal income growth averaged approximately 5% per year. Growth rates have been much higher recently, boosted by farm income. In 2019 and 2020, personal income grew by 6.9% and 9.9%. In 2021, farm income in South Dakota was \$3.5 billion, the second highest figure on record behind \$3.7 billion in 2011. From 2016 through 2020, farm income averaged \$1.5 billion per year. This compares to the previous five-year average farm income level of \$2.7 billion from 2011 through 2015. South Dakota's per capita personal income was \$64,462 in 2021, 0.5% greater than the U.S. average per capita income of \$64,143. The State's per capita personal income for the second quarter of 2022 increased to an annual rate of \$66,122, 1.7% greater than the United States average of \$64,993. South Dakota's per capita personal income growth from the beginning of 2019 through the second quarter of 2022 leads the nation.

The outlook for South Dakota's economy is for slowing employment growth over the next two years, with job growth essentially flat in 2023 and 2024 and continued low unemployment rates. Personal incomes are projected to grow in the range of 4% to 5% in 2023 and 2024.

MAJOR INITIATIVES

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

Investing in Our Future. To help ensure that South Dakota's infrastructure is prepared for the economy of tomorrow, the Governor recommended, and the legislature approved, significant investments in workforce housing infrastructure, water and sewer infrastructure, and broadband access. Key investments in each of these areas will strengthen our infrastructure and ensure a strong foundation for our state.

Investing in Our Workforce. It is the State's goal to attract and retain the best and brightest employees to work for state government. To help maintain this standard, the Governor recommended, and the legislature adopted, a 6.0% market adjustment for state employees. A statewide increase this high hasn't occurred in the last three decades. In addition to this 6.0% market adjustment, funding was appropriated for increases to minimum pay rates for certain job families including law enforcement and correctional staff.

Supporting Education. The adopted budget for state fiscal year 2023 provided a 6.0% increase for state aid to education, as well as a 6.0% increase to the per student allocation for the technical colleges. This was above the statutorily required 2.6% and will help ensure that local school districts have the resources necessary to educate South Dakota's next generation. The fiscal year 2023 budget also includes a rebase and increase in the amount of funding received for the six special education disability levels.

Keeping South Dakota Healthy and Safe. An ongoing investment in our healthcare workforce was appropriated through an increase of 6.0% for medical provider rates. The budget also included one-time investments for emergency medical services, volunteer firefighters, and behavioral health service delivery to be able to provide the appropriate level of care.

AWARDS AND ACKNOWLEDGMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of South Dakota for its ACFR for the fiscal year ended June 30, 2021. This was the sixth 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 ACFR. 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 ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this ACFR required the collective efforts of many financial and program personnel throughout the State from various agencies and departments. I sincerely appreciate the dedicated efforts of all these individuals. I would like to recognize and commend the efforts of the accounting staff of each state agency and the staff of the Department of Legislative Audit. I would also like to acknowledge the Bureau of Finance and Management staff, Keith Senger, Amanda Werre, Mark Edwardson, Brian Englund, Randi Olson, Tiffany Ripperda, Victor Ko, Amanda Jandt, Fabricio Rodrigues, Cassandra Ryckman, Stephanie Piroutek, Allysen Kerr, Robert Norwick, Adam Hansen, Mary Keeler, Alan Todd, Dallas Fitzgerald, Lori Billet, Jennifer Neely, and Mike Legg for their talents in making this report possible.

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

Respectfully Submitted,



Jim Terwilliger, Chief Financial Officer
Bureau of Finance and Management



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

State of South Dakota

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

***SOUTH DAKOTA
FY2022 PRINCIPAL STATE OFFICIALS***

EXECUTIVE BRANCH

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

CONSTITUTIONAL OFFICERS

The Honorable Mark Vargo, Attorney General
The Honorable Steve Barnett, Secretary of State
The Honorable Josh Haeder, Treasurer
The Honorable Rich Sattgast, Auditor
The Honorable Jarrod Johnson, Commissioner, School and Public Lands

PUBLIC UTILITIES COMMISSION

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

LEGISLATIVE BRANCH

The Honorable Lee Schoenbeck
Senate President Pro Tempore

The Honorable Spencer Gosch
Speaker of the House

The Honorable Gary Cammack
Senate Majority Leader

The Honorable Troy Heinert
Senate Minority Leader

The Honorable Kent Peterson
House Majority Leader

The Honorable Jamie Smith
House Minority Leader

JUDICIAL BRANCH

The Honorable Steven R. Jensen
Chief Justice

The Honorable Janine M. Kern
Associate Justice

The Honorable Mark E. Salter
Associate Justice

The Honorable Patricia J. DeVaney
Associate Justice

The Honorable Scott P. Myren
Associate Justice

SOUTH DAKOTA FY2022 FUNCTIONS OF STATE GOVERNMENT

GENERAL GOVERNMENT

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

HEALTH, HUMAN, AND SOCIAL SERVICES

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

LAW, JUSTICE, PUBLIC PROTECTION, AND REGULATION

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

AGRICULTURE AND NATURAL RESOURCES

Agriculture
Game, Fish and Parks
Environment and Natural Resources

TRANSPORTATION

Transportation

EDUCATION

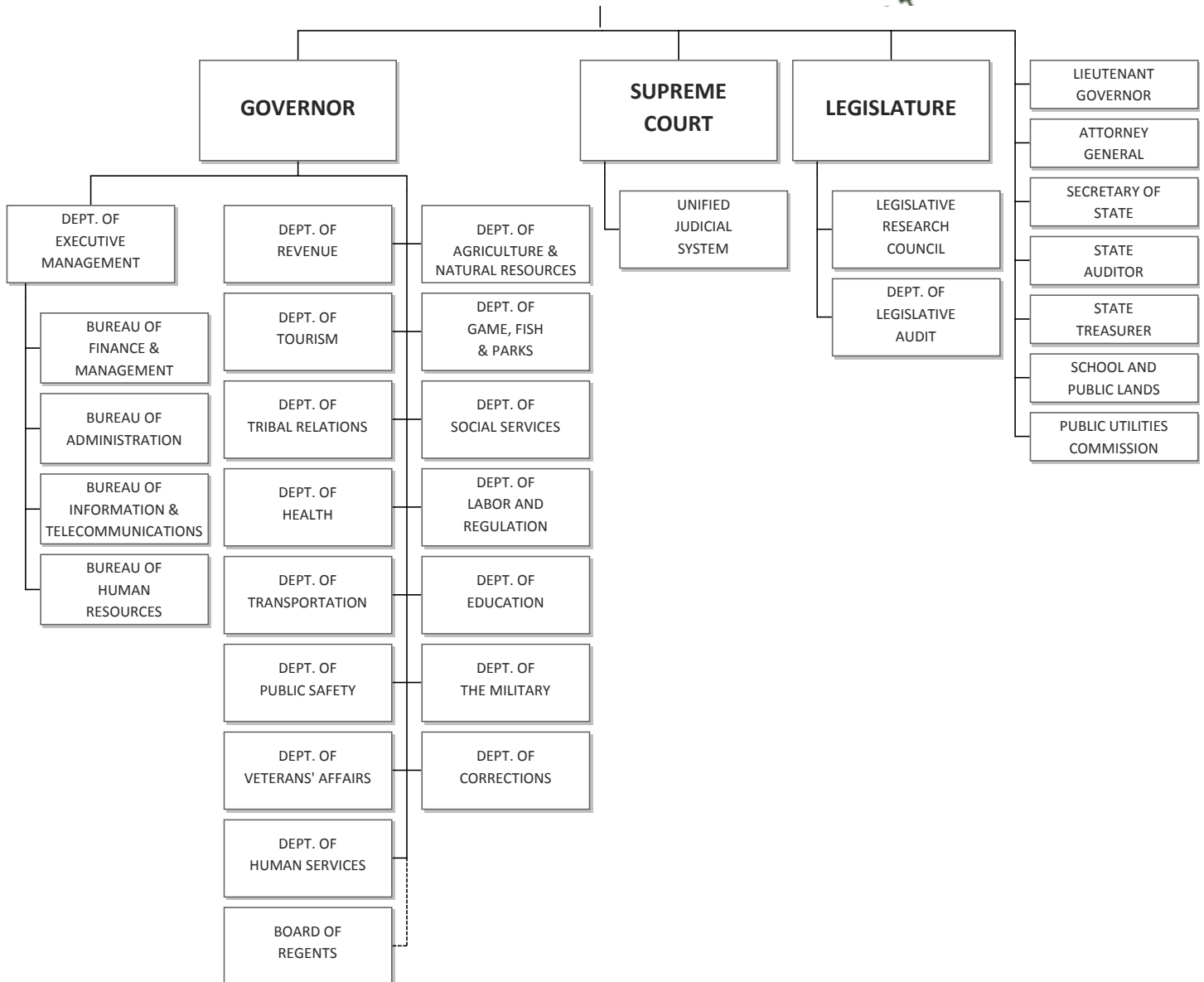
Education
Higher Education
State Aid to Universities

ECONOMIC RESOURCES

Tourism
Economic Development
Tribal Relations

PANDEMIC RESPONSE

COVID-19 Federal





FINANCIAL SECTION



FINANCIAL SECTION



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

RUSSELL A. OLSON
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

The Honorable Kristi Noem
Governor of South Dakota

and

Members of the Legislature
State of South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Dakota (State), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Unemployment Insurance Fund, the South Dakota Retirement System, the South Dakota Housing Development Authority, the South Dakota Science and Technology Authority, the South Dakota Ellsworth Development Authority and foundations of Higher Education. Those financial statements reflect total assets and deferred outflows of resources and revenues and additions of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended as follows:

	<u>Percent of Total Assets*</u>	<u>Percent of Total Revenues/Additions</u>
Government-wide financial statements:		
Business-type activities:		
Unemployment Insurance Fund	15.3%	13.1%

Aggregate discretely presented component units:		
South Dakota Housing Development Authority	38.2%	18.2%
South Dakota Science and Technology Authority	2.6%	3.5%
South Dakota Ellsworth Development Authority	.6%	.9%
Foundations of Higher Education	19.9%	13.7%

Fund financial statements:

Aggregate remaining fund information:		
South Dakota Retirement System	87.9%	8.3%
Unemployment Insurance Fund	1.3%	1.6%

* including deferred outflows of resources

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 31, the budgetary comparison schedules on pages 117 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The combining and individual fund financial statements on pages 137 through 172 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections on pages 1 through 10 and 173 through 193 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.



Russell A. Olson, Auditor General
Pierre, South Dakota

December 30, 2022

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, 2022. 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 \$8.5 billion (reported as net position). Of this amount, \$6.6 billion is restricted for specific uses or invested in capital assets. The remaining \$1.9 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 \$330.8 million, or 4.1% from the prior fiscal year. Net position of Governmental Activities increased by \$301.1 million, or 4.1%, while net position of Business-type Activities increased by \$29.6 million, or 3.5% over the prior fiscal year.
- Discretely presented component units reported total net position of \$2.9 billion, an increase of \$203.7 million, or 7.6% from the prior fiscal year.

Fund Financial Statements

- The State's governmental funds combined ending fund balances of \$3.1 billion, an increase of \$148.5 million, or 5.1% from the prior fiscal year. Of the \$3.1 billion in combined ending fund balance, \$672.5 million is non-spendable and \$1.4 billion is restricted by outside sources or enabling legislation. Another \$63.3 million is committed by state law and \$487.8 million has been assigned for various specific purposes. The remaining \$496.1 million is unassigned. Please refer to *Note 8. Fund Balance and Net Position* in the Notes to the Financial Statements for further explanation and breakdown of these balances. Certain resources within the \$496.1 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 \$983.7 million. This includes total budget reserves of \$422.6 million, comprised of the Budget Reserve and the General Revenue Replacement Fund of \$176.8 million and \$245.8 million, respectively.
- The State's three trust funds (Dakota Cement Trust, Education Enhancement Trust, and Health Care Trust) and the State's Permanent Fund all decreased in value during the fiscal year because of investment losses. After transferring a combined amount of \$46.5 million to the General Fund, these funds closed the fiscal year with a combined ending fund balance of \$1.3 billion, a decrease of \$58.9 million.
- Proprietary funds reported net position at fiscal year-end of \$942.4 million, an increase of \$13.2 million, or 1.4% from the prior fiscal year.

Long-Term Debt

- The primary government's total long-term debt (revenue bonds, notes, and leases payable) as of June 30, 2022, totaled \$649.5 million, a decrease of \$15.6 million from the last fiscal year-end. The decrease represents the net difference between new issuances, payments, and the refunding and defeasance of outstanding debts.
- The South Dakota Building Authority did not issue any revenue bonds for the primary government in fiscal year 2022. SDBA issued \$18.4 million of revenue bonds for Higher Education. The proceeds of these bonds were used to fund renovation projects and the refund and defeasance of previously issued bonds.
- The South Dakota Conservancy District, a blended component unit of the State, did not issue any bonds in fiscal year 2022.

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 events giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused employee vacation leave).

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

- **Governmental Activities.** Most of the State's services provided to the citizens of the State are reported within the Governmental Activities. The Governmental Activities of the State include the following:
 - General government
 - Education
 - Education – state support to higher education
 - Health, human, and social services
 - Law, justice, public protection, and regulation
 - Agriculture and natural resources
 - Economic resources
 - Transportation
 - Pandemic Response
 - Intergovernmental – payments to school districts
 - Intergovernmental – revenue sharing
 - Unallocated interest expense
 - Unallocated depreciation

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Required Supplementary Information

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

The Budgetary Comparison Schedules are for the General Fund and for each major special revenue fund that has a legally adopted annual budget. 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, 2022 were \$11.1 billion, while total liabilities and deferred inflows of resources were \$2.6 billion. This resulted in combined net position (Governmental and Business-type Activities) of \$8.5 billion, a 4.1% increase from the previous year. As discussed later in this document, a significant portion of this increase is directly attributed to increases in capital assets.

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

	Governmental Activities		Business-type Activities		Total Primary Government		% of Change
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	
Current and Other Assets, as restated	\$ 4,925,483	\$ 3,778,848	\$ 1,296,258	\$ 1,290,984	\$ 6,221,741	\$ 5,069,832	22.7%
Capital Assets	4,687,676	4,510,988	9,217	6,652	4,696,893	4,517,640	4.0%
Total Assets, as restated	9,613,159	8,289,836	1,305,475	1,297,636	10,918,634	9,587,472	13.9%
Deferred Outflows of Resources	214,988	146,412	10,563	9,854	225,551	156,266	44.3%
Current and Other Liabilities, as restated	1,494,266	616,038	19,232	22,200	1,513,498	638,238	137.1%
Noncurrent Liabilities	432,442	405,442	406,162	430,528	838,604	835,970	0.3%
Total Liabilities, as restated	1,926,708	1,021,480	425,394	452,728	2,352,102	1,474,208	59.6%
Deferred Inflows of Resources	299,954	114,426	9,041	2,772	308,995	117,198	163.7%
Net Position:							
Net Investment in Capital Assets	4,485,267	4,334,442	8,008	6,649	4,493,275	4,341,091	3.5%
Restricted, as restated	2,051,879	1,999,110	13,549	13,681	2,065,428	2,012,791	2.6%
Unrestricted, as restated	1,064,339	966,790	860,046	831,660	1,924,385	1,798,450	7.0%
Total Net Position, as restated	\$ 7,601,485	\$ 7,300,342	\$ 881,603	\$ 851,990	\$ 8,483,088	\$ 8,152,332	4.1%
Percent of Total Primary Government Net Position	89.6%	89.5%	10.4%	10.5%	100.0%	100.0%	

In fiscal year 2022, Governmental Activities accounted for 89.6% of the State's total net position, and Business-type activities accounted for 10.4%, a 0.1% change from the prior fiscal year.

Net Investment in Capital Assets

The largest component of the State's net position, \$4.5 billion or 53.0%, 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 \$152.2 million, or 3.5% 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 \$2.1 billion, or 24.4% of total net position, an increase of \$52.6 million, or 2.6% 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 (\$638.2 million) or expendable (\$311.9 million), and the third trust fund (Dakota Cement Trust) is restricted for education (\$358.7 million).

The combined fund balance of these four funds totals \$1.3 billion. Aside from the constitutionally authorized annual distributions, these funds can only be accessed through a constitutional amendment (Dakota Cement Trust and Permanent Fund) or by a three-fourths vote of the Legislature (Health Care Trust Fund and Education Enhancement Trust).

The remaining \$756.7 million of restricted net position is restricted for highways (\$290.2 million), agriculture and natural resources (\$97.1 million), economic development (\$81.3 million), railroads (\$76.7 million), pensions (\$65.3 million), health and public assistance (\$32.8 million), and debt service (\$30.8 million), with the remaining amount for other purposes.

Unrestricted Net Position

The remaining net position balance, \$1.9 billion, or 22.6% 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 \$267.6 million within the Clean Water State Revolving Fund and \$225.3 million within the Drinking Water State Revolving Fund. Other federal and state regulation limitations include, but are not limited to, \$199.9 million for the Unemployment Insurance Fund, \$117.3 million within the Revolving Economic Development and Initiative Fund, and \$8.8 million for revolving loan programs.

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

- **Budget Reserve** (\$176.8 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, 2022 was \$176.8 million, an increase of \$7.2 million from the prior fiscal year.

- **General Revenue Replacement Fund** (\$245.8 million). During the 2015 Legislative Session the Legislature created the “General Revenue Replacement Fund” (GRRF). This fund is to be used to balance the General Fund annual budget due to an unforeseen revenue shortfall. Revenues deposited in the GRRF include unobligated General Fund cash remaining at the end of a fiscal year after the transfer into the Budget Reserve, if the amount in the GRRF does not exceed 15% of the General Fund appropriations in the General Appropriations Act for the previous fiscal year.

During fiscal year 2022, the GRRF increased by \$108.3 million to \$245.8 million.

The transfers as required by law into the Budget Reserve and the GRRF were the result of unspent General Fund appropriations of \$43.2 million and actual revenues exceeding estimates by \$72.3 million.

The unrestricted net position increased by \$125.9 million, or 7.0% during the fiscal year. A significant portion of this increase is attributed to: (1) \$115.5 million transfer to reserves (as discussed above), (2) \$87.0 million increase in assigned fund balance in the General Fund, (3) \$2.4 million increase in the Clean Water State Revolving Fund, (4) \$8.2 million increase in the Drinking Water State Revolving fund, (5) \$21.9 million increase in the Unemployment Insurance Fund, and (6) offset by decreases in unassigned fund balance in various funds. For analysis on these four funds, please see the *Financial Analysis of the State’s Funds* section in this document.

Changes in Net Position

The following table summarizes financial information derived from the Government-wide Statement of Activities and reflects how the State's net position changed during fiscal year 2022:

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

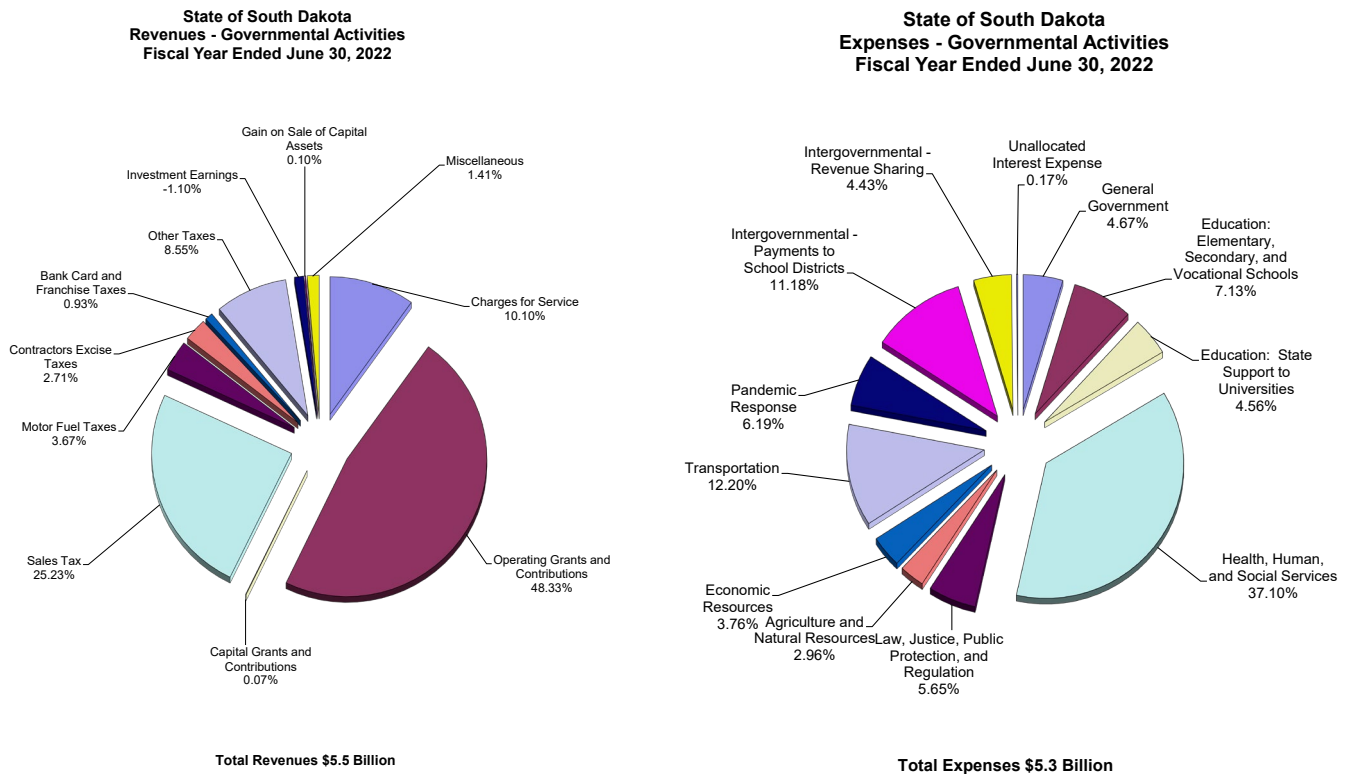
	Governmental Activities		Business-type Activities		Total Primary Government		% of Change
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	
Revenues:							
Program Revenues:							
Charges for Service	\$ 550,792	\$ 565,818	\$ 322,554	\$ 307,687	\$ 873,346	\$ 873,505	0.0%
Operating Grants and Contributions	2,635,757	3,123,083	24,357	175,004	2,660,114	3,298,087	(19.3)%
Capital Grants and Contributions	3,786	7,965			3,786	7,965	(52.5)%
General Revenues:							
Sales Taxes	1,376,152	1,267,583			1,376,152	1,267,583	8.6%
Motor Fuel Taxes	199,880	193,053			199,880	193,053	3.5%
Contractors Excise Taxes	147,888	147,507			147,888	147,507	0.3%
Bank Card and Franchise Taxes	50,949	51,515			50,949	51,515	(1.1)%
Other Taxes, as restated	466,058	459,330			466,058	459,330	1.5%
Investment Earnings	(59,783)	215,767			(59,783)	215,767	(127.7)%
Gain on Sale of Capital Assets	5,352	1,590			5,352	1,590	236.6%
Miscellaneous	77,023	84,720			77,023	84,720	(9.1)%
Total Revenues, as restated	5,453,854	6,117,931	346,911	482,691	5,800,765	6,600,622	(12.1)%
Program Expenses:							
General Government	248,754	261,786			248,754	261,786	(5.0)%
Education	379,799	245,784			379,799	245,784	54.5%
Education – State Support to Higher Education	242,751	228,207			242,751	228,207	6.4%
Health, Human, and Social Services	1,976,809	1,546,179			1,976,809	1,546,179	27.9%
Law, Justice, Public Protection, and Regulation	301,083	283,780			301,083	283,780	6.1%
Agriculture and Natural Resources, as restated	157,552	159,310			157,552	159,310	(1.1)%
Economic Resources	200,463	41,343			200,463	41,343	384.9%
Transportation	649,898	700,366			649,898	700,366	(7.2)%
Pandemic Response	329,736	1,274,185			329,736	1,274,185	
Intergovernmental – Payments to School Districts	595,640	585,672			595,640	585,672	1.7%
Intergovernmental – Revenue Sharing	236,275	228,243			236,275	228,243	3.5%
Unallocated Interest Expense	9,045	6,233			9,045	6,233	45.1%
Unallocated Depreciation	53	53			53	53	0.0%
Lottery			59,729	63,044	59,729	63,044	(5.3)%
Clean Water State Revolving			15,008	18,077	15,008	18,077	(17.0)%
Drinking Water State Revolving			11,024	10,652	11,024	10,652	3.5%
Other			51,101	180,051	51,101	180,051	(71.6)%
Total Expenses, as restated	5,327,858	5,561,141	136,862	271,824	5,464,720	5,832,965	(6.3)%
Excess (Deficiency) Before Transfers, as restated	125,996	556,790	210,049	210,867	336,045	767,657	
Special Items - Impairment of Capital Asset	(5,289)				(5,289)		
Transfers	180,436	162,611	(180,436)	(162,611)			
Change in Net Position, as restated	301,143	719,401	29,613	48,256	330,756	767,657	
Net Position – Beginning, as restated	7,300,342	6,580,941	851,990	803,734	8,152,332	7,384,675	
Net Position – Ending, as restated	\$ 7,601,485	\$ 7,300,342	\$ 881,603	\$ 851,990	\$ 8,483,088	\$ 8,152,332	
Percent Change in Total Net Position from prior year	4.1%		3.5%		4.1%		

Governmental Activities:

The State's net position for Governmental Activities at the end of fiscal year 2022 was \$7.6 billion. This represents an increase of 4.1% or \$301.1 million from the prior fiscal year.

The \$301.1 million increase in the State's net position for Governmental Activities was the result of the net effect of the following: (1) \$5.5 billion revenues (a decrease from the prior fiscal year of \$664.1 million); less (2) \$5.3 billion expenses (a decrease from the prior fiscal year of \$233.3 million); plus (3) net transfers of \$180.4 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, 2022:



This fiscal year, the State received 48.4% from federal grants and contributions and 41.1% of its revenues from taxes (sales, motor fuel, contractors excise, bank card, bank franchise, and other taxes). Charges for services accounted for 10.1%.

In fiscal year 2022, health, human, and social services (taking care of people) accounted for 37.1% of the State's expenses, followed by 22.9% to education (K-12 and post-secondary), and 12.2% to transportation (constructing and maintaining roads and bridges).

Significant changes in revenues include a \$487.3 million, or 19.3% decrease, in federal grants relating to pandemic response, mostly Coronavirus Relief Fund. However, the state experienced a \$109.0 million, or 7.7% increase in sales, use, and contractors excise tax due to a steadily growing South Dakota economy and increasing construction activity. These increases are further discussed in General Fund, and COVID-19 Federal fund analysis of the *Financial Analysis of the State's Funds* section in this document.

Most of the decrease in expenses is attributed to a \$944.5 million decrease in the pandemic response function of government which is offset by a \$430.6 million increase in Health, Human, and Social Services as federal pandemic related grants shift from pandemic response of the Coronavirus Aid, Relief, and Economic Security to economic recovery of the American Rescue Plan Act (ARPA). That decrease is further explained in the 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 2022 was \$881.6 million, an increase of \$29.6 million due to total revenues exceeding total expenses and transfers out. Although net position for Business-type Activities only accounts for roughly 10.4% of the total net position, Business-type Activities provided \$180.4 million in net transfers to Governmental Activities to help fund current operations, most of which came from the South Dakota Lottery Fund.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

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

Governmental Funds

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

As shown in the table below, at the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of \$3.1 billion, an increase of \$148.5 million during the fiscal year. Of this amount, approximately 21.9%, or \$672.5 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 44.1%, or \$1.4 billion of the combined ending fund balance is restricted by outside sources or enabling legislation. Another 2.0%, or \$63.3 million of the combined balance is committed by state law and 15.9%, or \$487.8 million, has been assigned internally for specific purposes. The remaining \$496.1 million, or 16.1% is reported as unassigned. Certain resources within the \$496.1 million of the unassigned fund balance have other internally imposed limitations as discussed below. For additional explanation and breakdown of these balances, see *Note 8. Fund Balance and Net Position* in the Notes to the Financial Statements.

State of South Dakota
Governmental Fund Balance as of June 30, 2022
(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	\$ 5,611	\$ 22,797	\$ 1,308	\$ 1,043	\$	\$ 431,660	\$ 210,070	\$ 672,489	21.9%
Restricted		280,149		6	358,651	244,764	470,381	1,353,951	44.1%
Committed							63,281	63,281	2.0%
Assigned	469,146		1,284				17,385	487,815	15.9%
Unassigned	508,940						(12,881)	496,059	16.1%
Total Fund Balances	\$ 983,697	\$ 302,946	\$ 2,592	\$ 1,049	\$ 358,651	\$ 676,424	\$ 748,236	\$ 3,073,595	
% Change from prior year	13.8%	20.3%	(13.4)%	(34.1)%	(5.2)%	(3.6)%	3.3%	5.1%	

The following governmental funds are major funds and had significant impact on the State's financial position during fiscal year 2022:

General Fund (\$983.7 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 significant General Fund revenues include, but are not limited to, insurance company tax, cigarette excise tax, unclaimed property remittance, bank taxes, tourism tax, alcohol beverage tax, and mineral tax. The General Fund also receives annual statutory transfers from the South Dakota Lottery Fund, the Securities and Insurance Fund, the Education Enhancement Trust Fund, the Dakota Cement Trust Fund, the South Dakota Gaming Commission Fund, and the Health Care Trust Fund.

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

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

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

	Revenues and Transfers In			Expenditures and Transfers Out		
	General Fund		% of	General Fund		% of
	FY2022	FY2021		Change	FY2022	
Revenue:						
Taxes:						
Sales and Use Tax	\$ 1,369,625	\$ 1,249,111	9.7%			
Contractor's Excise Tax	157,885	146,605	7.7%			
Insurance Company Tax, as restated	94,869	102,298	(7.3)%			
Cigarette Excise Tax	37,784	41,331	(8.6)%			
Bank Tax	51,237	50,146	2.2%			
Tourism Tax	39,438	39,483	(0.1)%			
Alcohol Beverage Tax	22,250	21,387	4.0%			
Mineral Tax	8,581	10,937	(21.5)%			
Other	17,453	15,496	12.6%			
Licenses, Permits, and Fees	14,168	13,311	6.4%			
Fines, Forfeits, and Penalties	675	439	53.8%			
Use of Money and Property	(32,246)	7,725	(517.4)%			
Sales and Services	20,739	20,778	(0.2)%			
Administering Programs		48	(100.0)%			
Unclaimed Property Remittance	52,770	53,003	(0.4)%			
Other Revenue	11,057	16,537	(33.1)%			
Total Revenue, as restated	\$ 1,866,285	\$ 1,788,635	4.3%			
Transfers In:						
South Dakota Lottery Fund	\$ 175,241	\$ 156,540	12.0%			
Securities and Insurance Fund	61,131	58,019	5.4%			
Education Enhancement Trust Fund	25,278	23,674	6.8%			
Dakota Cement Trust Fund	13,982	13,436	4.1%			
South Dakota Gaming Commission Fund	7,712	6,007	28.4%			
Health Care Trust Fund	6,612	5,839	13.2%			
All Other Transfers In	12,654	9,619	31.6%			
Total Transfers In	\$ 302,610	\$ 273,134	10.8%			
Expenditures:						
Current:						
General Government	\$ 79,964	\$ 62,716	27.5%			
Education (all)	921,445	844,518	9.1%			
Health, Human, and Social Services	584,588	491,687	18.9%			
Law, Justice, Public Protection, and Regulation	164,900	127,784	29.1%			
Agriculture and Natural Resources	18,757	18,111	3.6%			
Economic Resources	186,690	31,349	495.5%			
Transportation		22				
State Shared Revenue Paid to Other Governments	57,974	59,598	(2.7)%			
Debt Service:						
Principal and Interest	2,383					
Total Expenditures	\$ 2,016,701	\$ 1,635,785	23.3%			
Transfers Out:						
Railroad Trust	\$ 20,000	\$				
Unified Judicial System	6,000					
Building Authority	3,246	3,249	(0.1)%			
Conservation District	3,000					
Emergency Management	2,947					
Aviation Fund	2,179	695	213.5%			
All Other Transfers Out	7,508	84,436				
Total Transfers Out	\$ 44,880	\$ 88,380	(49.2)%			

The General Fund experienced an increase in revenues of \$77.7 million or 4.3% from the prior fiscal year. A majority of the overall increase is attributed to a \$131.8 million increase in sales, use, and contractor's excise tax (9.4% increase) offset by investment losses of \$32.2 million. The tax increase is due to a steadily expanding South Dakota economy and growing construction activity.

The General Fund total expenditures increased 23.3% from the prior fiscal year. A majority of this \$380.9 million increase was attributed to the following:

- **Economic Resources.** \$150.0 million grant to the South Dakota Housing Development Authority, a discreetly presented component unit of the state, to provide loans and grants for housing infrastructure,
- **Health, Human, and Social Services.** Approximately \$90.0 million increase for the State's matching portion of the increase in federal grant expenditures (see *Social Services Federal fund* discussion below), and
- **Education.** \$50.0 million grant to the South Dakota Community Foundation for the South Dakota Freedom Scholarship Endowment and approximately \$25.0 million increases in support for K-12 and secondary education.

At the end of the fiscal year, the total fund balance of the General Fund was \$983.7 million, an increase of \$119.6 million, or 13.9% from the prior fiscal year.

Significant changes in the General Fund balance include the following:

- Assigned ending fund balance of \$469.1 million increased by \$87.0 million, or 22.8% from the prior fiscal year. Major changes consists of amounts set aside for the following:
 - **Higher Education.** Legislative appropriations to Higher Education, a discreetly presented component unit, of \$30.0 million for cyber security program expansion and \$15.0 million for construction of a biomedical innovation facility.

- *Technical Education.* Legislative appropriations of \$7.5 million for advancing manufacturing laboratory and classroom space, \$5.0 million for agriculture and diesel power laboratory and multi-purpose space, \$4.5 million for a health sciences clinical simulation center.
 - *Law, Justice and Public Protection.* Legislative appropriations of \$5.7 million for a national guard readiness center and \$5.8 million to the South Dakota Ellsworth Development Authority, a discretely presented component unit, for infrastructure improvements and upgrades.
- Unassigned ending fund balance of \$508.9 million increased by \$38.7 million, or 8.2% from the prior fiscal year. Most of the General Fund unassigned fund balance is reserved in the Budget Reserve and the GRRF as previously discussed.

It is important to note that some of this unassigned fund balance has other restricting factors that may limit or decrease its availability for general appropriations because it either has another purpose as intended by state law or has internally imposed limitations. Those limitations on the unassigned fund balance include: \$176.8 million in the Budget Reserve and \$245.8 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, \$104.2 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, \$150.9 million was tax revenue recognized as revenue in the General Fund in fiscal year 2022 for financial reporting purposes, but not distributed on a cash basis to the General Fund until fiscal year 2023. This revenue was budgeted for and will be used in fiscal year 2023 cash basis operations.

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

As a measure of the General Fund's liquidity, it may be useful to compare both the assigned and unassigned fund balances to total fund expenditures. The assigned fund balance represents 23.3% of the total General Fund operating expenditures, while the unassigned fund balance (including the Budget Reserve and GRRF) represents 25.2% of that same amount or 48.5% in total.

Transportation (\$302.9 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 \$302.9 million, an increase of \$51.2 million, or 20.3% from the prior fiscal year.

Total revenues for the Transportation Fund remained relatively unchanged from the prior fiscal year while total expenditures decreased by \$40.9 million, or 5.2%. This decrease is the result of shifting highway construction expenditures from the Transportation fund to the COVID-19 Federal Fund for the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) funding.

Social Services Federal (\$2.6 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, 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 \$2.6 million, relatively unchanged from the prior fiscal year.

Total program revenue of \$797.3 million increased by \$104.5 million, or 15.1% and expenditures of \$802.9 million increased by \$110.3 million, or 15.9% from the prior fiscal year. These increases are predominantly attributed to growth in the utilization of the Medicaid program and small increase in the Federal Medical Assistance Percentage (FMAP) rate.

COVID-19 Federal (\$1.0 million). The COVID-19 Federal fund is a major special revenue fund created in fiscal year 2020 to account for all federal grants received for the COVID-19 pandemic. A large majority of the activity in this fund is South Dakota's allocation of the Coronavirus Relief Fund (CRF) as created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the State Fiscal Recovery Fund (SFRF) as created by the American Rescue Plan Act (ARPA). Other COVID-19 related activity in this fund includes the enhanced FMAP and enhanced Supplemental Nutrition Assistance program (SNAP) from the Families First Coronavirus Response Act, Elementary and Secondary School Emergency Relief (ESSER) funds, and other federal funding sources for pandemic related programs.

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. During fiscal year 2021, the U.S. Department of Treasury began to issue federal guidance for CRF and the State began spending the CRF grant. That spending continued into fiscal year 2022. Additionally, during fiscal year 2022, the State received two cash payments totaling \$975.3 million of SFRF. The State spent only \$3.2 million of the SFRF in fiscal year 2022.

As of June 30, 2022, the COVID-19 Federal fund reported total expenditures of \$591.3 million. Of that, \$103.8 million, or 17.6% were CRF expenditures. Other major expenditures included \$95.6 million (or 16.2%) of enhanced FMAP expenditures, \$64.6 million (or 10.9%) of enhanced SNAP expenditures, and \$57.4 million (or 9.7%) of ESSER expenditures. The remaining \$269.9 million of COVID-19 Federal Fund expenditures included over 75 different federal funding sources.

At the close of the fiscal year, the COVID-19 Federal fund had a fund balance of \$1.0 million. There is \$971.2 million consisting of unearned federal grant revenue. Most of the unearned revenue is for SFRF receipts not yet spent.

Dakota Cement Trust Fund (\$358.7 million). As created in Article XIII, Sections 20 and 21 of the Constitution of the State of South Dakota, this fund consists of the proceeds from the sale of the State Cement Plant and all investment earnings. "Four percent of the lesser of the average market value of the trust fund determined by adding the market value of the trust fund at the end of the sixteen most recent calendar quarters as of December thirty-first of that year and dividing that sum by sixteen, or the market value of the trust fund at the end of that calendar year" shall be transferred to the General Fund in support of education. The Dakota Cement Trust Fund transferred \$14.0 million to the General Fund in fiscal year 2022 and \$13.4 million in fiscal year 2021.

The fund balance in the Dakota Cement Trust Fund at June 30, 2022, was \$358.7 million and is restricted for education. This is a decrease of \$19.9 million from the previous fiscal year. The decrease resulted primarily from net investment losses of \$4.7 million and statutory required transfer to the General Fund of \$14.0 million.

Education Enhancement Trust Fund (\$676.4 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 \$25.3 million to the General Fund in fiscal year 2022 and \$23.7 million in fiscal year 2021.

The fund balance in the Education Enhancement Trust Fund at June 30, 2022 was \$676.4 million, a decrease of \$25.6 million from the prior fiscal year. The decrease resulted from net investment losses of \$9.0 million and the statutory required transfer out to the General Fund of \$25.3 million exceeding the \$10.9 million transfer in from the Tobacco Securitization Fund.

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 2022:

Lottery Fund (\$5.6 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 \$5.6 million, an increase of \$0.2 million in comparison with the prior fiscal year. Pursuant to state law, the State Lottery Fund transferred \$175.2 million to the General Fund, \$2.3 million to the Water and Environment Fund, \$1.4 million to the Transportation Fund, \$0.2 million to the Department of Social Services, and \$0.1 million to the Ethanol Fuel Fund.

The State Lottery produced income (before transfers) in the amount of \$179.4 million on total operating revenue of \$239.5 million, compared to the previous fiscal year's income (before transfers) of \$162.2 million on operating total revenue of \$225.3 million. The State Lottery realized an increase in state share of video lottery net-machine income of \$12.4 million in fiscal year 2022. The continued growth is attributed to the continued investment into the line game terminals.

Clean Water State Revolving Fund (\$267.6 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 \$267.6 million, an increase of \$2.4 million, or 0.9% in comparison to the prior fiscal year. This small increase resulted primarily from a decrease in grants expense offset by changes in federal capitalizations grants.

Drinking Water State Revolving Fund (\$225.3 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 \$225.3 million, an increase of \$8.2 million, or 3.8% in comparison with the prior fiscal year. This increase resulted primarily from operating revenues and federal capitalization grants exceeding operating expenses.

Budgetary Highlights - General Fund

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

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

General Fund The difference between the original and the final budget was a \$244.8 million net increase in appropriations comprised of two separate appropriation types: emergency special appropriations and net general bill adjustment appropriations (both increases and decreases). The net increase was due to actual sales and use tax, contractors excise tax, lottery revenues, and unclaimed property receipts exceeding previous estimates.

Increases to the General Fund Budget

Emergency Specials. During the 2022 Legislative Session, the Legislature approved emergency special appropriations to the General Fund of \$318.1 million in fiscal year 2022. They consisted of the following:

- \$150.0 million was appropriated to the South Dakota Housing Opportunity fund for construction of housing infrastructure.
- \$30.0 million was appropriated to the Higher Education to assist Dakota State University with their cyber program expansion.
- \$25.0 million was appropriated to the Department of Revenue for distributing to county rural access infrastructure funds.
- \$15.0 million was appropriated to the Higher Education for the purpose of providing grant funding for the design and construction of a new biomedical innovation facility on the grounds of the USD Discovery District research park in Sioux Falls.
- \$8.9 million was appropriated to the Department of Education for renovating and modernizing the Cultural Heritage Center.
- \$8.0 million was appropriated to the Department of Social Services for the purpose of providing a grant to assist in the construction of a specialty pediatric hospital.
- \$7.5 million was appropriated to the Board of Technical Education for the purpose of building an advance manufacturing laboratory space and classroom on the campus of Lake Area Technical College.
- \$6.5 million was appropriated to the Office of School and Public Lands to replace the Richmond Lake spillway and general maintenance and repair of other state-owned dams.
- \$6.0 million was appropriated to the Higher Education for contracting the design, renovation, and construction of a multi-purpose facility at the Cottonwood Field Station of the Agricultural Experiment Station, located in Jackson County, South Dakota.
- \$61.2 million total increase in appropriations to various state agencies for other increases.

General Bill Increases. The 2022 Legislature approved general bill adjustments that increased the General Fund original budget by \$7.3 million during fiscal year 2022. This increase consisted of the following:

- \$3.9 million increase in appropriations to the Department of Public Safety for programs in legal and regulatory services and emergency services.
- \$0.7 million increase in appropriations to the Department of Agriculture and Natural Resources related to financial and technical assistance.
- \$0.7 million increase in appropriations to the Department of Game, Fish, and Parks related to the state parks and recreation – development and improvement.
- \$2.0 million total increases in appropriations to various state agencies for other increases.

Decreases to the General Fund Budget

General Bill Decreases. The 2022 Legislature approved general bill adjustments that decreased the General Fund original budget by \$80.6 million during fiscal year 2022. These decreases consisted of the following:

- \$24.5 million decrease in appropriations to the Department of Corrections for programs in inmate services, women's prison, state penitentiary, the state prison, parole services, and the juvenile community corrections.
- \$23.8 million decrease in appropriations to the Department of Social Services for programs in medical services, behavioral health, and children's services.
- \$15.4 million decrease in appropriations to the Department of Human Services for programs in developmental disabilities, the South Dakota development center, long-term services and support, and rehabilitation services.
- \$16.9 million decrease in appropriations to various state agencies for other decreases.

The net effect of the emergency special appropriations and general bill adjustments resulted in a \$244.8 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 \$387.8 million below final budgeted estimates.

CAPITAL ASSETS

Investment in capital assets as of June 30, 2022 is \$4.7 billion (net of accumulated depreciation). This includes: land, land improvements, buildings, equipment, intangible assets, vehicles, infrastructure, right-to-use and construction in progress.

State of South Dakota						
Capital Assets - Primary Government						
(Expressed in Thousands)						
	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Land	\$ 127,054	\$ 125,026	\$ 295	\$ 295	\$ 127,349	\$ 125,321
Land Improvements	93,958	83,391	1,096	1,096	95,054	84,487
Land Improvements - Roads	645,218	639,139			645,218	639,139
Buildings	834,999	787,820	7,819	7,818	842,818	795,638
Equipment	282,768	275,832	3,867	3,576	286,635	279,408
Intangible Assets – Software	120,172	138,168	749	752	120,921	138,920
Vehicles	189,066	191,137			189,066	191,137
Infrastructure	4,662,465	4,475,432			4,662,465	4,475,432
Right-to-Use - Land	28				28	
Right-to-Use - Building	42,006		1,839		43,845	
Right-to-Use - Equipment	154				154	
Construction in Progress	272,613	296,532	1,678	290	274,291	296,822
Total Capital Assets	7,270,501	7,012,477	17,343	13,827	7,287,844	7,026,304
Accumulated Depreciation	(2,582,825)	(2,501,489)	(8,126)	(7,175)	(2,590,951)	(2,508,664)
Total Capital Assets, Net	\$ 4,687,676	\$ 4,510,988	\$ 9,217	\$ 6,652	\$ 4,696,893	\$ 4,517,640

The most significant capital asset the State reported in fiscal year 2022 is infrastructure. Infrastructure assets are long-lived capital assets that are normally stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Infrastructure assets account for \$2.8 billion (net of accumulated depreciation), which is 59.6% of total net capital assets.

The State's Net Investment in Capital Assets (net of accumulated depreciation) increased \$152.2 million or 3.5% 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, 2022, all three rating agencies have reaffirmed South Dakota's AAA (Aaa) ratings with a stable outlook.

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

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

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

On June 30, 2022, 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 did not issue any revenue bonds for the primary government in fiscal year 2022. SDBA issued \$18.4 million of revenue bonds for Higher Education. The proceeds of these bonds were used to fund renovations projects and the refund and defeasance of previously issued bonds.

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 issued \$54.4 million of refunding bonds in fiscal year 2022.

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, 2022, 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.

SDCD did not issue any bonds in fiscal year 2022.

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Revenue Bonds:						
South Dakota Building Authority	\$ 64,912	\$ 69,255	\$	\$	\$ 64,912	\$ 69,255
Educational Enhancement Funding Corporation	43,335	59,614			43,335	59,614
South Dakota Conservancy District			400,989	427,311	400,989	427,311
Notes Payable	102,502	108,922			102,502	108,922
Leases Payable	36,281		1,471		37,752	
Total	\$ 247,030	\$ 237,791	\$ 402,460	\$ 427,311	\$ 649,490	\$ 665,102

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

ECONOMIC CONDITIONS AND OUTLOOK

South Dakota has a strong, growing economy. The state recovered nonfarm employment losses more quickly than the United States, surpassing its February 2020 payroll level in November 2021 – nearly a year before the United States exceeded its February 2020 level. South Dakota nonfarm employment grew at 3.2% in 2021 and is projected to finish 2022 at 2.2%. The unemployment rate in South Dakota remained among the lowest in the nation in fiscal year 2022. The state's unemployment rate was 2.3% in June 2022, while the U.S. unemployment rate was 3.6% the same month. In calendar year 2021, the most recent annual data that is available, South Dakota's personal income grew 7.6%, higher than the U.S. growth rate of 7.5%. South Dakota's per capita personal income for the second quarter of 2022 increased to an annual rate of \$66,122, greater than the United States average of \$64,993. South Dakota's per capita personal income growth from the beginning of 2019 through the second quarter of 2022 leads the nation.

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

REQUESTS FOR INFORMATION

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

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



BASIC FINANCIAL STATEMENTS

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

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

STATE OF SOUTH DAKOTA
STATEMENT OF NET POSITION
June 30, 2022
(Expressed in Thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 2,621,558	\$ 448,453	\$ 3,070,011
Receivables, net	724,229	640,485	1,364,714
Due From Component Units	859	64	923
Due From Primary Government			0
Internal Balances	11,616	(11,616)	0
Investments	1,352,094	211,247	1,563,341
Securities Held as Escheat Property	965		965
Inventory	29,959	2,000	31,959
Other Assets	11,679	434	12,113
Assets Held for Resale		321	321
Restricted Assets:			
Cash and Cash Equivalents	29	215	244
Investments	12,092	267	12,359
Net Pension Asset	152,903	3,674	156,577
Other	7,500	714	8,214
Capital Assets:			
Land and Other Non-depreciable Assets	784,260	295	784,555
Infrastructure, net	2,797,962		2,797,962
Property, Plant, and Equipment, net	796,977	5,786	802,763
Right-to-use Leased Assets, net	35,864	1,458	37,322
Construction in Progress	272,613	1,678	274,291
Total Assets	9,613,159	1,305,475	10,918,634
Deferred Outflows of Resources			
Related to Pensions	210,659	5,052	215,711
Related to Forward Contracts			0
Related to Asset Retirement Obligations			0
Related to Debt Refunding	4,329	5,511	9,840
Total Deferred Outflows of Resources	214,988	10,563	225,551
Liabilities			
Accounts Payable and Other Liabilities	452,067	10,125	462,192
Due To Primary Government			0
Due To Component Units	1,222		1,222
Accrued Interest Payable	1,710	6,877	8,587
Unearned Revenue	1,039,267	2,230	1,041,497
Noncurrent Liabilities:			
Due Within One Year	116,880	28,767	145,647
Due In More Than One Year	315,562	377,395	692,957
Total Liabilities	1,926,708	425,394	2,352,102
Deferred Inflows of Resources			
Related to Pensions	298,297	8,043	306,340
Related to Forward Contracts			0
Related to Gain on Debt Refunding			0
Related to Swaps			0
Related to Leases	1,657	998	2,655
Total Deferred Inflows of Resources	299,954	9,041	308,995
Net Position			
Net Investment in Capital Assets	4,485,267	8,008	4,493,275
Restricted for:			
Education	369,563		369,563
Highways	290,189		290,189
Railroads	76,701		76,701
Law, Justice, Public Protection, and Regulation	27,141		27,141
Agriculture and Natural Resources	97,063		97,063
Game and Fish	5,506		5,506
Parks and Recreation	2,125		2,125
Health and Public Assistance	32,824		32,824
Economic Development	81,261		81,261
Debt Service	30,775		30,775
Capital Projects	312		312
HOME and NSP Program			0
Energy Conservation Programs	12,045		12,045
Higher Education - Expendable			0
Higher Education - Nonexpendable			0
Funds Held as Permanent Investments:			
Expendable	311,852		311,852
Nonexpendable	638,228		638,228
Pensions	65,265	683	65,948
Disaster Relief Fund		10,497	10,497
Experiments			0
Mine Closure			0
Sanford Center for Science Education			0
Other Purposes	11,029	2,369	13,398
Unrestricted	1,064,339	860,046	1,924,385
Net Position	\$ 7,601,485	\$ 881,603	\$ 8,483,088

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

Component Units			
Housing Authority	Science and Technology Authority	Higher Education	Nonmajor
\$ 574,683	\$ 17,195	\$ 346,583	\$ 19,224
350,152	2,428	146,829	10,110
		1,222	
1,110,542		761,327	708
5,759	3,648	7,800	
88	9,904	43,272	75
			531
		39,354	6,943
		55,419	
1,283	4,731	103,354	
		16,614	
220	19,931	46,878	653
4,410	70,350	1,321,662	17,818
		4,258	
	4,119	58,244	8,521
<u>2,047,137</u>	<u>132,306</u>	<u>2,952,816</u>	<u>64,583</u>
1,760	6,513	142,067	
66			
2,183	1,130	13,874	
<u>4,009</u>	<u>7,643</u>	<u>155,941</u>	<u>0</u>
2,865	2,003	55,867	1,656
108		815	
4,732		3,001	153
112,755		93,410	1,395
22,215	782	90,490	2,778
1,241,283	7,912	556,318	25,414
<u>1,383,958</u>	<u>10,697</u>	<u>799,901</u>	<u>31,396</u>
2,493	9,300	199,689	
88			
9,806		881	
14,615			
<u>27,002</u>	<u>9,300</u>	<u>200,570</u>	<u>0</u>
(1,224)	94,400	949,224	9,907
386,727		3,233	5,000
84,890			
		327,254	
		598,761	
550	1,944	45,732	
	745		
	1,568		
	526		
169,243	7,500		
	13,269	184,082	18,280
<u>\$ 640,186</u>	<u>\$ 119,952</u>	<u>\$ 2,108,286</u>	<u>\$ 33,187</u>

STATE OF SOUTH DAKOTA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 248,754	\$ 278,558	\$ 8,586	\$
Education	379,799	8,094	293,720	
Education - State Support to Higher Education	242,751			
Health, Human, and Social Services	1,976,809	39,311	1,396,575	1,065
Law, Justice, Public Protection, and Regulation	301,083	112,366	70,968	
Agriculture and Natural Resources	157,552	95,757	45,311	
Economic Resources	200,463	210	5,316	
Transportation	649,898	16,496	485,550	2,721
Pandemic Response	329,736		329,731	
Intergovernmental - Payments to School Districts	595,640			
Intergovernmental - Revenue Sharing	236,275			
Unallocated Interest Expense	9,045			
Unallocated Depreciation	53			
Total Governmental Activities	5,327,858	550,792	2,635,757	3,786
Business-type Activities:				
Lottery	59,729	239,600	(461)	
Clean Water State Revolving	15,008	8,090	9,385	
Drinking Water State Revolving	11,024	5,264	13,968	
Revolving Economic Development and Initiative	166	539	(2,487)	
Unemployment Insurance	22,686	40,876	4,589	
Second Injury	185		(49)	
State Fair	3,804	3,402	103	
Federal Surplus Property	2,023	1,945	(18)	
Rural Rehabilitation	5	160	22	
Prison Industries	4,255	4,249	(17)	
S.D. Trust Company Captive Insurance Co.	27	(64)	(33)	
Professional and Licensing	9,325	9,580	(327)	
Banking and Insurance	5,148	5,593	(269)	
Other	3,477	3,320	(49)	
Total Business-type Activities	136,862	322,554	24,357	0
Total Primary Government	\$ 5,464,720	\$ 873,346	\$ 2,660,114	\$ 3,786
Component Units:				
Housing Authority	\$ 112,577	\$ 16,337	\$ 129,582	\$
Science and Technology Authority	33,698	885	38,477	3,980
Higher Education	800,035	425,644	193,105	4,071
Nonmajor	5,807	5,387	260	8,103
Total Component Units	\$ 952,117	\$ 448,253	\$ 361,424	\$ 16,154

General Revenues:

Taxes:

Sales Taxes
Motor Fuel Taxes

Contractors Excise Taxes

Bank Card and Franchise Taxes

Other Taxes

Unrestricted Investment and Interest Earnings

State Support to Higher Education

Gain on Sale of Capital Assets

Miscellaneous

Additions to Endowments

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
\$ 38,390	\$	\$ 38,390				
(77,985)		(77,985)				
(242,751)		(242,751)				
(539,858)		(539,858)				
(117,749)		(117,749)				
(16,484)		(16,484)				
(194,937)		(194,937)				
(145,131)		(145,131)				
(5)		(5)				
(595,640)		(595,640)				
(236,275)		(236,275)				
(9,045)		(9,045)				
(53)		(53)				
(2,137,523)	0	(2,137,523)				
	179,410	179,410				
	2,467	2,467				
	8,208	8,208				
	(2,114)	(2,114)				
	22,779	22,779				
	(234)	(234)				
	(299)	(299)				
	(96)	(96)				
	177	177				
	(23)	(23)				
	(124)	(124)				
	(72)	(72)				
	176	176				
	(206)	(206)				
0	210,049	210,049				
(2,137,523)	210,049	(1,927,474)				
			\$ 33,342	\$ 9,644	\$ (177,215)	\$ 7,943
			33,342	9,644	(177,215)	7,943
1,376,152		1,376,152				
199,880		199,880				
147,888		147,888				
50,949		50,949				
466,058		466,058				
(59,783)		(59,783)		171	44,123	(189)
		0			242,751	
5,352		5,352				90
77,023		77,023				
		0			43,084	
(5,289)		(5,289)				
180,436	(180,436)	0				
2,438,666	(180,436)	2,258,230	0	171	329,958	(99)
301,143	29,613	330,756	33,342	9,815	152,743	7,844
7,300,342	851,990	8,152,332	606,844	110,137	1,955,543	25,343
\$ 7,601,485	\$ 881,603	\$ 8,483,088	\$ 640,186	\$ 119,952	\$ 2,108,286	\$ 33,187

STATE OF SOUTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022
(Expressed in Thousands)

	General Fund	Transportation	Social Services Federal	COVID-19 Federal	Dakota Cement Trust	Education Enhancement Trust	Nonmajor	Total
Assets								
Cash and Cash Equivalents	\$ 918,105	\$ 225,323	\$	\$ 970,836	\$ 10	\$ 2,720	\$ 418,568	\$ 2,535,562
Restricted Cash							29	29
Investments					358,179	698,185	295,730	1,352,094
Restricted Investments							12,092	12,092
Restricted Other Assets							7,500	7,500
Securities Held as Escheat Property	965							965
Receivables from:								
Taxes, net	247,604	18,406					2,785	268,795
Interest and Dividends	9,871	595	2	50	455	1,147	1,435	13,555
Other Funds	78,444	5,244	5				12,382	96,075
Component Units	88						14	102
Other Governments	1,884	105,752	29,510	39,660			126,447	303,253
Loans and Notes, net	148	6,168					67,042	73,358
Other, net	13,855	1,166	15,958	1,914	7	10	27,589	60,499
Inventory	2,405	22,563	7	831			3,468	29,274
Other Assets	3,206	234	1,301	212			1,016	5,969
Total Assets	\$ 1,276,575	\$ 385,451	\$ 46,783	\$ 1,013,503	\$ 358,651	\$ 702,062	\$ 976,097	\$ 4,759,122
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts Payable and Other Liabilities Payable to:	\$ 164,708	\$ 74,968	\$ 41,910	\$ 10,543	\$	\$ 360	\$ 65,874	\$ 358,363
Other Funds	6,741	2,143	1,725	411		25,278	55,917	92,215
Component Units	85	48	147	102			773	1,155
Other Governments	33,252	2,696	87	30,163			70,175	136,373
Claims, Judgments, and Compensated Absences	266	24	14				71	375
Unearned Revenue	48,235	2,626	308	971,235			15,017	1,037,421
Total Liabilities	253,287	82,505	44,191	1,012,454	0	25,638	207,827	1,625,902
Deferred Inflows of Resources:								
Related to Leases	144						1,513	1,657
Unavailable Revenue	39,447						18,521	57,968
Total Deferred Inflows of Resources	39,591	0	0	0	0	0	20,034	59,625
Fund Balances:								
Nonspendable	5,611	22,797	1,308	1,043		431,660	210,070	672,489
Restricted		280,149		6	358,651	244,764	470,381	1,353,951
Committed							63,281	63,281
Assigned	469,146		1,284				17,385	487,815
Unassigned	508,940						(12,881)	496,059
Total Fund Balances	983,697	302,946	2,592	1,049	358,651	676,424	748,236	3,073,595
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,276,575	\$ 385,451	\$ 46,783	\$ 1,013,503	\$ 358,651	\$ 702,062	\$ 976,097	\$ 4,759,122

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, 2022
(Expressed in Thousands)**

Total Fund Balances - Governmental Funds		\$ 3,073,595
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds. These assets consist of:		
Land and Construction in Progress	\$ 1,056,705	
Infrastructure	4,662,465	
Right-to-use Assets	39,257	
Other Capital Assets	1,400,161	
Accumulated Depreciation	(2,506,776)	
Total Capital Assets	<u>4,651,812</u>	4,651,812
Net pension asset used in governmental activities is not a financial resource and is therefore not reported in the governmental funds.		
		141,716
Deferred outflows of resources are not reported in the governmental funds:		
Related to Pension	195,291	
Related to Debt Refunding	4,329	
Total Deferred Outflows of Resources	<u>199,620</u>	199,620
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.		
		60,748
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	(198,996)	
Accrued Interest on Bonds, Leases, and Notes	(1,707)	
Leases	(33,612)	
Compensated Absences	(63,335)	
Pollution Remediation	(12,535)	
Total Long-Term Liabilities	<u>(310,185)</u>	(310,185)
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	57,968	
Related to Pensions	(273,789)	
Total Deferred Inflows of Resources	<u>(215,821)</u>	(215,821)
Net Position of Governmental Activities		<u>\$ 7,601,485</u>

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

**STATE OF SOUTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	General Fund	Transportation	Social Services Federal	COVID-19 Federal	Dakota Cement Trust	Education Enhancement Trust	Nonmajor	Total
Revenue:								
Taxes	\$ 1,799,122	\$ 348,597	\$	\$	\$	\$	\$ 121,686	\$ 2,269,405
Licenses, Permits, and Fees	14,168	12,557					325,332	352,057
Fines, Forfeits, and Penalties	675						22,161	22,836
Use of Money and Property	(32,246)	(5,162)	(9)	(423)	(4,722)	(8,986)	(5,219)	(56,767)
Sales and Services	20,739	694					23,667	45,100
Administering Programs		436,051	790,608	591,327			818,623	2,636,609
Tobacco Settlement							22,549	22,549
Other Revenue	63,827	1,521	6,750	1,296			17,485	90,879
Total Revenue	1,866,285	794,258	797,349	592,200	(4,722)	(8,986)	1,346,284	5,382,668
Expenditures:								
Current:								
General Government	79,964			1,444	1,165	2,234	42,272	127,079
Education	83,054			43,347			252,416	378,817
Education - Payments to School Districts	595,640							595,640
Education - State Support to Higher Education	242,751							242,751
Health, Human, and Social Services	584,588		802,073	156,899			482,415	2,025,975
Law, Justice, Public Protection, and Regulation	164,900	20,115		330			132,379	317,724
Agriculture and Natural Resources	18,757			1,637			160,181	180,575
Economic Resources	186,690			395			13,474	200,559
Transportation		725,095		57,534			2,085	784,714
Pandemic Response				329,736				329,736
State Shared Revenue Paid to								
Other Governments	57,974						178,301	236,275
Debt Service:								
Principal	2,124	36	671	5			20,215	23,051
Interest	259	1	111	1			7,782	8,154
Bond Issuance Costs							1,289	1,289
Payment to Refunded Bond Escrow Agent							7,319	7,319
Payment on Current Note Refunding							43,006	43,006
Total Expenditures	2,016,701	745,247	802,855	591,328	1,165	2,234	1,343,134	5,502,664
Excess of Revenues Over (Under) Expenditures	(150,416)	49,011	(5,506)	872	(5,887)	(11,220)	3,150	(119,996)
Other Financing Sources (Uses):								
Lease Issuance	12,152	68	5,231	21			21,783	39,255
Proceeds from Sale of Capital Assets	150	3,288					860	4,298
Insurance Proceeds		352					2,063	2,415
Issuance of Refunding Bonds							54,370	54,370
Issuance of Refunding Notes							44,065	44,065
Payment to Refunded Bond Escrow Agent							(53,361)	(53,361)
Transfers In	302,610	6,454	33			10,896	61,861	381,854
Transfers Out	(44,880)	(7,977)	(160)	(1,436)	(13,982)	(25,278)	(110,727)	(204,440)
Net Other Financing Sources (Uses)	270,032	2,185	5,104	(1,415)	(13,982)	(14,382)	20,914	268,456
Net Change in Fund Balances	119,616	51,196	(402)	(543)	(19,869)	(25,602)	24,064	148,460
Fund Balances at Beginning of Year, as restated	864,081	251,750	2,994	1,592	378,520	702,026	724,172	2,925,135
Fund Balances at End of Year	\$ 983,697	\$ 302,946	\$ 2,592	\$ 1,049	\$ 358,651	\$ 676,424	\$ 748,236	\$ 3,073,595

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, 2022
(Expressed in Thousands)

Net Change in Fund Balances - Governmental Funds **\$ 148,460**

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	\$ 338,980	
Depreciation Expense	(134,958)	
Excess of Capital Outlay Over Depreciation Expense		204,022

The net effect of various miscellaneous transactions involving capital assets, including sales, donations, and trade-ins, is to decrease net position. (23,564)

Leases entered into during the fiscal year are reported as other financing sources in the governmental funds. However, it is not reported in the Statement of Activities as it is shown as an increase in long-term liabilities in the Statement of Net Position. (39,255)

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	75,628	
Note Principal Retirement	45,461	
Lease Principal Retirement	5,648	
Total Long-Term Debt Repayment		126,737

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. (16,412)

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. (29,612)

The issuance of debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are recognized in future periods in the Statement of Activities.

Bonds Issued	(54,370)	
Notes Issued	(44,065)	
Bond Refunding Costs	(725)	
Bond Premium	432	
Total Amounts Related to Bond Issuance		(98,728)

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	367	
(Increase) Decrease in Compensated Absences	(1,662)	
(Increase) Decrease in Net Pension Costs	36,454	
(Increase) Decrease in Pollution Remediation	(375)	
Total Additional Expenditures		34,784

Special Item - Impairment of Capital Asset (5,289)

Change in Net Position of Governmental Activities **\$ 301,143**

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, 2022
(Expressed in Thousands)

Assets	Business-type Activities - Enterprise Funds					Governmental Activities
	Major				Total	Internal Service Funds
	Lottery	Clean Water State Revolving	Drinking Water State Revolving	Nonmajor		
Current Assets:						
Cash and Cash Equivalents	\$ 12,715	\$ 82,372	\$ 20,319	\$ 333,047	\$ 448,453	\$ 85,996
Receivables:						
Interest and Dividends	49	3,311	1,885	396	5,641	246
Other Funds				263	263	9,466
Component Units				64	64	757
Other Governments		1,603	829	249	2,681	163
Loans, Notes, and Leases, net		23,028	9,891	6,143	39,062	
Other, net	6,773			13,418	20,191	4,086
Investments		50,402	4,924		55,326	
Inventory				2,000	2,000	685
Other Assets				434	434	5,710
Total Current Assets	19,537	160,716	37,848	356,014	574,115	107,109
Assets Held for Resale				321	321	
Restricted Assets:						
Restricted Cash	215				215	
Restricted Investments	267				267	
Net Pension Asset	509	84	141	2,940	3,674	11,187
Other	714				714	
Investments		96,042	59,879		155,921	
Capital Assets:						
Land and Other Non-depreciable Assets				295	295	
Property, Plant, and Equipment	1,713			11,819	13,532	108,815
Right-to-use Leased Assets	513			1,326	1,839	2,931
Accumulated Depreciation	(1,619)			(6,508)	(8,127)	(76,050)
Construction in Progress				1,678	1,678	168
Total Capital Assets	607	0	0	8,610	9,217	35,864
Other Noncurrent Assets		329,361	213,732	29,774	572,867	
Total Assets	21,849	586,203	311,600	397,659	1,317,311	154,160
Deferred Outflows of Resources						
Related to Pensions	699	114	190	4,049	5,052	15,368
Related to Debt Refunding		4,447	1,064		5,511	
Total Deferred Outflows of Resources	699	4,561	1,254	4,049	10,563	15,368
Liabilities						
Current Liabilities:						
Accounts Payable and Other Liabilities	3,186	228	265	5,086	8,765	7,647
Payable to:						
Other Funds	11,512	1	2	339	11,854	1,531
Component Units					0	67
Other Governments				1,126	1,126	
Escrow Payable	216				216	
Bonds, Notes, and Leases Payable	106	18,606	8,766	249	27,727	4,246
Claims, Judgments, and Compensated Absences	153	18	31	838	1,040	21,363
Accrued Interest Payable	1	5,408	1,467	1	6,877	3
Unearned Revenue	239			1,991	2,230	1,846
Total Current Liabilities	15,413	24,261	10,531	9,630	59,835	36,703
Noncurrent Liabilities:						
Bonds, Notes, and Leases Payable	288	298,652	74,965	828	374,733	10,175
Claims, Judgments, and Compensated Absences	133	16	27	708	884	37,335
Other Noncurrent Liabilities		34	1,744		1,778	59
Total Noncurrent Liabilities	421	298,702	76,736	1,536	377,395	47,569
Total Liabilities	15,834	322,963	87,267	11,166	437,230	84,272
Deferred Inflows of Resources						
Related to Pensions	1,114	184	308	6,437	8,043	24,508
Related to Leases				998	998	
Total Deferred Inflows of Resources	1,114	184	308	7,435	9,041	24,508
Net Position						
Net Investment in Capital Assets	214			7,794	8,008	21,438
Restricted for:						
Disaster Relief Fund				10,497	10,497	
Pensions	94	14	23	552	683	2,047
Other	714			1,655	2,369	
Unrestricted	4,578	267,603	225,256	362,609	860,046	37,263
Total Net Position	\$ 5,600	\$ 267,617	\$ 225,279	\$ 383,107	\$ 881,603	\$ 60,748

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, 2022
(Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental
	Major				Total	Internal
	Lottery	Clean Water State Revolving	Drinking Water State Revolving	Nonmajor		Service Funds
Operating Revenue:						
Licenses, Permits, and Fees	\$ 1,535	\$	\$	\$ 18,011	\$ 19,546	\$
Use of Money and Property		5,709	4,189	1,503	11,401	9
Sales and Services	237,925	2,381	1,075	8,518	249,899	253,400
Administering Programs				1,105	1,105	
Assessments				40,876	40,876	
Other Revenue	5			679	684	5,460
Total Operating Revenue	239,465	8,090	5,264	70,692	323,511	258,869
Operating Expenses:						
Personal Services and Benefits	2,064	360	571	13,231	16,226	45,888
Travel	174	10	9	879	1,072	779
Contractual Services	13,006	630	942	8,717	23,295	62,957
Supplies and Materials	1,152	3	3	4,673	5,831	14,669
Grant and Other	218	3,599	6,018	264	10,099	19
Interest		10,372	3,200		13,572	533
Provision for Loan Loss (Recovery)				(622)	(622)	
Depreciation/Amortization	166			905	1,071	6,487
Lottery Prizes	42,934				42,934	
Insurance Claims				22,858	22,858	145,034
Total Operating Expenses	59,714	14,974	10,743	50,905	136,336	276,366
Operating Income (Loss)	179,751	(6,884)	(5,479)	19,787	187,175	(17,497)
Nonoperating Revenue (Expenses):						
Gain on Disposal of Assets				13	13	644
Loss on Disposal of Assets				(12)	(12)	(278)
Investment Income	(461)	3,614	2,803	225	6,181	(2,431)
Other Expense	(15)	(34)	(281)	(184)	(514)	(17)
Grant and Other Income	135	5,771	11,165	135	17,206	138
Total Nonoperating Revenue (Expenses)	(341)	9,351	13,687	177	22,874	(1,944)
Income (Loss) Before Capital Contributions and Transfers	179,410	2,467	8,208	19,964	210,049	(19,441)
Transfers:						
Capital Contributions					0	7
Transfers In				93	93	3,031
Transfers Out	(179,250)	(34)	(52)	(1,193)	(180,529)	(9)
Net Transfers	(179,250)	(34)	(52)	(1,100)	(180,436)	3,029
Change in Net Position	160	2,433	8,156	18,864	29,613	(16,412)
Net Position at Beginning of Year	5,440	265,184	217,123	364,243	851,990	77,160
Net Position at End of Year	\$ 5,600	\$ 267,617	\$ 225,279	\$ 383,107	\$ 881,603	\$ 60,748

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, 2022
(Expressed in Thousands)**

	Business-type Activities - Enterprise Funds					Governmental Activities
	Lottery	Major Clean Water State Revolving	Drinking Water State Revolving	Nonmajor	Total	Internal Service Funds
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 239,346	\$ 2,110	\$ 1,059	\$ 61,960	\$ 304,475	\$ 87,720
Receipts from Interfund Services Provided				3,783	3,783	164,269
Receipts from Federal Agencies				5,347	5,347	
Receipts from Loan Payments		44,558	14,949	11,488	70,995	
Payments to Suppliers and for Benefits and Claims	(13,471)	(3,094)	(1,639)	(34,817)	(53,021)	(219,372)
Payments for Employee Services	(2,064)	(337)	(511)	(13,055)	(15,967)	(45,507)
Payments for Interfund Services Used	(825)			(3,169)	(3,994)	(10,079)
Payments for Lottery Prizes	(46,125)				(46,125)	
Payments for Principal Forgiveness		(1,630)	(5,295)		(6,925)	
Payments for Loans Originated		(66,135)	(40,729)	(2,239)	(109,103)	
Other Receipts (Payments)	97	(3)	(3)	133	224	12,455
Net Cash Provided (Used) by Operating Activities	176,958	(24,531)	(32,169)	29,431	149,689	(10,514)
Cash Flows from Capital and Related Financing Activities:						
Purchases of Capital Assets	(218)			(202)	(420)	(8,600)
Construction in Progress				(1,388)	(1,388)	
Sale or Disposition of Capital Assets				30	30	4,256
Payments for Lease, Notes, and Installment Obligations				(654)	(654)	(6,069)
Net Cash Provided (Used) by Capital and Related Financing Activities	(218)	0	0	(2,214)	(2,432)	(10,413)
Cash Flows from Noncapital Financing Activities:						
Transfers In				210	210	3,290
Transfers Out	(176,029)	(34)	(52)	(1,323)	(177,438)	(268)
Principle Payments on Bonds and Notes		(14,685)	(7,740)		(22,425)	
Interest Payments on Bonds and Notes		(13,271)	(3,653)		(16,924)	
Receipts for Administering Program		5,346	10,856		16,202	
Services Provided to Others				(176)	(176)	
Grants and Other Noncapital Financing Activities		211	103	(814)	(500)	138
Net Cash Provided (Used) by Noncapital Financing Activities	(176,029)	(22,433)	(486)	(2,103)	(201,051)	3,160
Cash Flows from Investing Activities:						
Investment Income	(475)	3,681	2,770	152	6,128	(2,456)
Investment Expense	(3)			(22)	(25)	(27)
Purchase of Investment Securities		(95,738)	(17,227)		(112,965)	
Proceeds from the Sale and Maturity of Investments		111,455	29,145	10	140,610	
Net Cash Provided (Used) by Investing Activities	(478)	19,398	14,688	140	33,748	(2,483)
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	233	(27,566)	(17,967)	25,254	(20,046)	(20,250)
Cash and Cash Equivalents at Beginning of Year	12,697	109,938	38,286	307,793	468,714	106,246
Cash and Cash Equivalents at End of Year	\$ 12,930	\$ 82,372	\$ 20,319	\$ 333,047	\$ 448,668	\$ 85,996

Continued on next page

STATE OF SOUTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental
	Major				Total	Internal Service Funds
	Lottery	Clean Water State Revolving	Drinking Water State Revolving	Nonmajor		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 179,751	\$ (6,884)	\$ (5,479)	\$ 19,787	187,175	\$ (17,497)
Adjustments to Reconcile Operating Income (Loss):						
Depreciation/Amortization Expense	166			905	1,071	6,487
Interest Expense		10,372	3,200		13,572	549
Miscellaneous Nonoperating Items	137				137	
Decrease/(Increase) in Assets:						
Accounts Receivable	(183)			(3,255)	(3,438)	3,229
Bonds and Notes Receivable		(27,286)	(29,969)	8,188	(49,067)	
Due From Other Funds				20	20	(701)
Due From Component Units				(36)	(36)	(29)
Due From Other Governments		(271)	(17)	4,559	4,271	42
Inventory				(412)	(412)	113
Other Assets				(175)	(175)	(113)
Other Restricted Assets	(34)				(34)	
Restricted Net Pension Asset	(506)	(83)	(140)	(2,923)	(3,652)	(11,126)
Decrease/(Increase) in Deferred Outflows of Resources:						
Deferred Outflows - Related to Pensions	(233)	(34)	(63)	(1,280)	(1,610)	(5,156)
Increase/(Decrease) in Liabilities:						
Accounts Payable	(3,145)	(495)	27	(598)	(4,211)	876
Accrued Liabilities	11	13	24	192	240	142
Compensated Absences Payable	(14)	18	42	123	169	162
Due To Other Funds	(4)			(73)	(77)	346
Due To Component Units						23
Due To Other Governments	(6)			3	(3)	(62)
Unearned Revenue	30			45	75	(785)
Escrow Payable	25			1	26	
Policy Claim Liabilities						(3,246)
Other Liabilities	222			152	374	
Increase/(Decrease) in Deferred Inflows of Resources:						
Deferred Inflows - Related to Pensions	741	119	206	4,208	5,274	16,232
Net Cash Provided (Used) by Operating Activities	\$ 176,958	\$ (24,531)	\$ (32,169)	\$ 29,431	\$ 149,689	\$ (10,514)
Noncash Investing, Capital, and Financing Activities:						
Gain (Loss) on Disposal of Capital Assets	\$	\$	\$	\$	\$	\$ 556
Transfers In (Out) of Capital Assets						7
Lease Obligations Entered Into	513			1,347	1,860	2,930

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, 2022
(Expressed in Thousands)

Assets	South Dakota Retirement System Pension Trust Fund	Private Purpose Trust Funds	Custodial Funds
Cash and Cash Equivalents	\$ 9,928	\$ 894	\$ 26,794
Receivables:			
Employer	3,067		
Employee	3,178		
Benefits	147		
Unsettled Investment Sales	7,326		
Taxes Receivable, net			58,940
Due From Other Funds			113
Investment Income	37,171	374	
Other		39	1,300
Total Receivables	50,889	413	60,353
Investments, at Fair Value:			
Fixed Income	6,037,374		
Equities	4,850,942		
Real Estate	1,624,060		
Private Equity	1,549,402		
Pooled Investment Funds		297,618	
Total Investments	14,061,778	297,618	0
Due From Brokers - Futures Transactions	16,469		
Properties, at Cost	2,078	14,213	
Accumulated Depreciation	(1,380)		
Other Assets	21	12	
Total Assets	14,139,783	313,150	87,147
Liabilities			
Payables:			
Accounts Payable and Other Liabilities	3,014	25	5,036
Due To Other Funds	95	29	193
Due To Other Governments			65,917
Compensated Absences Payable	435		
Unsettled Investment Purchases	10,169		
Total Liabilities	13,713	54	71,146
Net Position			
Restricted for Pension Benefits	14,126,070		
Restricted for Others		313,096	16,001
Total Net Position	\$ 14,126,070	\$ 313,096	\$ 16,001

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, 2022
(Expressed in Thousands)

Additions	South Dakota Retirement System Pension Trust Fund	Private Purpose Trust Funds	Custodial Funds
Contributions:			
Employee	\$ 143,042	\$	\$
Employer	143,271		
From Clients and Inmates		539	
Other		4,483	
Total Contributions	286,313	5,022	0
Investment Income:			
<i>From Investing Activities</i>			
Net Increase (Decrease) in Fair Value of Investments	(301,301)	(4,990)	
Interest	81,243		
Dividends	149,775		
Real Estate	30,469	237	
Pooled Interest and Dividends		1,716	
Total Investment Activity Income	(39,814)	(3,037)	0
Less Investment Activity Expenses	(52,167)		
Net Investment Income (Loss)	(91,981)	(3,037)	0
<i>From Security Lending Activities</i>			
Securities Lending Income	631	2	
Securities Lending Expenses	(189)		
Tax and Fee Collections for Other Governments			530,793
Child Support Collections			113,527
Collections from Defendants and Inmates			26,667
Collections for Other Governments			33,701
Collections from Participants			2,963
Assessments			14,665
Miscellaneous Income		31	
Total Additions	194,774	2,018	722,316
Deductions			
Benefits	665,067		
Refunds of Contributions	30,973		
Distribution to School Districts		9,840	
Tax and Fee Distributions to Other Governments			530,793
Child Support Distributions			113,527
Payments Made for Custodial or Trust Purposes		582	16,462
Payments Made to Other Governments			41,276
Forfeiture Returns			7,301
Required Distributions			10,650
Administrative Expenses	4,862	10	
Total Deductions	700,902	10,432	720,009
Change in Net Position	(506,128)	(8,414)	2,307
Net Position at Beginning of Year	14,632,198	321,510	13,694
Net Position at End of Year	\$ 14,126,070	\$ 313,096	\$ 16,001

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



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 50

- A. Basis of Presentation..... 50
- B. Reporting Entity 50
- C. Government-wide and Fund Financial Statements 54
- D. Measurement Focus, Basis of Accounting and Financial Statement Presentation 54
- E. Budgetary Accounting 56
- F. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources
and Net Position/Fund Balance 57
- G. Compensated Absences 60
- H. Lottery Security Deposits..... 60
- I. Interfund Activity and Balances 61
- J. Pensions 61

2. ACCOUNTING CHANGES, RESTATEMENTS, AND RECLASSIFICATIONS..... 61

3. CASH, DEPOSITS, AND INVESTMENTS 63

4. DISAGGREGATION OF RECEIVABLES AND PAYABLES..... 79

5. INTERFUND TRANSACTIONS 80

6. CAPITAL ASSETS 81

7. RETIREMENT PLANS..... 84

8. FUND BALANCES AND NET POSITION 89

9. COMMITMENTS 92

10. SELF-INSURANCE..... 95

11. LONG-TERM LIABILITIES 98

12. FUNCTIONAL DISTRIBUTION OF HIGHER EDUCATION OPERATING EXPENSES 113

13. POSTSECONDARY TECHNICAL INSTITUTE SYSTEM 113

14. TAX ABATEMENTS 114

15. RELATED PARTY TRANSACTIONS 114

16. SUBSEQUENT EVENTS 116

17. CONTINGENCIES AND LITIGATION 116

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

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

Blended Component Units

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

The State's blended component units are:

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

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

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

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

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

Discretely Presented Component Units

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

The State's major discretely presented component units are:

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

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

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

Included in the balances and operating results for Higher Ed are six foundations that contribute financially to the six state public universities through fundraising. The foundations include Black Hills State University Foundation, Dakota State University Foundation, Northern State University Foundation, South Dakota School of Mines and Technology 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 Ellsworth Development Authority (EDA) was established by the Legislature under Chapter 01-16J of the South Dakota Codified Law for the purpose of protecting and promoting the economic impact of Ellsworth Air Force Base and associated industry. Payments of the principal of, or interest on, the bonds, notes, instruments, or obligations issued by EDA shall not be deemed to constitute a debt, liability, or obligation of the State. Because the State appoints a voting majority of the board and a financial benefit/burden relationship exists, but does not meet the GASB's criteria for blending, EDA is considered a discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness.

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

The South Dakota Property and Casualty Captive Insurance Company, LLC (The Property Captive), a nonprofit limited liability company, was established September 14, 2015, to provide property, including content, business income, and extra expense coverage on the State's buildings, including Higher Education buildings. Because the State appoints a voting majority of the board and is able to impose its will over The Property Captive

but does not meet the GASB's criteria for blending, The Property Captive is considered a discretely presented component unit of the State. This financial presentation does not change the legal liability of the indebtedness. The Property Captive has a fiscal year end of December 31.

Fiduciary Component Unit

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

The State's one fiduciary component unit is:

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

Related Organizations

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

Separately Issued Financial Statements

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

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

Higher Education does not have separately issued financial statements.

C. Government-wide and Fund Financial Statements

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

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

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

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

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation***Government-wide Financial Statements***

The Statement of Net Position and Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the State receives value without directly giving equal value in exchange, include taxes, grants, and donations. Tax revenue is recognized in the fiscal year in which the related sales, income, or activity being taxed occurred. At June 30, 2022, there was \$42.2 million of bank tax receipts that were not recognizable in the State's financial statements because a reasonable estimate was unable to be determined for how much is considered measurable. Revenue from grants and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements

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

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

Proprietary, Fiduciary, and Similar Component Units Financial Statements

The financial statements of the proprietary funds, fiduciary funds, and similar component units are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the Government-wide Financial

Statements described above. Proprietary funds include both enterprise and internal service fund types.

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

Financial Statement Presentation

The State reports the following major governmental funds:

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

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

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

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

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

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

The State reports the following major proprietary funds:

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

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

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

In addition, the State reports the following fund types:

Governmental Funds:

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

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

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

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

Proprietary Funds:

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

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

Fiduciary Funds:

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

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

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

E. Budgetary Accounting

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

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

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

The State’s annual budget is prepared on the cash basis of accounting. Encumbrance accounting is utilized to reserve a portion of the budget to future periods for payment of purchase orders, contracts, and other commitments. Encumbrances at June 30, 2022, totaled \$72.5 million. The encumbrance amount is broken down by major fund and nonmajor fund below (Expressed in Thousands):

<u>Fund</u>	<u>Amount Encumbered</u>
Major Funds:	
General Fund	\$ 31,444
Transportation	8,453
COVID-19 Federal	490
Non-Major Funds:	
Non-Major Funds Total	32,082
Total	\$ 72,469

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, 2022. 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, 2022, the commodities inventory was reported in the amount of \$0.7 million.

Capital Assets

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

All land is capitalized regardless of cost. Land improvements are capitalized when the cost of the improvement is \$50,000 or more. Buildings and building improvements are capitalized when the cost is \$100,000 or more. Equipment is capitalized when the cost of individual items is \$5,000 or more. Infrastructure assets are capitalized when the cost of

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

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

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

The State owns works of art and historical treasures that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Works of art and historical treasures include items such as statues, monuments, historical documents, paintings, artifacts, etc. Higher Education, a business-type activity discretely presented component unit, adopted the State's policy on capitalizing historical treasures and collections. The exceptions to this policy are the Memorial Art Center Collection at the South Dakota State University and the Oscar Howe paintings collection at the University of South Dakota. The collections are valued at the historical cost or estimated fair market value at the time of donation. The reported capitalized value of these collections was \$10.3 million, as of June 30, 2022. All proceeds from the sale of items within these collections will be used to acquire other items for the collections.

Leases

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

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

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

Lessee

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

Lessor

On a more limited basis, the State also serves as a lessor providing leases of state-owned assets. The financial statements recognize a lease receivable and a deferred inflow of resources, based on the present value of the future

lease payments expected to be received during noncancellable period of the lease contract, and the deferred inflow of resources is amortized evenly over the life of the lease. The lease receivable is reduced by the principal portion of the fixed lease payments received.

Leases Receivable

During the fiscal year, the State had 18 lessor lease agreements for the use of land, buildings, and equipment. The terms of these lease agreements range between 1 and 20 years with a weighted average interest rate of 2.69%. The State recognized \$0.2 million in lease revenue and \$77.0 thousand in interest revenue during the current fiscal year related to leases. As of June 30, 2022, the receivable for lease payments was \$2.7 million.

Deferred Outflows of Resources

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

Long-term Obligations

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

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

Deferred Inflows of Resources

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

Net Position and Fund Balances

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

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

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

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

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

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

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

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

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

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

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

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

G. Compensated Absences

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

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

H. Lottery Security Deposits

State law requires video lottery operators to furnish security to the Lottery. Security may be in the form of a surety bond, deposit in cash, an irrevocable letter of credit, or a certificate of deposit issued by a South Dakota financial institution with the Lottery endorsed on it as a payee. As of June 30, 2022, the amount of certificate of deposits and deposits in cash being held by the Lottery was \$0.5 million and is included in restricted cash and investments on the balance sheet. The amount of \$8.9 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, 2022, the State implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement 87, Leases. This Statement establishes a single model for lease accounting based on the foundational principle that leases are a financing arrangement for the right to use a third party's underlying asset.

This statement had the following effects on the State:

Beginning fund balance for the Vocational Education Fund, reported as a Nonmajor Special Revenue Fund, decreased by \$8.6 million.

Beginning fund balance in the Vocational Education Facilities Fund, reported as a Nonmajor Debt Service Fund increased by \$18.2 million.

The beginning net position reported for governmental activities in the Government-wide Statement of Activities increase by \$7.7 million.

GASB Statement 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period.

This Statement had no effect on the State.

GASB Statement 92, Omnibus 2020. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments.

This Statement had no effect on the State.

GASB Statement 93, Replacement of Interstate Offered Rates. This Statement establishes accounting and financial reporting requirements related to the replacement of IBOR.

This Statement had no effect on the State.

GASB Statement 99, Omnibus 2022. This Statement 1) clarifies financial reporting issues for a number of practices identified during implementation and application of certain GASB statements, and 2) provides guidance for accounting and financial reporting for financial guarantees. The State has implemented the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The remaining provisions will be implemented in future fiscal years.

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

For the fiscal years ended June 30, 2019, 2020, 2021, and 2022 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 fund balance for the General Fund increased by \$19.2 million for an error in reporting tax revenues and receivables in the prior fiscal year. The beginning net position reported for governmental activities in the Government-wide Statement of Activities increased by \$20.4 million.

Beginning fund balance for the Department of Agriculture and Natural Resources Corn Check-Off fund, reported as a non-major governmental fund, increased by \$0.6 million for an error in reporting revenues in the prior fiscal year. The beginning net position reported for governmental activities in the Government-wide Statement of Activities increased by the same amount.

The beginning balance of accumulated depreciation for equipment in the business-type activities in *Note 6. Capital Assets* of the Notes to the Financial Statement increased by \$2.3 million. The beginning balance of accumulated amortization for intangible assets decreased by \$2.3 million for accounting errors. This will have no effect on the Government-wide Statement of Net Position or Statement of Activities.

Restatements – Component Units

The beginning net position balance reported for South Dakota Science and Technology Authority, reported as a major discretely presented component unit, increased by \$2.3 million for errors in reporting Construction in Progress in the prior fiscal year. This restatement will have the same effect on the Government-wide financial statements.

The beginning net position balance reported for Higher Education, reported as a major discretely presented component unit, increased by \$10.5 million for errors in the reporting of receivables, capital assets, and other miscellaneous reporting errors in the prior fiscal year. This restatement will have the same effect on the Government-wide financial statements.

3. CASH, DEPOSITS, AND INVESTMENTS

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

Negative cash balances in funds participating in the Cash Flow Portfolio are reclassified at year-end as interfund payables. The cash and cash equivalents balance in the General Fund was reduced by \$32.7 million for deficit cash balances that existed in various state funds at June 30, 2022, 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, 2022, the securities, for which cost at the time of acquisition is not readily available, have a fair value of \$1.0 million and are shown as securities held as escheat property in the General Fund.

A. Primary Government

Investments of the Primary Government are grouped into four categories based upon investment objectives and risk. The first category is the Cash Flow Portfolio. This category represents the pooled public funds of the Primary Government (comprising 86% of the Cash Flow Portfolio) and discretely presented component units (comprising 14% of the Cash Flow Portfolio). Higher Education, the Science and Technology Authority, the Housing Development Authority, the Property and Casualty Captive Insurance Company, and the Authority Captive Insurance Company are discretely presented component units and have deposits and investments in the Cash Flow Portfolio. Because of the pooled deposit and investment concept of the Cash Flow Portfolio, the discretely presented component units' share of the portfolio cannot be broken out separately for risk disclosure purposes. For risk disclosure purposes, their share of the Cash Flow Portfolio is included in the Primary Government. The second category is the Retirement Portfolio. This category represents the investments of the South Dakota Retirement System. The third category is the Trust Portfolios. This category includes the portfolios of School and Public Lands, Dakota Cement Trust Fund, Education Enhancement Trust Fund, and Health Care Trust Fund. The fourth category is Other Funds. This category represents funds that are not managed by the South Dakota Investment Council (SDIC) and includes Educational Enhancement Funding Corporation, Clean Water State Revolving Fund, Drinking Water State Revolving Fund, and the Vocational Education Program.

Deposits

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of a depository institution, the State of South Dakota will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Cash Flow Portfolio's certificates of deposit and other deposits in state financial institutions in excess of depository insurance must be 100% collateralized. Collateral is valued at the lower of cost or market as reported in the quarterly call reports prepared by the qualified public depositories pursuant to SDCL 4-6A-7. Collateral is required to be segregated by each depository as approved by the South Dakota Public Deposit Protection Commission. Collateral may not be held in any safety deposit vault owned or controlled either directly or indirectly by the pledging financial institution but must be deposited for safekeeping in a financial institution that is a member of the Federal Reserve. As of June 30, 2022, pledged collateral for all depositories equaled at least 100 percent of the total public deposits in excess of depository insurance. As a result, none 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 +5 calendar days basis. All portfolios as of June 30, 2022 meet policy guidelines. These deposits are not collateralized or covered by depository insurance. As a result, the Retirement Portfolio was exposed to custodial credit risk of \$3.9 million.

The Trust Portfolios have a formal deposit policy specific to custodial credit risk for the global equity portfolios of School and Public Lands, Dakota Cement Trust, Education Enhancement Trust, and Health Care Trust. The policy states that the USD equivalent of any non-USD currency cannot exceed 2.0% of the portfolio fair value on a trade date +5 calendar day basis. At June 30, 2022, 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 \$60.0 thousand.

The Other Funds have no formal deposit policy specific to custodial credit risk. At June 30, 2022, 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 \$2.3 million.

Investments

Securities Lending. State statutes and SDIC policies permit the use of investments for securities lending transactions. These transactions involve the lending of corporate debt, foreign equity securities, and domestic equity securities to broker-dealers for collateral in the form of securities, with the simultaneous agreement to return the collateral for the same securities in the future. All securities loans can be terminated on demand by either the SDIC or the borrower. As of June 30, 2022, the fair value of securities on loan was \$98.2 million, and the collateral held on the same date was \$100.2 million. At year-end, the SDIC has no credit risk exposure to borrowers because the amounts the SDIC owes the borrowers exceed the amounts the borrowers owe the SDIC.

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

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

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The SDIC's securities lending policies are detailed in the preceding Securities Lending section. As of June 30, 2022, the Cash Flow portfolio does not have custodial credit risk with regard to securities lending. The Other Funds do not have a policy for custodial credit risk. The Other Funds had custodial credit risk totaling \$234.4 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, 2022.

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

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

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

Investment Type	Cash Flow Portfolio		Retirement Portfolio		Trust Portfolios		Other Funds	
	Fair Value	Mod. Dur.	Fair Value	Mod. Dur.	Fair Value	Mod. Dur.	Fair Value	Mod. Dur.
U.S. Treasuries	\$ 42,333	1.85	\$ 287,730	5.96	\$		\$ 25,207	0.43
U.S. Treasury Bills	1,395,161	0.23	979,872	0.16				
U.S. Treasury STRIPS	107,911	7.40	367,806	7.40	61,690	7.40		
U.S. Treasury Inflation Protected Securities								
U.S. Agencies	316,444	2.00	31,408	4.79	5,260	4.79	50,115	0.51
U.S. Agency Discount Notes								
FDIC's Temporary Liquidity Guarantee Program								
U.S. Government-backed Loans								
Federated Hermes U.S. Treasury Cash Reserves							2,025	
Investment Grade Corporates	633,491	2.97	401,410	5.63	64,704	5.69		
Total Bond Market Mutual Fund					7,448	6.70		
High-yield Corporates			421,579	4.33				
High-yield Bond Mutual Fund					57,170	4.30		
Agency Mortgage-backed Securities	69,642	6.30	241,365	6.29	41,373	6.27		
Non-agency Mortgage-backed Securities			61,208	1.47	6,286	1.43		
Municipal Bonds					37,560	4.00		
Term Loans			3,448					
Investment Agreements							146,186	3.66
Total	\$ 2,564,982		\$ 2,795,826		\$ 281,491		\$ 223,533	
Portfolio Modified Duration		1.62		3.73		5.38		2.56

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SDIC guidelines establish a percentage range and a normal allocation to various credit risk categories. The Cash Flow short-term portfolio can invest 4% of the portfolio into each corporate security rated Aaa or Aa, 3% in A-rated, 1% in Baa1 or Baa2, and 0.5% in Baa3-rated individual holdings of corporate securities. Credit rating limits are 15% of the total short-term portfolio or up to 20% with the Investment Officer's permission for Baa-rated and 5% of the total portfolio or up to 10% with the Investment Officer's permission on downgraded securities below Baa. The SDIC reviews the investment guidelines annually for the Cash Flow intermediate-term portfolio. These guidelines establish the benchmark percentage invested in each fixed income asset category and the minimum and maximum range of each fixed income asset category.

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

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

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

As of June 30, 2022, 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	\$ 1,084,380	\$ 3,022,892	\$ 741,180	\$ 52,384
Aa	70,813	102,362	33,562	
A	414,008	137,913	32,533	
Baa	99,930	139,498	20,414	146,186
Ba		183,204	74	
B		215,421	225	
Caa		25,495	800	
Ca		11,622	762	
C				
Unrated		51,001	75,920	
Total	\$ 1,669,131	\$ 3,889,408	\$ 905,470	\$ 198,570

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

The Retirement and Trust Portfolios’ exposure to foreign currency risk at June 30, 2022, are as follows (Expressed in Thousands):

Currency	Retirement Portfolio			Trust Portfolios		
	Equities	Cash	Total	Equities	Cash	Total
	U.S. Dollar	U.S. Dollar		U.S. Dollar	U.S. Dollar	
Fair Value	Fair Value	Fair Value	Fair Value	Fair Value		
Australian Dollar	\$ 13,695	\$ 65	\$ 13,760	\$ 579	\$ 579	
British Pound	199,113	806	199,919	15,073	9	15,082
Canadian Dollar	92,733	280	93,013	6,465	1	6,466
Danish Kroner	5,204		5,204	218		218
Euro	325,794	591	326,385	22,601		22,601
Hong Kong Dollar	8,472	60	8,532	469		469
Hungarian Forint		33	33			
Japanese Yen	136,350	2,091	138,441	9,836	50	9,886
South Korean Won	65,724		65,724	4,564		4,564
Norwegian Krone	911		911	180		180
Singapore Dollar	888		888			
Swedish Krona	10,805		10,805	697		697
Swiss Franc	145,200		145,200	10,094		10,094
Thai Baht	851		851			
Total Fair Value	\$1,005,740	\$ 3,926	\$ 1,009,666	\$ 70,776	\$ 60	\$ 70,836

Investments with limited partnerships and certain global equity investments with external managers, which are not included in the table above, may expose the State to additional foreign currency risk. For the Trust Portfolios, the total fair value of investments in real estate and private equity limited partnerships as of June 30, 2022, was \$307.1 million. For the Retirement Portfolio, the total fair value of investments in real estate and private equity limited partnerships as of June 30, 2022, was \$3.2 billion. The total fair value of hedge funds and high-yield fixed income investments managed by external managers was \$137.2 million, and \$11.5 thousand, 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 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 portfolio that comprises 5% of the overall portfolio as of June 30, 2022.

Derivative Financial Instruments in Primary Government

Retirement Portfolio and Trust Portfolios. Derivatives are generally defined as contracts whose values depend on, or derive from, the value of an underlying asset, reference rate, or index. The Retirement Portfolio is exposed to various derivative products through the investment management of the SDIC and its external managers. The Trust Portfolios utilized no derivative instruments in SDIC’s internally managed portfolios, however they may be exposed to various derivative products through the investment management of the SDIC and its external managers. The following notes detail the derivative instruments used in the SDIC’s internally managed portfolios. 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, 2022, S&P 500 futures and 10-year U.S. Treasury note futures were utilized. Upon entering into such a contract, SDRS pledges to the broker cash or U.S. government securities equal to the minimum initial margin requirement of the futures exchange. Additionally, SDRS receives or pays a daily variation margin, which is an amount of cash equal to the daily fluctuation in value of the contract. The change in fair value of the futures contracts is presented in the statement of changes in fiduciary net position as “Net appreciation in fair value of investments.” The net change in fair value from futures contracts for fiscal year ended June 30, 2022 was \$(191.8) million.

At June 30, 2022, 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 2022	Long	2,250	\$100,000 par value 6% 10-year U.S. Treasury note	\$ 266,695,313
S&P 500 Index Future Due September 2022	Short	8,935	\$50 x S&P 500 index	\$ (1,692,959,125)

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, 2022, the net change in fair value from foreign currency forward contracts was \$(1.2) million. At June 30, 2022, 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	\$ (1,077,070) CHF	08/05/2022	\$ (19,160)
Forward Buy	\$ 5,775,000,000 JPY	08/05/2022	\$ (1,305,084)
Forward Buy	\$ 236,000,000 JPY	08/18/2022	\$ (103,597)

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, 2022, the net fair value of foreign currency forward contracts was \$0. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

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

Foreign Currency Risk. SDRS is exposed to foreign currency risk on its foreign currency forward contracts because they are denominated in foreign currencies. The net fair value of the foreign currency forward contracts in USD is \$(1.4) million.

Fair Value Measurement

Investments are reported at fair value as of June 30, 2022 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, 2022, (Expressed in Thousands):

Cash Flow Portfolio:

	Cash Flow Fund Portfolio			
	Total	Level 1	Level 2	Level 3
Investments by Fair Value Level				
U.S. Treasuries	\$ 42,333	\$	\$ 42,333	\$
U.S. Treasury Bills	1,395,161		1,395,161	
U.S. Treasury STRIPS	107,911		107,911	
U.S. Agencies	316,444		316,444	
Investment Grade Corporates	633,491		633,491	
Agency Mortgage-backed securities	69,643		69,643	
Total Fixed Income Securities	<u>2,564,983</u>	<u>0</u>	<u>2,564,983</u>	<u>0</u>
Total Investments by Fair Value Level	<u>2,564,983</u>	<u>\$ 0</u>	<u>\$ 2,564,983</u>	<u>\$ 0</u>
Investments Measured at the Net Asset Value (NAV)				
Short-term Investment Funds	<u>719,196</u>			
Total Investments Measured at the NAV	<u>719,196</u>			
Total Investments Measured at the Fair Value	<u>\$ 3,284,179</u>			

Retirement Portfolio:

	Retirement Portfolio			
	Total	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Fixed Income Securities				
U.S. Treasuries	\$ 287,730	\$	\$ 287,730	\$
U.S. Treasury Bills	979,872		979,872	
U.S. Treasury STRIPS	367,806		367,806	
U.S. Agencies	31,408		31,408	
Investment Grade Corporates	401,410		401,410	
Term Loans	4,338			4,338
High Yield Corporates	421,579		421,579	
Agency Mortgage-backed Securities	241,365		241,365	
Non-Agency Mortgage-backed Securities	61,208		61,208	
Total Fixed Income Securities	<u>2,796,716</u>	<u>0</u>	<u>2,792,378</u>	<u>4,338</u>
Equity Securities				
Domestic Stock	3,286,372	3,286,372		
Depository Receipts	53,052	53,052		
ETF - Exchange Traded Funds	831,533	831,533		
International Stock	1,005,740	1,005,740		
Preferred Stock	449		449	
Stock Warrants	1,162	1,162		
Total Equity Securities	<u>5,178,308</u>	<u>5,177,859</u>	<u>449</u>	<u>0</u>
Total Investments by Fair Value Level	<u>7,975,024</u>	<u>\$ 5,177,859</u>	<u>\$ 2,792,827</u>	<u>\$ 4,338</u>
Investments Measured at the Net Asset Value (NAV)				
Short-term Investment Funds	2,777,022			
Multi Strategy Hedge Funds	137,154			
Alternative Investments				
Real Estate Funds	1,624,060			
Private Equity Funds	1,549,402			
Other Funds	12			
Total Alternative Investments	<u>3,173,474</u>			
Total Investments Measured at the NAV	<u>6,087,650</u>			
Total Investments Measured at the Fair Value	14,062,674			
Plus: Cash Held by Fund Managers	4,139			
Less: G/L on FX Transactions	(1,728)			
Less: Accrued Monthly Interest	(3,306)			
Total	<u>\$ 14,061,779</u>			
Investment Derivative Instruments				
Futures Contracts	\$ 16,469	\$ 16,469	\$	
Foreign Exchange Forward Contracts (liability)	(1,428)		(1,428)	
Total Investment Derivative Instruments	<u>\$ 15,041</u>	<u>\$ 16,469</u>	<u>\$ (1,428)</u>	

Trust Portfolios:

	Trust Portfolios			
	Total	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Fixed Income Securities				
U.S. Treasury STRIPS	\$ 61,690	\$	\$ 61,690	\$
U.S. Agencies	5,260		5,260	
Investment Grade Corporates	64,704		64,704	
Agency Mortgage-backed Securities	41,373		41,373	
Non-Agency Mortgage-backed Securities	6,286		6,286	
Municipal Bonds	37,560		37,561	
Total Fixed Income Securities	216,873	0	216,874	0
Equity Securities				
Domestic Stock	221,935	221,935		
Depository Receipts	3,951	3,951		
ETF - Exchange Traded Funds	54,508	54,508		
International Stock	70,776	70,776		
Stock Warrants	154	154		
Total Equity Securities	351,324	351,324	0	0
Total Investments by Fair Value Level	568,197	\$ 351,324	\$ 216,874	\$ 0
Investments Measured at the Net Asset Value (NAV)				
Short-term Investment Funds	693,921			
High Yield Bond Mutual Funds	69,227			
Alternative Investments				
Real Estate Funds	165,903			
Private Equity Funds	141,212			
Other Funds	1			
Total Alternative Investments	307,116			
Total Investments Measured at the NAV	1,070,264			
Total Investments Measured at the Fair Value	\$ 1,638,461			

Other Funds:

	Other Funds			
	Total	Level 1	Level 2	Level 3
Investments by Fair Value Level				
U.S. Treasuries	\$ 38,079	\$	\$ 38,079	\$
U.S. Agencies	50,115		50,115	
Total Fixed Income Securities	88,194	0	88,194	0
Total Investments by Fair Value Level	88,194	\$ 0	\$ 88,194	\$ 0
Investments Measured at the Net Asset Value (NAV)				
Short-term investment funds	2,026			
Total Investments Measured at the NAV	2,026			
Total Investments Measured at the Fair Value	\$ 90,220			

Continued on next page

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

Debt securities classified in Level 2 of the fair value hierarchy are valued using observable inputs other than quoted prices for identical securities. The prices are determined by the use of matrix pricing techniques maintained by various pricing vendors/brokers for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Securities classified in Level 3 of the fair value hierarchy include valuations determined by management based on unobservable inputs.

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, 2022.

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, 2022.

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, 2022, (Expressed in Thousands):

Investments Measured at the NAV

	<u>Fair Value</u>	Cash Flow Fund Portfolio		
		<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Short-term Investment Funds (a)	\$ 719,196	\$	Daily	0 days
Investments Measured at the Net Asset Value (NAV)	\$ 719,196			

Investments Measured at the NAV

	<u>Fair Value</u>	Trust Portfolios		
		<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Short-term Investment Funds (a)	\$ 693,921	\$	Daily	0 days
High Yield Bond Mutual Funds (b)	69,227		Daily	1 day
Alternative Investments				
Real Estate Funds (c)	165,903	114,079		
Private Equity Funds (d)	141,212	36,134		
Other Funds (e)	1			
Total Alternative Investments	307,116			
Investments Measured at the Net Asset Value (NAV)	\$ 1,070,264			

Investments Measured at the NAV

	<u>Fair Value</u>	Retirement Portfolio		
		<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Short-term Investment Funds (a)	\$ 2,777,022	\$	Daily	0 days
Mutual Funds (f)			Daily	1 day
Multi Strategy Hedge Funds (g)	137,154		Monthly	5-30 days
Alternative Investments				
Real Estate Funds (c)	1,624,060	1,115,792		
Private Equity Funds (d)	1,549,402	446,660		
Other Funds (e)	12			
Total Alternative Investments	3,173,474			
Investments Measured at the Net Asset Value (NAV)	\$ 6,087,650			

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

c. Real Estate Funds. This type includes 18 (Trust Portfolios) and 27 (Retirement Portfolio) real estate funds that invest primarily in commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital. These investments can never be redeemed from the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 20 years. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital.

d. *Private Equity Funds.* This type includes 13 (Trust Portfolios) and 33 (Retirement Portfolio) private equity funds that invest primarily in leveraged buyouts. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital. These investments can never be redeemed from the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 20 years. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital.

e. *Other Funds.* This type includes one other alternative investment that is a hybrid private equity hedge fund that invests primarily in a broad range of debt, debt-related, and/or real estate-related investments. The fair values of the investment have been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital. This investment can never be redeemed from the funds. Distributions from the fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the fund will be liquidated over the next year. 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. *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, 2022, 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, 2022, investments in the amount of \$8.9 million were uninsured and unregistered, with the securities held by the counterparty, or by its trust department or agent, but not in the component unit's name.

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

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

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

As of June 30, 2022, 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	\$ 123,793	\$ 5,841	\$ 89,362	\$ 28,208	\$ 382
U.S. Treasury Notes	30	30			
U.S. Agencies	974,500	2,873	26,692	6,388	938,547
Investment Grade Corporates	2,633		10	865	1,758
Certificates of Deposit	1,922	1,495	428		
Mutual Funds	341,794	341,795			
Municipal Bonds	245		245		
State Obligations	8,127		5,706	2,420	
Total	\$ 1,453,044	\$ 352,034	\$ 122,443	\$ 37,881	\$ 940,687

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, 2022, the Economic Development Finance Authority investments had the following ratings:

Moody’s Rating	Fair Value
Aaa	\$ 244,717
Total Fair Value	\$ 244,717

As of June 30, 2022, the Housing Development Authority investments had the following ratings (Dollars Expressed in Thousands):

Type/Provider	Moody’s Credit Rating	Amount	% of Total
Money Market Funds	NR	\$ 341,794	23.4%
Certificates of Deposit	NR	1,489	0.1%
Corporate-Backed Obligations	NR	2,633	0.2%
U.S. Agencies	Aaa	3,855	0.3%
U.S. Treasuries	Aaa	123,793	8.5%
State and Municipal Securities	A1 to Aaa	8,127	0.6%
Mortgage-backed Securities:			
GNMA	NR	631,164	43.5%
FNMA	NR	315,964	21.8%
FHLMC	NR	23,517	1.6%
		\$1,452,336	100.0%

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

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

As of June 30, 2022, 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

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

Swap Terms. The terms, including the fair values and counterparty credit ratings of the outstanding swaps as of June 30, 2022, are contained in the table below. The initial notional amounts of the swaps match the principal amounts of the associated debt. The Authority has purchased the right to terminate the outstanding swap balances at par value on dates that are generally 10 years after the date of issuance of the related bonds (Dollars Expressed in Thousands).

Bond Series	Notional Amount	Effective Date	Termination Date	Fixed Payable Rate	Variable Rate Received	Credit Rating*	Fair Value
Wells Fargo Bank							
2015 E-1	\$ 25,000	12/17/2015	11/01/2037	2.11%	66.4% of LIBOR plus 0.22%	Aa1	\$ 892
2016 E-1	50,000	11/01/2016	05/01/2037	2.21%	66.4% of LIBOR plus 0.23%	Aa1	1,603
2020 D	33,000	05/01/2029	05/01/2043	0.93%	100% SIFMA	Aa1	6,118
MPB 2020a	14,540	09/29/2020	05/01/2060	1.31%	100% SIFMA	Aa1	2,064
Bank of America, N.A.							
2022 D	33,000	06/23/2022	11/01/2046	2.3490%	70.0% of SOFR plus 0.08%	Aa2	762
Bank of New York Mellon							
2020 B	33,000	02/12/2020	11/01/2041	1.6525%	100% SIFMA	Aa1	3,176

* 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, 2022. 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, 2022, neither the Authority nor any counterparty had been required to post collateral.

Basis Risk. The Authority incurs the potential risk that the variable interest payments on its bonds will not equal the variable interest receipts from its swaps. This basis risk exists because the Authority pays the actual variable rate on its bonds; but, under the terms of its swaps, receives a variable rate based upon either the one-month taxable LIBOR rate or the SIFMA rate. Basis risk will vary over time due to inter-market conditions. For the year ended June 30, 2022, the weighted average interest rate on the Authority's variable rate debt associated with swaps was 1.07% per annum, while the weighted average interest rate on the swaps was 1.15% per annum. In order to reduce the cumulative effects of basis risk, the variable rate determination structure for interest receipts within the swap is based upon a regression analysis of the long-term relationship between variable tax-exempt rates and the applicable swap index.

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

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

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

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

Swap Payments and Associated Debt. Variable-rate bond interest payments and net swap payments will vary during their term. Future debt service requirements of the variable-rate debt and net swap payments as of June 30, 2022 were as follows, (Expressed in Thousands):

Year-end June 30	Variable-rate Bond		Interest Rate	Total
	Principal	Interest	Swap – Net	
2023	\$ 270	\$ 1,870	\$ 1,227	\$ 3,367
2024	320	1,910	1,279	3,509
2025	325	1,907	1,277	3,509
2026	340	1,904	1,276	3,520
2027	340	1,900	1,275	3,515
2028-2032	34,285	8,951	5,287	48,523
2033-2037	77,250	5,796	3,043	86,089
2038-2042	48,025	2,502	1,549	52,076
2043-2047	22,980	743	548	24,271
2048-2052	1,500	186	21	1,707
2053-2057	1,325	119	13	1,457
2058-2062	1,580	38	4	1,622
Total	\$ 188,540	\$ 27,826	\$ 16,799	\$ 233,165

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, 2022.

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.

Continued on next page

Outstanding forward sales contracts as of June 30, 2022, are as follows:

Forward Contracts to sell TBA Mortgage- Backed Securities	Notional Amount June 30	Trade Date	Delivery Date	Coupon Rate	Fair Values June 30	Standard & Poor's Short Term Issuer Credit
Bank of America Securities						
FNMA	\$ 1,000,000	04/12/2022	07/14/2022	4.50%	\$ 10,000	A-1
FNMA	4,000,000	04/22/2022	07/14/2022	5.50%	625	A-1
FNMA	1,600,000	05/09/2022	07/14/2022	5.00%	(3,250)	A-1
FNMA	1,000,000	05/13/2022	08/11/2022	6.00%	1,250	A-1
GNMAII	1,000,000	05/18/2022	07/21/2022	5.00%	(5,781)	A-1
FNMA	1,000,000	06/08/2022	07/14/2022	5.00%	2,656	A-1
GNMAII	1,000,000	06/09/2022	08/18/2022	5.00%	(2,344)	A-1
GNMAII	(289,900)	06/16/2022	07/21/2022	5.00%	2,944	A-1
FNMA	(2,600,000)	06/27/2022	07/14/2022	5.00%	15,031	A-1
FNMA	1,000,000	06/27/2022	07/14/2022	6.00%	(3,281)	A-1
Bank of New York Mellon						
FNMA	1,000,000	04/13/2022	07/14/2022	5.00%	5,469	Not rated
FNMA	500,000	04/29/2022	07/14/2022	5.00%	781	Not rated
GNMAII	500,000	04/29/2022	07/21/2022	4.50%	(3,281)	Not rated
FNMA	500,000	05/02/2022	07/14/2022	5.00%	(527)	Not rated
GNMAII	500,000	05/03/2022	07/21/2022	4.00%	(1,016)	Not rated
FNMA	500,000	05/11/2022	08/11/2022	5.00%	2,031	Not rated
GNMAII	600,000	05/20/2022	07/21/2022	5.00%	(6,000)	Not rated
FNMA	30,400	06/08/2022	07/14/2022	4.50%	119	Not rated
FNMA	400,000	06/08/2022	07/14/2022	5.00%	688	Not rated
GNMAII	963,790	06/16/2022	07/21/2022	4.50%	(10,541)	Not rated
GNMAII	(500,000)	06/17/2022	07/21/2022	4.00%	5,781	Not rated
Bank of Oklahoma						
FNMA	2,500,000	04/18/2022	07/14/2022	5.00%	3,125	BBB+
FNMA	1,400,000	04/28/2022	07/14/2022	105.00%	(219)	BBB+
FNMA	(3,700,000)	06/27/2022	07/14/2022	5.00%	20,813	BBB+
Daiwa Capital Markets						
FNMA	1,000,000	05/04/2022	07/14/2022	5.00%	(1,094)	Not rated
FNMA	600,000	06/08/2022	08/11/2022	4.50%	2,063	Not rated
GNMAII	115,300	06/16/2022	07/21/2022	3.50%	(1,459)	Not rated
Jefferies						
FNMA	1,200,000	05/03/2022	07/14/2022	5.00%	(3,750)	A-2
GNMAII	1,000,000	05/05/2022	07/21/2022	4.50%	(10,625)	A-2
FNMA	500,000	05/10/2022	07/14/2022	5.00%	703	A-2
GNMAII	600,000	05/17/2022	07/21/2022	4.50%	(2,906)	A-2
FNMA	600,000	05/17/2022	08/11/2022	4.50%	1,313	A-2
FNMA	265,000	06/08/2022	07/14/2022	3.50%	2,733	A-2
FNMA	208,200	06/08/2022	07/14/2022	4.00%	1,366	A-2
GNMAII	360,000	06/16/2022	07/21/2022	4.00%	(4,669)	A-2
Piper Sandler						
FNMA	500,000	04/27/2022	07/14/2022	4.00%	3,359	Not rated
GNMAII	500,000	05/06/2022	07/21/2022	5.00%	(3,516)	Not rated
GNMAII	500,000	05/10/2022	07/21/2022	4.50%	(1,719)	Not rated
FNMA	1,000,000	06/02/2022	08/11/2022	5.00%	5,000	Not rated
GNMAII	700,000	06/02/2022	08/18/2022	5.00%	(438)	Not rated
	\$ 23,552,790				\$ 21,434	

Continued on next page

Fair Value Measurement

Investments are reported at fair value as of June 30, 2022, 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, 2022, (Expressed in Thousands):

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
U.S. Treasuries	\$ 123,823	\$	\$ 123,823	\$
U.S. Agencies	974,500		974,500	
Corporate-Backed Obligations	2,633		2,633	
Money Market Mutual Funds	341,794	341,794		
Municipal Bonds	245		245	
Certificates of Deposit	1,923		1,923	
State Obligations	8,127		8,127	
Total Investments by Fair Value Level	<u>\$ 1,453,045</u>	<u>\$ 341,794</u>	<u>\$ 1,111,251</u>	<u>\$ 0</u>
Hedging Derivative Instruments				
Interest Rate Swaps	\$ 14,615	\$	\$ 14,615	\$
Forward MBS Contracts	21		21	
Total Hedging Derivative Instruments	<u>\$ 14,636</u>	<u>\$ 0</u>	<u>\$ 14,636</u>	<u>\$ 0</u>

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	Education Enhancement Trust Fund	Non-major Governmental Funds		Internal Service Funds
Taxes Receivable	\$ 262,737	\$ 18,434	\$	\$	\$	\$	\$ 2,786	\$	\$ 283,957
Allowance	(15,133)	(28)					(1)		(15,162)
Accounts Receivable	18,773	1,933	15,958	1,914	7	10	27,677	4,086	70,358
Allowance	(4,918)	(767)					(88)		(5,773)
Due From Other Governments	1,884	105,752	29,510	39,660			126,447	163	303,416
Interest Receivable	9,871	595	2	50	455	1,147	1,435	246	13,801
Current Debt, Notes, and Leases Receivables	13	369					7,069		7,451
Allowance									
Non-current Debt, Notes, and Leases Receivables	135	5,799					60,617		66,551
Allowance							(644)		(644)
Due From Fiduciary Funds	178							96	274
Receivables, net	\$ 273,540	\$ 132,087	\$ 45,470	\$ 41,624	\$ 462	\$ 1,157	\$ 225,298	\$ 4,591	\$ 724,229

	Business-type Activities				Total
	Lottery Fund	Clean Water State Revolving Fund	Drinking Water State Revolving Fund	Non-major Enterprise Funds	
Accounts Receivable	\$ 6,786	\$	\$	\$ 29,850	\$ 36,636
Allowance	(13)			(16,432)	(16,445)
Due From Other Governments		1,603	829	249	2,681
Interest Receivable	49	3,311	1,885	396	5,641
Current Debt, Notes, and Leases Receivables		23,028	9,891	6,396	39,315
Allowance				(253)	(253)
Non-current Debt, Notes, and Leases Receivables		329,361	213,732	42,487	585,580
Allowance				(12,713)	(12,713)
Due From Fiduciary Funds				43	43
Receivables, net	\$ 6,822	\$ 357,303	\$ 226,337	\$ 50,023	\$ 640,485

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	Educational Enhancement Trust	Non-major Governmental Funds	Internal Service Funds	
Payroll and Withholdings	\$ 16,917	\$ 6,288	\$ 2,040	\$ 196	\$	\$ 11,178	\$ 2,914	\$ 39,533
Accounts Payable	49,516	68,680	8,252	5,664	360	30,109	4,526	167,107
Medicaid and CHIP Claims	25,337		31,618	4,683		24,587		86,225
Due to Other Governments	2,340	2,696	87	30,163		35,683	148	71,117
Bank Tax Refund	10,902							10,902
Shared Revenue Distribution	30,912					34,492		65,404
Claims Payable							11,684	11,684
Due to Fiduciary Funds	95							95
Total	\$ 136,019	\$ 77,664	\$ 41,997	\$ 40,706	\$ 360	\$ 136,049	\$ 19,272	\$ 452,067

	Business-type Activities				Total
	Lottery Fund	Clean Water State Revolving Fund	Drinking Water State Revolving Fund	Non-major Enterprise Funds	
Payroll and Withholdings	\$ 137	\$ 20	\$ 32	\$ 843	\$ 1,032
Accounts Payable	2,567	208	233	4,013	7,021
Due to Fiduciary Funds				18	18
Escrow Payable	216				216
Other Liabilities	482			1,356	1,838
Total	\$ 3,402	\$ 228	\$ 265	\$ 6,230	\$ 10,125

5. INTERFUND TRANSACTIONS

The composition of interfund balances at June 30, 2022, is as follows (Expressed in Thousands):

A. Interfund Receivables and Payables

Due From	Due To							Total
	General Fund	Transportation Fund	Social Services Federal Fund	Non-major Governmental Funds	Non-major Enterprise Funds	Internal Service Funds	Fiduciary Funds	
General Fund	\$	\$ 3,262	\$	\$ 516	\$ 29	\$ 2,839	\$ 95	\$ 6,741
Transportation Fund				773	2	1,368		2,143
Social Services Federal Fund	506			308		911		1,725
COVID-19 Federal	47			180		184		411
Education Enhancement Trust Fund	25,278							25,278
Non-major Governmental Funds	41,790	1,259	5	9,708	144	3,011		55,917
Lottery Fund	10,635	270		534		73		11,512
Clean Water State Revolving						1		1
Drinking Water State Revolving						2		2
Non-major Enterprise Funds	7			134	1	179	18	339
Internal Service Funds	3	453		229	44	802		1,531
Fiduciary Funds	178				43	96		317
Total	\$ 78,444	\$ 5,244	\$ 5	\$ 12,382	\$ 263	\$ 9,466	\$ 113	\$ 105,917

Interfund receivables and payables are recorded for: 1) interfund goods or services provided or other reimbursable transactions occurring between funds; 2) year-end entries eliminating deficit cash balances in funds as described further in *Note 3 Cash, Deposits, and Investments* in the Notes to the Financial Statements; 3) other payables existing between funds. Advances between funds, which come due beyond a year, are also included in the table above. Advances for fiscal year 2022 include, \$6.3 million between non-major governmental funds for maintenance and repair and energy conservation projects and \$3.3 million between the general fund and transportation fund for a new visitor center and rest area.

B. Interfund Transfers

Transferred From	Transferred To							Total
	General Fund	Transportation Fund	Social Services Federal Fund	Education Enhancement Trust Fund	Non-major Governmental Funds	Non-major Enterprise Funds	Internal Service Funds	
General Fund	\$	\$ 39	\$	\$	\$ 41,783	\$ 27	\$ 3,031	\$ 44,880
Transportation Fund	4,115				3,862			7,977
Social Services Federal Fund					160			160
COVID-19 Federal			33		1,398	5		1,436
Dakota Cement Trust Fund	13,982							13,982
Education Enhancement Trust Fund	25,278							25,278
Non-major Governmental Funds	83,994	5,061		10,896	10,715	61		110,727
Lottery Fund	175,241	1,354			2,655			179,250
Clean Water State Revolving Fund					34			34
Drinking Water State Revolving Fund					52			52
Non-major Enterprise Funds					1,193			1,193
Internal Service Funds					9			9
Total	\$ 302,610	\$ 6,454	\$ 33	\$ 10,896	\$ 61,861	\$ 93	\$ 3,031	\$ 384,978

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 2022 (Expressed in Thousands):

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 125,026	\$ 2,497	\$ 469	\$ 127,054
Land Improvements	11,720	268		11,988
Land & Improvements - Roads	639,139	6,079		645,218
Construction in Progress	296,532	272,322	296,241	272,613
Total Capital Assets Not Being Depreciated	1,072,417	281,166	296,710	1,056,873
Capital Assets Being Depreciated/Amortized:				
Land Improvements	71,671	11,114	815	81,970
Buildings	787,820	47,460	281	834,999
Equipment	275,832	23,752	16,816	282,768
Intangible Assets - Software	138,168	8,754	26,750	120,172
Vehicles	191,137	10,140	12,211	189,066
Infrastructure	4,475,432	217,166	30,133	4,662,465
Right-to-use Leased Land	0	28		28
Right-to-use Leased Buildings	0	42,006		42,006
Right-to-use Leased Equipment	0	154		154
Total Capital Assets Being Depreciated/Amortized	5,940,060	360,574	87,006	6,213,628
Less Accumulated Depreciation/Amortization:				
Land Improvements	22,935	3,027	37	25,925
Buildings	299,107	19,770	253	318,624
Equipment	174,349	17,687	12,416	179,620
Intangible Assets - Software	86,206	8,331	14,947	79,590
Vehicles	106,430	11,587	9,778	108,239
Infrastructure	1,812,462	74,719	22,678	1,864,503
Right-to-use Leased Land	0	6		6
Right-to-use Leased Buildings	0	6,281		6,281
Right-to-use Leased Equipment	0	37		37
Total Accumulated Depreciation/Amortization	2,501,489	141,445	60,109	2,582,825
Total Capital Assets Being Depreciated/Amortized, Net	3,438,571	219,129	26,897	3,630,803
Total Governmental Activities, Net	\$ 4,510,988	\$ 500,295	\$ 323,607	\$ 4,687,676

Continued on next page

Business-type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 295	\$	\$	\$ 295
Construction in Progress	290	1,388		1,678
Total Capital Assets Not Being Depreciated	585	1,388	0	1,973
Capital Assets Being Depreciated/Amortized:				
Land Improvements	1,096			1,096
Buildings	7,818	1		7,819
Equipment	3,576	434	143	3,867
Intangible Assets - Software	752		3	749
Right-to-use Leased Buildings	0	1,839		1,839
Total Capital Assets Being Depreciated/Amortized	13,242	2,274	146	15,370
Less Accumulated Depreciation/Amortization:				
Land Improvements	711	17		728
Buildings	3,199	193		3,392
Equipment, as restated	2,994	287	120	3,161
Intangible Assets - Software, as restated	271	193		464
Right-to-use Leased Buildings	0	381		381
Total Accumulated Depreciation/Amortization	7,175	1,071	120	8,126
Total Capital Assets Being Depreciated/Amortized, Net	6,067	1,203	26	7,244
Total Business-type Activities, Net	\$ 6,652	\$ 2,591	\$ 26	\$ 9,217

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

Governmental Activities	Amount
Unallocated	\$ 53
General Government	11,708
Health, Human, and Social Services	11,971
Law, Justice, Public Protection, and Regulation	12,642
Agriculture and Natural Resources	8,263
Transportation	92,478
Education	4,329
Economic Resources	1
Total Governmental Activities	\$141,445
Business-type Activities	
Enterprise Funds	\$ 1,071

B. Component Units

Capital Assets for Higher Education consisted of the following for fiscal year 2022 (Expressed in Thousands):

Higher Education*:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 31,829	\$	\$ 135	\$ 31,694
Construction in Progress, as restated	120,047	66,077	127,880	58,244
Works of Art and Historical Treasures	10,091	18		10,109
Total Capital Assets Not Being Depreciated, as restated	<u>161,967</u>	<u>66,095</u>	<u>128,015</u>	<u>100,047</u>
Capital Assets Being Depreciated:				
Land Improvements	66,695	18,162		84,857
Infrastructure	104,402	6,025	200	110,227
Buildings, as restated	1,613,754	102,034	1,569	1,714,219
Equipment and Other Assets, as restated	299,070	18,773	6,898	310,945
Right-to-use Leased Buildings	0	5,976		5,976
Total Capital Assets Being Depreciated, as restated	<u>2,083,921</u>	<u>150,970</u>	<u>8,667</u>	<u>2,226,224</u>
Less Accumulated Depreciation:				
Land Improvements	31,664	3,652		35,316
Infrastructure	39,756	3,725	200	43,281
Buildings, as restated	549,352	45,437	385	594,404
Equipment and Other Assets, as restated	245,545	12,719	5,797	252,467
Right-to-use Leased Buildings	0	1,718		1,718
Total Accumulated Depreciation, as restated	<u>866,317</u>	<u>67,251</u>	<u>6,382</u>	<u>927,186</u>
Total Capital Assets Being Depreciated, Net, as restated	<u>1,217,604</u>	<u>83,719</u>	<u>2,285</u>	<u>1,299,038</u>
Total Higher Education Capital Assets, Net, as restated	<u>\$ 1,379,571</u>	<u>\$ 149,814</u>	<u>\$ 130,300</u>	<u>\$ 1,399,085</u>

* Higher Education amounts do not include their foundations.

Capital Asset breakouts for the Housing Development Authority, Science and Technology Authority, and the Ellsworth Development Authority previously disclosed in this Note have been removed and can be found within their separately issued reports.

C. Construction in Progress

The State has entered into contracts for the renovation and construction of buildings, structures, and infrastructure (highway projects). Construction in Progress as of June 30, 2022, are as follows (Expressed in Thousands):

	<u>Amount</u>
Primary Government	
Governmental Activities	
Land Improvements	\$ 7,779
Buildings and Structures	12,857
Equipment	6,051
Vehicles	4,048
Intangibles - Computer Software	37,525
Infrastructure	204,353
Total Governmental Activities	<u>272,613</u>
Business - Type Activities	
Intangibles - Computer Software	1,678
Total Business - Type Activities	<u>1,678</u>
Total Primary Government	<u>\$ 274,291</u>
Discretely Presented Component Units	
Higher Education*	
Land Improvements	\$ 2,219
Buildings and Structures	52,904
Infrastructure	2,510
Intangibles - Computer Software	419
Equipment	192
Total Higher Education	<u>\$ 58,244</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 \$5.3 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

South Dakota Retirement System

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

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

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

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

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

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

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

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

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

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

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, 2022. Therefore, no provision for income taxes has been included in SDRS's financial statements.

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

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

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

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

The arithmetically calculated money-weighted return net of fees was -0.64% in 2022. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investment by the proportion of time they are available to earn during that period. The rate of return equates the sum of weighted external cash flows into and out of pension plan investments to the ending fair value of the pension plan investment.

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

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

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

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

SDRS is funded by fixed member and employer contributions at a rate established by South Dakota law. On an annual basis, an actuarial valuation of SDRS is performed to determine the adequacy of the fixed contributions to pay the normal costs and expenses, if the System is fully funded or pay the normal costs, expenses and amortize the unfunded actuarial accrued liability (UAAL) if the System is not fully funded. The June 30, 2022, 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 2022 were \$29.5 million, during fiscal year 2021 were \$27.8 million, and during fiscal year 2020 were \$27.2 million. Contributions for the State's component units during 2022 were \$19.8 million, during fiscal year 2021 were \$19.4 million, and during fiscal year 2020 were \$19.7 million.

State's Proportionate Share of SDRS. For fiscal year 2022, the State and its component units used a July 1, 2020, to June 30, 2021, measurement date for reporting purposes.

The State's proportionate share of SDRS's collective net pension asset is 20.4% or \$156.6 million using a June 30, 2021, measurement date. This percentage was measured based on all employer contributions from July 1, 2020, through June 30, 2021. Pension expense (reduction of pension expense) for the State was (\$6.9) million and contributions subsequent to the measurement date were \$29.5 million. The State's proportionate share decreased by 0.3% over the prior fiscal year's proportionate share of 20.7%.

The State's component unit's proportionate share of SDRS's collective net pension asset is 14.3% or \$109.4 million using a June 30, 2021, measurement date. This percentage was measured based on all employer contributions from

July 1, 2020, through June 30, 2021. Pension expense (reduction of pension expense) for component units was (\$7.9) million and contributions subsequent to the measurement date were \$19.8 million. The State's component unit's proportionate share decreased by 0.6% over the prior fiscal year's proportionate share of 14.9%.

The components of the net pension asset of the System at June 30, 2021, were as follows (Dollars Expressed in Thousands):

	State of South Dakota Proportionate Allocation 20.4%	Discretely Presented Component Units Proportionate Allocation 14.3%
Total Pension Liability	\$ 2,835,034	\$ 1,980,251
Plan Fiduciary Net Position	(2,991,611)	(2,089,619)
Net Pension (Asset) Liability	<u>\$ (156,577)</u>	<u>\$ (109,368)</u>
Fiduciary Net Position as a Percentage of Net Pension Liability	105.5%	105.5%

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2021, 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. This is composed of an average inflation rate of 2.25% and real returns of 4.25%.
- Future COLAs: 2.25% FY22 and 2.10% FY23

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, 2021, 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, 2021, (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%	4.3%
Fixed Income	30%	1.6%
Real Estate	10%	4.6%
Cash	2%	0.9%
Total	<u>100%</u>	

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 \$156.6 million using a June 30, 2021, measurement date, calculated using the discount rate of 6.5%, as well as what the System's net pension (asset) liability would be if it were calculated using a discount rate that is 1% point lower (5.5%) or 1% point higher (7.5%) than the current rate (Expressed in Thousands):

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
State's Proportionate Share of SDRS's Net Pension (Asset) Liability	\$ 253,537	\$ (156,577)	\$ (489,493)
Discretely Presented Component units Proportionate Share of SDRS Net Pension (Asset) Liability	177,094	(109,368)	(341,908)

Deferred Outflows and Inflows of Resources Related to Pensions. The Deferred Outflows and Inflows of Resources related to pensions at June 30, 2022, were as follows (Expressed in Thousands):

<u>Source</u>	State of South Dakota Deferred Outflows and Inflows of Resources Related to Pensions			
	<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	\$ 5,622	\$ 411	\$ 3,927	\$ 286
Changes in Assumptions	180,061	78,411	125,771	54,769
Net Differences between Projected and Actual Earnings on Pension Plan Investments		223,670		156,236
Changes in Proportionate Share and Differences between Contributions and Proportionate Share of Contributions	576	3,848	865	191
Contributions Subsequent to the Measurement Date	29,452		19,777	
Total	<u>\$ 215,711</u>	<u>\$ 306,340</u>	<u>\$ 150,340</u>	<u>\$ 211,482</u>

The \$29.5 million and the \$19.8 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, 2021. These contributions will be recognized as an increase of the net pension asset in the upcoming year.

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

Recognition of Remaining Deferred Outflows and (Inflows) of Resources

<u>Year Ending June 30</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
2023	\$ (32,253)	\$ (19,662)
2024	(19,428)	(13,516)
2025	(5,476)	(3,787)
2026	(62,924)	(43,954)
Total	<u>\$ (120,081)</u>	<u>\$ (80,919)</u>

8. FUND BALANCES AND NET POSITION

Fund Balance Classifications – Governmental Funds

The following table provides additional detail regarding the fund balances reported on the Governmental Fund Balance Sheet at June 30, 2022, (Expressed in Thousands):

	<u>General</u>	<u>Trans- portation</u>	<u>Social Services Federal</u>	<u>COVID-19 Federal</u>	<u>Dakota Cement Trust</u>	<u>Education Enhancement Trust</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable								
Inventory	\$ 2,405	\$ 22,563	\$ 7	\$ 831	\$	\$	\$ 2,751	\$ 28,557
Prepays	3,206	234	1,301	212			751	5,704
Permanent Fund Principal						431,660	206,568	638,228
Total Nonspendable Fund Balances	5,611	22,797	1,308	1,043	0	431,660	210,070	672,489
Restricted								
Education					358,651	244,764	10,941	614,356
Health and Public Assistance							99,213	99,213
Law , Justice, and Public Protection							27,836	27,836
Economic Development							81,237	81,237
Transportation		280,149						280,149
Agriculture and Natural Resources							106,798	106,798
Energy Conservation or Development							12,047	12,047
Game and Fish							8,028	8,028
Parks and Recreation							2,965	2,965
Public Buildings							1,239	1,239
Public Broadcasting							309	309
Railroads							76,700	76,700
Pandemic Response				6				6
Debt Service							33,085	33,085
Capital Projects							312	312
Other							9,671	9,671
Total Restricted Fund Balances	0	280,149	0	6	358,651	244,764	470,381	1,353,951
Committed								
Education							284	284
Health and Public Assistance							3,825	3,825
Law , Justice, and Public Protection							20,814	20,814
Agriculture and Natural Resources							9,065	9,065
Environmental Cleanup							6,737	6,737
Energy Conservation or Development							937	937
Public Buildings							2,016	2,016
Railroads							515	515
Other							19,088	19,088
Total Committed Fund Balances	0	0	0	0	0	0	63,281	63,281
Assigned								
Education	18,118						562	18,680
Higher Education	102,854							102,854
Health and Public Assistance	81,468		1,284				6,276	89,028
Law , Justice, and Public Protection	46,531						4,197	50,728
Agriculture and Natural Resources	15,732						630	16,362
Game and Fish	7,041							7,041
Tourism Promotion	5,080							5,080
Public Buildings	27,795						3,066	30,861
Economic Development	86,704							86,704
School Districts	17,000							17,000
Other	60,823						2,654	63,477
Total Assigned Fund Balances	469,146	0	1,284	0	0	0	17,385	487,815
Unassigned Fund Balances *	508,940						(12,881)	496,059
Total Fund Balances	\$ 983,697	\$ 302,946	\$ 2,592	\$ 1,049	\$ 358,651	\$ 676,424	\$ 748,236	\$ 3,073,595

* This amount includes \$176.8 million of equity from the Budget Reserve established by the 1991 South Dakota Legislature and \$245.8 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, 2022, was \$176.8 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, 2022, was \$245.8 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, 13 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, 2022, the following equity balances are included within the State's General Fund in accordance with GASB 54 (Expressed in Thousands):

Fund Balance - June 30, 2022 as reported	\$ 983,697
Less Statutorily Created Funds Combined with the General Fund:	
Tourism Promotion - assigned for Tourism Promotion	5,238
Investment Council Operating - assigned for Other	2,552
Private Activity Bond - assigned for Other	322
Teen Court - assigned for Other	21
Proof of Concept - assigned for Economic Development	23
Fine Arts - assigned for Other	1,081
Economic Development - assigned for Economic Development	257
Local Infrastructure Improvement - assigned for Economic Development	6,014
Workforce Education - assigned for Education	2,238
Extraordinary Litigation Expense - assigned for Other	926
IT Modernization Fund	8,712
Incarceration Construction Fund	16,640
Legislative Contingency Fund - unassigned	1,545
Fund Balance - June 30, 2022 excluding GASB 54 combinations	<u>\$ 938,128</u>

Net Position Restricted by Enabling Legislation

The Government-wide Statement of Net Position reports \$2.1 billion of restricted net position for the primary government of which \$256.4 million was restricted by enabling legislation. Restrictions imposed by enabling legislation could be changed by future legislative action.

Funds Held as Permanent Investments

Funds held as permanent investments represent amounts that have been legally restricted for the purpose of providing a long-term source of investment income. Funds held in special revenue funds for this purpose have their principal balance classified as nonspendable in the governmental fund financial statements since these amounts are not available for appropriation. In the Government-wide Statement of Net Position, the principal balance is shown as nonexpendable and the investment earnings remaining in these funds at June 30, 2022, 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, 2022, are summarized as follows (Expressed in Thousands):

<u>Fund</u>	<u>Expendable</u>	<u>Nonexpendable</u>	<u>Total Restriction</u>
Education Enhancement Trust	\$ 244,764	\$ 431,660	\$ 676,424
Health Care Trust	69,362	135,631	204,993
Permanent	(2,274)	70,937	68,663
Total	\$ 311,852	\$ 638,228	\$ 950,080

Individual Fund Deficits

The following individual funds had deficit fund equity at June 30, 2022, (Expressed in Thousands):

<u>Fund Type/Fund</u>	<u>Deficit</u>
Internal Service:	
State Worker's Compensation	\$ 27,386
Special Revenue:	
State Fire Suppression	8,441
Law Enforcement Revolving	970
Public Broadcasting	97
Public Utilities Commission Federal	85
Animal Damage Control	68

9. COMMITMENTS

At June 30, 2022, the Primary Government had operating commitments of \$2.3 billion and the State's discretely presented component units had operating commitments of \$185.5 million. The Primary Government also had uncalled capital commitments of \$1.8 billion. These commitments are broken down as follows:

Primary Government

Major Governmental Funds

General Fund: The total amount committed for the General Fund is \$223.7 million broken down by departments as follows:

- Department of Social Services has commitments totaling \$96.0 million for alcohol and drug services, community mental health services, food services, janitorial services, lease arrangements, and various other contractual commitments.
- Governor's Office of Economic Development has commitments totaling \$62.8 million for Connect SD projects, marketing contracts, and reinvestment payment program projects.
- Department of Education has commitments totaling \$17.9 million for grants, computer systems maintenance, and various K-12 programs.
- Department of Human Services has commitments totaling \$10.9 million for various equipment and systems update, maintenance services, and lease arrangements.
- Bureau of Administration has commitments totaling \$10.6 million for multiple statewide maintenance and repair projects.
- Bureau of Information and Telecommunications has commitments totaling \$7.4 million for various service contracts and encumbered purchase orders.
- Department of Tourism has commitments totaling \$5.7 million for marketing contracts.
- Department of Corrections has commitments totaling \$3.3 million for security fencing.
- Department of Agriculture and Natural Resources has commitments totaling \$3.0 million for lease arrangements.
- Department of Public Safety has commitments totaling \$1.8 million for grants, encumbrances, and maintenance services.
- Department of Veteran's Affairs has road construction commitments totaling \$1.7 million for the South Dakota Cemetery in Minnehaha County.
- Department of Military has commitments totaling \$0.8 million for numerous building renovation projects.
- Department of Revenue has commitments totaling \$0.6 million for software services.
- Unified Judicial System has commitments totaling \$0.6 million for various programs relating to drug and DUI courts.
- Attorney General's Office has commitments totaling \$0.6 million for lease arrangements.

Transportation Fund: The total amount committed for the Transportation Fund is \$584.5 million broken down as follows:

- Department of Transportation has commitments totaling \$582.5 million for various highway projects, maintenance projects, bridge repairs, pavement markings, drainage projects, deer and debris pickup, snow plowing, and street sweeping.
- Department of Public Safety has commitments totaling \$2.0 million for maintenance costs for software systems.

Social Services Federal Fund: Department of Social Services has commitments totaling \$133.7 million for lease arrangements and various other contractual commitments.

COVID-19 Federal Fund: The total amount committed for the COVID-19 Federal Fund is \$723.5 million broken down as follows:

- Department of Agriculture and Natural Resources has commitments totaling \$591.3 million for American Rescue Plan Act (ARPA) contracts.
- Bureau of Administration has commitments totaling \$58.0 million for multiple ARPA contracts for maintenance and repair projects.
- Governor's Office of Economic Development has commitments totaling \$37.6 million for Connect SD projects.
- Department of Education has commitments totaling \$21.0 million for programs, grants, and reimbursing costs incurred pursuant to Coronavirus Relief Fund.
- Department of Social Services has commitments totaling \$11.1 million for community services block grants, Medicaid dental claims, food services, and community mental health services.
- Bureau of Finance and Management has commitments totaling \$3.3 million for various service contracts relating CARES Act.
- Department of Labor and Regulation has commitments totaling \$1.2 million for multiple service systems and programs.

Nonmajor Governmental Funds

Education Federal Fund: Department of Education has commitments totaling \$59.3 million for various grants and programs.

Human Services Fund: Department of Human Services has commitments totaling \$13.0 million for various equipment and systems updates and lease arrangements.

Labor Fund: Department of Labor and Regulation has commitments totaling \$2.5 million for equipment, leases, and other contractual arrangements.

Governor's Office and State Development Federal Fund: Governor's Office of Economic Development has commitments totaling \$18.5 million for Community Development Block Grants.

Public Safety Emergency Management Fund: Department of Public Safety has commitments totaling \$42.2 million for grant payments and various contracts.

Natural Resources Federal Fund: Department of Agriculture and Natural Resources has commitments totaling \$1.6 million in federal subgrant outstanding obligations.

Health Fund: Department of Health has commitments totaling \$10.1 million for lease arrangements.

Motor Vehicle Fund: Department of Public Safety has commitments totaling \$4.7 million for encumbrances and contracts. In addition, Department of Revenue has commitments totaling \$3.7 million for lease arrangements and various contracts relating to motor vehicle programs.

Revenue Fund: Department of Revenue has commitments totaling \$22.7 million for the production and distribution of license plates, lease arrangements, and various contracts for motor vehicle registration and self-service kiosks.

Future Fund: Governor's Office of Economic Development has commitments totaling \$10.0 million for South Dakota Community Foundation and Sioux Falls Development Foundation grants.

Water and Environment Fund: Department of Agriculture and Natural Resources has commitments totaling \$32.9 million in subgrants and subawards.

Military Federal Fund: Department of Military has commitments totaling \$5.7 million for numerous building renovations, maintenance, and repair projects.

Other Nonmajor Governmental Funds: The total amount committed for the Other Nonmajor Special Revenue Funds is \$108.9 million broken down by agency as follows:

- Department of Public Safety has commitments totaling \$89.5 million for highway safety grant payments, emergency management grants, highway safety messages, conducting surveys, various service contracts, a new 911 system design and maintenance, and motorcycle safety courses.
- Department of Education has commitments totaling \$5.4 million for various grants and contractual commitments.
- Governor's Office of Economic Development has commitments totaling \$3.7 million for local infrastructure improvement program grants.
- Department of Social Services has commitments totaling \$1.3 million for substance use disorder services, community mental health services, and various other contractual commitments.
- Department of Agriculture and Natural Resources has commitments totaling \$0.9 million for subgrants and subawards.
- Department of Revenue has commitments totaling \$0.9 million for software services.
- Unified Judicial System has commitments totaling \$0.8 million for rural attorney contracts and various service contracts.
- South Dakota Soybean Research and Promotion Council has commitments totaling \$4.7 million for various contractual projects.
- South Dakota Corn Council has commitments totaling \$1.7 million for the operation and infrastructure of the bioprocessing center to be located within the State.

Major Proprietary Funds

Clean Water State Revolving Fund: Department of Agriculture and Natural Resources has commitments totaling \$109.4 million for loan commitments with borrowers.

Drinking Water State Revolving Fund: Department of Agriculture and Natural Resources has commitments totaling \$64.8 million for loan commitments with borrowers.

Nonmajor Proprietary Funds

Revolving Economic Development and Initiative Fund: Governor's Office of Economic Development has commitments totaling \$42.5 million for loan commitments with borrowers.

Prison Industries Fund: Department of Corrections has commitments totaling \$5.1 million for license plate reissuance.

Self-Insurance Fund: Bureau of Human Resources has commitments totaling \$17.8 million for claims administration, medical management, and wellness services.

Information Services Fund: The Bureau of Information and Telecommunications has commitments totaling \$4.5 million for encumbrances, software, and services contracts.

Telecommunications Fund: The Bureau of Information and Telecommunications has commitments totaling \$2.8 million for lease arrangements, encumbrances and services contracts.

Accounting and Payroll Fund: The Bureau of Finance and Management has commitments totaling \$0.6 million for computer hardware, subscription, and service contracts.

Fleet and Travel Management Fund: The Bureau of Administration has commitments totaling \$1.1 million for vehicles.

Other Nonmajor Proprietary Funds: The total amount committed for the Other Nonmajor Proprietary Funds is \$4.6 million broken down by agency as follows:

- Bureau of Information and Telecommunications has commitments totaling \$4.6 million for radio communication upgrades.

Discretely Presented Component Units

Higher Education: Higher Education has commitments totaling \$102.2 million of construction, renovation, and coaching contract commitments.

South Dakota Housing Development Authority: South Dakota Housing Development Authority has commitments totaling \$74.6 million to fund the Homeownership Mortgage Program.

South Dakota Science and Technology Authority: South Dakota Science and Technology Authority has commitments totaling \$7.5 million for building maintenance and repair projects.

South Dakota Ellsworth Development Authority: South Dakota Ellsworth Development Authority has commitments totaling \$1.2 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 \$1.8 billion. The commitments may be called at the discretion of the general partner or may never be called. As capital is called, it is funded from capital and earnings returned by the limited partnerships or from other assets. Approximate uncalled capital commitments as of June 30, 2022, is broken down as follows (Expressed in Thousands):

	Special Revenue			Fiduciary Component Unit	Permanent	TOTAL
	Dakota Cement Trust	Education Enhancement Trust	Health Care Trust	South Dakota Retirement System Pension Trust Fund	Permanent Fund	
Real Estate Funds	\$ 34,381	\$ 67,137	\$ 17,781	\$ 1,115,792	\$ 35,780	\$ 1,270,871
Private Equity Funds	8,585	15,599	3,749	446,660	8,201	482,794
Total	\$ 42,966	\$ 82,736	\$ 21,530	\$ 1,562,452	\$ 43,981	\$ 1,753,665

10. SELF-INSURANCE

A. Workers' Compensation Benefits and Unemployment Insurance

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

The State is self-insured for workers' compensation through the creation of reserves derived from a percentage of wages paid to state employees. This activity is accounted for in an internal service fund. Claims payable for workers' compensation is reported using an actuarial estimate based on historical experience that includes actual claims submitted as well as claims incurred, but not reported. Allocated claim adjustment expenses (those relating to a specific claim) are included in the determination of claims payable. Unallocated claim adjustment expenses are not included. Estimated recoveries on unsettled and/or settled claims reduce claims liability and are considered in the actuarial estimate. The claims liability is funded as claims are paid resulting in an actuarially determined unfunded liability of \$27.4 million at June 30, 2022.

The Workers' Compensation Fund liability at June 30, 2022, and the changes to the liability during fiscal years ended June 30, 2022 and 2021 were as follows (Expressed in Thousands):

	<u>FY2022</u>	<u>FY2021</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 33,930	\$ 32,194
Incurred claims and claim adjustment expenses		
Provision for insured events of current fiscal year	6,290	6,793
Changes in provision for insured events of prior fiscal years	110	483
Total incurred claims and claim adjustment expenses	<u>6,400</u>	<u>7,276</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	1,124	1,455
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	4,191	4,085
Total payments	<u>5,315</u>	<u>5,540</u>
Unpaid claims and claim adjustment expenses at end of fiscal year	<u>\$ 35,015</u>	<u>\$ 33,930</u>

B. Health Insurance

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

The health insurance program liability at June 30, 2022 and the changes to the liability during fiscal years ended June 30, 2022 and 2021 were as follows (Expressed in Thousands):

	<u>FY2022</u>	<u>FY2021</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 16,574	\$ 17,220
Incurred claims and claim adjustment expenses	131,186	135,495
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	120,028	118,921
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	16,574	17,220
Total payments	<u>136,602</u>	<u>136,141</u>
Unpaid claims and claim adjustment expenses at end of fiscal year	<u>\$ 11,158</u>	<u>\$ 16,574</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 limits claims to \$1,000,000 per occurrence, subject to limitations set forth in SDCL 3-22. The State claims sovereign immunity for all other tort liabilities. A State Supreme Court opinion allows noneconomic damages against employees of the State while they are performing ministerial acts; therefore, the PEPL Fund coverage document provides liability coverage for noneconomic damages that are the result of these acts and commercial reinsurance is purchased. For the current fiscal year, the State purchased reinsurance for claims costs over \$500,000 with 100% of the remaining \$500,000. Claims expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported, based on historical experience. Allocated and unallocated claim adjustment expenses are included in the determination of claims payable. Estimated recoveries on unsettled and/or settled claims reduce claims liability and are considered in the actuarial estimate. At the end of fiscal year 2022, \$4.4 million of the net position balance in the PEPL Fund was designated for future catastrophic losses.

The PEPL Fund liability at June 30, 2022, and the changes to the liability during fiscal years ended June 30, 2022, and 2021 were as follows (Expressed in Thousands):

	<u>FY2022</u>	<u>FY2021</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 4,401	\$ 4,794
Incurring claims and claim adjustment expenses		
Provision for insured events of current fiscal year	2,129	1,650
Changes in provision for insured events of prior fiscal years	842	(657)
Total incurring claims and claim adjustment expenses	<u>2,971</u>	<u>993</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	272	474
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	1,661	912
Total payments	<u>1,933</u>	<u>1,386</u>
Unpaid claims and claim adjustment expenses at end of fiscal year	<u>\$ 5,439</u>	<u>\$ 4,401</u>

D. Risk Management

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

11. LONG-TERM LIABILITIES

Long-term obligations at June 30, 2022, and changes to long-term liabilities during the fiscal year then ended are as follows (Expressed in Thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities *					
Revenue Bonds	\$ 119,274	\$ 54,370	\$ (70,801)	\$ 102,843	\$ 15,501
Add Unamortized Premium	9,595		(4,191)	5,404	432
Net Revenue Bonds	128,869	54,370	(74,992)	108,247	15,933
Compensated Absences	68,320	51,488	(49,543)	70,265	37,683
Policy Claims Liability	4,401	2,971	(1,933)	5,439	1,998
Workers Compensation	33,935	6,400	(5,314)	35,021	4,147
Leases Payable		42,155	(5,874)	36,281	4,940
Notes Payable, as reclassified	108,922	44,065	(50,485)	102,502	7,125
Pollution Remediation Obligation	12,160	375		12,535	450
Escheat Property	48,723	33,073	(19,760)	62,036	44,545
Other Long Term Liabilities	112	60	(56)	116	59
Total Governmental Activities	\$ 405,442	\$ 234,957	\$ (207,957)	\$ 432,442	\$ 116,880
Business-type Activities					
Revenue Bonds	\$ 363,840	\$	\$ (22,425)	\$ 341,415	\$ 23,475
Add Unamortized Premium	63,470		(3,896)	59,574	3,897
Net Revenue Bonds	427,310		(26,321)	400,989	27,372
Leases Payable		1,837	(366)	1,471	355
Compensated Absences	1,754	1,248	(1,078)	1,924	1,040
Other Noncurrent Liabilities	1,464	314		1,778	
Total Business-type Activities	\$ 430,528	\$ 3,399	\$ (27,765)	\$ 406,162	\$ 28,767
Component Units					
Revenue Bonds, as reclassified	\$ 1,644,685	\$ 387,960	\$ (395,349)	\$ 1,637,296	\$ 51,733
Less Unamortized Discount	(75)		4	(71)	(4)
Add Unamortized Premium	63,899	14,749	(12,172)	66,476	3,185
Direct Placement Bonds	100,220	9,259	(40,040)	69,439	1,697
Net Revenue Bonds	1,808,729	411,968	(447,557)	1,773,140	56,611
Compensated Absences	47,664	21,747	(20,769)	48,642	17,069
Leases Payable		5,976	(1,579)	4,397	1,688
Notes Payable, as reclassified	6,750	3,318	(2,008)	8,060	1,789
Rural Development Loans	1,217		(83)	1,134	86
Federal Contributions for Education Loan Programs	32,286		(3,615)	28,671	
Advances from Primary Government, as reclassified	13,120		(13,120)		
Total Component Units	\$ 1,909,766	\$ 443,009	\$ (488,731)	\$ 1,864,044	\$ 77,243

* Governmental Activities Other Long-Term Obligations - The General Fund, special revenue, and internal service funds in which the leases are recorded will liquidate the 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 Agriculture and Natural Resources – Other Fund. The escheat property obligation will be liquidated by the State's General Fund.

Revenue Bonds and Trust Certificates

A. Governmental Activities

1. South Dakota Building Authority

The SDBA issues bonds and trust certificates to finance the cost to acquire, construct, remodel, maintain, and equip buildings and other facilities of state departments and institutions. Bonds and certificates of participation are payable from revenues generated through 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, 2022, (Expressed in Thousands):

<u>Bond Series</u>	<u>Maturity Through</u>	<u>Interest Rates</u>	<u>Amount</u>
2013D	2023	4.130%	\$ 145
2014A	2024	5.000%	265
2014D	2027	5.000%	3,467
2014E	2024	5.000%	703
2015A	2023	3.063%	745
2017A	2040	4.000%-5.000%	38,645
2019B	2038	2.012%-3.201%	6,455
2020A	2039	0.606%-2.619%	9,083
Add Unamortized Premium			5,404
Total			\$ 64,912

As of June 30, 2022, debt service requirements for principal and interest for the SDBA were as follows (Expressed in Thousands):

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,051	\$ 2,357	\$ 6,408
2024	4,218	2,213	6,431
2025	4,051	2,070	6,121
2026	4,188	1,927	6,115
2027	4,352	1,775	6,127
2028-2032	16,500	6,893	23,393
2033-2037	14,247	3,996	18,243
2038-2040	7,901	694	8,595
Total	\$ 59,508	\$ 21,925	\$ 81,433

2. Educational Enhancement Funding Corporation

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

Following are EEFC bonds outstanding at June 30, 2022, (Expressed in Thousands):

<u>Bond Series</u>	<u>Maturity Through</u>	<u>Interest Rates</u>	<u>Amount</u>
2021	2026	.706-1.495%	\$ 43,335
Total			\$ 43,335

As of June 30, 2022, debt service requirements for principal and interest for the EEFC were as follows (Expressed in Thousands):

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 11,450	\$ 472	\$ 11,922
2024	10,985	391	11,376
2025	10,780	286	11,066
2026	10,120	151	10,271
Total	\$ 43,335	\$ 1,300	\$ 44,635

B. Business-type Activities

South Dakota Conservancy District - State Revolving Funds

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

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

The following is a schedule of outstanding bonds as of June 30, 2022, (Expressed in Thousands):

Bond Series	Maturity Through	Interest Rates	Amount
Clean Water State Revolving Fund			
2010AB	2030-2031	4.684%-5.646%	\$ 23,519
2012A	2027	2.633%-3.183%	13,725
2012B	2023-2031	5.000%	5,225
2014B	2035	5.000%	33,530
2017A	2023	2.149%	1,575
2017B	2030-2038	5.000%	60,160
2018	2039	5.000%	52,420
2020	2043	5.000%	76,310
Add Unamortized Premium			50,794
Total			317,258
Drinking Water State Revolving Fund			
2010AB	2030-2031	4.684%-5.646%	12,106
2012A	2027	2.633%-3.183%	8,840
2014B	2035	5.000%	4,470
2017A	2023	2.149%	1,995
2017B	2030-2038	5.000%	11,795
2018	2039	5.000%	35,745
Add Unamortized Premium			8,780
Total			83,731
Total Revenue Bonds			\$ 400,989

As of June 30, 2022, debt service requirements for principal and interest for the CWSRF and the DWSRF were as follows (Expressed in Thousands):

Year Ended June 30	Principal	Interest	Total
Clean Water State Revolving Fund			
2023	\$ 15,335	\$ 12,657	\$ 27,992
2024	16,520	11,957	28,477
2025	17,130	11,181	28,311
2026	17,760	10,364	28,124
2027	16,853	9,536	26,389
2028-2032	77,871	35,773	113,644
2033-2037	61,835	18,118	79,953
2038-2042	37,195	5,352	42,547
2043	5,965	149	6,114
Total	266,464	115,087	381,551
Drinking Water State Revolving Fund			
2023	8,140	3,379	11,519
2024	6,315	3,109	9,424
2025	6,425	2,848	9,273
2026	4,555	2,605	7,160
2027	4,817	2,376	7,193
2028-2032	21,304	8,355	29,659
2033-2037	16,795	3,763	20,558
2038-2039	6,600	316	6,916
Total	74,951	26,751	101,702
Total	\$ 341,415	\$ 141,838	\$ 483,253

C. Component Units

1. South Dakota Housing Development Authority

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

Following is a schedule of bonds, consolidated by category, outstanding at June 30, 2022, (Expressed in Thousands):

	<u>Maturity</u>	<u>Interest</u>	<u>Amount</u>
Home-Ownership Mortgage Program Bonds	2022-2053	0.025%-5.000%	
Serial Bonds			\$ 429,395
Term Bonds			713,724
Term Direct Placement Bonds			50,000
Add Unamortized Premium			31,862
Total			<u><u>1,224,981</u></u>
Single Family Mortgage Bonds	2023-2041	2.294%-3.500%	
Serial Bonds			5,330
Term Bonds			10,820
Add Unamortized Premium			144
Total			<u><u>16,294</u></u>
Multiple Purpose Bonds	2022-2062	0.920%-3.650%	
Term Bonds			20,545
Total			<u><u>20,545</u></u>
Total Bonds			<u><u>\$ 1,261,820</u></u>

As of June 30, 2022, debt service requirements for principal and interest for the HDA were as follows (Expressed in Thousands):

Year Ended	Bonds		Direct Placement Bonds		Total
	Principal	Interest	Principal	Interest	
June 30					
2023	\$ 21,795	\$ 30,646	\$	\$ 630	\$ 53,071
2024	59,625	30,473		630	90,728
2025	59,380	29,230		630	89,240
2026	49,840	27,986		630	78,456
2027	45,755	27,042		630	73,427
2028-2032	222,400	117,198	18,115	2,868	360,581
2033-2037	160,595	92,533	31,885	1,097	286,110
2038-2042	156,090	75,582			231,672
2043-2047	253,759	48,675			302,434
2048-2052	142,885	12,948			155,833
2053-2057	6,110	140			6,250
2058-2062	1,470	5			1,475
2063-2067	110				110
Total	<u><u>\$ 1,179,814</u></u>	<u><u>\$ 492,458</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 7,115</u></u>	<u><u>\$ 1,729,387</u></u>

2. South Dakota Economic Development Finance Authority

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

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

The pooled bond issues require amounts to be deposited into the Capital Reserve Account. The money on deposit in the Capital Reserve Account is irrevocably pledged to the payment of all outstanding bonds and interest only when and to the extent that other monies are not available. The amount on deposit in the Capital Reserve Account must be equal to 12.5% of the related bond principal outstanding. Amounts in excess of the reserve requirements may be transferred to any state fund to be used for other purposes. At June 30, 2022, 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, 2022, (Expressed in Thousands):

<u>Bond Series</u>	<u>Maturity Through</u>	<u>Interest Rates</u>	<u>Amount</u>
2013A	2033	4.650%-5.800%	\$ 6,700
Total			\$ 6,700

As of June 30, 2022, debt service requirements for principal and interest for the EDFA were as follows (Expressed in Thousands):

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 455	\$ 383	\$ 838
2024	480	362	842
2025	505	335	840
2026	535	305	840
2027	565	274	839
2028-2032	3,365	838	4,203
2033	795	46	841
Total	\$ 6,700	\$ 2,543	\$ 9,243

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 2022 equaled \$32.3 million. Following are revenue bonds outstanding at June 30, 2022, (Expressed in Thousands):

Bond Series	Maturity Through	Interest Rates	Amount
School of Mines and Technology			
2008B Direct Placement	2028	4.550%	\$ 1,700
2014A	2039	4.000%-5.000%	5,405
2014B	2033	5.000%	4,325
2017A	2042	4.000%-5.000%	14,720
Add Unamortized Premium			2,469
University of South Dakota			
2013A	2028	3.000%-4.000%	5,675
2015	2030	4.000%-5.000%	6,085
2017A	2039	4.000%-5.000%	28,880
Add Unamortized Premium			4,842
South Dakota State University			
2006 Direct Placement	2026	3.920%	2,125
2014A	2025	5.000%	7,525
2015	2030	4.000%-5.000%	1,215
2016	2041	4.000%-5.000%	11,135
2017A	2042	4.000%-5.000%	33,285
2021	2036	3.000%-4.000%	36,570
Less Unamortized Discount			(71)
Add Unamortized Premium			11,058
Northern State University			
2008B Direct Placement	2028	4.550%	450
2014B	2029	5.000%	2,050
2016	2041	4.000%-5.000%	5,885
2017A	2034	4.000%-5.000%	785
2019B	2036	2.400%-3.350%	4,250
Add Unamortized Premium			675
Dakota State University			
2007 Direct Placement	2029	3.880%	170
2008 Direct Placement	2028	3.880%	1,825
2014B	2025	5.000%	540
2015	2040	4.000%-5.000%	9,360
2019A	2044	3.000%-5.000%	11,480
Add Unamortized Premium			2,210
Black Hills State University			
2006 Direct Placement	2026	3.920%	345
2007 Direct Placement	2029	3.880%	3,590
2014A	2039	4.000%-5.000%	6,565
2014B	2026	5.000%	710
Add Unamortized Premium			396
Total			\$ 228,229

As of June 30, 2022, debt service requirements for principal and interest were as follows (Expressed in Thousands):

Year Ended June 30	Bonds		Direct Placement Bonds		Total
	Principal	Interest	Principal	Interest	
2023	\$ 12,740	\$ 8,600	\$ 1,650	\$ 402	\$ 23,392
2024	12,995	8,025	1,725	335	23,080
2025	13,580	7,438	1,795	266	23,079
2026	11,245	6,822	1,865	193	20,125
2027	11,720	6,303	1,255	117	19,395
2028-2032	59,040	23,457	1,915	78	84,490
2033-2037	50,010	10,382			60,392
2038-2042	23,595	2,567			26,162
2043-2047	1,520	69			1,589
Total	\$ 196,445	\$ 73,663	\$ 10,205	\$ 1,391	\$ 281,704

b. South Dakota Building Authority (Higher Education Portion)

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

Following is a schedule of bonds outstanding at June 30, 2022, (Expressed in Thousands):

Bond Series	Maturity Through	Interest Rates	Amount
Revenue Bonds			
2012A	2022	4.000%	\$ 750
2013B	2023	5.000%	2,820
2014A	2024	5.000%	2,245
2014B	2025	5.000%	2,395
2014D	2026	5.000%	693
2014E	2024	5.000%	3,677
2014F	2024	3.300%-3.700%	1,000
2015B	2025	5.000%	1,010
2017A	2042	4.000%-5.000%	10,040
2018A	2040	4.000%-5.000%	26,235
2019A	2034	4.000%-5.000%	12,310
2019B	2038	2.012%-3.201%	63,430
2020A	2040	0.606%-2.619%	67,537
2020B	2029	0.581%-1.732%	9,805
2020C	2045	3.000%-4.000%	24,245
2022A	2046	4.000%	9,155
2022B Direct Placement	2035	2.170%	9,234
Add Unamortized Premium			12,820
Total Revenue Bonds			\$ 259,401

As of June 30, 2022, debt service requirements for principal and interest for the SDBA (Higher Ed portion) were as follows (Expressed in Thousands):

Year Ended June 30	Bonds		Direct Placement Bonds		Total
	Principal	Interest	Principal	Interest	
2023	\$ 15,628	\$ 7,299	\$ 47	\$ 200	\$ 23,174
2024	16,227	6,710	48	199	23,184
2025	17,049	6,173	49	198	23,469
2026	16,973	5,764	50	197	22,984
2027	15,548	5,350	702	196	21,796
2028-2032	70,065	21,167	5,052	690	96,974
2033-2037	53,198	11,651	3,286	144	68,279
2038-2042	26,629	3,502			30,131
2043-2047	6,030	534			6,564
Total	\$ 237,347	\$ 68,150	\$ 9,234	\$ 1,824	\$ 316,555

4. South Dakota Ellsworth Development Authority

The EDA was established to protect and promote the economic impact of Ellsworth Air Force Base and associated industry, and to promote the health and safety of those living or working near the base. No obligation issued by the EDA shall constitute debt or liability or obligation of the State of South Dakota, or any political subdivision or a pledge of the faith and credit of the State or any political subdivision. Debt payments will be paid with pledged user fees from operating the waste water treatment plant. Following is a schedule of bonds outstanding at June 30, 2022, (Expressed in Thousands):

Bond Series	Maturity Through	Interest Rate	Amount
2012A	2036	2.390%	\$ 5,519
2012B	2036	2.390%	5,519
2013A	2036	2.390%	1,212
2013B	2036	2.390%	3,673
2013C	2036	2.390%	521
2013D	2036	2.390%	545
Total			\$ 16,989

As of June 30, 2022, debt service requirements for principal and interest for the EDA were as follows (Expressed in Thousands):

Year Ended June 30	Principal	Interest	Total
2023	\$ 1,162	\$ 399	\$ 1,561
2024	1,190	371	1,561
2025	1,219	342	1,561
2026	1,248	313	1,561
2027	1,278	283	1,561
2028-2032	6,866	941	7,807
2033-2036	4,026	156	4,182
Total	\$ 16,989	\$ 2,805	\$ 19,794

Leases Payable

During the fiscal year the State had 286 lessee lease agreements for the use of land, buildings, and equipment. The terms of the leases range from 1 to 40 years. The leases have a weighted average interest rate of 2.72%. The following schedule is a summary of the future minimum principal and interest lease payments under leases, together with the present value of the net minimum lease payments as of June 30, 2022, (Expressed in Thousands):

Year Ended June 30	Primary Government		Component Units	
	Principal	Interest	Principal	Interest
2023	\$ 5,295	\$ 956	\$ 1,688	\$ 162
2024	4,487	827	1,731	86
2025	4,397	706	524	33
2026	4,211	588	331	15
2027	3,607	480	119	3
2028-2032	10,028	1,323	4	1
2033-2037	3,337	522	0	0
2038-2042	1,715	188	0	0
2043-2047	261	73	0	0
2048-2052	206	42	0	0
2053-2057	163	18	0	0
2058-2062	45	1	0	0
Total Lease Payments	\$ 37,752	\$ 5,724	\$ 4,397	\$ 300

Notes Payable and Installment Purchases

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

Following is a schedule of the Vocational Education Program notes payable outstanding at June 30, 2022, (Expressed in Thousands):

Note Series	Maturity Through	Interest Rates	Amount
2015A	2039	3.000%-5.000%	\$ 20,250
2015B	2036	3.000%-5.000%	12,575
2015C	2036	3.000%-5.000%	13,860
2021	2041	2.290%	30,316
2022	2042	3.380%	13,749
Total			\$ 90,750

Following is a schedule of the installment purchases payable outstanding at June 30, 2022, (Expressed in Thousands):

<u>Series</u>	<u>Maturity Through</u>	<u>Interest Rates</u>	<u>Amount</u>
2017A	2023	3.634%	\$ 601
2017B	2024	3.900%	1,518
2018A	2025	3.460%	2,610
2018B	2023	10.430%	5
2019A	2025	4.779%	56
2019B	2024	4.779%	85
2020A	2026	2.680%	2,610
2020B	2024	3.400%	321
2020C	2024	3.350%	140
2021A	2027	2.400%	664
2021B	2027	2.300%	3,141
Total			\$ 11,751

The State also enters into purchase agreements for various facilities and equipment. The following schedule is a summary of the future minimum payments under notes and installment purchases, together with the present value of the net minimum lease payments as of June 30, 2022, (Expressed in Thousands):

<u>Year Ended June 30</u>	<u>Governmental Activities</u>		<u>Component Units</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 7,125	\$ 3,557	\$ 1,887	\$ 237
2024	6,617	3,448	1,457	201
2025	6,231	3,265	1,061	169
2026	6,026	3,012	818	143
2027	5,420	2,798	320	118
2028-2032	26,312	11,010	1,544	370
2033-2037	29,310	5,277	502	141
2038-2042	15,461	903	212	74
2043-2047			259	27
Total	\$ 102,502	\$ 33,270	\$ 8,060	\$ 1,480

Conduit Debt Obligations

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

1. South Dakota Economic Development Finance Authority

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

As of June 30, 2022, there were 112 Beginning Farmer Bond Program Series Revenue Bonds outstanding. The aggregate principal amount payable on June 30, 2022, could not be determined; however, the original issue amount totaled \$23.5 million.

As of June 30, 2022, there were 7 Agribusiness Bond Program Series Revenue Bonds outstanding. The aggregate principal amount payable on June 30, 2022, could not be determined; however, the original issue amount totaled \$18.6 million.

As of June 30, 2022, there were 23 Livestock Nutrient Management Bond Program Series Revenue Bonds outstanding. The aggregate principal amount payable on June 30, 2022, could not be determined; however, the original issue amount totaled \$61.9 million.

2. South Dakota Housing Development Authority

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

As of June 30, 2022, the aggregate principal amount of conduit debt outstanding totaled \$14.6 million.

Refunded and Defeased Bonds

1. South Dakota Building Authority

The SDBA has entered into refunding transactions whereby refunding bonds have been issued to facilitate defeasance of the SDBA's obligation with respect to certain bond issues. The proceeds of the refunding issues have been placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payments of interest and principal on the issues being refunded. Refunded bonds and the related assets held in the trust are not included in the accompanying financial statements since the SDBA has satisfied its obligations with respect thereto through consummation of the refunding transactions.

On January 31, 2022, the SDBA issued \$9.3 million in Tax-Exempt Revenue Bonds Series 2022B to current refund the Series 2010B bonds. The refunding portion with an average interest rate of 2.2% was used to refund \$9.0 million of outstanding Series 2010B bonds with an average interest rate of 6.0%. The net proceeds of the refunding portion of \$9.1 million were used to escrow the refunded Series 2010B bonds (after payment of \$0.2 million in underwriting fees and other issuance costs). As a result, the refunded Series 2010B 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 \$49.6 thousand. This difference is being charged to operations through fiscal year 2035 using the effective-interest method. The SDBA completed the advance refunding for a net economic gain of \$0.7 million. The difference between the cash flows of the refunded bonds and the refunding bonds is a \$0.9 million reduction in debt service payments. There was no actual cash amount realized for this refunding as the payment was amended.

Fully defeased bonds not yet paid to bondholders as of June 30, 2022, are as follows (Expressed in Thousands):

<u>Bond Issues</u>	<u>Year of Defeasance</u>	<u>Original Amount Defeased</u>
Series 2012A	2020	\$ 5,190
Series 2013B	2019	54,495
Series 2013D	2019	3,280
Series 2014A	2020	26,865
Series 2014B	2020	2,085
Series 2014E	2020	17,010
Series 2014F	2020	4,265
Series 2015A	2020	5,980
Series 2015B	2020	8,015
Total		\$ 127,185

The Series 2011A bonds were called on September 1, 2021. The Series 2010B bonds were called on February 18, 2022. The Series 2012A bonds will be called on September 1, 2022. The Series 2013B and 2013D bonds will be called on June 1, 2023. The Series 2014A, 2014E and 2014F bonds will be called on June 1, 2024. The Series 2014B bonds will be called September 1, 2024. The Series 2015A bonds will be called June 1, 2023. The Series 2015B will be called June 1, 2025.

2. South Dakota Housing Development Authority

In August 2021, the HDA issued \$20.3 million of fixed rate Homeownership Mortgage Bonds, 2021 Series B (the Refunding Bonds). The Refunding Bonds, totaling \$20.3 million were used to refund \$14.2 million of Single Family Mortgage Bonds, 2011 Series 2 and 2009 Series 1-D and \$6.1 million of Homeownership Mortgage Bonds, 2012 Series B (collectively the Refunded bonds). The purpose of the refunding was to reduce the HDA’s borrowing cost on debt that was optionally redeemable at par, which decreased total debt service payments by approximately \$4.0 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 and negative arbitrage, will result in an economic gain of approximately \$1.4 million.

In February 2022, the HDA issued \$16.5 million of fixed rate Homeownership Mortgage Bonds, 2022 Series A (the Refunding Bonds). The Refunding Bonds, along with the premium generated from the bond sale, were used to refund \$17.6 million of Homeownership Mortgage bonds, 2012 Series EF (the Refunded bonds). The purpose of the refunding was to reduce the HDA’s borrowing cost on debt that was optionally redeemable at par, which decreased total debt service payments by approximately \$3.0 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 and negative arbitrage, will result in an economic gain of approximately \$2.5 million.

During the year ended June 30, 2022, the HDA issued Homeownership Mortgage Bonds Series 2021BC, 2022AB and 2022CD in the aggregate principal amounts of \$139.3 million, \$115.5 million and \$99 million, respectively, of which \$87.4 million, \$72.7 million and \$67.4 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, 2022, are as follows (Expressed in Thousands):

<u>Bond Issues</u>	<u>Year of Defeasance</u>	<u>Original Amount Defeased</u>
Series 2012B (01)	2018	\$ 725
Series 2012B	2018	26,190
Total		\$ 26,915

Series 2010B (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, 2022, are as follows (Expressed in Thousands):

<u>Bond Issues</u>	<u>Year of Defeasance</u>	<u>Original Amount Defeased</u>
Series 2012B (01)	2018	\$ 790
Total		\$ 790

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

4. Educational Enhancement Funding Corporation

On September 16, 2021, the EEFC issued the Series 2021 bonds in an aggregate principal amount of \$54.4 million with an average interest rate of 1.0% to current refund \$9.2 million and advance refund \$46.6 million of outstanding maturities within the Series 2013A and Series 2013B issuances, respectively. The net proceeds of approximately \$9.5 million including other sources of funds and after bond issuance costs, were used to retire the Series 2013A bonds on September 29, 2021. The net proceeds of approximately \$51.2 million including other sources of funds and after bond issuance costs, were used to purchase U.S. Treasury securities which will provide for all future debt service payments on the defeased Series 2013B bonds. The refundings resulted in a difference between the reacquisition prices and the net carrying amount of the old debts of \$3.6 million. This difference is being charged to operations through fiscal year 2026 using the effective-interest method. The EEFC completed the refunding for a net economic gain of \$1.2 million. The difference between the cash flows of the Series 2013A and Series 2013B refunded bonds and the Series 2021 refunding bonds is a \$2.0 million reduction in debt service payments.

Fully defeased bonds not yet paid to bondholders as of June 30, 2022, are as follows (Expressed in Thousands):

<u>Bond Issues</u>	<u>Year of Defeasance</u>	<u>Original Amount Defeased</u>
Series 2013B	2022	\$ 46,635
Total		\$ 46,635

Series 2013B bonds will be called on June 1, 2023.

5. Vocational Educational Program

Funding of the Vocational Education Program is obtained through the bonds issued by the HEFA. The HEFA issues bonds and enters into an agreement with the State for the construction of vocational education facilities. The agreements are recorded as notes payable by the State. The gains, losses and economic benefits of HEFA current refunding /advance refunding bonds revert back to the State. The following HEFA current refunding/advance refunding bonds were made.

On November 13, 2021, the HEFA issued \$30.3 million of Vocational Education Program Series 2021 bonds, all of which were used to current refund \$10.0 million and \$19.5 million of outstanding maturities within the Vocational Education Program Series 2010C and 2011A bonds, respectively. The net proceeds of approximately \$30.1 million after payment of issuance costs, current refunded the Series 2010C and 2011A on December 29, 2021.

On May 6, 2022, the HEFA issued \$13.7 million of Vocational Education Program Series 2022 bonds, all of which were used to current refund \$13.3 million of outstanding maturities within the Vocational Education Program Series 2012A bonds. The net proceeds of approximately \$13.6 million after payment of issuance costs, will current refund the Series 2012A bonds on August 1, 2022.

Pollution Remediation Obligations

The State has pollutions remediation obligation liabilities as of June 30, 2022 of \$12.5 million.

1. Gilt Edge Superfund Site

The State of South Dakota, acting through the Department of Agriculture and Natural Resources, has contracted with the United States Environmental Protection Agency (EPA) for participation in the remediation of the Gilt Edge Mine Superfund Site in Lawrence County. The State is required by law to pay a 10.0% cost share for the total EPA costs for remediation of the site. The total state costs to be paid to EPA is estimated to be \$15.9 million. The State has spent approximately \$6.6 million with an estimated remaining outstanding liability as of June 30, 2022 of \$9.3 million. The State's cost share for remediation has been paid from the Brohm Mining Co. forfeited reclamation bond and the Regulated Substance Response Fund. After EPA completes the site remediation, the State is required to take control of the site and will use the reclamation bond and settlement money to pay 100% for site management and ongoing water treatment costs. The State cash balance on June 30, 2022 for those two funds was approximately \$19.3 million. However, actual costs incurred when the State takes control of the site cannot be anticipated at this time because they are dependent on the efficacy of the final EPA cleanup action to reduce the quantity of acid mine drainage produced.

2. Petroleum Release Compensation Fund

The Petroleum Release Compensation Fund (PRCF) provides reimbursement for remediation of sites where a petroleum release has occurred. This fund and the requirement that the State provide reimbursement were established under SDCL 34A-13. As of June 30, 2022, PRCF was currently involved with 34 active cases, 18 active/monitoring cases, and 12 pending cases (spill report not yet filed), for a total of 64 cases. The estimated cost remaining for sites that have received at least one payment is \$448.5 thousand, the estimated cost for sites that haven't received any payments is \$2.2 million and the estimated cost for the Abandoned Tank Removal Program is \$600.0 thousand. The total liability as of June 30, 2022 for this program is \$3.2 million. The cash balance in the PRCF on June 30, 2022 is approximately \$6.4 million.

12. FUNCTIONAL DISTRIBUTION OF HIGHER EDUCATION OPERATING EXPENSES

The operating expenses on the Statement of Revenues, Expenses, and Changes in Net Position are presented in natural classifications. The following table presents those same expenses in functional classifications for Higher Education (excluding Foundations) as of June 30, 2022, as recommended by NACUBO (Expressed in Thousands):

Function	Personal			Supplies &	Grants &	Interest &	Depreciation &	Total
	Services	Travel	Contractual	Noncapitalized	Subsidies	Other	Amortization	
				Equipment		Expenses		
Instruction	\$ 174,214	\$ 2,563	\$ 11,013	\$ 8,491	\$ 563	\$ 133	\$ 5,608	\$ 202,585
Research	42,479	1,751	6,686	11,225	9,193	1	4,608	75,943
Public Service	30,830	1,541	7,900	5,561	1,026	673	543	48,074
Academic Support	41,602	489	10,670	8,456	190		1,138	62,545
Student Services	43,740	9,060	10,368	8,284	364	(2)	1,194	73,008
Institutional Support	45,445	804	22,666	5,295	838	870	3,106	79,024
O&M of Plant	25,756	269	16,186	8,897	6	12	42,715	93,841
Scholarships and Fellowships	988	5	121	80	41,213	302		42,709
Auxilliary Enterprises	10,707	67	41,609	9,972	5		1,961	64,321
Other						146	6,380	6,526
	\$ 415,761	\$ 16,549	\$ 127,219	\$ 66,261	\$ 53,398	\$ 2,135	\$ 67,253	\$ 748,576

13. POSTSECONDARY TECHNICAL INSTITUTE SYSTEM

The primary government has an ongoing financial responsibility for funding the four postsecondary technical institutes. The postsecondary technical institutes are considered part of the local school districts or local education authority in the district where they are located. The oversight of the postsecondary technical institutes resides within the primary government through the South Dakota Board of Technical Education (SDBTE). The SDBTE provides overall policies, goals, and objectives for the management of the postsecondary technical institutes. The SDBTE consists of nine members appointed by the Governor. The SDBTE may adopt rules governing the operation of the postsecondary technical institutes including curriculum, tuition payments and other charges, and plans for construction or renovation of facilities. During fiscal year 2022, the State provided \$31.7 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 financed purchase agreements with HEFA and rents the facilities at the postsecondary technical institutes to the school districts. The State makes debt payments to HEFA from a combination of General Fund appropriations, interest earnings from a debt service fund, and from student facility fees collected by the postsecondary technical institutes and remitted to the State. Upon completion of payments under the debt agreements, titles to the facilities pass to the State. The agreements with the school districts are then extended annually as long as the school districts pay the State \$100 per year and continue to use the facilities for postsecondary technical education. Facilities constructed or renovated and the financed purchase agreements between the State and HEFA are reported under the governmental activities column in the Government-wide Statement of Net Position.

14. TAX ABATEMENTS

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

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

During fiscal year 2022, the State abated \$8.0 million of sales and use tax as estimated reimbursement amounts for approved projects that have not met all the reimbursement criteria. The State reimbursed \$17.2 million of sales and use tax during fiscal year 2022, all of which was abated in prior fiscal years.

15. RELATED PARTY TRANSACTIONS

The following transactions occurred between the State and external entities:

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

SDCUC has a management agreement with South Dakota Corn Growers Association (SDCGA). Under the agreement SDCGA shares employees with SDCUC and provides utilities, insurance and building maintenance, taxes, accounting services, clerical services, office equipment, office supplies, and internet and telephone services. For the fiscal year ended June 30, 2022, SDCUC paid \$1.0 million to SDCGA for these services. The SDCUC also leases office space from SDCGA under a lease agreement that commenced July 1, 2011. The terms of the lease called for an advance payment of the eleven-year lease term, which was paid in 2011. SDCUC also had accounts receivable due from SDCGA for reimbursement on expenses paid on their behalf of \$0.9 million, which relate to funds expended under a SDCGA grant program.

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

ADASD contracted with Midwest Dairy, a related organization through similar control and management, to implement and administer programs intended to contribute to the betterment of South Dakota's dairy farmers and the State's dairy industry. Such programs include, but are not limited to strategic initiatives, wellness, farmer relations, consumer demand, economic and dairy product research and innovation, farmer communications, and consumer confidence. Under the terms of the contracts, Midwest Dairy also provides administrative, financial, and reporting services. Payments under these contracts amounted to \$3.7 million for the year ended June 30, 2022.

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

Higher Education consists of six state public universities (Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines and Technology, South Dakota State University, and University of South Dakota), two schools serving special K-12 populations (South Dakota School for the Deaf and South

Dakota School for the Blind and Visually Impaired), and the governing board, South Dakota Board of Regents (BOR). Higher Education is considered a discretely presented component unit of the State.

Higher Education received State appropriations of \$242.8 million to support Higher Education universities.

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

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.

In fiscal year 2021, the SDEDA received a grant of \$3.2 million from the South Dakota Governor's Office of Economic Development (GOED) for the construction of the Liberty Wellness Center. GOED distributed \$0.5 million to SDEDA in fiscal year 2021 and \$2.7 million in fiscal year 2022.

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

SDHDA administers the Housing Opportunity Program. This program provides funding for new construction or the purchase and rehabilitation of rental or homeownership housing, housing preservation, including home repair grants and grants to make homes more accessible to individuals with disabilities, homelessness prevention activities, and community land trusts. During fiscal year 2022, the following transactions occurred between SDHDA and the GOED for the Housing Opportunity Program:

- GOED received a \$1.0 million General Fund Appropriation for the Housing Opportunity Program.
- GOED received \$1.5 million from SDHDA.
- GOED distributed \$0.3 million from private activity bond fees to the Housing Opportunity Program.
- GOED received \$0.3 million in private activity bond fees from SDHDA.
- GOED disbursed \$3.0 million of Housing Opportunity Program funds to SDHDA.

SDHDA received fiscal year 2022 legislative appropriations of \$150 million from the state General Fund and \$50 million of American Rescue Plan Act federal grants for the purpose of providing loans and grants for the construction of housing infrastructure. The \$150 million of General funds was disbursed to SDHDA in fiscal year 2022. The \$50 million of federal funds will be disbursed to SDHDA on a reimbursement basis.

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)**. 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 loan amounts are used for the purchase of xenon for future experiments. The loans will be repaid at the end of the experiment from the sale of the xenon previously purchased. SDSTA pays the Foundations interest quarterly at a rate of 2.5% per annum per year. The notes mature December 31, 2026.

16. SUBSEQUENT EVENTS

Primary Government

South Dakota Conservancy District

In October 2022, the South Dakota Conservancy District, a blended component unit of the State, issued State Revolving Fund Program Bonds totaling approximately \$165.8 million. Approximately \$85.8 million will be deposited into the Drinking Water State Revolving Fund and \$80.0 million will be deposited into the Clean Water State Revolving Fund.

Attorney General

In September 2022, JUUL Labs entered into a Consent Judgement with South Dakota and a broad coalition of other states for an investigation into the e-cigarette manufacturer's marketing and sales practices. South Dakota will receive \$6.1 million to be paid over 5, 7, or 9 years. Payments will be deposited into the Consumer Protection Fund and used for the benefit and education of South Dakota consumers and for the enforcement of consumer protection laws.

In November 2022, Google, LLC entered into an Assurance of Voluntary Compliance with South Dakota and a broad coalition of other states for its location tracking practices relating to Google account settings. South Dakota will receive \$4.2 million. Installments will be deposited into the Consumer Protection Fund and used for the benefit and education of South Dakota consumers and for the enforcement of consumer protection laws.

Department of Social Services

South Dakota, along with a broad coalition of other states, has reached settlement agreements with several companies to resolve legal claims for their role in the opioid crisis. South Dakota's overall share is approximately \$54.0 million to be received over 18 years. Installments will be deposited into the Opioid Abatement and Remediation Fund. The State will receive 70% of the funds with the remaining 30% being distributed to counties and cities with populations over 10,000. All funds must be used for opioid abatement and remediation.

Department of Public Safety

The State of South Dakota has received two storm related Presidential Disaster Declarations allowing for Federal Emergency Management Agency disaster assistance. Total damage is estimated at \$9.6 million.

Component Units

South Dakota Housing Development Authority

In October 2022, the South Dakota Housing Development Authority, a discretely presented component unit of the State, issued \$50.0 million of Homeownership Mortgage bonds.

South Dakota Science and Technology Authority

In November 2022, the South Dakota Science and Technology Authority, a discretely presented component unit of the State, negotiated the sale of 45,274 liters of Xenon for \$2.9 million. On June 30, 2022, the book value of the Xenon being sold was \$266.2 thousand. Proceeds from this sale will be used to satisfy part of the long-term notes payable. The remaining balance of the long-term notes payable has been renegotiated and the due date of these notes has been extended by two years.

17. CONTINGENCIES AND LITIGATION

The State of South Dakota and its component units are defendants to various legal proceedings. Substantial litigation includes three claims related to property damage and one related to employment law. The State and its component units intend to vigorously defend against any of the plaintiffs' actions. The outcome of these lawsuits is not presently determinable. In the plaintiffs' court filings, they are seeking damages of \$409.3 million. If a liability exists, the State believes the damages will be significantly less than the amounts the Plaintiffs are seeking. Any damages awarded would be paid from the Extraordinary Litigation Fund which is reported as part of the State's General Fund. Based on prior experience, it is unlikely that the outcome of these claims will materially affect the financial position of the State.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – 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, 2022
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
RESOURCES (inflows) AVAILABLE FOR APPROPRIATION				
ONGOING RESOURCES				
Sales and Use Tax	\$ 1,157,607	\$ 1,320,226	\$ 1,356,844	\$ 36,618
Lottery	139,393	167,015	171,610	4,595
Contractor's Excise Tax	141,634	148,510	155,824	7,314
Insurance Company Tax	97,376	98,181	103,995	5,814
Unclaimed Property Receipts	45,343	63,732	65,098	1,366
Licenses, Permits, and Fees	70,353	71,531	75,077	3,546
Tobacco Taxes	52,484	51,411	49,385	(2,026)
Trust Funds	43,053	43,495	43,495	0
Net Transfers In	20,700	23,131	28,340	5,209
Alcohol Beverage Tax	8,708	8,971	9,204	233
Bank Franchise Tax	14,941	16,753	22,512	5,759
Charges for Goods and Services	15,226	15,140	14,803	(337)
Telecommunications Tax	4,568	2,901	2,688	(213)
Severance Taxes	7,855	7,790	8,034	244
Investment Income and Interest	11,424	19,701	19,649	(52)
Alcohol Beverage 2% Wholesale Tax	2,648	2,764	2,910	146
TOTAL ONGOING	1,833,313	2,061,252	2,129,468	68,216
ONE-TIME RESOURCES				
Expenditures Moved to Coronavirus Relief Fund Based on Guidance from the Federal Government	0	0	5,333	5,333
Unexpended Carryovers and Specials	0	0	2,900	2,900
Bank Franchise Tax Prior Year Revenue	0	416	1,568	1,152
One-Time Sales and Use Tax	25,000	28,306	28,307	1
Prior Year Carryover and Encumbered	66,507	66,507	66,507	0
TOTAL ONE-TIME RESOURCES	91,507	95,229	104,615	9,386
TOTAL RESOURCES AVAILABLE FOR APPROPRIATION	\$ 1,924,820	\$ 2,156,481	\$ 2,234,083	\$ 77,602
CHARGES TO APPROPRIATIONS (outflows)				
OFFICE OF THE GOVERNOR				
Personal Services	\$ 2,072	\$ 2,072	\$ 2,072	\$ 0
Operating Expenses	483	483	483	0
TOTAL	2,555	2,555	2,555	0
GOVERNOR'S CONTINGENCY FUND				
Personal Services	0	0	0	0
Operating Expenses	75	75	74	1
TOTAL	75	75	74	1
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT				
Personal Services	2,808	2,308	2,091	217
Operating Expenses	87,542	88,042	9,707	78,335
TOTAL	90,350	90,350	11,798	78,552
SD HOUSING DEVELOPMENT AUTHORITY				
Personal Services	0	0	0	0
Operating Expenses	0	150,000	150,000	0
TOTAL	0	150,000	150,000	0
SD ELLSWORTH DEVELOPMENT AUTHORITY				
Personal Services	0	0	0	0
Operating Expenses	2,673	2,673	2,673	0
TOTAL	2,673	2,673	2,673	0
SCIENCE AND TECHNOLOGY AUTHORITY				
Personal Services	0	0	0	0
Operating Expenses	1,470	1,470	1,470	0
TOTAL	1,470	1,470	1,470	0

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
SD HOUSING OPPORTUNITY				
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0
Operating Expenses	1,040	1,040	1,040	0
TOTAL	1,040	1,040	1,040	0
WORKFORCE EDUCATION				
Personal Services	0	0	0	0
Operating Expenses	490	490	490	0
TOTAL	490	490	490	0
LIEUTENANT GOVERNOR				
Personal Services	24	24	24	0
Operating Expenses	14	14	14	0
TOTAL	38	38	38	0
BUREAU OF FINANCE AND MANAGEMENT				
Personal Services	786	834	833	1
Operating Expenses	50,563	50,515	50,295	220
TOTAL	51,349	51,349	51,128	221
ADMINISTRATIVE SERVICES, BUREAU OF ADMINISTRATION				
Personal Services	0	0	0	0
Operating Expenses	1	1	0	1
TOTAL	1	1	0	1
CENTRAL SERVICES				
Personal Services	216	216	205	11
Operating Expenses	217	217	217	0
TOTAL	433	433	422	11
STATEWIDE MAINTENANCE AND REPAIR				
Personal Services	0	0	0	0
Operating Expenses	31,717	32,217	20,817	11,400
TOTAL	31,717	32,217	20,817	11,400
OFFICE OF HEARING EXAMINERS				
Personal Services	299	299	295	4
Operating Expenses	85	85	85	0
TOTAL	384	384	380	4
EXTRAORDINARY LITIGATION FUND				
Personal Services	0	0	0	0
Operating Expenses	400	1,900	1,900	0
TOTAL	400	1,900	1,900	0
SOUTH DAKOTA PUBLIC BROADCASTING				
Personal Services	3,225	3,225	3,220	5
Operating Expenses	1,316	1,316	1,316	0
TOTAL	4,541	4,541	4,536	5
STATE RADIO ENGINEERING				
Personal Services	964	964	912	52
Operating Expenses	9,679	10,429	6,778	3,651
TOTAL	10,643	11,393	7,690	3,703
PERSONNEL MANAGEMENT AND EMPLOYEE BENEFITS				
Personal Services	240	240	240	0
Operating Expenses	65	65	65	0
TOTAL	305	305	305	0

STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
DEPARTMENT TOTAL, EXECUTIVE MANAGEMENT				
Personal Services	\$ 10,634	\$ 10,182	\$ 9,892	\$ 290
Operating Expenses	187,830	341,032	247,424	93,608
TOTAL	198,464	351,214	257,316	93,898
SECRETARIAT				
Personal Services	947	947	147	800
Operating Expenses	1,025	1,025	15	1,010
TOTAL	1,972	1,972	162	1,810
MOTOR VEHICLE				
Personal Services	0	0	0	0
Operating Expenses	6,000	31,000	3,000	28,000
TOTAL	6,000	31,000	3,000	28,000
AUDIT				
Personal Services	644	580	555	25
Operating Expenses	1,407	1,921	1,413	508
TOTAL	2,051	2,501	1,968	533
DEPARTMENT TOTAL, REVENUE				
Personal Services	1,591	1,527	702	825
Operating Expenses	8,432	33,946	4,428	29,518
TOTAL	10,023	35,473	5,130	30,343
ADMINISTRATION, SECRETARY OF AGRICULTURE & NATURAL RESOURCES				
Personal Services	1,023	887	887	0
Operating Expenses	576	712	695	17
TOTAL	1,599	1,599	1,582	17
AGRICULTURAL AND ENVIRONMENTAL SERVICES				
Personal Services	4,396	4,396	4,396	0
Operating Expenses	1,059	977	977	0
TOTAL	5,455	5,373	5,373	0
AGRICULTURAL DEVELOPMENT AND PROMOTION				
Personal Services	1,557	1,499	1,490	9
Operating Expenses	3,504	6,662	3,659	3,003
TOTAL	5,061	8,161	5,149	3,012
ANIMAL INDUSTRY BOARD				
Personal Services	2,046	2,046	1,995	51
Operating Expenses	492	492	449	43
TOTAL	2,538	2,538	2,444	94
STATE FAIR				
Personal Services	0	0	0	0
Operating Expenses	12,436	12,436	436	12,000
TOTAL	12,436	12,436	436	12,000
FINANCIAL AND TECHNICAL ASSISTANCE				
Personal Services	1,751	1,730	1,730	0
Operating Expenses	320	1,016	1,016	0
TOTAL	2,071	2,746	2,746	0
DEPARTMENT TOTAL, AGRICULTURE & NATURAL RESOURCES				
Personal Services	10,773	10,558	10,498	60
Operating Expenses	18,387	22,295	7,232	15,063
TOTAL	29,160	32,853	17,730	15,123

STATE OF SOUTH DAKOTA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2022
 (Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
ARTS				
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0
Operating Expenses	250	250	144	106
TOTAL	<u>250</u>	<u>250</u>	<u>144</u>	<u>106</u>
DEPARTMENT TOTAL, TOURISM				
Personal Services	0	0	0	0
Operating Expenses	250	250	144	106
TOTAL	<u>250</u>	<u>250</u>	<u>144</u>	<u>106</u>
ADMINISTRATION, SECRETARY OF GAME, FISH, AND PARKS				
Personal Services	160	43	43	0
Operating Expenses	823	6,413	936	5,477
TOTAL	<u>983</u>	<u>6,456</u>	<u>979</u>	<u>5,477</u>
STATE PARKS AND RECREATION				
Personal Services	3,090	3,153	3,153	0
Operating Expenses	2,462	2,526	2,462	64
TOTAL	<u>5,552</u>	<u>5,679</u>	<u>5,615</u>	<u>64</u>
DEVELOPMENT AND IMPROVEMENT, PARKS AND RECREATION				
Personal Services	0	0	0	0
Operating Expenses	898	1,564	665	899
TOTAL	<u>898</u>	<u>1,564</u>	<u>665</u>	<u>899</u>
DEPARTMENT TOTAL, GAME, FISH, & PARKS				
Personal Services	3,250	3,196	3,196	0
Operating Expenses	4,183	10,503	4,063	6,440
TOTAL	<u>7,433</u>	<u>13,699</u>	<u>7,259</u>	<u>6,440</u>
OFFICE OF TRIBAL RELATIONS				
Personal Services	574	574	574	0
Operating Expenses	213	213	175	38
TOTAL	<u>787</u>	<u>787</u>	<u>749</u>	<u>38</u>
DEPARTMENT TOTAL, TRIBAL RELATIONS				
Personal Services	574	574	574	0
Operating Expenses	213	213	175	38
TOTAL	<u>787</u>	<u>787</u>	<u>749</u>	<u>38</u>
ADMINISTRATION, SECRETARY OF SOCIAL SERVICES				
Personal Services	5,850	5,850	5,850	0
Operating Expenses	5,938	5,938	5,938	0
TOTAL	<u>11,788</u>	<u>11,788</u>	<u>11,788</u>	<u>0</u>
ECONOMIC ASSISTANCE				
Personal Services	9,523	9,523	9,523	0
Operating Expenses	20,686	20,805	19,564	1,241
TOTAL	<u>30,209</u>	<u>30,328</u>	<u>29,087</u>	<u>1,241</u>
MEDICAL AND ADULT SERVICES				
Personal Services	1,543	1,543	1,370	173
Operating Expenses	247,986	246,462	237,839	8,623
TOTAL	<u>249,529</u>	<u>248,005</u>	<u>239,209</u>	<u>8,796</u>
CHILDREN'S SERVICES				
Personal Services	14,025	14,025	14,025	0
Operating Expenses	37,952	36,933	33,248	3,685
TOTAL	<u>51,977</u>	<u>50,958</u>	<u>47,273</u>	<u>3,685</u>

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
BEHAVIORAL HEALTH				
Personal Services	\$ 36,865	\$ 25,074	\$ 23,540	\$ 1,534
Operating Expenses	80,376	83,893	71,822	12,071
TOTAL	117,241	108,967	95,362	13,605
DEPARTMENT TOTAL, SOCIAL SERVICES				
Personal Services	67,806	56,015	54,308	1,707
Operating Expenses	392,938	394,031	368,411	25,620
TOTAL	460,744	450,046	422,719	27,327
ADMINISTRATION, SECRETARY OF HEALTH				
Personal Services	844	844	844	0
Operating Expenses	228	228	228	0
TOTAL	1,072	1,072	1,072	0
HEALTH SYSTEMS DEVELOPMENT AND REGULATION				
Personal Services	3,133	2,923	2,447	476
Operating Expenses	4,643	5,737	4,252	1,485
TOTAL	7,776	8,660	6,699	1,961
FAMILY AND COMMUNITY HEALTH				
Personal Services	2,942	2,942	2,942	0
Operating Expenses	3,381	3,381	3,356	25
TOTAL	6,323	6,323	6,298	25
LABORATORY SERVICES				
Personal Services	0	0	0	0
Operating Expenses	42	42	39	3
TOTAL	42	42	39	3
DEPARTMENT TOTAL, HEALTH				
Personal Services	6,919	6,709	6,233	476
Operating Expenses	8,294	9,388	7,875	1,513
TOTAL	15,213	16,097	14,108	1,989
ADMINISTRATION, SECRETARY OF LABOR				
Personal Services	62	62	62	0
Operating Expenses	915	915	784	131
TOTAL	977	977	846	131
UNEMPLOYMENT INSURANCE SERVICES				
Personal Services	0	0	0	0
Operating Expenses	0	1,500	1	1,499
TOTAL	0	1,500	1	1,499
FIELD OPERATIONS				
Personal Services	611	611	611	0
Operating Expenses	334	334	325	9
TOTAL	945	945	936	9
STATE LABOR LAW ADMINISTRATION				
Personal Services	691	691	691	0
Operating Expenses	109	109	109	0
TOTAL	800	800	800	0
DEPARTMENT TOTAL, LABOR AND REGULATION				
Personal Services	1,364	1,364	1,364	0
Operating Expenses	1,358	2,858	1,219	1,639
TOTAL	2,722	4,222	2,583	1,639

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
GENERAL OPERATIONS				
Personal Services	\$ 580	\$ 565	\$ 498	\$ 67
Operating Expenses	4,926	4,941	4,742	199
TOTAL	5,506	5,506	5,240	266
CONSTRUCTION CONTRACTS				
Personal Services	0	0	0	0
Operating Expenses	20,000	20,000	20,000	0
TOTAL	20,000	20,000	20,000	0
DEPARTMENT TOTAL, TRANSPORTATION				
Personal Services	580	565	498	67
Operating Expenses	24,926	24,941	24,742	199
TOTAL	25,506	25,506	25,240	266
ADMINISTRATION, SECRETARY OF EDUCATION				
Personal Services	2,055	2,173	2,173	0
Operating Expenses	1,657	1,877	1,876	1
TOTAL	3,712	4,050	4,049	1
STATE AID TO GENERAL EDUCATION				
Personal Services	0	0	0	0
Operating Expenses	510,411	501,646	501,630	16
TOTAL	510,411	501,646	501,630	16
STATE AID TO SPECIAL EDUCATION				
Personal Services	0	0	0	0
Operating Expenses	77,998	77,998	63,480	14,518
TOTAL	77,998	77,998	63,480	14,518
SPARSITY PAYMENTS				
Personal Services	0	0	0	0
Operating Expenses	2,099	2,064	2,062	2
TOTAL	2,099	2,064	2,062	2
NATIONAL BOARD CERTIFIED TEACHERS				
Personal Services	0	0	0	0
Operating Expenses	88	88	48	40
TOTAL	88	88	48	40
TECHNOLOGY AND INNOVATION IN SCHOOLS				
Personal Services	0	0	0	0
Operating Expenses	13,308	13,308	13,306	2
TOTAL	13,308	13,308	13,306	2
POSTSECONDARY VOCATIONAL EDUCATION				
Personal Services	234	234	225	9
Operating Expenses	29,467	46,286	29,003	17,283
TOTAL	29,701	46,520	29,228	17,292
POSTSECONDARY VOCATIONAL EDUCATION TUITION ASSISTANCE				
Personal Services	0	0	0	0
Operating Expenses	1,832	1,832	1,832	0
TOTAL	1,832	1,832	1,832	0
POSTSECONDARY INSTRUCTOR SALARY ENHANCEMENTS				
Personal Services	0	0	0	0
Operating Expenses	3,244	3,244	3,244	0
TOTAL	3,244	3,244	3,244	0

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
EDUCATION RESOURCES				
Personal Services	\$ 2,017	\$ 1,878	\$ 1,809	\$ 69
Operating Expenses	11,844	10,995	10,747	248
TOTAL	13,861	12,873	12,556	317
HISTORY				
Personal Services	1,083	1,104	1,104	0
Operating Expenses	1,395	10,276	1,363	8,913
TOTAL	2,478	11,380	2,467	8,913
OFFICE OF STATE LIBRARY				
Personal Services	1,176	1,176	997	179
Operating Expenses	1,027	1,027	982	45
TOTAL	2,203	2,203	1,979	224
DEPARTMENT TOTAL, EDUCATION				
Personal Services	6,565	6,565	6,308	257
Operating Expenses	654,370	670,641	629,573	41,068
TOTAL	660,935	677,206	635,881	41,325
ADMINISTRATION, SECRETARY OF PUBLIC SAFETY				
Personal Services	368	345	345	0
Operating Expenses	702	942	942	0
TOTAL	1,070	1,287	1,287	0
HIGHWAY PATROL				
Personal Services	670	516	514	2
Operating Expenses	972	950	948	2
TOTAL	1,642	1,466	1,462	4
EMERGENCY SERVICES AND HOMELAND SECURITY				
Personal Services	2,323	2,438	2,438	0
Operating Expenses	5,189	8,118	7,264	854
TOTAL	7,512	10,556	9,702	854
EMERGENCY DISASTER				
Personal Services	0	0	0	0
Operating Expenses	0	4,006	4,006	0
TOTAL	0	4,006	4,006	0
LEGAL AND REGULATORY SERVICES				
Personal Services	215	219	219	0
Operating Expenses	661	8,626	3,626	5,000
TOTAL	876	8,845	3,845	5,000
DEPARTMENT TOTAL, PUBLIC SAFETY				
Personal Services	3,576	3,518	3,516	2
Operating Expenses	7,524	22,642	16,786	5,856
TOTAL	11,100	26,160	20,302	5,858
REGENTS CENTRAL OFFICE				
Personal Services	5,015	5,015	5,012	3
Operating Expenses	32,909	32,909	18,044	14,865
TOTAL	37,924	37,924	23,056	14,868
SOUTH DAKOTA SCHOLARSHIPS				
Personal Services	0	0	0	0
Operating Expenses	6,481	6,181	6,117	64
TOTAL	6,481	6,181	6,117	64

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
RESEARCH POOL				
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0
Operating Expenses	1,600	1,600	1,600	0
TOTAL	1,600	1,600	1,600	0
UNIVERSITY OF SOUTH DAKOTA LAW SCHOOL				
Personal Services	1,708	1,708	1,708	0
Operating Expenses	206	206	206	0
TOTAL	1,914	1,914	1,914	0
UNIVERSITY OF SOUTH DAKOTA PROPER				
Personal Services	35,010	35,010	35,010	0
Operating Expenses	6,386	23,604	6,604	17,000
TOTAL	41,396	58,614	41,614	17,000
UNIVERSITY OF SOUTH DAKOTA SCHOOL OF MEDICINE				
Personal Services	21,255	21,255	21,255	0
Operating Expenses	3,665	3,665	3,665	0
TOTAL	24,920	24,920	24,920	0
SOUTH DAKOTA STATE UNIVERSITY PROPER				
Personal Services	46,632	46,608	46,608	0
Operating Expenses	33,206	35,630	12,007	23,623
TOTAL	79,838	82,238	58,615	23,623
SDSU EXTENSION				
Personal Services	8,856	8,856	8,856	0
Operating Expenses	305	355	305	50
TOTAL	9,161	9,211	9,161	50
AGRICULTURAL EXPERIMENT STATION				
Personal Services	12,729	12,729	12,729	0
Operating Expenses	1,081	7,656	1,081	6,575
TOTAL	13,810	20,385	13,810	6,575
SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY				
Personal Services	17,662	17,662	17,662	0
Operating Expenses	19,842	25,289	2,595	22,694
TOTAL	37,504	42,951	20,257	22,694
NORTHERN STATE UNIVERSITY				
Personal Services	15,079	15,077	15,077	0
Operating Expenses	1,014	1,266	1,265	1
TOTAL	16,093	16,343	16,342	1
BLACK HILLS STATE UNIVERSITY				
Personal Services	9,867	10,064	10,064	0
Operating Expenses	720	1,049	861	188
TOTAL	10,587	11,113	10,925	188
DAKOTA STATE UNIVERSITY				
Personal Services	10,262	28,517	10,199	18,318
Operating Expenses	804	13,306	775	12,531
TOTAL	11,066	41,823	10,974	30,849
SOUTH DAKOTA SCHOOL FOR THE DEAF				
Personal Services	2,039	1,809	1,807	2
Operating Expenses	1,082	704	676	28
TOTAL	3,121	2,513	2,483	30

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
SOUTH DAKOTA SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED				
Personal Services	\$ 2,808	\$ 2,615	\$ 2,612	\$ 3
Operating Expenses	565	588	576	12
TOTAL	3,373	3,203	3,188	15
DEPARTMENT TOTAL, BOARD OF REGENTS				
Personal Services	188,922	206,925	188,599	18,326
Operating Expenses	109,866	154,008	56,377	97,631
TOTAL	298,788	360,933	244,976	115,957
ADJUTANT GENERAL				
Personal Services	501	501	498	3
Operating Expenses	300	300	200	100
TOTAL	801	801	698	103
ARMY GUARD				
Personal Services	435	435	429	6
Operating Expenses	5,294	11,681	3,060	8,621
TOTAL	5,729	12,116	3,489	8,627
AIR GUARD				
Personal Services	242	224	222	2
Operating Expenses	284	307	307	0
TOTAL	526	531	529	2
DEPARTMENT TOTAL, MILITARY				
Personal Services	1,178	1,160	1,149	11
Operating Expenses	5,878	12,288	3,567	8,721
TOTAL	7,056	13,448	4,716	8,732
VETERANS' BENEFITS AND SERVICES				
Personal Services	1,401	1,401	1,399	2
Operating Expenses	1,525	1,525	596	929
TOTAL	2,926	2,926	1,995	931
STATE VETERANS' HOME				
Personal Services	2,692	2,462	2,461	1
Operating Expenses	186	186	136	50
TOTAL	2,878	2,648	2,597	51
STATE VETERANS' CEMETERY				
Personal Services	81	81	81	0
Operating Expenses	1,803	1,803	457	1,346
TOTAL	1,884	1,884	538	1,346
DEPARTMENT TOTAL, VETERANS' AFFAIRS				
Personal Services	4,174	3,944	3,941	3
Operating Expenses	3,514	3,514	1,189	2,325
TOTAL	7,688	7,458	5,130	2,328
ADMINISTRATION, CENTRAL OFFICE				
Personal Services	1,972	2,022	1,963	59
Operating Expenses	2,413	2,439	2,430	9
TOTAL	4,385	4,461	4,393	68
MIKE DURFEE STATE PRISON				
Personal Services	13,371	7,527	7,442	85
Operating Expenses	8,754	11,196	11,195	1
TOTAL	22,125	18,723	18,637	86

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
STATE PENITENTIARY				
Personal Services	\$ 20,991	\$ 11,077	\$ 11,003	\$ 74
Operating Expenses	10,483	12,551	11,796	755
TOTAL	31,474	23,628	22,799	829
WOMEN'S PRISON				
Personal Services	4,755	2,587	2,450	137
Operating Expenses	3,013	7,290	4,526	2,764
TOTAL	7,768	9,877	6,976	2,901
INMATE SERVICES				
Personal Services	3,355	2,515	2,387	128
Operating Expenses	31,022	25,379	25,371	8
TOTAL	34,377	27,894	27,758	136
PAROLE SERVICES				
Personal Services	5,125	2,971	2,811	160
Operating Expenses	2,199	2,324	2,320	4
TOTAL	7,324	5,295	5,131	164
JUVENILE COMMUNITY CORRECTIONS				
Personal Services	1,826	1,270	1,127	143
Operating Expenses	9,190	6,690	6,673	17
TOTAL	11,016	7,960	7,800	160
DEPARTMENT TOTAL, CORRECTIONS				
Personal Services	51,395	29,969	29,183	786
Operating Expenses	67,074	67,869	64,311	3,558
TOTAL	118,469	97,838	93,494	4,344
ADMINISTRATION, SECRETARY OF HUMAN SERVICES				
Personal Services	954	1,014	1,008	6
Operating Expenses	347	347	346	1
TOTAL	1,301	1,361	1,354	7
DEVELOPMENTAL DISABILITIES				
Personal Services	859	874	867	7
Operating Expenses	84,090	78,658	77,565	1,093
TOTAL	84,949	79,532	78,432	1,100
SOUTH DAKOTA DEVELOPMENTAL CENTER - REDFIELD				
Personal Services	8,323	6,353	5,732	621
Operating Expenses	2,291	2,004	1,818	186
TOTAL	10,614	8,357	7,550	807
LONG-TERM SERVICES AND SUPPORT				
Personal Services	2,791	2,876	2,876	0
Operating Expenses	115,166	107,547	92,040	15,507
TOTAL	117,957	110,423	94,916	15,507
REHABILITATION SERVICES				
Personal Services	987	987	973	14
Operating Expenses	4,170	3,949	3,134	815
TOTAL	5,157	4,936	4,107	829
SERVICES TO THE BLIND AND VISUALLY IMPAIRED				
Personal Services	564	564	564	0
Operating Expenses	472	472	145	327
TOTAL	1,036	1,036	709	327

STATE OF SOUTH DAKOTA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For the Fiscal Year Ended June 30, 2022
 (Expressed in Thousands)

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
DEPARTMENT TOTAL, HUMAN SERVICES				
Personal Services	\$ 14,478	\$ 12,668	\$ 12,020	\$ 648
Operating Expenses	206,536	192,977	175,048	17,929
TOTAL	221,014	205,645	187,068	18,577
ADMINISTRATION, PUBLIC UTILITIES COMMISSION				
Personal Services	575	575	575	0
Operating Expenses	61	61	61	0
TOTAL	636	636	636	0
DEPARTMENT TOTAL, PUBLIC UTILITIES COMMISSION				
Personal Services	575	575	575	0
Operating Expenses	61	61	61	0
TOTAL	636	636	636	0
UNIFIED JUDICIAL SYSTEM				
Personal Services	45,993	40,004	39,298	706
Operating Expenses	6,453	6,187	5,046	1,141
TOTAL	52,446	46,191	44,344	1,847
EQUAL ACCESS TO OUR COURTS				
Personal Services	0	0	0	0
Operating Expenses	50	50	50	0
TOTAL	50	50	50	0
DEPARTMENT TOTAL, UNIFIED JUDICIAL SYSTEM				
Personal Services	45,993	40,004	39,298	706
Operating Expenses	6,503	6,237	5,096	1,141
TOTAL	52,496	46,241	44,394	1,847
LEGISLATIVE OPERATIONS				
Personal Services	0	0	0	0
Operating Expenses	0	0	0	0
Appropriation	8,014	8,014	7,890	124
TOTAL	8,014	8,014	7,890	124
AUDITOR GENERAL				
Personal Services	3,768	3,768	3,400	368
Operating Expenses	440	440	360	80
Appropriation	0	0	0	0
TOTAL	4,208	4,208	3,760	448
DEPARTMENT TOTAL, LEGISLATIVE DEPARTMENT				
Personal Services	3,768	3,768	3,400	368
Operating Expenses	440	440	360	80
Appropriation	8,014	8,014	7,890	124
TOTAL	12,222	12,222	11,650	572
LEGAL SERVICES PROGRAM				
Personal Services	4,969	4,969	4,969	0
Operating Expenses	752	807	807	0
TOTAL	5,721	5,776	5,776	0
CRIMINAL INVESTIGATION				
Personal Services	5,639	5,639	5,639	0
Operating Expenses	2,561	2,977	2,977	0
TOTAL	8,200	8,616	8,616	0
LAW ENFORCEMENT TRAINING				
Personal Services	0	0	0	0
Operating Expenses	2,815	2,905	2,855	50
TOTAL	2,815	2,905	2,855	50

**STATE OF SOUTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	BUDGETED AMOUNTS		Actual Amounts	Variance with Final Budget
	Original	Final		
DEPARTMENT TOTAL, ATTORNEY GENERAL				
Personal Services	\$ 10,608	\$ 10,608	\$ 10,608	\$ 0
Operating Expenses	6,128	6,689	6,639	50
TOTAL	16,736	17,297	17,247	50
ADMINISTRATION OF SCHOOL AND PUBLIC LANDS				
Personal Services	467	427	427	0
Operating Expenses	9,299	15,839	5,471	10,368
TOTAL	9,766	16,266	5,898	10,368
DEPARTMENT TOTAL, SCHOOL AND PUBLIC LANDS				
Personal Services	467	427	427	0
Operating Expenses	9,299	15,839	5,471	10,368
TOTAL	9,766	16,266	5,898	10,368
SECRETARY OF STATE				
Personal Services	745	745	714	31
Operating Expenses	827	827	747	80
TOTAL	1,572	1,572	1,461	111
DEPARTMENT TOTAL, SECRETARY OF STATE				
Personal Services	745	745	714	31
Operating Expenses	827	827	747	80
TOTAL	1,572	1,572	1,461	111
TREASURY MANAGEMENT				
Personal Services	434	434	427	7
Operating Expenses	158	658	157	501
TOTAL	592	1,092	584	508
DEPARTMENT TOTAL, STATE TREASURER				
Personal Services	434	434	427	7
Operating Expenses	158	658	157	501
TOTAL	592	1,092	584	508
STATE AUDITOR				
Personal Services	1,270	1,246	1,218	28
Operating Expenses	168	223	214	9
TOTAL	1,438	1,469	1,432	37
DEPARTMENT TOTAL, STATE AUDITOR				
Personal Services	1,270	1,246	1,218	28
Operating Expenses	168	223	214	9
TOTAL	1,438	1,469	1,432	37
STATE TOTAL				
Personal Services	437,639	413,246	388,648	24,598
Operating Expenses	1,725,157	1,994,370	1,631,309	363,061
Appropriation	8,014	8,014	7,890	124
TOTAL CHARGES TO APPROPRIATION	\$ 2,170,810	\$ 2,415,630	\$ 2,027,847	\$ 387,783
NON-BUDGETED OUTFLOWS				
Transfer to Budget Reserve Fund	\$ 0	\$ 0	\$ 20,232	\$ (20,232)
Transfer to General Revenue Replacement Fund	0	0	88,167	(88,167)
Non-budgeted Transfers Out	0	0	31,028	(31,028)
TOTAL NON-BUDGETED OUTFLOWS	\$ 0	\$ 0	\$ 139,427	\$ (139,427)
CHANGE IN BUDGETARY FUND BALANCE	\$ (245,990)	\$ (259,149)	\$ 66,809	\$ 325,958
BUDGETARY FUND BALANCE JULY 1, 2021	395,677	395,677	395,677	0
BUDGETARY FUND BALANCE JUNE 30, 2022	\$ 149,687	\$ 136,528	\$ 462,486	\$ 325,958

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, 2022
(Expressed in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
CHARGES TO APPROPRIATIONS (outflows)				
GENERAL OPERATIONS				
Personal Services	\$ 82,339	\$ 82,339	\$ 76,645	\$ 5,694
Operating Expenses	157,465	149,902	129,157	20,745
TOTAL	239,804	232,241	205,802	26,439
CONTRACT CONSTRUCTION INFORMATIONAL				
Personal Services	0	0	0	0
Operating Expenses	489,495	489,495	556,731	(67,236)
TOTAL	489,495	489,495	556,731	(67,236)
ENFORCEMENT				
Personal Services	17,516	15,544	11,939	3,605
Operating Expenses	8,988	10,057	8,949	1,108
TOTAL	26,504	25,601	20,888	4,713
FUND TOTAL, TRANSPORTATION				
Personal Services	99,855	97,883	88,584	9,299
Operating Expenses	655,948	649,454	694,837	(45,383)
TOTAL CHARGES TO APPROPRIATION	\$ 755,803	\$ 747,337	\$ 783,421	\$ (36,084)

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, 2022
(Expressed in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
CHARGES TO APPROPRIATIONS (outflows)				
ADMINISTRATION				
Personal Services	\$ 7,304	\$ 7,254	\$ 5,166	\$ 2,088
Operating Expenses	12,726	11,726	8,903	2,823
TOTAL	20,030	18,980	14,069	4,911
ECONOMIC ASSISTANCE				
Personal Services	13,057	12,782	10,388	2,394
Operating Expenses	65,507	65,507	51,321	14,186
TOTAL	78,564	78,289	61,709	16,580
MEDICAL AND ADULT SERVICES				
Personal Services	3,084	3,084	2,768	316
Operating Expenses	443,316	486,426	481,077	5,349
TOTAL	446,400	489,510	483,845	5,665
CHILDREN'S SERVICES				
Personal Services	10,268	10,228	7,957	2,271
Operating Expenses	54,205	54,205	52,144	2,061
TOTAL	64,473	64,433	60,101	4,332
BEHAVIORAL HEALTH				
Personal Services	9,004	9,004	4,438	4,566
Operating Expenses	35,527	39,217	35,665	3,552
TOTAL	44,531	48,221	40,103	8,118
DEPARTMENT TOTAL, SOCIAL SERVICES				
Personal Services	42,717	42,352	30,717	11,635
Operating Expenses	611,281	657,081	629,110	27,971
TOTAL CHARGES TO APPROPRIATION	\$ 653,998	\$ 699,433	\$ 659,827	\$ 39,606

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, 2022
(Expressed in Thousands)**

	<u>General Fund</u>		
Inflows of Resources:			
Actual amounts (budgetary basis) "Amounts Available for Appropriation" from the budgetary comparison schedule	\$ 2,234,083		
Differences-budget to GAAP:			
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(131,633)		
To adjust revenues for accruals and other year-end entries such as the recording tax receivables, shared revenue receipts, and reclassification of lottery revenues	(190,593)		
To adjust revenues for statutorily created funds that do not qualify as special revenue funds	29,318		
Expenditures moved to Coronavirus Relief Fund relating to fiscal year 2021 are inflows of budgetary resources but are not revenues for financial reporting	(5,333)		
Prior year carryover and encumbered amounts are inflows of budgetary resources but are not revenues for financial reporting purposes	(66,507)		
Unexpended carryovers, specials, and deferred maintenances are inflows of budgetary resources but are not revenues for financial reporting purposes	(2,900)		
Sales of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	(150)		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	<u>\$ 1,866,285</u>		
	<u>General Fund</u>	<u>Transportation Fund</u>	<u>Social Services Federal Fund</u>
Uses/Outflows of Resources:			
Actual amounts (budgetary basis) "Total Charges to Appropriations" from the budgetary comparison schedule	\$ 2,027,847	\$ 783,421	\$ 659,827
Differences-budget to GAAP:			
Encumbrances for supplies, equipment ordered but not yet received and for uncompleted contracts are reported in the year first encumbered for budgetary purposes, but expenditures are reported in the year the related expenditure is incurred for financial reporting purposes.	(83,989)	(30,599)	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(182,899)		
To adjust expenditures/expenses for accruals and other year-end entries such as the recording of food stamps and shared revenue distribution	215,734	(7,575)	143,028
To adjust expenditures/expenses for statutorily created funds that do not qualify as special revenue funds	40,008		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	<u>\$ 2,016,701</u>	<u>\$ 745,247</u>	<u>\$ 802,855</u>

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 resource inflows for the Transportation or Social Services Federal Funds. 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, 2022, 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, 2022, has also been included as Required Supplementary Information.

STATE OF SOUTH DAKOTA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
SOUTH DAKOTA RETIREMENT SYSTEM
July 1, 2020 to June 30, 2021 Measurement Date
Last Ten Fiscal Years *
(Dollars Expressed in Thousands)

	Fiscal Year							
	2022	2021	2020	2019	2018	2017	2016	2015
State's proportion of net pension liability (asset)	20.45%	20.65%	20.73%	21.05%	21.58%	22.27%	22.45%	22.07%
State's proportionate share of the net pension liability (asset)	\$(156,577)	\$ (898)	\$ (2,195)	\$ (489)	\$ (1,958)	\$ 75,220	\$ (95,216)	\$(158,996)
State's covered payroll	\$ 436,935	\$ 426,298	\$ 413,938	\$ 409,773	\$ 410,337	\$ 395,647	\$ 389,949	\$ 367,417
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(35.84%)	(0.21%)	(0.53%)	(0.12%)	(0.48%)	19.01%	(24.42%)	(43.27%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	105.52%	100.04%	100.08%	100.02%	100.10%	96.90%	104.10%	107.29%

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

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

STATE OF SOUTH DAKOTA
SCHEDULE OF CONTRIBUTIONS
SOUTH DAKOTA RETIREMENT SYSTEM
June 30, 2022
Last Ten Fiscal Years *
(Dollars Expressed in Thousands)

	Fiscal Year							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 29,452	\$ 27,834	\$ 27,199	\$ 26,441	\$ 26,231	\$ 26,313	\$ 25,406	\$ 24,588
Contributions in relation to the contractually required contribution	(29,452)	(27,834)	(27,199)	(26,441)	(26,231)	(26,313)	(25,406)	(24,588)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
State's covered payroll	\$ 461,360	\$ 436,935	\$ 426,298	\$ 413,938	\$ 409,773	\$ 410,337	\$ 395,647	\$ 389,949
Contributions as a percentage of covered payroll	6.38%	6.37%	6.38%	6.39%	6.40%	6.41%	6.42%	6.31%

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

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

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

Changes from Prior Valuation:

The June 30, 2021 Actuarial Valuation reflects no changes in actuarial methods from the June 30, 2020 Actuarial Valuation. One change in actuarial assumptions and one plan provision change are reflected and described below.

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

Changes of Benefit Terms:

Legislation enacted in 2021 reduced the minimum SDRS COLA from 0.5% to 0%. This change will impact the SDRS COLA only when inflation is very low or when a restricted maximum COLA of 0.5% is not affordable. The change had no impact on the current assets or liabilities of SDRS.

Changes of Assumptions:

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% (0.5% prior to 2021) and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%. That condition existed as of June 30, 2020 and the July 2021 SDRS COLA was limited to a restricted maximum of 1.41%. As of June 30, 2021, the FVFR assuming the COLA is equal to the baseline COLA assumption is greater than 100%. The July 2022 SDRS COLA will equal inflation, between 0% and 3.5%. For the June 30, 2020 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.41%. For this June 30, 2021 Actuarial Valuation, future COLAs are assumed to equal the baseline COLA assumption of 2.25%.

The changes in actuarial assumptions due change in the COLA assumption increased the Actuarial Accrued Liability by \$1.1 billion, or 8.9% of the Actuarial Accrued Liability based on the 1.41% restricted maximum COLA.

Actuarial assumptions are reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2022 Actuarial Valuation and any recommended changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2022 Actuarial Valuation.

Changes of Actuarial Method:

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



COMBINING FINANCIAL STATEMENTS

The *Combining Financial Statements* include the Nonmajor Governmental Funds, Nonmajor Enterprise Funds, Internal Service Funds, Fiduciary Funds, Component Units, and Nonmajor Component Units. The following individual statements are included:

- Combining Balance Sheet – Nonmajor Governmental Funds – By Type
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – By Type
- Combining Balance Sheet – Nonmajor Special Revenue Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds
- Combining Balance Sheet – Nonmajor Debt Service Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds
- Combining Statement of Net Position – Nonmajor Enterprise Funds
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds
- Combining Statement of Cash Flows – Nonmajor Enterprise Funds
- Combining Statement of Net Position – Internal Service Funds
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds
- Combining Statement of Cash Flows – Internal Service Funds
- Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds
- Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds
- Combining Statement of Fiduciary Net Position – Custodial Funds
- Combining Statement of Changes in Fiduciary Net Position – Custodial Funds
- Combining Statement of Net Position – Component Units
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Component Units
- Statement of Cash Flows – Higher Education
- Combining Statement of Fiduciary Net Position – Higher Education
- Combining Statement of Changes in Fiduciary Net Position – Higher Education
- Combining Statement of Net Position – Nonmajor Component Units
- Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Component Units

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - BY TYPE
June 30, 2022
(Expressed in Thousands)**

Assets	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Cash and Cash Equivalents	\$ 416,284	\$ 2,283	\$	\$ 1	\$ 418,568
Restricted Cash		29			29
Investments	212,795	11,042		71,893	295,730
Restricted Investments		12,092			12,092
Restricted Other Assets		7,500			7,500
Receivables from:					
Taxes, net	2,785				2,785
Interest and Dividends	1,334	3	6	92	1,435
Other Funds	12,357		25		12,382
Component Units	14				14
Other Governments	126,447				126,447
Loans and Notes, net	66,500			542	67,042
Other, net	16,493	11,090		6	27,589
Inventory	3,468				3,468
Other Assets	1,016				1,016
Total Assets	\$ 859,493	\$ 44,039	\$ 31	\$ 72,534	\$ 976,097
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts Payable and Other Liabilities	\$ 65,874	\$	\$	\$	\$ 65,874
Payable to:					
Other Funds	52,015		31	3,871	55,917
Component Units	773				773
Other Governments	70,175				70,175
Claims, Judgments, and Compensated Absences	71				71
Unearned Revenue	15,017				15,017
Total Liabilities	203,925	0	31	3,871	207,827
Deferred Inflows of Resources:					
Related to Leases	1,513				1,513
Unavailable Revenue	7,567	10,954			18,521
Total Deferred Inflows of Resources	9,080	10,954	0	0	20,034
Fund Balances:					
Nonspendable	139,133			70,937	210,070
Restricted	437,296	33,085			470,381
Committed	63,281				63,281
Assigned	17,385				17,385
Unassigned	(10,607)			(2,274)	(12,881)
Total Fund Balances	646,488	33,085	0	68,663	748,236
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 859,493	\$ 44,039	\$ 31	\$ 72,534	\$ 976,097

**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, 2022
(Expressed in Thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Total</u>
Revenue:					
Taxes	\$ 121,686	\$	\$	\$	\$ 121,686
Licenses, Permits, and Fees	319,279	6,053			325,332
Fines, Forfeits, and Penalties	22,161				22,161
Use of Money and Property	(7,022)	8	(118)	1,913	(5,219)
Sales and Services	23,667				23,667
Administering Programs	818,623				818,623
Tobacco Settlement		22,549			22,549
Other Revenue	17,145	324	16		17,485
Total Revenue	1,315,539	28,934	(102)	1,913	1,346,284
Expenditures:					
Current:					
General Government	39,622	167		2,483	42,272
Education	252,416				252,416
Health, Human, and Social Services	482,415				482,415
Law, Justice, Public Protection, and Regulation	132,379				132,379
Agriculture and Natural Resources	160,181				160,181
Economic Resources	13,474				13,474
Transportation	2,085				2,085
State Shared Revenue Paid to Other Governments	178,301				178,301
Debt Service:					
Principal	2,812	17,403			20,215
Interest	477	7,305			7,782
Bond Issuance Costs		1,289			1,289
Payment to Refunded Bond Escrow Agent		7,319			7,319
Payment on Current Note Refunding		43,006			43,006
Total Expenditures	1,264,162	76,489	0	2,483	1,343,134
Excess of Revenue Over (Under) Expenditures	51,377	(47,555)	(102)	(570)	3,150
Other Financing Sources (Uses):					
Lease Issuance	21,783				21,783
Proceeds from Sale of Capital Assets	860				860
Insurance Proceeds	2,063				2,063
Issuance of Refunding Bonds		54,370			54,370
Issuance of Refunding Notes		44,065			44,065
Payment to Refunded Bond Escrow Agent		(53,361)			(53,361)
Transfers In	53,605	8,138	118		61,861
Transfers Out	(98,998)	(10,941)	(16)	(772)	(110,727)
Total Other Financing Sources (Uses)	(20,687)	42,271	102	(772)	20,914
Net Change in Fund Balances	30,690	(5,284)	0	(1,342)	24,064
Fund Balances at Beginning of Year, as restated	615,798	38,369	0	70,005	724,172
Fund Balances at End of Year	\$ 646,488	\$ 33,085	\$ 0	\$ 68,663	\$ 748,236

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2022
(Expressed in Thousands)**

Assets	Education Federal	Human Services	Labor	Health Federal	Governor's Office and State Development Federal
Cash and Cash Equivalents	\$ 562	\$	\$ 5,563	\$ 775	\$ 5,758
Investments					
Receivables from:					
Taxes, net					
Interest and Dividends			1		18
Other Funds		657	469	79	
Component Units				3	
Other Governments	30,723	31,729	1,281	3,726	1,003
Loans and Notes, net					3,760
Other, net					82
Inventory	717	109	36	2,394	
Other Assets	21	6		74	
Total Assets	\$ 32,023	\$ 32,501	\$ 7,350	\$ 7,051	\$ 10,621
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts Payable and Other Liabilities	\$ 3,862	\$ 27,343	\$ 1,753	\$ 3,164	\$ 8
Payable to:					
Other Funds	158	3,154	240	274	2
Component Units	16	70		46	
Other Governments	26,457	243	15	129	942
Claims, Judgments, and Compensated Absences	6	1	6	8	
Unearned Revenue	1,504		71	970	
Total Liabilities	32,003	30,811	2,085	4,591	952
Deferred Inflows of Resources:					
Related to Leases					
Unavailable Revenue					
Total Deferred Inflows of Resources	0	0	0	0	0
Fund Balances:					
Nonspendable	20	115	36	2,468	
Restricted			4,008		9,669
Committed					
Assigned		1,575	1,221		
Unassigned				(8)	
Total Fund Balances	20	1,690	5,265	2,460	9,669
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 32,023	\$ 32,501	\$ 7,350	\$ 7,051	\$ 10,621

Public Safety Emergency Management	Natural Resources Federal	Game, Fish, and Parks Federal	Game and Fish	Parks and Recreation	Securities and Insurance	Health	Gaming Commission
\$	\$	\$	\$ 13,242	\$ 6,057	\$ 717	\$ 3,889	\$ 6,466
							1,053
			37	10	28		6
5,958			78	25		90	
						3	
12,528	3,473	4,063		277		109	
2,392							
			950	5,074		5,265	
						145	
58							
\$ 20,936	\$ 3,473	\$ 4,063	\$ 14,307	\$ 11,443	\$ 745	\$ 9,501	\$ 7,525
\$ 7,992	\$ 500	\$ 1,140	\$ 3,547	\$ 3,669	\$ 196	\$ 618	\$ 70
8,514	2,457	1,845	2,400	4,472	25	12	1,010
		148	6			3	
1,546	516	912	321	21		21	575
1		1	22	4			
32							5,056
18,085	3,473	4,046	6,296	8,166	221	654	6,711
						2,146	
0	0	0	0	0	0	2,146	0
58						145	
95		17	8,011	3,277		5,291	
					69		814
2,698					455	1,265	
2,851	0	17	8,011	3,277	524	6,701	814
\$ 20,936	\$ 3,473	\$ 4,063	\$ 14,307	\$ 11,443	\$ 745	\$ 9,501	\$ 7,525

Continued on next page

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (continued)
June 30, 2022
(Expressed in Thousands)**

Assets	Motor Vehicle	Revenue	Future	Vocational Education	Petroleum Release Compensation
Cash and Cash Equivalents	\$ 24,599	\$ 5,266	\$ 62,756	\$ 217	\$ 6,486
Investments					
Receivables from:					
Taxes, net					276
Interest and Dividends	54	12	135		17
Other Funds	3	77	31		
Component Units					
Other Governments	16,067	482			
Loans and Notes, net					
Other, net	51		41		
Inventory					
Other Assets	6				
Total Assets	\$ 40,780	\$ 5,837	\$ 62,963	\$ 217	\$ 6,779
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts Payable and Other Liabilities	\$ 709	\$ 673	\$ 500	\$	\$ 40
Payable to:					
Other Funds	1,442	308			2
Component Units			399		
Other Governments	30,209				
Claims, Judgments, and Compensated Absences	6	1			
Unearned Revenue					
Total Liabilities	32,366	982	899	0	42
Deferred Inflows of Resources:					
Related to Leases					
Unavailable Revenue			27		
Total Deferred Inflows of Resources	0	0	27	0	0
Fund Balances:					
Nonspendable	6				
Restricted			62,037		
Committed	8,408	5,642			6,737
Assigned				217	
Unassigned		(787)			
Total Fund Balances	8,414	4,855	62,037	217	6,737
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 40,780	\$ 5,837	\$ 62,963	\$ 217	\$ 6,779

Maintenance and Repair	Water and Environment	Energy Conservation	Military Federal	Health Care Trust	Railroad Trust	Other	Total
\$ 4,724	\$ 30,151	\$ 8,016	\$	\$ 6	\$ 46,844	\$ 184,190	\$ 416,284
				211,351		1,444	212,795
	828	24				604	2,785
8	123	37		245	242	361	1,334
973	619	449				2,849	12,357
						8	14
	148		6,053			14,785	126,447
	22,708	4,081			29,301	4,258	66,500
				3	497	4,530	16,493
						67	3,468
						851	1,016
\$ 5,705	\$ 54,577	\$ 12,607	\$ 6,053	\$ 211,605	\$ 76,884	\$ 213,947	\$ 859,493
\$ 614	\$	\$ 2	\$ 1,512	\$	\$ 1	\$ 7,961	\$ 65,874
9			4,220	6,612		14,859	52,015
					82	3	773
	2,999		274			4,995	70,175
			5			10	71
						7,384	15,017
623	2,999	2	6,011	6,612	83	35,212	203,925
						1,513	1,513
	49					5,345	7,567
0	49	0	0	0	0	6,858	9,080
				135,631		654	139,133
	51,529	12,047		69,362	76,286	135,667	437,296
2,016		558			515	38,522	63,281
3,066			42			6,846	17,385
						(9,812)	(10,607)
5,082	51,529	12,605	42	204,993	76,801	171,877	646,488
\$ 5,705	\$ 54,577	\$ 12,607	\$ 6,053	\$ 211,605	\$ 76,884	\$ 213,947	\$ 859,493

**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, 2022
(Expressed in Thousands)**

	Education Federal	Human Services	Labor	Health Federal	Governor's Office and State Development Federal
Revenue:					
Taxes	\$	\$	\$ 442	\$	\$
Licenses, Permits, and Fees		131	965		
Fines, Forfeits, and Penalties				187	
Use of Money and Property		25	(8)		130
Sales and Services	11	2,086			6
Administering Programs	248,195	350,174	23,457	56,666	4,975
Other Revenue	6	18	31	7	14
Total Revenue	248,212	352,434	24,887	56,860	5,125
Expenditures:					
General Government					
Education	248,420				
Health, Human, and Social Services		355,717	32,756	59,202	
Law, Justice, Public Protection, and Regulation			75		
Agriculture and Natural Resources					
Economic Resources					4,978
Transportation					
State Shared Revenue Paid to Other Governments					
Debt Service:					
Principal	5	554	785	375	
Interest	1	84	146	39	
Total Expenditures	248,426	356,355	33,762	59,616	4,978
Excess of Revenue Over (Under) Expenditures	(214)	(3,921)	(8,875)	(2,756)	147
Other Financing Sources (Uses):					
Lease Issuance	37	3,727	6,471	1,849	
Proceeds from Sale of Capital Assets		2			
Insurance Proceeds					
Transfers In	28	465	3,537	1,279	
Transfers Out	(13)	(634)			
Total Other Financing Sources (Uses)	52	3,560	10,008	3,128	0
Net Change in Fund Balances	(162)	(361)	1,133	372	147
Fund Balances at Beginning of Year, as restated	182	2,051	4,132	2,088	9,522
Fund Balances at End of Year	\$ 20	\$ 1,690	\$ 5,265	\$ 2,460	\$ 9,669

Public Safety Emergency Management	Natural Resources Federal	Game, Fish, and Parks Federal	Game and Fish	Parks and Recreation	Securities and Insurance	Health	Gaming Commission
\$	\$	\$	\$	\$	\$	\$	\$
			36,737	2,065 27,076	28,480 35,992 212	3,096	12,670 5,362 54
28		341	(361)	3,288	(243)		(57)
			1,163	185	8	1,399	
31,571	10,483	18,154	122	4,087			
367	1	20	1,027	109		7,342	1
31,966	10,484	18,515	38,688	36,810	64,449	11,837	18,030
						11,909	
33,527					3,827		1,560
	10,850	17,302	43,776	41,006			
							8,911
5	62		19		88	175	39
1	2		1		7	53	1
33,533	10,914	17,302	43,796	41,006	3,922	12,137	10,511
(1,567)	(430)	1,213	(5,108)	(4,196)	60,527	(300)	7,519
28	165 6		69 311	14 2,063	370	2,444 2	68
2,947	174		1,529	2,813		59	
		(1,196)	(501)	(3,816)	(61,265)	(1,026)	(7,842)
2,975	345	(1,196)	1,408	1,074	(60,895)	1,479	(7,774)
1,408	(85)	17	(3,700)	(3,122)	(368)	1,179	(255)
1,443	85	0	11,711	6,399	892	5,522	1,069
\$ 2,851	\$ 0	\$ 17	\$ 8,011	\$ 3,277	\$ 524	\$ 6,701	\$ 814

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, 2022
(Expressed in Thousands)**

	<u>Motor Vehicle</u>	<u>Revenue</u>	<u>Future</u>	<u>Vocational Education</u>	<u>Petroleum Release Compensation</u>
Revenue:					
Taxes	\$ 4,158	\$ 11,729	\$ 21,614	\$	\$ 3,071
Licenses, Permits, and Fees	152,266	4,713			
Fines, Forfeits, and Penalties	2				
Use of Money and Property	(727)	(93)	(1,181)		(169)
Sales and Services	1,635				
Administering Programs					
Other Revenue	82		81		4
Total Revenue	157,416	16,349	20,514	0	2,906
Expenditures:					
General Government	9,977	15,419			
Education				78	
Health, Human, and Social Services					
Law, Justice, Public Protection, and Regulation	11,763				
Agriculture and Natural Resources					690
Economic Resources			6,491		
Transportation					
State Shared Revenue Paid to Other Governments	137,666				
Debt Service:					
Principal	175	137			
Interest	28	28			
Total Expenditures	159,609	15,584	6,491	78	690
Excess of Revenue Over (Under) Expenditures	(2,193)	765	14,023	(78)	2,216
Other Financing Sources (Uses):					
Lease Issuance	1,349	1,452			5
Proceeds from Sale of Capital Assets					
Insurance Proceeds					
Transfers In	1,033				
Transfers Out	(1,787)				(2,174)
Total Other Financing Sources (Uses)	595	1,452	0	0	(2,169)
Net Change in Fund Balances	(1,598)	2,217	14,023	(78)	47
Fund Balances at Beginning of Year, as restated	10,012	2,638	48,014	295	6,690
Fund Balances at End of Year	\$ 8,414	\$ 4,855	\$ 62,037	\$ 217	\$ 6,737

Maintenance and Repair	Water and Environment	Energy Conservation	Military Federal	Health Care Trust	Railroad Trust	Other	Total
\$	\$ 8,228 1,908	\$ 189	\$	\$	\$ 333	\$ 29,040	\$ 121,686
						50,700	319,279
						21,706	22,161
(79)	(395)	(340)	33	(4,937)	472	(2,749)	(7,022)
1,893						15,281	23,667
			25,476			45,263	818,623
					52	7,983	17,145
1,814	9,741	(151)	25,509	(4,937)	857	167,224	1,315,539
3,757				544		9,925	39,622
						3,918	252,416
						22,831	482,415
			26,450			55,177	132,379
	13,292					33,265	160,181
		35				1,970	13,474
					612	1,473	2,085
						31,724	178,301
			49			344	2,812
			26			60	477
3,757	13,292	35	26,525	544	612	160,687	1,264,162
(1,943)	(3,551)	(186)	(1,016)	(5,481)	245	6,537	51,377
			1,016			2,733	21,783
					148	377	860
							2,063
1,552	2,315				20,000	15,874	53,605
	(600)			(6,612)		(11,532)	(98,998)
1,552	1,715	0	1,016	(6,612)	20,148	7,452	(20,687)
(391)	(1,836)	(186)	0	(12,093)	20,393	13,989	30,690
5,473	53,365	12,791	42	217,086	56,408	157,888	615,798
\$ 5,082	\$ 51,529	\$ 12,605	\$ 42	\$ 204,993	\$ 76,801	\$ 171,877	\$ 646,488

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
June 30, 2022
(Expressed in Thousands)**

Assets	Vocational Educational Facilities	Building Authority	Tobacco Securitization	Total
Cash and Cash Equivalents	\$ 2,026	\$ 43	\$ 214	\$ 2,283
Restricted Cash			29	29
Investments	10,261		781	11,042
Restricted Investments			12,092	12,092
Restricted Other Assets	7,500			7,500
Receivables from:				
Interest and Dividends	1		2	3
Other, net	136		10,954	11,090
Total Assets	\$ 19,924	\$ 43	\$ 24,072	\$ 44,039
Deferred Inflows of Resources:				
Unavailable Revenue	\$ 0	\$ 0	\$ 10,954	\$ 10,954
Total Deferred Inflows of Resources	0	0	10,954	10,954
Fund Balances:				
Restricted	19,924	43	13,118	33,085
Total Fund Balances	19,924	43	13,118	33,085
Total Deferred Inflows of Resources and Fund Balances	\$ 19,924	\$ 43	\$ 24,072	\$ 44,039

**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, 2022
(Expressed in Thousands)**

	Vocational Educational Facilities	Building Authority	Tobacco Securitization	Total
Revenue:				
Use of Money and Property	\$ 22	\$	\$ (14)	\$ 8
Tobacco Settlement			22,549	22,549
Licenses, Permits, and Fees	6,053			6,053
Other Revenue	324			324
Total Revenue	6,399	0	22,535	28,934
Expenditures:				
Current:				
General Government	94		73	167
Debt Service:				
Principal	2,455	3,913	11,035	17,403
Interest	4,431	2,494	380	7,305
Bond Issuance Costs	412		877	1,289
Payment to Refunded Bond Escrow Agent			7,319	7,319
Payment on Current Note Refunding	43,006			43,006
Total Expenditures	50,398	6,407	19,684	76,489
Excess of Revenue Over (Under) Expenditures	(43,999)	(6,407)	2,851	(47,555)
Other Financing Sources (Uses):				
Issuance of Refunding Bonds			54,370	54,370
Issuance of Refunding Notes	44,065			44,065
Payment to Refunded Bond Escrow Agent			(53,361)	(53,361)
Transfers In	1,688	6,450		8,138
Transfers Out		(45)	(10,896)	(10,941)
Total Other Financing Sources (Uses)	45,753	6,405	(9,887)	42,271
Net Change in Fund Balances	1,754	(2)	(7,036)	(5,284)
Fund Balances at Beginning of Year, as restated	18,170	45	20,154	38,369
Fund Balances at End of Year	\$ 19,924	\$ 43	\$ 13,118	\$ 33,085

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2022
(Expressed in Thousands)

Assets	Revolving Economic Development and Initiative	Unemployment Insurance	Second Injury	State Fair	Federal Surplus Property	Rural Rehabilitation
Current Assets:						
Cash and Cash Equivalents	\$ 102,921	\$ 182,074	\$ 1,185	\$ 2,294	\$ 601	\$ 5,561
Receivables:						
Interest and Dividends	272		4	5	2	30
Other Funds		44				
Component Units						
Other Governments		139			94	
Loans, Notes, and Leases, net	5,750					259
Other, net	93	13,273			12	
Inventory					582	
Other Assets						
Total Current Assets	109,036	195,530	1,189	2,299	1,291	5,850
Assets Held for Resale	321					
Restricted Assets:						
Net Pension Asset	96		3	142	149	12
Capital Assets:						
Land and Other Non-depreciable Assets				192	103	
Property, Plant, and Equipment				7,470	559	18
Right-to-use Leased Assets						
Accumulated Depreciation				(2,961)	(513)	(17)
Construction in Progress				1,678		
Total Capital Assets	0	0	0	6,379	149	1
Other Noncurrent Assets	20,146	5,789				2,953
Total Assets	129,599	201,319	1,192	8,820	1,589	8,816
Deferred Outflows of Resources						
Related to Pensions	130		4	196	203	14
Total Deferred Outflows of Resources	130	0	4	196	203	14
Liabilities						
Current Liabilities:						
Accounts Payable and Other Liabilities	36	47	1	100	61	
Payable to:						
Other Funds	7	121		27	5	
Other Governments		1,126				
Bonds, Notes, and Leases Payable						
Claims, Judgments, and Compensated Absences	25		1	38	61	
Accrued Interest Payable						
Unearned Revenue		119		897		
Total Current Liabilities	68	1,413	2	1,062	127	0
Noncurrent Liabilities:						
Bonds, Notes, and Leases Payable						
Claims, Judgments, and Compensated Absences	13		1	33	53	
Total Noncurrent Liabilities	13	0	1	33	53	0
Total Liabilities	81	1,413	3	1,095	180	0
Deferred Inflows of Resources						
Related to Pensions	209		6	311	326	26
Related to Leases						
Total Deferred Inflows of Resources	209	0	6	311	326	26
Net Position						
Net Investment in Capital Assets				6,379	149	1
Restricted for:						
Disaster Relief Fund	10,497					
Pensions	17		1	27	26	
Other	1,655					
Unrestricted	117,270	199,906	1,186	1,204	1,111	8,803
Total Net Position	\$ 129,439	\$ 199,906	\$ 1,187	\$ 7,610	\$ 1,286	\$ 8,804

Prison Industries	S.D. Trust Company Captive Insurance Co.	Professional and Licensing	Banking and Insurance	Other	Total
\$ 416	\$ 2,032	\$ 15,603	\$ 12,074	\$ 8,286	\$ 333,047
1	5	40	28	9	396
214		5			263
64					64
				16	249
				134	6,143
38				2	13,418
1,314				104	2,000
175				259	434
2,222	2,037	15,648	12,102	8,810	356,014
					321
236		1,075	818	409	2,940
					295
2,673		56		1,043	11,819
		800	517	9	1,326
(2,022)		(185)	(116)	(694)	(6,508)
					1,678
651	0	671	401	358	8,610
				886	29,774
3,109	2,037	17,394	13,321	10,463	397,659
328		1,485	1,133	556	4,049
328	0	1,485	1,133	556	4,049
317	5	471	3,717	331	5,086
35		105	18	21	339
					1,126
		155	92	2	249
61		281	260	111	838
			1		1
1		974			1,991
414	5	1,986	4,088	465	9,630
		510	313	5	828
53		241	226	88	708
53	0	751	539	93	1,536
467	5	2,737	4,627	558	11,166
517		2,355	1,792	895	6,437
				998	998
517	0	2,355	1,792	1,893	7,435
650		269	(5)	351	7,794
					10,497
47		205	159	70	552
					1,655
1,756	2,032	13,313	7,881	8,147	362,609
\$ 2,453	\$ 2,032	\$ 13,787	\$ 8,035	\$ 8,568	\$ 383,107

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	Revolving Economic Development and Initiative	Unemployment Insurance	Second Injury	State Fair	Federal Surplus Property	Rural Rehabilitation
Operating Revenue:						
Licenses, Permits, and Fees	\$	\$	\$	\$ 1,582	\$	\$
Use of Money and Property	483			875		150
Sales and Services				564	1,945	
Administering Programs		907		139		
Assessments		40,876				
Other Revenue	56			371		10
Total Operating Revenue	539	41,783	0	3,531	1,945	160
Operating Expenses:						
Personal Services and Benefits	212		13	1,209	575	2
Travel	8			24	4	
Contractual Services	252			1,713	565	2
Supplies and Materials	1			433	870	
Other	136			100		
Provision for Loan Loss (Recovery)	(622)					
Depreciation/Amortization				325	9	
Insurance Claims		22,686	172			
Total Operating Expenses	(13)	22,686	185	3,804	2,023	4
Operating Income (Loss)	552	19,097	(185)	(273)	(78)	156
Nonoperating Revenue (Expenses):						
Gain on Disposal of Assets				10		
Loss on Disposal of Assets						
Investment Income	(2,487)	3,682	(49)	(36)	(18)	(113)
Other Expense	(179)					(1)
Grant and Other Income						135
Total Nonoperating Revenue (Expenses)	(2,666)	3,682	(49)	(26)	(18)	21
Income (Loss) Before Transfers	(2,114)	22,779	(234)	(299)	(96)	177
Transfers:						
Transfers In						
Transfers Out		(916)	(1)			
Net Transfers	0	(916)	(1)	0	0	0
Change in Net Position	(2,114)	21,863	(235)	(299)	(96)	177
Net Position at Beginning of Year	131,553	178,043	1,422	7,909	1,382	8,627
Net Position at End of Year	\$ 129,439	\$ 199,906	\$ 1,187	\$ 7,610	\$ 1,286	\$ 8,804

Prison Industries	S.D. Trust Company Captive Insurance Co.	Professional and Licensing	Banking and Insurance	Other	Total
\$	\$	\$ 9,145	\$ 5,069	\$ 2,215	\$ 18,011
				(5)	1,503
4,249	(64)	238	524	1,062	8,518
		59			1,105
					40,876
		197		45	679
4,249	(64)	9,639	5,593	3,317	70,692
1,034		4,720	3,410	2,056	13,231
18		542	53	230	879
411	27	3,517	1,511	719	8,717
2,694		388	44	243	4,673
		15	12	1	264
					(622)
95		142	116	218	905
					22,858
4,252	27	9,324	5,146	3,467	50,905
(3)	(91)	315	447	(150)	19,787
				3	13
(3)				(9)	(12)
(17)	(33)	(386)	(269)	(49)	225
		(1)	(2)	(1)	(184)
					135
(20)	(33)	(387)	(271)	(56)	177
(23)	(124)	(72)	176	(206)	19,964
		15		78	93
		(119)	(156)	(1)	(1,193)
0	0	(104)	(156)	77	(1,100)
(23)	(124)	(176)	20	(129)	18,864
2,476	2,156	13,963	8,015	8,697	364,243
\$ 2,453	\$ 2,032	\$ 13,787	\$ 8,035	\$ 8,568	\$ 383,107

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Revolving Economic Development and Initiative	Unemployment Insurance	Second Injury	State Fair	Federal Surplus Property
Cash Flows from Operating Activities:					
Receipts from Customers and Users	\$ 57	\$ 37,461	\$	\$ 3,109	\$ 1,641
Receipts from Interfund Services Provided				108	86
Receipts from Federal Agencies		5,148			199
Receipts from Loan Payments	10,898				
Payments to Suppliers and for Benefits and Claims	(261)	(23,118)	(468)	(771)	(1,430)
Payments for Employee Services	(183)		(13)	(1,192)	(577)
Payments for Interfund Services Used				(1,604)	(84)
Payments for Loans Originated	(2,239)				
Other Receipts (Payments)	(136)		(172)	371	
Net Cash Provided (Used) by Operating Activities	8,136	19,491	(653)	21	(165)
Cash Flows from Capital and Related Financing Activities:					
Purchases of Capital Assets				(202)	
Construction in Progress				(1,388)	
Sale or Disposition of Capital Assets				27	
Payments for Lease, Notes, and Installment Obligations					
Net Cash Provided (Used) by Capital and Related Financing Activities	0	0	0	(1,563)	0
Cash Flows from Noncapital Financing Activities:					
Transfers In					
Transfers Out		(929)	(1)		
Receipts for Administering Program					
Services Provided to Others	(176)				
Grants and Other Noncapital Financing Activities		(949)			
Net Cash Provided (Used) by Noncapital Financing Activities	(176)	(1,878)	(1)	0	0
Cash Flows from Investing Activities:					
Investment Income	(2,518)	3,682	(47)	(36)	(18)
Investment Expense	(17)				
Proceeds from the Sale and Maturity of Investments				10	
Net Cash Provided (Used) by Investing Activities	(2,535)	3,682	(47)	(26)	(18)
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	5,425	21,295	(701)	(1,568)	(183)
Cash and Cash Equivalents at Beginning of Year	97,496	160,779	1,886	3,862	784
Cash and Cash Equivalents at End of Year	\$ 102,921	\$ 182,074	\$ 1,185	\$ 2,294	\$ 601
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 552	\$ 19,097	\$ (185)	\$ (273)	\$ (78)
Adjustments to Reconcile Operating Income (Loss):					
Depreciation/Amortization Expense				325	9
Interest Expense					
Decrease/(Increase) in Assets:					
Accounts Receivable	(44)	(3,255)			(8)
Bonds and Notes Receivable	7,600				
Due From Other Funds		(20)			4
Due From Component Units					
Due From Other Governments		4,241			(14)
Inventory					(70)
Other Assets					
Restricted Net Pension Asset	(95)		(3)	(141)	(148)
Decrease/(Increase) in Deferred Outflows of Resources:					
Deferred Outflows - Related to Pensions	(44)		1	(58)	(64)
Increase/(Decrease) in Liabilities:					
Accounts Payable	1	(432)	(468)	(110)	(7)
Accrued Liabilities	7			1	(2)
Compensated Absences Payable	19			16	(3)
Due To Other Funds				2	1
Due To Other Governments				4	
Unearned Revenue		(140)		56	
Escrow Payable					
Other Liabilities					
Increase/(Decrease) in Deferred Inflows of Resources:					
Deferred Inflows - Related to Pensions	140		2	199	215
Net Cash Provided (Used) by Operating Activities	\$ 8,136	\$ 19,491	\$ (653)	\$ 21	\$ (165)
Noncash Investing, Capital, and Financing Activities:					
Lease Obligations Entered Into					

Rural Rehabilitation	Prison Industries	S.D. Trust Company Captive Insurance Co.	Professional and Licensing	Banking and Insurance	Other	Total
\$ 148	\$ 1,117 3,466	\$ 70	\$ 9,615 95	\$ 5,594	\$ 3,148 28	\$ 61,960 3,783
						5,347
590						11,488
(2)	(3,288)	(140)	(3,407)	(1,032)	(900)	(34,817)
	(1,038)	(21)	(4,677)	(3,335)	(2,019)	(13,055)
	(198)		(862)	(150)	(271)	(3,169)
						(2,239)
10			57		3	133
746	59	(91)	821	1,077	(11)	29,431
						(202)
						(1,388)
					3	30
1	(162)		(379)	(112)	(2)	(654)
1	(162)	0	(379)	(112)	1	(2,214)
			132		78	210
			(236)	(156)	(1)	(1,323)
						(176)
135						(814)
135	0	0	(104)	(156)	77	(2,103)
(113)	(18)	(28)	(396)	(276)	(80)	152
(1)			(1)	(2)	(1)	(22)
						10
(114)	(18)	(28)	(397)	(278)	(81)	140
768	(121)	(119)	(59)	531	(14)	25,254
4,793	537	2,151	15,662	11,543	8,300	307,793
\$ 5,561	\$ 416	\$ 2,032	\$ 15,603	\$ 12,074	\$ 8,286	\$ 333,047
\$ 156	\$ (3)	\$ (91)	\$ 315	\$ 447	\$ (150)	\$ 19,787
	95		142	116	218	905
	45				7	(3,255)
588						8,188
	41		(5)			20
	(36)					(36)
	344				(12)	4,559
	(325)				(17)	(412)
	(41)				(134)	(175)
(12)	(235)		(1,069)	(814)	(406)	(2,923)
(1)	(110)		(426)	(409)	(169)	(1,280)
	(17)		(37)	430	42	(598)
	8		156	28	(6)	192
	(1)		3	54	35	123
	(41)		(36)	6	(5)	(73)
	(1)					3
	(6)		135			45
				1		1
			149		3	152
15	342		1,494	1,218	583	4,208
\$ 746	\$ 59	\$ (91)	\$ 821	\$ 1,077	\$ (11)	\$ 29,431
			\$ 800	\$ 517	\$ 30	\$ 1,347

STATE OF SOUTH DAKOTA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 June 30, 2022
 (Expressed in Thousands)

<u>Assets</u>	Self- Insurance	Information Services	Tele- communi- cations	Accounting and Payroll	Buildings and Grounds	Central Mail
Current Assets:						
Cash and Cash Equivalents	\$ 44,156	\$ 5,151	\$ 2,731	\$ 4,218	\$ 1,597	\$ 781
Receivables:						
Interest and Dividends	149	15	2	10	1	2
Other Funds		2,127	1,491	1,548	937	243
Component Units		3	150	116		
Other Governments						
Other, net	3,909	2	18	1		3
Inventory			1			157
Other Assets	100	2,074	1,814	1,225		
Total Current Assets	48,314	9,372	6,207	7,118	2,535	1,186
Restricted Assets:						
Net Pension Asset	261	4,970	1,661	437	871	95
Capital Assets:						
Property, Plant, and Equipment		11,640	5,058	14,251	1,561	446
Right-to-use Leased Assets	66	226	352		1,001	362
Accumulated Depreciation	(15)	(9,804)	(3,779)	(12,740)	(1,401)	(415)
Construction in Progress		168				
Total Capital Assets	51	2,230	1,631	1,511	1,161	393
Total Assets	48,626	16,572	9,499	9,066	4,567	1,674
Deferred Outflows of Resources						
Related to Pensions	359	6,805	2,283	608	1,205	131
Total Deferred Outflows of Resources	359	6,805	2,283	608	1,205	131
Liabilities						
Current Liabilities:						
Accounts Payable and Other Liabilities	2,832	1,520	1,108	226	401	40
Payable to:						
Other Funds	48	148	258	105	53	6
Component Units						
Bonds, Notes, and Leases Payable	15	391	67		59	27
Claims, Judgments, and Compensated Absences	11,738	1,450	663	142	232	46
Accrued Interest Payable			1		2	
Unearned Revenue		339	1,499			
Total Current Liabilities	14,633	3,848	3,596	473	747	119
Noncurrent Liabilities:						
Bonds, Notes, and Leases Payable	36	266	226		882	319
Claims, Judgments, and Compensated Absences	47	1,220	577	123	202	40
Other Noncurrent Liabilities	59					
Total Noncurrent Liabilities	142	1,486	803	123	1,084	359
Total Liabilities	14,775	5,334	4,399	596	1,831	478
Deferred Inflows of Resources						
Related to Pensions	572	10,888	3,639	957	1,908	209
Total Deferred Inflows of Resources	572	10,888	3,639	957	1,908	209
Net Position						
Net Investment in Capital Assets	(1)	1,573	1,338	1,511	218	46
Restricted for Pensions	48	887	305	88	168	17
Unrestricted	33,591	4,695	2,101	6,522	1,647	1,055
Total Net Position	\$ 33,638	\$ 7,155	\$ 3,744	\$ 8,121	\$ 2,033	\$ 1,118

Digital Dakota Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation	Other	Total
\$ 495	\$ 10,007	\$ 1,037	\$ 584	\$ 7,481	\$ 7,758	\$ 85,996
2	24	8	2	11	20	246
114		1,604	610		792	9,466
172		259			57	757
	13	8		11	163	163
					121	4,086
					527	685
75			130	200	92	5,710
858	10,044	2,916	1,326	7,703	9,530	107,109
127	154	158	859	66	1,528	11,187
2,045		63,218	378		10,218	108,815
			56	32	836	2,931
(1,975)		(42,931)	(377)	(8)	(2,605)	(76,050)
						168
70	0	20,287	57	24	8,449	35,864
1,055	10,198	23,361	2,242	7,793	19,507	154,160
171	210	215	1,190	90	2,101	15,368
171	210	215	1,190	90	2,101	15,368
21	46	556	265	21	611	7,647
17	14	623	51	2	206	1,531
	1	57	9			67
		3,539	13	8	127	4,246
32	2,067	37	298	4,177	481	21,363
						3
					8	1,846
70	2,128	4,812	636	4,208	1,433	36,703
		7,605	29	17	795	10,175
28	3,500	32	249	30,899	418	37,335
						59
28	3,500	7,637	278	30,916	1,213	47,569
98	5,628	12,449	914	35,124	2,646	84,272
278	337	346	1,882	144	3,348	24,508
278	337	346	1,882	144	3,348	24,508
70		9,143	15		7,525	21,438
20	27	27	167	12	281	2,047
760	4,416	1,611	454	(27,397)	7,808	37,263
\$ 850	\$ 4,443	\$ 10,781	\$ 636	\$ (27,385)	\$ 15,614	\$ 60,748

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	Self- Insurance	Information Services	Tele- communi- cations	Accounting and Payroll	Buildings and Grounds	Central Mail
Operating Revenue:						
Use of Money and Property	\$	\$	\$	\$	\$	\$
Sales and Services	147,301	24,563	18,828	5,923	7,789	3,071
Other Revenue	4,986		75	13	6	
Total Operating Revenue	152,287	24,563	18,903	5,936	7,795	3,071
Operating Expenses:						
Personal Services and Benefits	1,020	19,189	6,894	1,863	3,893	409
Travel	21	66	162	1	6	
Contractual Services	33,826	5,823	11,259	3,240	2,445	137
Supplies and Materials	25	169	296	207	961	2,459
Grant and Other	4					
Interest	2	35	6		26	11
Depreciation/Amortization	16	581	583	566	105	63
Insurance Claims	135,451					
Total Operating Expenses	170,365	25,863	19,200	5,877	7,436	3,079
Operating Income (Loss)	(18,078)	(1,300)	(297)	59	359	(8)
Nonoperating Revenue (Expenses):						
Gain on Disposal of Assets		7	5			
Loss on Disposal of Assets			(26)			
Investment Income	(1,494)	(137)	(29)	(103)	(8)	(18)
Other Expense	(10)	(1)		(1)		
Grant and Other Income			138			
Total Nonoperating Revenue (Expenses)	(1,504)	(131)	88	(104)	(8)	(18)
Income (Loss) Before Capital Contributions and Transfers	(19,582)	(1,431)	(209)	(45)	351	(26)
Transfers:						
Capital Contribution						
Transfers In				547		
Transfers Out						
Net Transfers	0	0	0	547	0	0
Change in Net Position	(19,582)	(1,431)	(209)	502	351	(26)
Net Position at Beginning of Year	53,220	8,586	3,953	7,619	1,682	1,144
Net Position at End of Year	\$ 33,638	\$ 7,155	\$ 3,744	\$ 8,121	\$ 2,033	\$ 1,118

Digital Dakota Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation	Other	Total
\$	\$	\$	\$	\$	\$	\$
708	2,749	16,572	4,958	9,611	11,327	253,400
	115	29		19	217	5,460
708	2,864	16,601	4,958	9,630	11,553	258,869
387	641	606	3,957	275	6,754	45,888
9	51	1	81		381	779
214	736	1,939	1,101	147	2,090	62,957
4	8	8,172	253	1	2,114	14,669
					15	19
		421	1	1	30	533
42		4,018	18	8	487	6,487
	2,970			6,400	213	145,034
656	4,406	15,157	5,411	6,832	12,084	276,366
52	(1,542)	1,444	(453)	2,798	(531)	(17,497)
		522			110	644
		(49)			(203)	(278)
(15)	(267)	(50)	(23)	(100)	(187)	(2,431)
	(2)	(1)		(1)	(1)	(17)
						138
(15)	(269)	422	(23)	(101)	(281)	(1,944)
37	(1,811)	1,866	(476)	2,697	(812)	(19,441)
			305		7	7
					2,179	3,031
					(9)	(9)
0	0	0	305	0	2,177	3,029
37	(1,811)	1,866	(171)	2,697	1,365	(16,412)
813	6,254	8,915	807	(30,082)	14,249	77,160
\$ 850	\$ 4,443	\$ 10,781	\$ 636	\$ (27,385)	\$ 15,614	\$ 60,748

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Self- Insurance	Information Services	Tele- communi- cations	Accounting and Payroll	Buildings and Grounds	Central Mail
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 76,350	\$ 557	\$ 2,154	\$ 490	\$ 9	\$ 175
Receipts from Interfund Services Provided	70,949	24,049	16,077	5,187	7,610	2,918
Payments to Suppliers and for Benefits and Claims	(175,420)	(5,134)	(10,241)	(2,307)	(2,632)	(2,482)
Payments for Employee Services	(1,018)	(19,079)	(6,699)	(1,876)	(3,857)	(404)
Payments for Interfund Services Used	(2,125)	(1,284)	(1,324)	(1,157)	(825)	(95)
Other Receipts (Payments)	12,027		75	57	6	
Net Cash Provided (Used) by Operating Activities	(19,237)	(891)	42	394	311	112
Cash Flows from Capital and Related Financing Activities:						
Activities:						
Purchases of Capital Assets		(300)	(170)			
Sale or Disposition of Capital Assets		7	5		4	
Payments for Lease, Notes, and Installment Obligations		(417)	(64)		(84)	(51)
Net Cash Provided (Used) by Capital and Related Financing Activities	0	(710)	(229)	0	(80)	(51)
Cash Flows from Noncapital Financing Activities:						
Transfers In				547		
Transfers Out						
Other Noncapital Financing Activities			138			
Net Cash Provided (Used) by Noncapital Financing Activities	0	0	138	547	0	0
Cash Flows from Investing Activities:						
Investment Income	(1,515)	(141)	(28)	(104)	(8)	(18)
Investment Expense	(10)	(1)		(1)		
Net Cash Provided (Used) by Investing Activities	(1,525)	(142)	(28)	(105)	(8)	(18)
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	(20,762)	(1,743)	(77)	836	223	43
Cash and Cash Equivalents at Beginning of Year	64,918	6,894	2,808	3,382	1,374	738
Cash and Cash Equivalents at End of Year	\$ 44,156	\$ 5,151	\$ 2,731	\$ 4,218	\$ 1,597	\$ 781
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (18,078)	\$ (1,300)	\$ (297)	\$ 59	\$ 359	\$ (8)
Adjustments to Reconcile Operating Income (Loss):						
Depreciation/Amortization Expense	16	581	583	566	105	63
Interest Expense		35	5		24	10
Decrease/(Increase) in Assets:						
Accounts Receivable	3,133	(1)	2	42		(2)
Due From Other Funds		254	(67)	(233)	(170)	25
Due From Component Units			38	(12)		
Due From Other Governments						
Inventory		4	4			20
Other Assets	3	(353)	246	(6)		
Restricted Net Pension Asset	(260)	(4,943)	(1,651)	(435)	(866)	(95)
Decrease/(Increase) in Deferred Outflows of Resources:						
Deferred Outflows - Related to Pensions	(123)	(2,376)	(714)	(217)	(386)	(45)
Increase/(Decrease) in Liabilities:						
Accounts Payable	1,074	(62)	(157)	19	24	(1)
Accrued Liabilities	(8)	58	43	4	16	(1)
Compensated Absences Payable	8	4	143	(8)	22	4
Due To Other Funds	(19)	50	59	(31)	(3)	1
Due To Component Units						
Due To Other Governments	2				(63)	
Unearned Revenue	(1)	(210)	(570)			
Policy Claim Liabilities	(5,368)					
Increase/(Decrease) in Deferred Inflows of Resources:						
Deferred Inflows - Related to Pensions	384	7,368	2,375	646	1,249	141
Net Cash Provided (Used) by Operating Activities	\$ (19,237)	\$ (891)	\$ 42	\$ 394	\$ 311	\$ 112
Noncash Investing, Capital, and Financing Activities:						
Gain (Loss) on Disposal of Capital Assets	\$	\$ 7	\$ (20)	\$	\$ 5	\$
Transfers In (Out) of Capital Assets						
Lease Obligations Entered Into	66	226	352		1,001	362

Digital Dakota Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation	Other	Total
\$ 417	\$ 995	\$ 2,472	\$ 17	\$ 1,973	\$ 2,111	\$ 87,720
277	1,753	13,797	4,692	7,655	9,305	164,269
(124)	(2,562)	(9,007)	(1,011)	(5,433)	(3,019)	(219,372)
(442)	(568)	(610)	(3,938)	(255)	(6,761)	(45,507)
(100)	(126)	(858)	(494)	(32)	(1,659)	(10,079)
	34	28			228	12,455
28	(474)	5,822	(734)	3,908	205	(10,514)
		(2,859)			(5,271)	(8,600)
		1,058			3,182	4,256
		(5,308)	(14)	(8)	(123)	(6,069)
0	0	(7,109)	(14)	(8)	(2,212)	(10,413)
			564		2,179	3,290
			(259)		(9)	(268)
						138
0	0	0	305	0	2,170	3,160
(14)	(266)	(54)	(23)	(104)	(181)	(2,456)
	(2)	(1)		(1)	(11)	(27)
(14)	(268)	(55)	(23)	(105)	(192)	(2,483)
14	(742)	(1,342)	(466)	3,795	(29)	(20,250)
481	10,749	2,379	1,050	3,686	7,787	106,246
\$ 495	\$ 10,007	\$ 1,037	\$ 584	\$ 7,481	\$ 7,758	\$ 85,996
\$ 52	\$ (1,542)	\$ 1,444	\$ (453)	\$ 2,798	\$ (531)	\$ (17,497)
42		4,018	18	8	487	6,487
		446	1	1	27	549
	14			(6)	47	3,229
(3)		(262)	(257)		12	(701)
(10)		(41)	1		(5)	(29)
					42	42
					85	113
2	7				(12)	(113)
(126)	(153)	(157)	(854)	(66)	(1,520)	(11,126)
(53)	(62)	(54)	(386)	(29)	(711)	(5,156)
		(14)	(6)		(1)	876
(8)	2	(3)	32	6	1	142
(53)	20	(4)	28	13	(15)	162
1	(16)	212	16	(1)	77	346
	1	24	9		(11)	23
		(1)				(62)
					(4)	(785)
	1,037			1,085		(3,246)
184	218	214	1,117	99	2,237	16,232
\$ 28	\$ (474)	\$ 5,822	\$ (734)	\$ 3,908	\$ 205	\$ (10,514)
\$	\$	\$ 473	\$	\$	\$ 91	\$ 556
					7	7
			56	32	835	2,930

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2022
(Expressed in Thousands)**

	Common School	Other	Total
Assets			
Cash and Cash Equivalents	\$ 8	\$ 886	\$ 894
Receivables:			
Investment Income	373	1	374
Other	38	1	39
Total Receivables	411	2	413
Investments, at Fair Value:			
Pooled Investment Funds	297,618		297,618
Total Investments	297,618	0	297,618
Properties, at Cost	14,162	51	14,213
Other Assets		12	12
Total Assets	312,199	951	313,150
Liabilities			
Payables:			
Accounts Payable and Other Liabilities		25	25
Due To Other Funds		29	29
Total Liabilities	0	54	54
Net Position - Restricted for Others	\$ 312,199	\$ 897	\$ 313,096

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	Common School	Other	Total
Additions			
Contributions:			
From Clients and Inmates	\$	\$ 539	\$ 539
Other	4,483		4,483
Total Contributions	4,483	539	5,022
Investment Income:			
Value of Investments	(4,990)		(4,990)
Real Estate	237		237
Pooled Interest and Dividends	1,716		1,716
Net Investment Income (Loss)	(3,037)	0	(3,037)
<i>From Security Lending Activities</i>			
Securities Lending Income	2		2
Miscellaneous Income		31	31
Total Additions	1,448	570	2,018
Deductions			
Distribution to School Districts	9,840		9,840
Payments Made for Trust Purposes		582	582
Administrative Expenses		10	10
Total Deductions	9,840	592	10,432
Change in Net Position	(8,392)	(22)	(8,414)
Net Position at Beginning of Year	320,591	919	321,510
Net Position at End of Year	\$ 312,199	\$ 897	\$ 313,096

STATE OF SOUTH DAKOTA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 June 30, 2022
 (Expressed in Thousands)

	Department of Revenue Collections	Child Support Collections	Clerk of Courts	Soybean	Corrections	Other	Total
Assets							
Cash and Cash Equivalents	\$ 6,867	\$ 2,399	\$ 14,343	\$ 1,198	\$ 1,729	\$ 258	\$ 26,794
Receivables:							
Taxes, net	58,940						58,940
Due From Other Funds					113		113
Other	15			1,285			1,300
Total Receivables	58,955	0	0	1,285	113	0	60,353
Total Assets	65,822	2,399	14,343	2,483	1,842	258	87,147
Liabilities							
Payables:							
Accounts Payable and Other Liabilities		2,399	91	2,483		63	5,036
Due To Other Governments	65,822		91			4	65,917
Due To Other Funds					193		193
Total Liabilities	65,822	2,399	182	2,483	193	67	71,146
Net Position - Restricted for Others	\$ 0	\$ 0	\$ 14,161	\$ 0	\$ 1,649	\$ 191	\$ 16,001

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Department of Revenue Collections	Child Support Collections	Clerk of Courts	Soybean	Corrections	Other	Total
Additions							
Tax and Fee Collections for Other Governments	\$ 530,793	\$	\$	\$	\$	\$	\$ 530,793
Child Support Collections		113,527					113,527
Collections from Defendants and Inmates			15,633		10,320	714	26,667
Collections for Other Governments			1,078			32,623	33,701
Collections from Participants			8			2,955	2,963
Assessments				14,665			14,665
Total Additions	530,793	113,527	16,719	14,665	10,320	36,292	722,316
Deductions							
Tax and Fee Distributions to Other Governments	530,793						530,793
Child Support Distributions		113,527					113,527
Forfeiture Returns			7,137			164	7,301
Required Distributions			2,539	7,136		975	10,650
Payments Made to Other Governments			1,078	7,529		32,669	41,276
Payments Made for Custodial Purposes			3,239		10,313	2,910	16,462
Total Deductions	530,793	113,527	13,993	14,665	10,313	36,718	720,009
Change in Net Position	0	0	2,726	0	7	(426)	2,307
Net Position at Beginning of Year	0	0	11,435	0	1,642	617	13,694
Net Position at End of Year	\$ 0	\$ 0	\$ 14,161	\$ 0	\$ 1,649	\$ 191	\$ 16,001

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2022
(Expressed in Thousands)**

Assets	Business-type Activities				Total
	Housing Authority	Science and Technology Authority	Higher Education	Nonmajor	
Current Assets:					
Cash and Cash Equivalents	\$ 574,683	\$ 17,195	\$ 346,583	\$ 19,224	\$ 957,685
Receivables:					
Interest and Dividends	4,004	29	1,140	60	5,233
Primary Government			1,222		1,222
Other Governments			23,372		23,372
Loans and Notes, net	34,040		4,792	633	39,465
Other, net	1,216	2,399	61,780	2,497	67,892
Investments	149,151		82,900	280	232,331
Restricted Assets:					
Cash and Cash Equivalents				6,943	6,943
Inventory	5,759	3,648	7,800		17,207
Other Assets	88	970	8,614	75	9,747
Total Current Assets	768,941	24,241	538,203	29,712	1,361,097
Investments	961,391		678,427	428	1,640,246
Assets Held for Resale				531	531
Restricted Assets:					
Cash and Cash Equivalents			39,354		39,354
Investments			55,419		55,419
Net Pension Asset	1,283	4,731	103,354		109,368
Other			16,614		16,614
Capital Assets:					
Land and Other Non-depreciable Assets	220	19,931	46,878	653	67,682
Property, Plant, and Equipment	10,617	92,408	2,262,905	24,545	2,390,475
Accumulated Depreciation	(6,207)	(22,058)	(936,985)	(6,727)	(971,977)
Construction in Progress		4,119	58,244	8,521	70,884
Total Capital Assets	4,630	94,400	1,431,042	26,992	1,557,064
Other Noncurrent Assets, net	310,892	8,934	90,403	6,920	417,149
Total Assets	2,047,137	132,306	2,952,816	64,583	5,196,842
Deferred Outflows of Resources					
Related to Pensions	1,760	6,513	142,067		150,340
Related to Forward Contracts	66				66
Related to Asset Retirement Obligations		1,130			1,130
Related to Debt Refunding	2,183		13,874		16,057
Total Deferred Outflows of Resources	4,009	7,643	155,941	0	167,593
Liabilities					
Current Liabilities:					
Accounts Payable and Other Liabilities	1,467	2,003	55,867	813	60,150
Payable to Primary Government	108		815		923
Escrow Payable	1,398				1,398
Bonds, Notes, and Leases Payable	21,795		37,984	1,703	61,482
Claims, Judgments, and Compensated Absences	354	782	15,981		17,117
Accrued Interest Payable	4,732		3,001	153	7,886
Unearned Revenue	41,399		93,410	1,395	136,204
Other Current Liabilities	66		36,525	1,075	37,666
Total Current Liabilities	71,319	2,785	243,583	5,139	322,826
Noncurrent Liabilities:					
Bonds, Notes, and Leases Payable	1,240,025	6,000	482,618	24,737	1,753,380
Unearned Revenue	71,356				71,356
Claims, Judgments, and Compensated Absences	308	782	30,534		31,624
Federal Capital Contribution Refundable Advance			28,671		28,671
Other Noncurrent Liabilities	950	1,130	14,495	1,520	18,095
Total Noncurrent Liabilities	1,312,639	7,912	556,318	26,257	1,903,126
Total Liabilities	1,383,958	10,697	799,901	31,396	2,225,952
Deferred Inflows of Resources					
Related to Pensions	2,493	9,300	199,689		211,482
Related to Gain on Debt Refunding	9,806		881		10,687
Related to Swaps	14,615				14,615
Related to Forward Contracts	88				88
Total Deferred Inflows of Resources	27,002	9,300	200,570	0	236,872
Net Position					
Net Investment in Capital Assets	(1,224)	94,400	949,224	9,907	1,052,307
Restricted for:					
Debt Service	386,727		3,233	5,000	394,960
HOME and NSP Program	84,890				84,890
Higher Education - Expendable			327,254		327,254
Higher Education - Nonexpendable			598,761		598,761
Experiments		745			745
Mine Closure		1,568			1,568
Sanford Center for Science Education		526			526
Indemnification		7,500			7,500
Pensions	550	1,944	45,732		48,226
Other	169,243				169,243
Unrestricted		13,269	184,082	18,280	215,631
Total Net Position	\$ 640,186	\$ 119,952	\$ 2,108,286	\$ 33,187	\$ 2,901,611

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	Business-type Activities				Total
	Housing Authority	Science and Technology Authority	Higher Education	Nonmajor	
Operating Revenue:					
Tuition and Fees (net of discounts and allowances for scholarships of Higher Education of \$50,372)	\$	\$	\$ 232,728	\$	\$ 232,728
Use of Money and Property	(79,172)			431	(78,741)
Sales and Services (net of discounts and allowances for scholarships of Higher Education of \$15,386)		474	125,095	4,886	130,455
Administering Programs	217,410	38,391	119,056	260	375,117
Other Revenue	7,681	411	67,821	70	75,983
Total Operating Revenue	145,919	39,276	544,700	5,647	735,542
Operating Expenses:					
Personal Services and Benefits	4,702	18,895	426,066		449,663
Travel	330	157	17,162	15	17,664
Contractual Services	9,151	8,163	126,084	1,911	145,309
Supplies and Materials	3,093	3,467	68,883	167	75,610
Grants and Subsidies	62,701		54,031	920	117,652
Other			4,214	1,076	5,290
Interest	29,131		257	410	29,798
Provisions for Loan Loss (Recovery)	3,032				3,032
Depreciation/Amortization	437	2,650	68,736	853	72,676
Total Operating Expenses	112,577	33,332	765,433	5,352	916,694
Operating Income (Loss)	33,342	5,944	(220,733)	295	(181,152)
Nonoperating Revenue (Expenses):					
Gain on Disposal of Assets				90	90
Loss on Disposal of Assets			(480)		(480)
Investment Income		171	44,123	(189)	44,105
Interest Expense			(15,965)	(455)	(16,420)
Other Expense		(366)	(18,157)		(18,523)
State Aid from Primary Government			242,751		242,751
Federal Appropriation			5,427		5,427
Grant and Other Income		86	68,622		68,708
Total Nonoperating Revenue (Expenses)	0	(109)	326,321	(554)	325,658
Income (Loss) Before Capital Grants and Additions to Endowments	33,342	5,835	105,588	(259)	144,506
Capital Grants		3,980	4,071	8,103	16,154
Additions to Endowments			43,084		43,084
Change in Net Position	33,342	9,815	152,743	7,844	203,744
Net Position at Beginning of Year, as restated	606,844	110,137	1,955,543	25,343	2,697,867
Net Position at End of Year	\$ 640,186	\$ 119,952	\$ 2,108,286	\$ 33,187	\$ 2,901,611

**STATE OF SOUTH DAKOTA
STATEMENT OF CASH FLOWS
HIGHER EDUCATION
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	Higher Education
Cash Flows from Operating Activities:	
Tuition and Fees	\$ 231,165
Auxiliaries	66,180
Sales & Services - General	58,009
Federal Contracts & Grants	80,339
State Contracts & Grants	10,269
Private Contracts & Grants	65,680
Other Revenue and Additions	100
Loans Issued to Students	(1,645)
Loans Collected from Students	4,004
Student Loan Interest	616
Payments for Personal Services Expenditures	(440,235)
Payments for Travel Expenditures	(16,209)
Payments for Contractual Expenditures	(122,501)
Payments for Supply Expenditures and Non-Capitalized Equipment	(68,066)
Payments for Grant and Subsidy Expenditures	(53,122)
Payments for Other Expenditures	(122)
Foundation Activity	29,100
Net Cash Provided (Used) by Operating Activities	(156,438)
Cash Flows from Noncapital Financing Activities:	
General Fund Appropriations	242,751
School & Public Lands	2,483
Federal Fund Appropriations	4,199
Endo/Ecto Tax	680
Federal Capital Contribution - Student Loan	(3,614)
Other Revenues & Additions	70,983
Payments for Other Expenditures	(14,171)
Foundation Activity	51,669
Net Cash Provided (Used) by Noncapital Financing Activities	354,980
Cash Flows from Capital and Related Financing Activities:	
Capital Grants & Contracts	5,607
Proceeds from Capital Debt	22,915
Revenue Bond Discounts and Related Costs	(167)
Sale of Capital Asset	1,010
Principal Paid on Capital Debt and Leases	(41,025)
Interest Paid on Capital Debt and Leases	(18,269)
Purchase of Capital Assets	(83,563)
Foundation Activity	19,846
Net Cash Provided (Used) by Capital and Related Financing Activities	(93,646)
Cash Flows from Investing Activities:	
Investment Income	(5,704)
Foundation Activity	(78,355)
Net Cash Provided (Used) by Investing Activities	(84,059)
Net Increase (Decrease) in Cash and Cash Equivalents during the Fiscal Year	20,837
Cash and Cash Equivalents at Beginning of Year, as restated	365,100
Cash and Cash Equivalents at End of Year	\$ 385,937

Continued on next page

STATE OF SOUTH DAKOTA
STATEMENT OF CASH FLOWS
HIGHER EDUCATION
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	<u>Higher Education</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities	
Operating Income (Loss)	\$ (220,733)
Adjustments to Reconcile Operating Income (Loss):	
Depreciation Expense	68,736
Bad Debt Expense	859
Loan Cancellation Expense	1,015
Pension Adjustment	(26,043)
Foundation Activity	(18,313)
Decrease/(Increase) in Assets:	
Accounts Receivable Students	(1,181)
Accounts Receivable - Dept	(5,084)
Interest Receivable	1,272
Notes Receivable	1,737
Due From Federal Sources	(629)
Due From Primary Govt	30
Due from Component Unit	1,142
Prepaid Expense and Deferred Charges	(3,345)
Inventory	(150)
Increase/(Decrease) in Liabilities:	
Accounts Payable	2,588
Accrued Wages & Benefits	487
Due to Federal Sources	41
Due to Primary Government	46
Due To Component Unit	(1,142)
Student Deposits	(17)
Compensated Absences	890
Other Accrued Liabilities	60
Unearned Revenue	41,296
Net Cash Provided (Used) by Operating Activities	\$ (156,438)
Noncash Investing, Capital and Financing Activities:	
Transfers In (Out) of Fixed Assets	\$ 1,731
Gain or (Loss) on Disposal of Fixed Assets	(480)

**STATE OF SOUTH DAKOTA
STATEMENT OF FIDUCIARY NET POSITION
HIGHER EDUCATION
June 30, 2022
(Expressed in Thousands)**

<u>Assets</u>	<u>Custodial Funds</u>
Cash and Cash Equivalents	\$ 1,065
Accounts Receivable	37
Total Assets	1,102
<u>Liabilities</u>	
Accounts Payable and Other Liabilities	42
Total Liabilities	42
Restricted for Individuals, Organizations, and Other Governments	\$ 1,060

**STATE OF SOUTH DAKOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
HIGHER EDUCATION
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

<u>Additions</u>	<u>Custodial Funds</u>
Sales and Services	\$ 617
Total Additions	617
<u>Deductions</u>	
Personal Services and Benefits	1
Travel	191
Contractual Services	140
Supplies and Materials	254
Grants and Subsidies	26
Total Deductions	612
Change in Net Position	5
Net Position at Beginning of Year, as restated	1,055
Net Position at End of Year	\$ 1,060

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
June 30, 2022
(Expressed in Thousands)

	Business-type Activities				Total
	S.D. Economic Development Finance Authority	S.D. Ellsworth Development Authority	S.D. Authority Captive Insurance Co.	S.D. Property and Casualty Captive Insurance Co.	
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 2,595	\$ 3,189	\$ 5,781	\$ 7,659	\$ 19,224
Receivables:					
Interest and Dividends	33		13	14	60
Loans and Notes, net	633				633
Other, net		2,497			2,497
Investments	280				280
Restricted Assets:					
Cash and Cash Equivalents	6,943				6,943
Other Assets				75	75
Total Current Assets	10,484	5,686	5,794	7,748	29,712
Investments	428				428
Assets Held for Resale		531			531
Capital Assets:					
Land and Other Non-depreciable Assets		653			653
Property, Plant, and Equipment		24,545			24,545
Accumulated Depreciation		(6,727)			(6,727)
Construction in Progress		8,521			8,521
Total Capital Assets	0	26,992	0	0	26,992
Other Noncurrent Assets, net	6,809	111			6,920
Total Assets	17,721	33,320	5,794	7,748	64,583
Liabilities					
Current Liabilities:					
Accounts Payable and Other Liabilities		794	8	11	813
Bonds, Notes, and Leases Payable	541	1,162			1,703
Accrued Interest Payable	102	51			153
Unearned Revenue		1,395			1,395
Other Current Liabilities			188	887	1,075
Total Current Liabilities	643	3,402	196	898	5,139
Noncurrent Liabilities:					
Bonds, Notes, and Leases Payable	7,292	17,445			24,737
Other Noncurrent Liabilities	843		583	94	1,520
Total Noncurrent Liabilities	8,135	17,445	583	94	26,257
Total Liabilities	8,778	20,847	779	992	31,396
Net Position					
Net Investment in Capital Assets		9,907			9,907
Restricted for:					
Debt Service	5,000				5,000
Unrestricted	3,943	2,566	5,015	6,756	18,280
Total Net Position	\$ 8,943	\$ 12,473	\$ 5,015	\$ 6,756	\$ 33,187

STATE OF SOUTH DAKOTA
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 NONMAJOR COMPONENT UNITS
 For the Fiscal Year Ended June 30, 2022
 (Expressed in Thousands)

	Business-type Activities				Total
	S.D. Economic Development Finance Authority	S.D. Ellsworth Development Authority	S.D. Authority Captive Insurance Co.	S.D. Property and Casualty Captive Insurance Co.	
Operating Revenue:					
Use of Money and Property	\$ 431	\$	\$	\$	\$ 431
Sales and Services		3,024	199	1,663	4,886
Administering Programs		260			260
Other Revenue	23	47			70
Total Operating Revenue	454	3,331	199	1,663	5,647
Operating Expenses:					
Travel		15			15
Contractual Services	69	1,676	47	119	1,911
Supplies and Materials		167			167
Grants and Subsidies		920			920
Other			279	797	1,076
Interest	410				410
Depreciation/Amortization		853			853
Total Operating Expenses	479	3,631	326	916	5,352
Operating Income (Loss)	(25)	(300)	(127)	747	295
Nonoperating Revenue (Expenses):					
Gain on Disposal of Assets		90			90
Investment Income	(26)	10	(76)	(97)	(189)
Interest Expense		(455)			(455)
Total Nonoperating Revenue (Expenses)	(26)	(355)	(76)	(97)	(554)
Income (Loss) Before Capital Grants	(51)	(655)	(203)	650	(259)
Capital Grants		8,103			8,103
Change in Net Position	(51)	7,448	(203)	650	7,844
Net Position at Beginning of Year	8,994	5,025	5,218	6,106	25,343
Net Position at End of Year	\$ 8,943	\$ 12,473	\$ 5,015	\$ 6,756	\$ 33,187



STATISTICAL SECTION



STATISTICAL SECTION

STATISTICAL SECTION

This section of the State of South Dakota's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to the financial statements, and required supplementary information says about the State's overall financial health.

FINANCIAL TRENDS INFORMATION 174

These schedules present trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

Net Position by Component.....	174
Changes in Net Position.....	175
Fund Balances, Governmental Funds.....	176
Changes in Fund Balances, All Governmental Funds	177

REVENUE CAPACITY INFORMATION 178

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

Sales Tax Revenue Payers by Industry	178
Taxable Sales by Industry	180

DEBT CAPACITY INFORMATION 181

These schedules present information to help the reader understand and assess the State's levels of outstanding debt and the State's ability to issue additional debt in the future.

Ratios of Outstanding Long-Term Debt	181
Pledged-Revenue Coverage.....	182

DEMOGRAPHIC AND ECONOMIC INFORMATION 183

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

Population	183
Total Personal Income	183
Unemployment Rate	184
Per Capita Personal Income	184
Nonfarm Wage and Salary Employment by Industry	185
Expanded and New Industries	185
Employment by Industry Type.....	186

OPERATING INFORMATION 187

These schedules offer operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

Full-Time Equivalent State Employees by Function of Government	187
Capital Asset Statistics by Function	188
Operating Indicators by Function	190

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

(Accrual Basis of Accounting, Dollars Expressed in Thousands)

	Fiscal Year				
	2022	2021	2020	2019	2018
Governmental Activities:					
Net Investment in Capital Assets	\$ 4,485,267	\$ 4,334,442	\$ 4,259,851	\$ 4,126,405	\$ 4,051,612
Restricted	2,051,879	1,982,162	1,726,738	1,755,692	1,751,888
Unrestricted	1,064,339	954,974	586,958	363,208	283,343
Total Governmental Activities Net Position	\$ 7,601,485	\$ 7,271,578	\$ 6,573,547	\$ 6,245,305	\$ 6,086,843
Business-type Activities:					
Net Investment in Capital Assets	\$ 8,008	\$ 6,649	\$ 6,552	\$ 6,650	\$ 7,027
Restricted	13,549	13,681	14,758	5,821	6,782
Unrestricted	860,046	831,660	782,424	739,281	707,805
Total Business-type Activities Net Position	\$ 881,603	\$ 851,990	\$ 803,734	\$ 751,752	\$ 721,614
Primary Government:					
Net Investment in Capital Assets	\$ 4,493,275	\$ 4,341,091	\$ 4,266,403	\$ 4,133,055	\$ 4,058,639
Restricted	2,065,428	1,995,843	1,741,496	1,761,513	1,758,670
Unrestricted	1,924,385	1,786,634	1,369,382	1,102,489	991,148
Total Primary Government Net Position	\$ 8,483,088	\$ 8,123,568	\$ 7,377,281	\$ 6,997,057	\$ 6,808,457

	Fiscal Year				
	2017	2016	2015	2014	2013
Governmental Activities:					
Net Investment in Capital Assets	\$ 3,961,256	\$ 3,804,409	\$ 3,713,057	\$ 3,673,267	\$ 3,548,433
Restricted	1,588,336	1,509,441	1,537,781	1,383,140	1,241,520
Unrestricted	267,296	254,579	264,916	246,555	202,835
Total Governmental Activities Net Position	\$ 5,816,888	\$ 5,568,429	\$ 5,515,754	\$ 5,302,962	\$ 4,992,788
Business-type Activities:					
Net Investment in Capital Assets	\$ 7,060	\$ 6,357	\$ 2,810	\$ 3,650	\$ 4,379
Restricted	5,085	5,481	6,155	912	916
Unrestricted	684,730	660,697	624,416	588,495	545,751
Total Business-type Activities Net Position	\$ 696,875	\$ 672,535	\$ 633,381	\$ 593,057	\$ 551,046
Primary Government:					
Net Investment in Capital Assets	\$ 3,968,316	\$ 3,810,766	\$ 3,715,867	\$ 3,676,917	\$ 3,552,812
Restricted	1,593,421	1,514,922	1,543,936	1,384,052	1,242,436
Unrestricted	952,026	915,276	889,332	835,050	748,586
Total Primary Government Net Position	\$ 6,513,763	\$ 6,240,964	\$ 6,149,135	\$ 5,896,019	\$ 5,543,834

Source: South Dakota Annual Comprehensive Financial Reports (FY 2013-2022). 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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental Activities:										
General Government	\$ 248,754	\$ 261,786	\$ 209,723	\$ 215,879	\$ 217,355	\$ 198,531	\$ 198,079	\$ 185,273	\$ 180,221	\$ 169,843
Education - Elementary, Secondary, and Vocational Schools	379,799	245,784	223,524	228,729	213,449	223,668	210,777	210,271	206,939	201,177
Education - State Support to Higher Education	242,751	228,207	229,545	213,843	210,972	206,253	232,245	192,950	219,341	176,294
Health, Human, and Social Services	1,976,809	1,546,179	1,544,824	1,552,490	1,500,037	1,503,967	1,423,411	1,406,586	1,380,648	1,367,355
Law, Justice, Public Protection, and Regulation	301,083	283,780	313,534	301,008	258,727	294,852	269,583	279,097	321,186	277,223
Agriculture and Natural Resources	157,552	159,956	157,010	155,789	144,690	161,412	153,087	140,921	152,666	144,245
Economic Resources	200,463	41,343	45,920	71,819	43,560	52,771	56,138	74,004	40,121	43,300
Transportation	649,898	700,366	676,547	533,336	455,118	459,424	561,536	507,300	473,323	537,497
Pandemic Response	329,736	1,274,185	116,299							
Intergovernmental - Payments to School Districts	595,640	585,672	563,878	559,484	547,119	516,880	421,666	404,909	393,606	394,857
Intergovernmental - Revenue										
Sharing	236,275	228,243	196,425	194,537	187,573	176,836	173,721	169,514	161,564	141,514
Unallocated Interest Expense	9,045	6,233	6,861	7,524	7,899	6,419	6,627	6,712	9,198	14,537
Unallocated Depreciation	53	53	53	53	53	53	53	53	53	53
Total Governmental Activities Expenses	5,327,858	5,561,787	4,284,143	4,034,491	3,786,552	3,801,066	3,706,923	3,577,590	3,538,866	3,467,895
Business-type Activities:										
Lottery	59,729	63,044	50,484	51,016	45,256	39,907	43,454	41,053	42,806	44,114
Clean Water State Revolving	15,008	18,077	13,516	11,662	12,345	9,638	8,290	9,673	9,879	10,898
Drinking Water State Revolving	11,024	10,652	9,349	8,222	10,314	7,511	9,031	8,651	9,352	10,337
Unemployment Insurance	22,686	152,331	241,343							
Other	28,415	27,720	30,696	55,331	55,571	60,920	60,352	56,081	66,042	81,648
Total Business-type Activities Expenses	136,862	271,824	345,388	126,231	123,486	117,976	121,127	115,458	128,079	146,997
Total Primary Government Expenses	\$ 5,464,720	\$ 5,833,611	\$ 4,629,531	\$ 4,160,722	\$ 3,910,038	\$ 3,919,042	\$ 3,828,050	\$ 3,693,048	\$ 3,666,945	\$ 3,614,892
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 278,558	\$ 296,527	\$ 272,984	\$ 260,567	\$ 258,406	\$ 242,343	\$ 236,003	\$ 244,728	\$ 227,851	\$ 212,529
Education - Elementary, Secondary, and Vocational Schools	8,094	9,215	8,750	10,442	10,112	11,136	10,016	8,489	7,687	7,888
Health, Human, and Social Services	39,311	38,034	34,115	39,525	31,807	39,584	41,741	39,058	36,597	38,098
Law, Justice, Public Protection, and Regulation	112,366	103,712	89,945	87,061	85,139	85,221	82,456	85,252	76,048	80,750
Agriculture and Natural Resources	95,757	100,123	84,795	82,993	86,130	85,226	82,891	76,994	77,514	72,972
Economic Resources	210	96	178	231	845	433	452	1,611	3,789	3,064
Transportation	16,496	17,854	16,519	15,279	14,723	15,927	14,755	9,007	6,979	6,682
Pandemic Response		257								
Operating Grants and Contributions	2,635,757	3,123,083	1,918,543	1,589,862	1,520,834	1,553,460	1,475,671	1,493,542	1,582,641	1,588,413
Capital Grants and Contributions	3,786	7,965	16,761	3,378	2,342	3,886	7,045	21,946	1,516	1,046
Total Governmental Activities Program Revenues	3,190,335	3,696,866	2,442,590	2,089,338	2,010,338	2,037,216	1,951,030	1,980,627	2,020,622	2,011,442
Business-type Activities:										
Charges for Services:										
Lottery	239,600	225,300	177,306	179,644	170,099	156,814	160,728	152,362	148,323	151,414
Clean Water State Revolving	8,090	7,673	7,401	7,250	7,213	6,963	6,899	6,856	6,019	5,277
Drinking Water State Revolving	5,264	4,855	5,033	4,587	4,740	4,519	4,333	4,197	4,327	4,321
Unemployment Insurance	40,876	36,605	30,105							
Other	28,724	33,254	29,279	63,755	60,688	68,543	75,424	71,243	81,681	85,946
Operating Grants and Contributions	24,357	175,004	261,674	26,910	30,971	25,334	32,772	30,005	33,994	30,519
Capital Grants and Contributions			19	200	84	426	727	2,810		
Total Business-type Activities Program Revenues	346,911	482,691	510,817	282,346	273,795	262,599	280,883	267,473	274,344	277,477
Total Primary Government Program Revenues	\$ 3,537,246	\$ 4,179,557	\$ 2,953,407	\$ 2,371,684	\$ 2,284,133	\$ 2,299,815	\$ 2,231,913	\$ 2,248,100	\$ 2,294,966	\$ 2,288,919
Net (Expense)/Revenue										
Governmental Activities	\$ (2,137,523)	\$ (1,864,921)	\$ (1,841,553)	\$ (1,945,153)	\$ (1,776,214)	\$ (1,763,850)	\$ (1,755,893)	\$ (1,596,963)	\$ (1,518,244)	\$ (1,456,453)
Business-type Activities	210,049	210,867	165,429	156,115	150,309	144,623	159,756	152,015	146,265	130,480
Total Primary Government										
Net (Expense)/Revenue	\$ (1,927,474)	\$ (1,654,054)	\$ (1,676,124)	\$ (1,789,038)	\$ (1,625,905)	\$ (1,619,227)	\$ (1,596,137)	\$ (1,444,948)	\$ (1,371,979)	\$ (1,325,973)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Sales Taxes	\$ 1,376,152	\$ 1,267,583	\$ 1,149,732	\$ 1,089,336	\$ 1,025,111	\$ 991,155	\$ 905,475	\$ 871,402	\$ 858,001	\$ 802,700
Motor Fuel Taxes	199,880	193,053	184,949	184,027	183,441	183,795	184,105	151,901	136,395	139,048
Contractors Excise Taxes	147,888	147,507	132,043	118,873	112,518	106,834	104,979	101,678	93,746	94,967
Bank Card and Franchise Taxes	50,949	51,515	44,727	35,411	31,448	32,844	25,943	20,669	23,943	49,493
Other Taxes	466,058	438,941	385,180	376,813	382,375	371,864	360,917	331,649	311,397	299,726
Investment Earnings	(59,783)	215,767	91,816	96,270	72,379	109,684	14,997	47,130	142,003	130,881
Gain on Sale of Capital Assets	5,352	1,590	1,515	1,978	1,737	1,463	2,057	1,198	2,726	2,127
Miscellaneous	77,023	84,720	61,664	79,632	110,159	80,500	89,493	81,275	133,988	76,047
Special Items	(5,289)		(3,636)	(4,702)					17,619	
Transfers	180,436	162,611	121,805	125,977	125,570	120,283	120,602	113,558	102,937	104,426
Total Governmental Activities	2,438,666	2,563,287	2,169,795	2,103,615	2,044,738	1,998,422	1,808,568	1,720,460	1,822,755	1,699,415
Business-type Activities:										
Transfers	(180,436)	(162,611)	(121,805)	(125,977)	(125,570)	(120,283)	(120,602)	(113,558)	(102,937)	(104,426)
Total Business-type Activities	(180,436)	(162,611)	(121,805)	(125,977)	(125,570)	(120,283)	(120,602)	(113,558)	(102,937)	(104,426)
Total Primary Government	\$ 2,258,230	\$ 2,400,676	\$ 2,047,990	\$ 1,977,638	\$ 1,919,168	\$ 1,878,139	\$ 1,687,966	\$ 1,606,902	\$ 1,719,818	\$ 1,594,989
Change in Net Position										
Governmental Activities	\$ 301,143	\$ 698,366	\$ 328,242	\$ 158,462	\$ 268,524	\$ 234,572	\$ 52,675	\$ 123,497	\$ 304,511	\$ 242,962
Business-type Activities	29,613	48,256	43,624	30,138	24,739	24,340	39,154	38,457	43,328	26,054
Total Primary Government	\$ 330,756	\$ 746,622	\$ 371,866	\$ 188,600	\$ 293,263	\$ 258,912	\$ 91,829	\$ 161,954	\$ 347,839	\$ 269,016

Source: South Dakota Annual Comprehensive Financial Reports (FY 2013-2022). 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				
	2022	2021	2020	2019	2018
General Fund:					
Non-Spendable	\$ 5,611	\$ 6,353	\$ 5,300	\$ 5,503	\$ 6,097
Restricted		5,333	3,382	3,300	3,300
Committed					
Assigned	469,146	382,166	136,363	74,156	60,691
Unassigned	508,940	451,026	381,326	294,225	268,052
Total General Fund	\$ 983,697	\$ 844,878	\$ 526,371	\$ 377,184	\$ 338,140
Other Governmental Funds:					
Non-Spendable	\$ 666,878	\$ 653,767	\$ 582,096	\$ 571,644	\$ 563,385
Restricted	1,353,951	1,327,218	1,098,864	1,087,753	1,080,962
Committed	63,281	59,244	51,243	41,816	36,863
Assigned	18,669	19,188	25,593	22,430	17,514
Unassigned	(12,881)	(8,606)	(8,359)	(4,036)	(11,758)
Total Other Governmental Funds	\$ 2,089,898	\$ 2,050,811	\$ 1,749,437	\$ 1,719,607	\$ 1,686,966

	Fiscal Year				
	2017	2016	2015	2014	2013
General Fund:					
Non-Spendable	\$ 6,458	\$ 4,193	\$ 3,911	\$ 3,629	\$ 3,419
Restricted	3,300	8,384	10,479	8,264	1,018
Committed					
Assigned	54,835	54,516	120,180	149,021	126,872
Unassigned	249,087	242,449	183,570	159,403	186,444
Total General Fund	\$ 313,680	\$ 309,542	\$ 318,140	\$ 320,317	\$ 317,753
Other Governmental Funds:					
Non-Spendable	\$ 526,968	\$ 512,525	\$ 501,093	\$ 493,227	\$ 717,108
Restricted	1,033,158	893,833	949,713	918,910	551,014
Committed	38,940	43,652	51,119	46,766	43,993
Assigned	29,404	27,022	27,633	34,339	49,758
Unassigned	(5,742)	(5,048)	(3,624)	(5,040)	(1,462)
Total Other Governmental Funds	\$ 1,622,728	\$ 1,471,984	\$ 1,525,934	\$ 1,488,202	\$ 1,360,411

Source: South Dakota Annual Comprehensive Financial Reports (FY 2013-2022). 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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Taxes:										
Sales and Use	\$ 1,393,235	\$ 1,272,342	\$ 1,129,007	\$ 1,062,456	\$ 1,025,607	\$ 990,332	\$ 905,203	\$ 876,138	\$ 857,559	\$ 802,700
Insurance Company	107,878	94,224	94,277	88,270	91,062	83,952	83,291	80,133	73,876	70,740
Liquor	22,250	21,387	19,231	19,919	17,135	15,994	17,580	16,356	15,988	15,835
Cigarette	42,784	46,331	45,885	45,501	49,729	52,149	52,081	52,776	51,616	51,940
Bank Franchise	51,237	50,146	44,693	34,706	31,462	32,800	25,412	20,669	23,943	49,493
Contractor's Excise	157,945	146,712	126,946	112,705	112,473	106,845	104,938	102,246	93,746	94,967
Severance	8,746	10,937	8,640	4,777	9,055	10,154	8,260	7,508	9,286	9,141
Other Tobacco	11,536	11,119	10,357	9,470	9,231	8,226	8,882	7,995	8,131	6,562
Motor Fuel and Vehicle	356,822	348,908	305,620	302,498	298,774	294,918	293,045	240,382	215,203	212,521
Other	116,972	99,087	86,123	90,396	90,854	90,251	81,993	78,434	73,688	72,018
Licenses, Permits, and Fees	352,057	344,090	312,714	307,301	304,754	301,216	302,156	281,742	267,628	252,420
Fines, Forfeits, and Penalties	22,836	25,875	18,697	15,070	13,347	14,400	12,647	14,516	10,781	16,189
Use of Money and Property	(56,767)	222,744	116,694	128,161	84,549	123,183	27,578	59,865	157,633	153,479
Sales and Services	45,100	47,043	41,564	53,192	44,973	44,916	39,797	42,531	39,712	37,679
Administering Programs	2,636,609	3,107,263	1,889,237	1,555,548	1,493,062	1,546,964	1,464,030	1,503,362	1,567,027	1,573,326
Tobacco Settlement	22,549	21,973	20,865	20,558	46,000	24,302	24,582	23,421	26,561	24,128
Other Revenue	90,879	98,604	78,640	95,092	106,339	80,380	87,874	77,614	129,147	65,272
Total Revenues	5,382,668	5,968,785	4,349,190	3,945,620	3,828,406	3,820,982	3,539,349	3,485,688	3,621,525	3,508,410
Expenditures:										
General Government	127,079	106,808	104,375	104,963	102,803	94,658	99,874	87,785	87,409	74,394
Education	1,217,208	1,079,375	1,015,113	999,426	977,720	977,833	859,072	804,348	835,894	782,276
Health, Human, and Social Services	2,025,975	1,550,963	1,523,558	1,531,129	1,516,592	1,487,068	1,428,259	1,435,850	1,387,821	1,364,933
Law, Justice, Public Protection, and Regulation	317,724	290,727	304,836	282,912	272,661	283,053	268,818	281,688	320,080	280,691
Agriculture and Natural Resources	180,575	161,059	164,876	155,168	161,734	173,111	155,006	143,466	148,596	139,861
Economic Resources	200,559	41,172	45,258	71,505	43,978	52,432	56,202	74,182	40,062	43,108
Transportation	784,714	778,681	788,580	614,680	575,332	600,346	655,752	554,536	582,939	604,048
Pandemic Response	329,736	1,274,185	116,299							
State Shared Revenue	236,275	228,243	196,425	194,537	187,573	176,836	173,721	169,514	161,564	141,514
Capital Outlay			13,912	28,163	8,182	1,023	1,017	2,038	2,541	387
Debt Service:										
Principal	23,051	17,931	14,280	14,407	14,962	15,583	16,415	17,272	20,973	30,059
Interest	8,154	5,830	6,510	7,234	7,563	8,647	9,177	9,261	10,206	13,896
Bond Issuance Costs	1,289	80	65		67	322	6	346	83	1,817
Payment to Refunded Bond Escrow Agent	7,319								16,924	8,016
Payment on Current Note Refunding	43,006									
Total Expenditures	5,502,664	5,535,054	4,294,087	4,004,124	3,869,167	3,870,912	3,723,319	3,580,286	3,615,092	3,485,000
Excess of Revenues Over (Under) Expenditures	(119,996)	433,731	55,103	(58,504)	(40,761)	(49,930)	(183,970)	(94,598)	6,433	23,410
Other Financing Sources (Uses):										
Lease Issuance	39,255									
Capital Leases					1,322	32,048		1,125	20,350	12,605
Proceeds from Sale of Capital Assets	4,298	25,067	2,895	5,663	2,627	2,253	2,136	2,099	4,459	5,154
Insurance Proceeds	2,415	36	15	33	13	80	85		24	
Bonds Issued						44,305		13,410	4,500	
Premiums on Bond Issuance						6,173		314		
Issuance of Refunding Bonds	54,370									
Issuance of Refunding Notes	44,065									
Payment to Refunded Bond Escrow Agent	(53,361)									
Proceeds of Refunding Bonds		9,495	7,130			1,405		10,408		169,645
Premiums on Refunding Bonds						206		1,657		9,026
Payments on Advance Refundings		(8,970)	(6,469)			(1,488)		(11,379)		(176,854)
Transfers In	381,854	391,819	289,409	283,840	298,786	261,279	274,598	271,301	262,172	254,094
Transfers Out	(204,440)	(230,962)	(169,066)	(159,347)	(174,720)	(142,563)	(155,397)	(158,782)	(167,866)	(150,699)
Net Other Financing Sources (Uses)	268,456	186,485	123,914	130,189	128,028	203,698	121,422	130,153	123,639	122,971
Net Change in Fund Balances	\$ 148,460	\$ 620,216	\$ 179,017	\$ 71,685	\$ 87,267	\$ 153,768	\$ (62,548)	\$ 35,555	\$ 130,072	\$ 146,381
Debt Service as a Percentage of Noncapital Expenditures	1.60%	0.45%	0.52%	0.57%	0.62%	0.69%	0.73%	0.79%	1.42%	1.63%

Source: South Dakota Annual Comprehensive Financial Reports (FY 2013-2022). Previous years' amounts are not restated.

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

Fiscal Year 2022				
	Number of Filers	Percent of Total	Taxable Sales	Percent of Total
Agriculture, Forestry, and Fishing	3,614	3.47%	\$ 516,217	1.74%
Mining	217	0.21%	90,504	0.30%
Construction	362	0.35%	38,061	0.13%
Manufacturing	5,743	5.52%	1,416,531	4.76%
Transportation and Public Utilities	2,887	2.78%	3,025,158	10.17%
Wholesale Trade	9,230	8.87%	2,523,657	8.49%
Retail Trade	45,399	43.64%	16,058,298	53.99%
Finance, Insurance, and Real Estate	2,036	1.96%	687,007	2.31%
Services	34,462	33.13%	5,375,240	18.07%
Public Administration	76	0.07%	10,079	0.03%
Total	104,026	100.00%	\$ 29,740,752	100.00%

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

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

Fiscal Year 2013				
	Number of Filers	Percent of Total	Taxable Sales	Percent of Total
Agriculture, Forestry, and Fishing	3,424	4.13%	\$ 253,605	1.34%
Mining	233	0.28%	102,408	0.54%
Construction	463	0.56%	25,832	0.14%
Manufacturing	3,608	4.35%	778,735	4.12%
Transportation and Public Utilities	2,941	3.55%	2,556,524	13.54%
Wholesale Trade	7,226	8.72%	1,403,736	7.43%
Retail Trade	30,452	36.74%	10,162,245	53.81%
Finance, Insurance, and Real Estate	2,133	2.57%	367,556	1.95%
Services	32,354	39.03%	3,231,543	17.11%
Public Administration	60	0.07%	4,082	0.02%
Total	82,894	100.00%	\$ 18,886,266	100.00%

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

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

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

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

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

Fiscal Year 2014			
Number of Filers	Percent of Total	Taxable Sales	Percent of Total
3,411	4.04%	\$ 287,680	1.44%
237	0.28%	118,587	0.59%
525	0.62%	31,241	0.16%
3,820	4.53%	902,791	4.52%
2,728	3.23%	2,769,521	13.86%
6,908	8.19%	1,514,416	7.58%
31,494	37.34%	10,571,228	52.92%
2,172	2.58%	384,474	1.92%
33,007	39.12%	3,396,424	17.00%
56	0.07%	2,029	0.01%
84,358	100.00%	\$ 19,978,391	100.00%

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

Notes:

- (a) Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's sales tax resources, representing the largest source of funding for the General Fund.
- (b) Taxable sales: This is the amount of sales and use taxable sales of tangible personal property, services, and products delivered electronically which are subject to state tax or reservation tax unless specifically exempted. No Contractors Excise taxes are included.
- (c) Whenever there are fewer than 3 licenses in any one classification, the information is combined into the "Nonclassifiable Establishments" category.
- (d) Prior to June 1, 2016, a tax was imposed upon gross receipts from selling, leasing, and renting tangible personal property and the sales of services. Beginning June 1, 2016, all items subject to the state sales tax will be taxed at 4.5% to conform to the HB 1182 passed during the 2016 Session. A use tax of the same rate as the sales tax rate was imposed on goods and services that are used, stored, or consumed in South Dakota on which South Dakota sales tax was not paid. An excise tax of the same rate as the sales tax rate was imposed on farm machinery and amusement device tax.
- (e) The taxable figures could include amended returns that were due in prior periods.

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

	Fiscal Year				
	2022	2021	2020	2019	2018
Taxable Sales by Industry					
Agriculture, Forestry, and Fishing	\$ 516,217	\$ 453,836	\$ 414,827	\$ 405,756	\$ 367,891
Mining	90,504	69,146	74,930	70,449	68,101
Construction	38,061	32,700	30,204	27,292	32,765
Manufacturing	1,416,531	1,703,602	1,281,161	1,144,740	1,065,841
Transportation and Public Utilities	3,025,158	2,762,543	3,038,835	3,008,229	2,938,739
Wholesale Trade	2,523,657	2,389,599	1,773,771	1,696,169	1,523,330
Retail Trade	16,058,298	13,986,926	12,427,707	11,646,177	11,100,575
Finance, Insurance, and Real Estate	687,007	609,282	529,407	496,573	476,306
Services	5,375,240	4,652,257	4,311,839	4,271,983	4,125,512
Public Administration	10,079	4,126	3,169	4,942	2,547
Totals	\$ 29,740,752	\$ 26,664,017	\$ 23,885,850	\$ 22,772,310	\$ 21,701,607
Direct Sales Tax Rate	4.50%	4.50%	4.50%	4.50%	4.50%

	Fiscal Year				
	2017	2016	2015	2014	2013
Taxable Sales by Industry					
Agriculture, Forestry, and Fishing	\$ 348,540	\$ 338,993	\$ 297,936	\$ 287,680	\$ 253,605
Mining	63,973	71,002	105,773	118,587	102,408
Construction	31,077	26,495	27,123	31,241	25,832
Manufacturing	958,294	917,873	873,909	902,791	778,735
Transportation and Public Utilities	2,833,338	2,767,864	2,765,194	2,769,521	2,556,524
Wholesale Trade	1,438,813	1,618,465	1,617,613	1,514,416	1,403,736
Retail Trade	10,789,651	11,137,027	10,864,164	10,571,228	10,162,245
Finance, Insurance, and Real Estate	451,550	432,211	394,780	384,474	367,556
Services	3,873,304	3,835,074	3,650,026	3,396,424	3,231,543
Public Administration	3,920	2,799	2,390	2,029	4,082
Totals	\$ 20,792,460	\$ 21,147,803	\$ 20,598,908	\$ 19,978,391	\$ 18,886,266
Direct Sales Tax Rate	4.50%	4.50%	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				
	2022	2021	2020	2019	2018
Governmental Activities:					
Revenue Bonds	\$ 108,247	\$ 128,869	\$ 146,764	\$ 160,839	\$ 176,322
Trust Certificates					
Leases Payable	36,281				
Notes Payable	102,502	108,922	133,352	136,417	139,181
Total Governmental Activities	<u>247,030</u>	<u>237,791</u>	<u>280,116</u>	<u>297,256</u>	<u>315,503</u>
Business-type Activities:					
Revenue Bonds	400,989	427,310	351,302	375,803	287,206
Leases Payable	1,471				
Total Business-type Activities	<u>402,460</u>	<u>427,310</u>	<u>351,302</u>	<u>375,803</u>	<u>287,206</u>
Total Primary Government	<u>\$ 649,490</u>	<u>\$ 665,101</u>	<u>\$ 631,418</u>	<u>\$ 673,059</u>	<u>\$ 602,709</u>
South Dakota Total Personal Income (r)	\$ 59,761,300	\$ 57,717,300	\$ 53,621,500	\$ 48,797,000	\$ 45,660,900
Debt as a Percentage of Personal Income	1.1%	1.2%	1.2%	1.4%	1.3%
South Dakota Population (in thousands)(r)	904	895	887	883	875
Long-Term Debt per Capita	\$ 718.46	\$ 743.13	\$ 711.86	\$ 762.24	\$ 688.81

	Fiscal Year				
	2017	2016	2015	2014	2013
Governmental Activities:					
Revenue Bonds	\$ 192,360	\$ 157,847	\$ 174,764	\$ 177,303	\$ 191,295
Trust Certificates		280	570	880	13,595
Leases Payable					
Notes Payable	145,681	116,289	116,352	100,727	78,682
Total Governmental Activities	<u>338,041</u>	<u>274,416</u>	<u>291,686</u>	<u>278,910</u>	<u>283,572</u>
Business-type Activities:					
Revenue Bonds	230,912	247,852	263,818	207,448	212,523
Leases Payable					
Total Business-type Activities	<u>230,912</u>	<u>247,852</u>	<u>263,818</u>	<u>207,448</u>	<u>212,523</u>
Total Primary Government	<u>\$ 568,953</u>	<u>\$ 522,268</u>	<u>\$ 555,504</u>	<u>\$ 486,358</u>	<u>\$ 496,095</u>
South Dakota Total Personal Income (r)	\$ 43,599,000	\$ 42,336,800	\$ 41,912,700	\$ 40,252,300	\$ 38,365,900
Debt as a Percentage of Personal Income	1.3%	1.2%	1.3%	1.2%	1.3%
South Dakota Population (in thousands)(r)	870	861	852	848	841
Long-Term Debt per Capita	\$ 653.97	\$ 606.58	\$ 652.00	\$ 573.54	\$ 589.89

Source: Debt information obtained from the South Dakota Annual Comprehensive Financial Reports (FY 2013-2022)
Total Personal Income and Population data: US Bureau of Economic Analysis

- Note:**
- (a) South Dakota Total Personal Income figure for 2022 is preliminary.
 - (b) Detail about the State's debt can be found in Note 11 of the financial statements.
 - (c) Generally, the State Constitution prohibits the State from having general obligation indebtedness in excess of \$100,000.
 - (d) The State has no specific limitation of the debt that can be issued by the Building Authority, Educational Enhancement Funding Corporation, Clean Water State Revolving Fund, and the Drinking Water State Revolving Fund; however, Legislative approval is required.
 - (r) Data for Total Personal Income has been revised for fiscal years 2013 through 2021.
Data for South Dakota Population has been revised for fiscal years 2013 through 2021.

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenue Bonds and Trust Certificates										
- Building Authority										
Revenue - Lease Payments	\$ 7,439	\$ 11,479	\$ 6,966	\$ 6,968	\$ 7,019	\$ 8,071	\$ 8,607	\$ 8,898	\$ 12,654	\$ 13,569
Less: Operating Expenses										
Net Available Revenue	\$ 7,439	\$ 11,479	\$ 6,966	\$ 6,968	\$ 7,019	\$ 8,071	\$ 8,607	\$ 8,898	\$ 12,654	\$ 13,569
Debt Service										
Principal	\$ 3,913	\$ 7,631	\$ 3,680	\$ 3,507	\$ 3,462	\$ 3,648	\$ 2,321	\$ 4,047	\$ 6,978	\$ 10,713
Interest	2,494	2,807	3,112	3,451	3,532	4,388	6,283	4,377	5,478	2,559
Total	\$ 6,407	\$ 10,438	\$ 6,792	\$ 6,958	\$ 6,994	\$ 8,036	\$ 8,604	\$ 8,424	\$ 12,456	\$ 13,272
Coverage	1.16	1.10	1.03	1.00	1.00	1.00	1.00	1.06	1.02	1.02
Revenue Bonds										
-Educational Enhancement Funding Corp.										
Revenue:										
Tobacco Settlement	\$ 23,329	\$ 21,949	\$ 20,832	\$ 20,024	\$ 46,015	\$ 22,815	\$ 25,156	\$ 23,306	\$ 26,326	\$ 23,914
Investment Earnings	13	341	462	257	102	68	13	7	1,079	165
Less: Operating Expenses										
Net Available Revenue	\$ 23,329	\$ 21,962	\$ 21,173	\$ 20,486	\$ 46,272	\$ 22,917	\$ 25,224	\$ 23,319	\$ 26,333	\$ 24,828
Debt Service										
Principal	\$ 11,035	\$ 10,300	\$ 10,600	\$ 10,900	\$ 11,500	\$ 11,935	\$ 12,535	\$ 13,225	\$ 13,995	\$ 18,800
Interest	784	2,770	3,145	3,530	3,789	4,018	4,215	4,376	4,498	10,828
Total	\$ 11,819	\$ 13,070	\$ 13,745	\$ 14,430	\$ 15,289	\$ 15,953	\$ 16,750	\$ 17,601	\$ 18,493	\$ 29,628
Coverage	1.97	1.68	1.54	1.42	3.03	1.44	1.51	1.32	1.42	0.84
Revenue Bonds										
-Clean Water State Revolving Fund										
Revenue:										
Loan Repayments	\$ 44,686	\$ 42,248	\$ 36,697	\$ 30,004	\$ 27,944	\$ 28,764	\$ 28,998	\$ 26,637	\$ 25,502	\$ 24,394
Investment Income	5,197	5,619	5,752	6,637	4,605	4,181	4,192	3,900	3,988	3,402
Other Income	2,596	2,216	1,701	1,597	1,528	1,428	1,410	1,442	1,332	1,238
Less: Operating Expenses		1,643	1,698	2,288	3,737	2,348	962	1,294	1,080	2,476
Net Available Revenue	\$ 52,479	\$ 48,440	\$ 42,452	\$ 35,950	\$ 30,340	\$ 32,025	\$ 33,618	\$ 30,685	\$ 29,742	\$ 26,558
Debt Service										
Principal	\$ 14,685	\$ 13,115	\$ 13,130	\$ 12,505	\$ 10,125	\$ 9,875	\$ 9,290	\$ 7,580	\$ 7,415	\$ 6,110
Interest	13,028	13,601	10,304	9,293	7,862	6,821	7,088	6,663	5,361	5,578
Total	\$ 27,713	\$ 26,716	\$ 23,434	\$ 21,798	\$ 17,987	\$ 16,696	\$ 16,378	\$ 14,243	\$ 12,776	\$ 11,688
Coverage	1.89	1.81	1.81	1.65	1.69	1.92	2.05	2.15	2.33	2.27
Revenue Bonds										
-Drinking Water State Revolving Fund										
Revenue:										
Loan Repayments	\$ 14,918	\$ 28,421	\$ 15,449	\$ 20,165	\$ 21,007	\$ 17,634	\$ 23,042	\$ 25,234	\$ 19,597	\$ 19,956
Investment Income	3,044	3,140	3,727	4,230	3,233	2,930	3,104	2,639	3,148	2,558
Other Income	1,366	1,056	1,050	921	955	916	899	885	909	929
Less: Operating Expenses	2,276	1,379	1,476	1,282	1,076	695	105	123	142	146
Net Available Revenue	\$ 17,052	\$ 31,238	\$ 18,750	\$ 24,034	\$ 24,119	\$ 20,785	\$ 26,940	\$ 28,635	\$ 23,512	\$ 23,297
Debt Service										
Principal	\$ 7,740	\$ 7,515	\$ 8,575	\$ 8,085	\$ 6,075	\$ 5,925	\$ 5,535	\$ 4,475	\$ 4,380	\$ 4,050
Interest	3,543	3,803	4,073	3,315	2,409	2,116	2,255	2,276	2,155	2,284
Total	\$ 11,283	\$ 11,318	\$ 12,648	\$ 11,400	\$ 8,484	\$ 8,041	\$ 7,790	\$ 6,751	\$ 6,535	\$ 6,334
Coverage	1.51	2.76	1.48	2.11	2.84	2.58	3.46	4.24	3.60	3.68

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
2021	331,894	0.1 %	21,637	0.1 %	895	0.9 %
2020r	331,501	0.4 %	21,614	0.2 %	887	0.5 %
2019r	330,233	0.5 %	21,562	0.4 %	883	0.9 %
2018r	328,542	0.6 %	21,474	0.4 %	875	0.6 %
2017r	326,623	0.7 %	21,380	0.5 %	870	1.0 %
2016r	324,368	0.8 %	21,273	0.5 %	861	1.1 %
2015r	321,829	0.8 %	21,165	0.6 %	852	0.5 %
2014r	319,270	0.8 %	21,049	0.6 %	848	0.8 %
2013r	316,735	0.8 %	20,920	0.6 %	841	1.0 %
2012r	314,344	0.8 %	20,785	0.6 %	833	1.2 %

Note: Midyear population estimates updated October 2022. Revised estimates for 2012 through 2021. With each new release of population estimates, the Census Bureau Revises estimates for years back to the last census.

r = Revised Estimates from Prior Year ACFR

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

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2022.

TOTAL PERSONAL INCOME *(Dollars Expressed in Millions)*

YEAR	UNITED STATES	PERCENT CHANGE	PLAINS*	PERCENT CHANGE	SOUTH DAKOTA	PERCENT CHANGE
2021	\$ 21,288,709	7.5 %	\$ 1,302,891	6.5 %	\$ 57,718	7.6 %
2020r	19,812,171	6.7 %	1,223,899	6.6 %	53,622	9.9 %
2019r	18,575,467	5.1 %	1,148,499	4.2 %	48,797	6.9 %
2018r	17,671,054	5.0 %	1,101,846	4.6 %	45,661	4.7 %
2017r	16,837,337	4.6 %	1,053,457	2.9 %	43,599	3.0 %
2016r	16,092,713	2.6 %	1,024,103	1.2 %	42,337	1.0 %
2015r	15,681,233	4.8 %	1,011,993	3.3 %	41,913	4.1 %
2014r	14,969,527	5.5 %	979,811	4.3 %	40,252	4.9 %
2013r	14,189,228	1.3 %	939,418	1.3 %	38,366	1.4 %
2012r	14,003,346	5.2 %	927,647	6.1 %	37,844	3.0 %

Note: Revised estimates reflect the revision of the National Income and Product Accounts (NIPA's), and newly available state and local data. Revised estimates for 2012 through 2021.

r = Revised Estimates from Prior Year ACFR

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

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2022.

UNEMPLOYMENT RATE

YEAR	SOUTH DAKOTA	UNITED STATES
2021	3.1%	5.3%
2020r	4.3%	8.1%
2019r	2.8%	3.7%
2018r	2.8%	3.9%
2017	3.1%	4.4%
2016	3.0%	4.9%
2015	3.0%	5.3%
2014	3.3%	6.2%
2013	3.7%	7.4%
2012	4.1%	8.1%

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

PER CAPITA PERSONAL INCOME

YEAR	UNITED STATES	PERCENT CHANGE	PLAINS*	PERCENT CHANGE	SOUTH DAKOTA	PERCENT CHANGE
2021	\$ 64,143	7.3 %	\$ 60,215	6.3 %	\$ 64,462	6.6 %
2020r	59,765	6.2 %	56,626	6.0 %	60,446	8.3 %
2019r	56,250	3.6 %	53,266	3.1 %	55,294	4.5 %
2018r	53,786	3.8 %	51,311	4.2 %	52,166	5.1 %
2017r	51,550	4.2 %	49,272	2.8 %	50,104	2.2 %
2016r	49,613	2.0 %	48,141	0.9 %	49,192	0.1 %
2015r	48,725	4.1 %	47,815	3.0 %	49,186	3.7 %
2014r	46,887	4.9 %	46,549	3.8 %	47,488	3.8 %
2013r	44,798	0.6 %	44,905	0.5 %	45,608	0.1 %
2012r	44,548	4.4 %	44,630	5.1 %	45,442	1.3 %

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

r = Revised Estimates from Prior Year ACFR

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

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Last Updated September 2022.

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

	2022p	2021r	2020r	2019	2018	2017	2016	2015	2014	2013
Natural Resources/Mining/Construction	28.1	26.2	25.4	24.6	24.0	23.4	23.7	23.1	22.2	21.4
Manufacturing	43.7	43.8	43.2	45.0	44.4	43.1	42.2	42.6	42.3	41.5
Trade/Transportation/Utilities	87.2	86.6	84.0	85.9	86.5	87.0	88.0	87.3	85.6	83.5
<i>Wholesale Trade</i>	21.7	21.3	20.9	21.1	20.8	20.8	21.0	21.0	20.6	19.8
<i>Retail Trade</i>	51.7	51.4	49.7	51.2	52.3	53.0	53.7	52.9	51.9	51.1
<i>Trans/Warehousing/Utility</i>	13.9	13.8	13.4	13.5	13.5	13.3	13.3	13.4	13.1	12.6
Information	5.1	5.0	5.1	5.5	5.6	5.7	5.8	5.9	6.0	6.0
Financial Activities	28.0	28.2	28.3	29.0	29.2	29.3	29.3	29.7	29.7	29.7
Professional/Business Svcs.	35.1	34.3	32.8	33.2	32.3	31.5	31.4	30.8	30.5	29.7
Educational/Health Services	75.8	74.2	73.0	73.2	72.2	71.2	70.0	68.8	67.9	67.5
Leisure and Hospitality	49.2	45.3	41.0	47.4	47.3	47.0	46.7	46.2	45.4	44.7
Other Services (Except Public Administration)	17.6	17.0	16.6	16.8	16.7	16.7	16.6	16.3	16.1	16.2
Government	79.5	78.9	77.0	80.0	79.5	79.1	78.4	77.8	77.8	77.3
TOTAL	536.6	526.0	510.4	526.4	524.3	521.1	520.1	515.8	509.1	501.0
% Change in Nonfarm Employment	2.0%	2.2%	-3.2%	0.4%	0.6%	0.2%	0.8%	1.3%	1.6%	0.9%

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

¹ Based on North American Industry Classification System (NAICS)

p = Preliminary Data

r = Revised Estimates from Prior Year ACFR

Source: Labor Market Information Center (LMIC) in cooperation with the U.S. Bureau of Labor Statistics

EXPANDED AND NEW INDUSTRIES
(Dollars Expressed in Millions)

	EXPANSIONS		NEW		TOTAL	
	NUMBER	NEW CAPITAL INVESTMENT	NUMBER	NEW CAPITAL INVESTMENT	NUMBER	NEW CAPITAL INVESTMENT
2021*	24	\$ 896.5	16	\$ 131.6	40	\$ 221.3
2020**	382	123.5	5	1.3	387	124.8
2019**	372	324.2	0	0.0	372	324.2
2018**	304	423.3	6	26.1	310	449.4
2017**	207	387.8	4	9.3	211	397.1
2016**	163	256.6	2	0.6	165	257.2
2015**	330	406.5	2	3.4	332	409.9
2014**	352	459.4	8	16.3	360	475.7
2013**	283	278.6	8	204.7	291	483.3
2012**	406	403.3	3	0.0	409	403.3

Note: * Data collected in 2021 includes expansions that Governor's Office of Economic Development helps facilitate.

** Prior to 2021 all manufacturing expansions were included, Governor's Office of Economic Development stopped tracking this in 2021.

Source: Governor's Office of Economic Development

**State of South Dakota
Employment by Industry Type
2022 as Compared to 2013**

June 2022 Rank	Industry	South Dakota Employees	Percentage of Industry Types
1	Government	81,200	17.7%
2	Health Care and Social Assistance	68,300	14.9%
3	Leisure and Hospitality	52,700	11.5%
4	Retail Trade	52,200	11.4%
5	Manufacturing	44,000	9.6%
6	Professional and Business Services	36,600	8.0%
7	Mining, Logging, and Construction	30,500	6.7%
8	Financial Activities	28,100	6.1%
9	Wholesale Trade	22,000	4.8%
10	Other Services	17,600	3.8%
11	Transportation, Warehousing, and Utilities	14,200	3.1%
12	Educational Services	6,000	1.3%
13	Information	5,200	1.1%
Total Nonfarm Employment		458,600	100.0%

Sources: June, 2022 Current Employment Statistics (CES) data for all nonfarm workers, not seasonally adjusted.

Labor Market Information Center, SD Dept. of Labor & Regulation in cooperation with U.S. Bureau of Labor Statistics. Downloaded: 11/22/2022

Notes: Due to confidentiality issues, employment numbers of the ten largest employers is not available. The categories presented are intended to provide alternative information regarding employment.

June 2013 Rank	Industry	South Dakota Employees	Percentage of Industry Types
1	Government	77,400	18.2%
2	Health Care and Social Assistance	61,000	14.3%
3	Retail Trade	51,800	12.1%
4	Leisure and Hospitality	48,500	11.4%
5	Manufacturing	42,200	9.9%
6	Financial Activities	30,100	7.1%
7	Professional and Business Services	30,100	7.1%
8	Mining, Logging, and Construction	23,800	5.6%
9	Wholesale Trade	20,200	4.7%
10	Other Services	16,500	3.9%
11	Transportation, Warehousing, and Utilities	12,700	3.0%
12	Information	6,100	1.4%
13	Educational Services	5,400	1.3%
Total Nonfarm Employment		425,800	100.0%

Sources: June, 2013 Current Employment Statistics (CES) data for all nonfarm workers, not seasonally adjusted.

Labor Market Information Center, SD Dept. of Labor & Regulation in cooperation with U.S. Bureau of Labor Statistics. Downloaded: 11/22/2022

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				
	2022	2021	2020	2019	2018
General Government	1,045	1,033	1,024	1,020	1,028
Health, Human, and Social Services	2,803	2,874	2,905	2,913	2,958
Law, Justice, Public Protection, and Regulation	2,142	2,169	2,137	2,143	2,129
Agriculture and Natural Resources	865	891	927	944	944
Transportation	999	990	991	997	1,000
Education	178	182	178	178	177
Economic Resources	41	69	71	125	125
State Total	8,073	8,208	8,233	8,320	8,361

Function of State Government:	Fiscal Year				
	2017	2016	2015	2014	2013
General Government	1,020	1,018	998	983	970
Health, Human, and Social Services	2,991	2,936	3,007	2,999	3,009
Law, Justice, Public Protection, and Regulation	2,130	2,186	2,215	2,223	2,186
Agriculture and Natural Resources	948	939	943	929	941
Transportation	998	976	977	980	978
Education	180	176	178	128	130
Economic Resources	124	156	158	198	197
State Total	8,391	8,387	8,476	8,440	8,411

Source: State's Budget System RB16 - June 30, 2022 *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			
	2022	2021	2020	2019
General Government				
Vehicles	2,712	2,861	2,897	3,012
Land (Acres)	762,538	762,538	762,538	761,475
Equipment	1,373	1,433	1,359	1,406
Buildings	33	56	24	24
Infrastructure	0	0	0	0
Health, Human, and Social Services				
Vehicles	8	8	7	7
Land (Acres)	656	642	642	644
Equipment	769	786	653	689
Buildings	82	83	81	81
Infrastructure	0	0	0	0
Law, Justice, Public Protection, and Regulation				
Vehicles	336	394	297	358
Land (Acres)	1,394	1,373	1,413	1,413
Equipment	1,494	1,516	1,246	1,263
Buildings	144	155	137	137
Infrastructure	0	0	0	0
Agriculture and Natural Resources				
Vehicles	357	379	353	366
Land (Acres)	363,607	363,435	363,285	363,221
Equipment	1,747	1,877	1,667	1,715
Buildings	160	172	129	128
Infrastructure	0	0	0	0
Transportation				
Vehicles	1,212	1,328	1,197	1,295
Land (Acres)	3,489	3,489	3,199	3,182
Land, ROW Roads	\$ 116,203,883	\$ 110,124,754	\$ 108,226,917	\$ 107,257,048
Land Improvements, Roads	\$ 529,014,507	\$ 529,014,507	\$ 529,014,507	\$ 529,014,507
Equipment	4,233	4,500	4,109	4,257
Buildings	217	217	209	207
Infrastructure				
-Roads: Lane Miles	8,842	8,849	8,847	8,847
-Bridges: Number of	1,819	1,811	1,802	1,795
-Railroads: Track Miles	173	173	530	530
Education				
Vehicles	0	0	0	0
Land (Acres)	187	187	187	187
Equipment	73	78	76	81
Buildings	32	35	32	32
Infrastructure	0	0	0	0
Economic Resources				
Vehicles	0	0	0	0
Land (Acres)	6	6	6	6
Equipment	2	2	1	1
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.

Fiscal Year

2018	2017	2016	2015	2014	2013
2,948	2,908	2,987	2,904	2,929	2,862
761,465	760,743	760,806	760,806	760,806	760,804
1,382	1,386	1,427	1,406	1,367	1,388
22	22	23	22	19	15
0	0	0	0	0	0
7	7	7	7	7	8
584	710	763	799	799	777
665	650	667	651	604	610
84	89	89	92	93	48
0	0	0	0	0	0
361	361	332	317	320	339
1,512	1,504	1,504	1,510	1,510	1,484
1,196	1,180	1,090	1,047	940	932
135	157	156	159	156	71
0	0	0	0	0	0
369	378	389	392	373	373
363,222	362,876	361,821	360,938	360,323	360,137
1,668	1,647	1,617	1,576	1,509	1,490
120	96	76	73	65	55
0	0	0	0	0	0
1,301	1,281	1,287	1,279	1,250	1,183
3,177	3,199	3,213	3,217	3,206	3,294
\$ 103,939,192	\$ 97,004,207	\$ 95,308,778	\$ 93,472,606	\$ 92,796,015	\$ 92,689,993
\$ 527,033,832	\$ 527,033,832	\$ 523,392,571	\$ 520,147,538	\$ 514,620,856	\$ 512,129,195
4,066	3,917	3,806	3,661	3,415	3,211
203	199	193	183	175	115
8,850	8,850	8,861	8,862	8,850	8,850
1,796	1,796	1,795	1,799	1,796	1,798
530	530	530	530	530	530
0	0	0	0	0	0
284	284	284	184	77	77
81	86	78	25	24	17
32	34	27	27	27	26
0	0	0	0	0	0
0	0	0	0	0	1
6	0	0	0	0	0
1	3	3	47	49	45
0	0	0	1	1	0
0	0	0	0	0	0

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

	Fiscal Year		
	2022	2021	2020
General Government			
Executive Management			
Bureau of Finance and Management			
Complete Governors Budget Book	Annual	Annual	Annual
Finalize State Operating Budget	Annual	Annual	Annual
Bureau of Information and Telecommunications			
SDPB Local Production (Hours)	3,215	3,150	3,068
Radio Calls through Digital Network	26,745,228	27,376,199	27,376,199
Bureau of Human Resources			
Health: Employees, COBRA, Retirees/Dependents	12,050 / 13,794	12,669 / 14,228	12,897 / 14,204
Bureau of Administration			
Pieces of Mail Handled/Year	6,216,662	6,852,597	6,594,534
Total Miles Driven	33,549,427	28,984,851	32,786,517
Revenue			
Total Active Business Licenses	98,532	94,925	91,793
Vehicles Registered	1,602,358	1,639,437	1,509,538
Misc. Special Tax Licenses	6,204	6,004	5,878
Lottery			
Licensed Lottery Retailers--Instant Only	11	9	13
Licensed Lottery Retailers--On-line	623	625	614
Legislature			
Auditor General			
Audits Performed	55	54	57
Audits Reviewed (IPA reports)	358	351	352
School and Public Lands			
Apportion Common School Interest Fund and Income to School Districts (Thousands)	\$ 9,840	\$ 12,823	\$ 12,695
Apportion Endowed Income and Interest Fund to Ten Endowed Institutions (Thousands)	\$ 2,900	\$ 3,000	\$ 3,412
Secretary of State			
Business and Secured Transaction Filings	136,563	133,507	127,036
State Treasurer			
Cash Receipts (Thousands)	\$ 7,957,896	\$ 6,304,280	\$ 6,971,719
Unclaimed Property - Claims Paid	9,022	11,272	6,467
State Auditor			
Vouchers Audited	276,987	262,463	257,420
Warrants Written	226,742	234,696	236,466
Health, Human, and Social Services			
Social Services			
Medicaid Enrolled/Month	140,791	128,654	115,731
Long Term Care Services - Clients Served	3,272	3,294	3,487
Health			
Public Health Investigations	13,112	9,287	11,716
Labor			
State Labor Force	468,015	467,427	463,278
Unemployment Rate	3.10%	3.60%	4.10%
South Dakota Retirement System			
Budget Compared to Assets	0.040%	0.040%	0.040%
Budget Compared to Benefits	0.800%	0.810%	0.860%
Veterans Benefits and Services			
South Dakota Veteran Population	63,950	65,014	67,119
State Veterans' Home			
Average Daily Census	84	95	98
Human Services			
People with Developmental Disabilities Served	2,938	3,070	3,093
People with Mental Illness Served	17,548	17,156	18,047
People with Substance Abuse Issues Served	11,260	11,189	11,693
People Receiving Vocational Rehabilitation Services	4,440	4,378	4,697

							Fiscal Year	
2019	2018	2017	2016	2015	2014	2013		
Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual
Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual
3,237	3,239	3,110	3,271	3,760	3,735	3,656		
25,879,566	27,038,877	24,549,762	29,858,306	27,888,987	26,319,746	26,968,003		
13,073 / 14,311	13,240 / 14,179	13,264 / 13,730	13,242 / 13,418	13,328 / 13,360	13,413 / 13,426	13,296 / 13,305		
6,783,673	7,254,250	7,448,095	7,536,209	7,720,306	7,719,049	8,047,767		
37,538,989	37,677,337	38,898,000	38,344,195	38,848,323	38,241,658	38,739,712		
89,842	85,147	84,242	82,640	80,779	80,236	81,047		
1,527,593	1,533,549	1,484,111	1,519,080	1,425,379	1,258,147	1,402,128		
6,059	6,757	6,663	6,612	5,228	5,372	5,430		
13	13	13	13	12	12	12		
616	636	632	610	608	600	597		
56	53	54	54	46	56	49		
345	316	351	333	326	322	338		
\$ 12,112	\$ 11,282	\$ 10,196	\$ 10,227	\$ 9,969	\$ 8,774	\$ 7,422		
\$ 2,813	\$ 2,642	\$ 2,410	\$ 2,267	\$ 2,104	\$ 1,500	\$ 1,991		
122,122	125,600	112,454	121,302	120,807	151,658	100,492		
\$ 5,432,711	\$ 5,205,064	\$ 5,197,293	\$ 4,955,107	\$ 4,917,575	\$ 4,883,829	\$ 4,621,725		
4,624	5,822	3,162	5,127	4,500	10,024	3,973		
285,516	281,596	279,250	288,653	290,861	297,649	289,083		
239,860	250,707	257,678	270,702	298,293	306,344	318,863		
116,709	118,338	119,619	118,674	117,346	115,328	116,128		
3,694	3,723	3,702	3,867	3,977	4,051	4,053		
28,087	21,187	16,999	13,224	13,750	13,875	12,618		
460,531	457,941	455,617	453,175	450,900	450,660	446,990		
2.90%	3.00%	3.10%	2.80%	3.50%	3.70%	4.30%		
0.040%	0.040%	0.040%	0.040%	0.040%	0.040%	0.040%		
0.840%	0.860%	0.860%	0.860%	0.870%	0.890%	0.870%		
65,893	66,811	72,000	72,000	75,000	75,000	75,000		
96	94	94	96	121	113	118		
3,031	3,105	3,092	3,103	3,104	3,078	3,032		
18,189	17,866	17,169	17,194	16,653	16,142	16,110		
11,361	12,351	12,003	12,297	11,525	11,579	12,305		
5,174	5,581	5,608	5,484	5,299	5,798	6,166		

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

	Fiscal Year		
	2022	2021	2020
Law, Justice, Public Protection, and Regulation			
Corrections			
Adult System ADP (Average Daily Population)	3,317	3,318	3,772
Avg. Daily Population on Supervision	3,264	3,325	3,393
Juvenile Institutional and Placement ADP	185	200	188
Unified Judicial System			
Felony Offenses Filings	12,560	13,305	13,284
Class One Misdemeanor Filings	18,238	19,002	19,640
Class Two Misdemeanor Filings	101,299	97,035	92,595
Attorney General			
New Cases Opened/Closed/Pending (Thousands)	1.2 / 0.9 / 1.7	0.8 / 1.6 / 1.7	1.3 / 1.6 / 2.3
Investigations Conducted by DCI	1,511	1,418	1,277
Public Safety			
Patrol of Public Highways (Percentage)	60%	61%	63%
Driver Licenses Issued	214,813	214,420	169,997
Wildfires Suppressed (Fires/Acres)	217 / 17,059	241 / 39,771	324 / 3,404
Military and Veterans Affairs			
Assigned Strength of the Army Guard	3,118	3,113	3,072
Assigned Strength of the Air Guard	1,055	1,055	1,055
Appraiser Program			
New / Renewed Licenses	52 / 415	44 / 398	23 / 402
Revenue Financial Services			
Banking Institutions Examined	N/A	N/A	N/A
Dealer, Broker & Investment Advisor			
Agents Licensed	125,738	114,553	107,764
Renewed & Issued Insurance			
Appointments/Licenses	475,286	458,624	403,025
Revenue Boards and Commissions			
New & Renewed Licenses Issued	6,443	6,126	6,591
Public Utilities Commission			
Dockets Opened	156	160	128
Agriculture and Natural Resources			
Agriculture			
Dairy Inspections	N/A	395	378
Marketing Consultations	N/A	N/A	N/A
Insect & Disease Individual Assists	N/A	N/A	1,599
Game, Fish and Parks			
Total Park Visitations	9,304,995	9,892,484	11,255,067
Acres of Walk-In Areas	1,389,000	1,389,000	1,200,000
Natural Resources			
Dollars Awarded/Number of Grants and Loans	N/A	115.6 M / 88	189.6 M / 112
Total Number of Regulated Facilities	N/A	N/A	N/A
Petroleum Release Compensation			
Petroleum Release Cases Initiated	N/A	20	36
Abandoned Tank Site Cases Initiated	N/A	32	35
Transportation			
Transportation			
Percent of Non-interstate State Highway System			
Main Lane Pavement Mileage Rated Good or Better			
on Condition Index	90	91	87
Percent of Interstate Pavement in Excellent			
Condition Based on Condition Index	56	52	50
Education			
Student K-12 Public School Fall Enrollment	137,685	136,115	136,119
Economic Resources			
Tourism and State Development			
Capital Investment Reported (Millions)	N/A	N/A	N/A
New Jobs Created (Calendar Year)	N/A	N/A	N/A
Tourism's Impact on South Dakota Economy (Billions)	\$ 2.84	\$ 2.57	\$ 2.75

Source: State's Budget System and/or survey of department finance personnel
N/A= Not Applicable due to the data no longer being collected

Fiscal Year							
2019	2018	2017	2016	2015	2014	2013	
3,902	3,949	3,844	3,613	3,610	3,645	3,637	
2,951	2,573	2,480	2,345	2,315	2,297	2,473	
197	231	316	482	650	649	688	
12,527	12,259	11,512	10,800	10,392	9,413	6,856	
20,828	22,144	21,884	22,055	20,979	20,518	22,720	
104,426	115,784	114,231	114,445	112,323	105,213	111,461	
1.1 / 1.9 / 2.0	1.4 / 1.7 / 2.3	1.0 / 2.0 / 2.0	2.1 / 1.8 / 2.1	1.9 / 2.0 / 1.9	2.2 / 2.9 / 1.5	1.2 / 2.2 / 1.6	
819	935	963	1,063	1,062	1,077	1,013	
60%	59%	55%	59%	54%	60%	45%	
163,658	196,733	196,780	203,012	198,279	156,731	198,733	
259 / 4,413	731 / 65,659	748 / 74,228	614 / 17,359	642 / 53,145	451 / 11,421	1,253 / 148,604	
3,141	3,148	3,163	3,130	3,165	3,204	3,220	
1,055	1,051	1,037	1,040	1,050	1,044	1,030	
14 / 410	14 / 387	19 / 378	36 / 410	11 / 380	10 / 368	20 / 399	
N/A	N/A	N/A	N/A	N/A	542	534	
104,188	100,956	96,156	96,262	91,545	86,131	81,567	
366,307	360,232	326,870	295,526	282,241	269,568	286,078	
6,396	6,939	6,688	7,161	6,708	7,102	7,137	
180	183	152	154	193	240	265	
458	434	635	604	500	520	713	
N/A	N/A	N/A	N/A	N/A	N/A	390	
1,072	412	317	305	279	288	491	
7,298,423	7,646,131	7,729,787	7,509,840	7,605,595	8,115,000	8,091,937	
1,270,000	1,355,000	1,331,000	1,392,000	1,389,734	1,270,000	1,277,000	
155.0 M / 70	66.1 M / 66	121.6 M / 91	77.5 M / 106	118.3 M / 113	78.9M / 95	88.8M / 108	
29,463	29,225	29,108	29,186	28,359	28,740	27,820	
34	30	42	55	60	45	120	
36	39	45	57	62	100	81	
88	86	83	82	90	89	88	
56	50	50	45	53	46	45	
135,317	133,861	132,520	130,936	129,772	128,924	127,169	
N/A	\$ 400.9	\$ 257.2	\$ 400.0	\$ 475.0	\$ 300.0	\$ 400.0	
N/A	1,138	163	3,000	3,300	4,000	3,000	
\$ 2.65	\$ 2.64	\$ 2.46	\$ 2.36	\$ 1.99	\$ 1.98	\$ 1.95	





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



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



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

RUSSELL A. OLSON
AUDITOR GENERAL

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

The Honorable Kristi Noem
Governor of South Dakota

and

Members of the Legislature
State of South Dakota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Dakota as of and for the year ended June 30, 2022, which collectively comprise the State's basic financial statements as listed in the table of contents and have issued our report thereon dated December 30, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the State of South Dakota's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 30, 2022. 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 operations of the South Dakota Housing Development Authority (a discretely presented component unit), which expended \$70,219,891 in federal awards during the fiscal year ended June 30, 2022, which is not included on the accompanying Schedule of Expenditures of Federal Awards. Included in this amount is \$1,358,827 of Coronavirus Relief Fund (Assistance Listing Number 21.019) expenditures passed through from the State of South Dakota. The State has reported this amount in Coronavirus Relief Funds as passed through to subrecipients on the accompanying Schedule of Expenditures of Federal Awards, as described in Note 3P to the Schedule. Our audit, described above, did not include the operations of the South Dakota Housing Development Authority because the component unit has a separately issued audit in accordance with the audit requirements of the Uniform Guidance.

Basis of Accounting

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

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.



Russell A. Olson
Auditor General

March 31, 2023

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency Number	Federal Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
10	U.S. Department of Agriculture	\$ 374,132,108	\$ 125,737,626
11	U.S. Department of Commerce	1,324,553	
12	U.S. Department of Defense	37,336,357	1,929,658
14	U.S. Department of Housing and Urban Development	4,099,420	3,933,035
15	U.S. Department of Interior	24,361,123	1,968,105
16	U.S. Department of Justice	16,781,522	10,158,665
17	U.S. Department of Labor	47,269,970	83,138
19	U.S. Department of State	5,000	
20	U.S. Department of Transportation	441,567,332	17,279,454
21	U.S. Department of Treasury	111,731,997	6,826,893
30	U.S. Equal Employment Opportunity Commission	33,639	
38	Federal Financial Institutions Examination Council (FFIEC)	53,684	
39	General Services Administration	1,826,040	1,155,104
43	National Aeronautics and Space Administration	1,891,875	120,180
45	National Endowment for the Arts	1,295,979	1,165,055
45	National Endowment for the Humanities	286,470	1,525
45	Institute of Museum and Library Services	2,737,027	1,178,806
47	National Science Foundation	18,267,080	5,016,782
59	U.S. Small Business Administration	1,551,472	337,209
64	U.S. Department of Veterans Affairs	6,322,390	
66	U.S. Environmental Protection Agency	57,218,606	49,814,744
81	U.S. Department of Energy	44,220,578	2,661,060
84	U.S. Department of Education	437,160,985	197,873,080
90	U.S. Election Assistance Commission	30,040	
93	U.S. Department of Health and Human Services	1,282,096,528	36,809,916
94	Corporation for National and Community Service	8,520	
95	Executive Office of the President	1,087,880	528,307
96	Social Security Administration	5,858,677	
97	U.S. Department of Homeland Security	15,188,606	8,396,301
	Total Expenditures of Federal Awards	\$ 2,935,745,458	\$ 472,974,643

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, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Agriculture						
<i>SNAP Cluster</i>						
Supplemental Nutrition Assistance Program (Note 3E)	10.551			Social Services	\$ 140,729,756	\$
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561			Social Services	9,829,365	
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561			Social Services	910,303	
<i>Total SNAP Cluster</i>					<u>151,469,424</u>	
<i>Child Nutrition Cluster</i>						
School Breakfast Program	10.553			Education	17,354,834	17,354,834
National School Lunch Program (Note 3A)	10.555			Education	83,912,609	83,912,609
COVID-19 National School Lunch Program	10.555			Education	1,341,936	1,340,167
Special Milk Program for Children	10.556			Education	9,417	9,417
Summer Food Service Program for Children (Note 3A)	10.559			Education	3,081,137	2,910,407
Fresh Fruit and Vegetable Program - Administrative Review and Training Method II	10.582			Education	2,349,264	2,307,023
<i>Total Child Nutrition Cluster</i>					<u>108,049,197</u>	<u>107,834,457</u>
<i>Food Distribution Cluster</i>						
Commodity Supplemental Food Program	10.565			Education	280,660	255,261
COVID-19 Commodity Supplemental Food Program	10.565			Education	12,933	12,933
Emergency Food Assistance Program (Administrative Costs)	10.568			Education	301,149	181,176
COVID-19 Emergency Food Assistance Program (Administrative Costs)	10.568			Education	303,398	303,398
Emergency Food Assistance Program (Food Commodities) (Note 3A)	10.569			Education	3,074,653	3,074,653
COVID-19 Emergency Food Assistance Program (Food Commodities) (Note 3A)	10.569			Education	1,452,690	1,452,690
<i>Total Food Distribution Cluster</i>					<u>5,425,483</u>	<u>5,280,111</u>
<i>Forest Service Schools and Roads Cluster</i>						
Schools and Roads - Grants to States	10.665			State Auditor	1,373,536	1,373,536
<i>Total Forest Service Schools and Roads Cluster</i>					<u>1,373,536</u>	<u>1,373,536</u>
<i>Community Facilities Loans and Grants Cluster</i>						
Community Facilities Loans and Grants	10.766	Grant dated 09/29/2020		SDSMT	162,818	
<i>Total Community Facilities Loans and Grants Cluster</i>					<u>162,818</u>	
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					9,242,298	1,740,586
<i>Plant and Animal Disease, Pest Control, and Animal Care</i>						
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20VSCEAH00C037 AP21VSD&B000C098; 15-8446-0087-CA; 15-8446-1821-CA; 15-8446-1801-CA; AP20VSD&B000C035; AP21VSP0000C060 21-9746-2132-CA; AP22VSSPRS00C080 AP22VSSPRS00C109 21-9746-2216-CA; AP22VSSPRS00C081	Washington State University	SDSU	5,255	
Plant and Animal Disease, Pest Control, and Animal Care				Agriculture and Natural Resources/SDSU	426,540	
Plant and Animal Disease, Pest Control, and Animal Care - Animal Disease Traceability (ADT)				Animal Industry Board	97,207	
Plant and Animal Disease, Pest Control, and Animal Care - Highly Pathogenic Avian Influenza (HPAI)				Animal Industry Board	81,449	
Plant and Animal Disease, Pest Control, and Animal Care - National Surveillance and Response for Animal Health Activities (Umbrella)				Animal Industry Board	120,463	
<i>Total ALN 10.025</i>					<u>730,914</u>	
Conservation Reserve Program	10.069	NR196740XXXXG009		SDSU	36,712	15,299
Market News	10.153	15-LPSMN-SD-0005		Agriculture and Natural Resources	64,789	
Specialty Crop Block Grant Program - Farm Bill - SDDA Dakota Flavor Marketplace	10.170	16SCBGPSD0047; AM190100XXXXG031; AM180100XXXXG049; AM170100XXXXG043		Agriculture and Natural Resources	395,598	270,052

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Agriculture (continued)						
<i>Sustainable Agriculture Research and Education</i>						
	10.215					
Sustainable Agriculture Research and Education		20203864031522	North Central Region Sustainable Agriculture Research and Education (SARE)	SDSU	30,298	
Sustainable Agriculture Research and Education		2019-38640-29879; 20203864031522	Regents of the University of Minnesota	SDSU	23,416	
Sustainable Agriculture Research and Education		2019-38640-29879; 2017-38640-26916	University of Minnesota	SDSU	43,969	2,992
<i>Total ALN 10.215</i>					<u>97,683</u>	<u>2,992</u>
<i>Homeland Security Agricultural</i>						
	10.304	2021-37624-35452		SDSU	239,401	
Agriculture and Food Research Initiative (AFRI)	10.310	2022-67037-36254; 2021-68018-34619		SDSU	6,279	
Beginning Farmer and Rancher Development Program	10.311	2020-7017-32421		SDSU	127,986	12,708
National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	10.328	20187002028877	Iowa State University	SDSU	2,685	
Crop Protection and Pest Management Competitive Grants Program	10.329	2021-70006-35474; 2017-70006-27206		SDSU	242,514	
Alfalfa and Forage Research Program	10.330	2018-70005-28774	Regents of the University of Minnesota	SDSU	36,756	
Food Insecurity Nutrition Incentive Grants Program	10.331	2018-70025-28153		SDSU	14,314	
Veterinary Services Grant Program	10.336	20207002432376	University of Minnesota	SDSU	33,021	
State Mediation Grants	10.435	470300-466000364 SD Mediation Grant - 16		Agriculture and Natural Resources	78,351	
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475			Animal Industry Board	1,012,010	
Meat, Poultry, and Egg Products Inspection	10.477	FSIS-C-32-2010/01	North Dakota Department of Agriculture	SDSU	1,018	
<i>Cooperative Extension Service</i>						
	10.500					
Cooperative Extension Service		20194610030279	University of Minnesota	SDSU	17,369	
Cooperative Extension Service		2019-48540-30098	University of Missouri	SDSU	9,823	
Cooperative Extension Service		20194152029987; 20184159028723		SDSU	3,010,013	54,413
Cooperative Extension Service		2021-70027-34694; 20187002728586	The Nebraska Board of Regents University of Nebraska	SDSU	27,079	
COVID-19 Cooperative Extension Service				SDSU	1,766	
<i>Total ALN 10.500</i>					<u>3,066,050</u>	<u>54,413</u>
<i>Farm and Ranch Stress Assistance Network Competitive Grants Program</i>						
	10.525					
Farm and Ranch Stress Assistance Network Competitive Grants Program				Agriculture and Natural Resources	211,493	
Farm and Ranch Stress Assistance Network Competitive Grants Program		2020-70028-32728	The Board of Trustees of the University of Illinois	SDSU	101,749	
<i>Total ALN 10.525</i>					<u>313,242</u>	
New Beginnings for Tribal Students	10.527	2021-70411-35208; 2020-70411-32783		SDSU	204,887	133,750
SNAP Fraud Framework Implementation Grant	10.535			Social Services	257,471	
Child Nutrition-Technology Innovation Grant	10.541			Education	214,522	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Agriculture (continued)						
COVID-19 Pandemic EBT Food Benefits (Note 3E)	10.542			Social Services	63,689,997	
		213SD708W1003; 213SD708W1006; 213SD808W5003				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children (Note 3I)	10.557			Health	15,706,571	749,830
<i>Child and Adult Care Food Program</i>	10.558					
Child and Adult Care Food Program				Education	6,922,223	6,728,636
COVID-19 Child and Adult Care Food Program				Education	585,779	565,878
<i>Total ALN 10.558</i>					<u>7,508,002</u>	<u>7,294,514</u>
State Administrative Expenses for Child Nutrition	10.560			Education	979,727	
Farm to School Grant Program	10.575	208SD120L5103		Agriculture and Natural Resources	4,769	
WIC Grants to States (WGS)	10.578	203SD542W5412		Health	161,240	
Child Nutrition Discretionary Grants Limited Availability - NSLP Equipment	10.579			Education	91,719	88,588
COVID-19 Pandemic EBT Administrative Costs	10.649			Social Services	907,835	
Forestry Research - Forest Inventory Analysis	10.652	16-JV-11242305-033		Agriculture and Natural Resources	37,688	2,197
		16-DG-11020000-013; 17-DG-11020000-041; 18-DG-11020000-051; 19-DG-11020000-053				
Cooperative Forestry Assistance	10.664			Agriculture and Natural Resources/Public Safety	1,923,395	848,895
Forest Legacy Program	10.676	16-DG-11020000-027		Agriculture and Natural Resources	4,480	
		16-DG-11020000-022; 17-DG-11020000-069; 18-DG-11020000-059; 19-DG-11020000-024				
Forest Health Protection - Western Bark Beetle	10.680			Agriculture and Natural Resources	17,258	
Soil and Water Conservation	10.902	NR196740XXXXG009		SDSU	12,237	5,100
<i>Environmental Quality Incentives Program</i>	10.912					
Environmental Quality Incentives Program		NR196740XXXXG009; NR186740XXXXG003		SDSU	32,579	10,199
Environmental Quality Incentives Program - Agro-Forestry		65-6740-17-017		Agriculture and Natural Resources	3,528	
Environmental Quality Incentives Program - Thinning		65-6740-17-018		Agriculture and Natural Resources	69,647	
<i>Total ALN 10.912</i>					<u>105,754</u>	<u>10,199</u>
Emergency Watershed Protection Program	10.923	NR19670XXXXC003		Game, Fish and Parks	20,000	
Conservation Stewardship Program	10.924	NR196740XXXXG009		SDSU	12,237	5,100
Agricultural Conservation Easement Program	10.931	NR196740XXXXG009		SDSU	36,712	15,299
Challenge Cost-Share Supplemental for Long Term Archival Services for Black Hills National Forest Historical Collection	10.UNKNOWN	20-CS-11020300-020		BHSU	13,528	
Total U.S. Department of Agriculture					<u>374,132,108</u>	<u>125,737,626</u>

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Commerce						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					373,968	
State and Local Implementation Grant Program	11.549	46-10-S18046		Bureau of Information and Telecommunications	883	
<i>Manufacturing Extension Partnership</i>	11.611					
Manufacturing Extension Partnership		70NANB18H013;		USD	712,130	
COVID-19 Manufacturing Extension Partnership		70NANB18H234		USD	77,371	
<i>Total ALN 11.611</i>		70NANB20H071			<u>789,501</u>	
Economic Development Technical Assistance	11.UNKNOWN	ED20HDQ0200015		USD	160,201	
Total U.S. Department of Commerce					<u>1,324,553</u>	
U.S. Department of Defense						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					6,567,558	711,883
Procurement Technical Assistance For Business Firms	12.002	SP4800-21-2-2183; SP4800-22-2-2283		USD	159,828	41,838
Payments to States in Lieu of Real Estate Taxes	12.112			State Treasurer	8,144	8,144
State Memorandum of Agreement Program for the Reimbursement of Technical Services - Defense Environmental Restoration Program	12.113			Agriculture and Natural Resources	110,924	
<i>Military Construction, National Guard</i>	12.400					
Military Construction, National Guard - Aviation Readiness Center		W912MM-17-2-2001		Military	279,945	
Military Construction, National Guard - Sioux Falls Readiness Center		W912MM-22-2-2001		Military	762,229	
Military Construction, National Guard - South Gate Access Control Building		W912MM-20-2-2001		Military	1,619,281	
Military Construction, National Guard - Transient Training Officer Quarters		W912MM-21-2-2001		Military	219,629	
<i>Total ALN 12.400</i>					<u>2,881,084</u>	
<i>National Guard Military Operations and Maintenance (O&M) Projects</i>	12.401					
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ANG Environmental Program Management		W912MM-22-2-1022		Military	42,811	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ANG Facilities Operations and Maintenance Activities		W912MM-22-2-1021; W912MM-20-2-1021		Military	1,546,053	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ANG Fire Protection Activities		W912MM-22-2-1024; W912MM-20-2-1024		Military	2,308,535	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ANG Security Guard Activities		W912MM-22-2-1023; W912MM-20-2-1023		Military	1,246,723	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Administrative Services		W912MM-22-2-1014; W912MM-20-2-1014		Military	50,081	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Anti-Terrorism Program Coordinator Activities		W912MM-22-2-1010; W912MM-20-2-1010		Military	87,634	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Distance Learning		W912MM-22-2-1040; W912MM-20-2-1040		Military	222,219	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Electronic Security		W912MM-22-2-1004; W912MM-20-2-1004		Military	226,104	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Environmental Resource Management		W912MM-22-2-1002; W912MM-20-2-1002		Military	644,775	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Real Property Operations and Maintenance		W912MM-22-2-1001; W912MM-20-2-1001		Military	14,015,004	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Security Guard Activities		W912MM-22-2-1003; W912MM-20-2-1003		Military	851,870	
National Guard Military Operations and Maintenance (O&M) Projects - Master Cooperative Agreement: ARNG Telecommunications		W912MM-22-2-1005		Military	394,571	
National Guard Military Operations and Maintenance (O&M) Projects - Interservice Support Agreement: Aberdeen Armed Forces Reserve Center		W5BM2T-87001-001		Military	68,642	
<i>Total ALN 12.401</i>					<u>21,705,022</u>	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Defense (continued)						
National Guard ChalleNGe Program (STARBASE)	12.404	W912MM-22-2-4002; W912MM-20-2-4002		Military	1,167,793	1,167,793
Community Investment	12.600	CIP1278-20-01		Ellsworth Development Authority	4,715,662	
<i>ALN UNKNOWN - U.S. Department of Defense</i>						
Cultural Assessment	12.UNKNOWN	W9128F-12-C-0087		Education	1,337	
Cultural Resources Management Plans	12.UNKNOWN	W9218-F-08-A-0025		Education	19,005	
<i>Total ALN UNKNOWN - U.S. Department of Defense</i>					<u>20,342</u>	
Total U.S. Department of Defense					<u>37,336,357</u>	<u>1,929,658</u>
U.S. Department of Housing and Urban Development						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					14,438	
Manufactured Home Dispute Resolution	14.171			Public Safety	4,671	
<i>Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii</i>	14.228					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				Governor's Office of Economic Development	3,753,983	3,606,707
COVID-19 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				Governor's Office of Economic Development	<u>326,328</u>	<u>326,328</u>
<i>Total ALN 14.228</i>					<u>4,080,311</u>	<u>3,933,035</u>
Total U.S. Department of Housing and Urban Development					<u>4,099,420</u>	<u>3,933,035</u>
U.S. Department of Interior						
<i>Fish and Wildlife Cluster</i>						
Sport Fish Restoration	15.605			Game, Fish and Parks	4,719,365	258,981
Wildlife Restoration and Basic Hunter Education	15.611			Game, Fish and Parks	<u>13,603,264</u>	<u>512,613</u>
<i>Total Fish and Wildlife Cluster</i>					<u>18,322,629</u>	<u>771,594</u>
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					2,933,373	135,788
Consolidated Tribal Government	15.021	A16AV00143	Cheyenne River Sioux Tribe	SDSU	19,273	
Cultural and Paleontological Resources Management	15.224			Education	1,245	
Distribution of Receipts to State and Local Governments - Mineral Leasing and Taylor Grazing	15.227			Education	479,996	479,996
Rural Fire Assistance	15.242			Public Safety	388,320	
Title XVI Water Reclamation and Reuse	15.504			Game, Fish and Parks	456,497	
National Land Remote Sensing Education Outreach and Research	15.815	G18AP00077	Americaview, Inc.	SDSU	24,263	
Historic Preservation Fund Grants-In-Aid	15.904			Education	716,212	68,178
Outdoor Recreation Acquisition, Development and Planning	15.916			Game, Fish and Parks	1,013,692	512,549
Cooperative Research and Training Programs - Resources of the National Park System	15.945	P21AC10117		SDSU	5,623	
Total U.S. Department of Interior					<u>24,361,123</u>	<u>1,968,105</u>
U.S. Department of Justice						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					544,073	80,193
Sexual Assault Services Formula Program	16.017			Public Safety	361,996	336,259
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034			Public Safety	1,695,961	200,820
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525	15JOVW-21-GG-01065- CAMP		USD	3,638	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Justice (continued)						
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540			Corrections	483,245	408,683
Missing Children's Assistance - SD Internet Crimes Against Children	16.543	2019-MC-FX-K018		Attorney General	383,091	
National Criminal History Improvement Program (NCHIP)	16.554	2019-RU-BX-K027; 2020-RU-BX-0021		Attorney General	391,615	
Crime Victim Assistance	16.575			Public Safety	8,626,567	7,966,435
Crime Victim Compensation	16.576			Public Safety	164,763	158,493
Violence Against Women Formula Grant	16.588			Public Safety	711,339	673,569
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	15JOVW-21-GG-00844- RURA; 2018-WR-AX-0014		Health/USD	179,635	1,726
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2016-WE-AX-0003		Attorney General	266,974	266,719
Public Safety Partnership and Community Policing Grants	16.710	2018-AM-WX-0009; 2018-HP-WX-0009		Attorney General	39,147	34,545
Special Data Collections and Statistical Studies	16.734	2019-FU-CX-K010		Attorney General	291,965	
Edward Byrne Memorial Justice Assistance Grant Program	16.738			Public Safety	1,381,453	
DNA Backlog Reduction Program	16.741	2018-DN-BX-0135; 2019-DN-BX-0041; 2020-DN-BX-0082		Attorney General	259,329	
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2019-CD-BX-0031; 2020-CD-BX-0021		Attorney General	152,912	
Support for Adam Walsh Act Implementation Grant Program	16.750	2018-AW-BX-0002; 2019-AW-BX-0022; 2020-AW-BX-0012		Attorney General	18,499	
Harold Rogers Prescription Drug Monitoring Program	16.754	2018-PM-BX-0016		Health	32,159	
John R. Justice Prosecutors and Defenders Incentive Act	16.816	2020-RJ-BX-0015		Attorney General	31,443	31,223
Justice Reinvestment Initiative	16.827			Corrections	390,848	
STOP School Violence	16.839			Public Safety	226,224	
Equitable Sharing Program	16.922			Attorney General/ Public Safety	81,856	
<i>ALN UNKNOWN - U.S. Department of Justice</i>	16.UNKNOWN					
Technical Assistance Grant		SJI-17-P-198	National Center for State Courts	Unified Judicial System	39,696	
Technical Assistance Grant		SJI-21-T-045		Unified Judicial System	23,094	
<i>Total ALN UNKNOWN - U.S. Department of Justice</i>					<u>62,790</u>	
Total U.S. Department of Justice					<u>16,781,522</u>	<u>10,158,665</u>
U.S. Department of Labor						
<i>Employment Service Cluster</i>						
Employment Service/Wagner-Peyser Funded Activities	17.207			Labor	4,713,985	
Jobs for Veterans State Grants	17.801			Labor	332,430	
<i>Total Employment Service Cluster</i>					<u>5,046,415</u>	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Labor (continued)						
<i>WIOA Cluster</i>						
WIOA Adult Program	17.258			Labor	2,863,706	83,138
WIOA Youth Activities	17.259			Labor	2,336,666	
WIOA Dislocated Worker Formula Grants	17.278			Labor	964,218	
<i>Total WIOA Cluster</i>					<u>6,164,590</u>	<u>83,138</u>
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>						
					230,872	
Labor Force Statistics	17.002			Labor	508,346	
<i>Unemployment Insurance</i>						
	17.225					
Unemployment Insurance (Note 3K)				Labor	28,988,372	
COVID-19 Unemployment Insurance (Note 3K)				Labor	3,108,728	
<i>Total ALN 17.225</i>					<u>32,097,100</u>	
Senior Community Service Employment Program	17.235			Labor	352,959	
Trade Adjustment Assistance	17.245			Labor	696,689	
Reentry Employment Opportunities	17.270			Labor	13,189	
Work Opportunity Tax Credit Program (WOTC)	17.271			Labor	178,555	
Temporary Labor Certification for Foreign Workers	17.273			Labor	198,649	
COVID-19 WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277			Labor	297,213	
Apprenticeship USA Grants	17.285			Labor	553,463	
Consultation Agreements	17.504	CS OSHA-21D-2022-001; CS35618CS1		SDSU	496,618	
Local Veterans' Employment Representative Program	17.804			Labor	307,249	
Employment and Training Administration Evaluations	17.UNKNOWN	A21-0058-001	West River Area Health Educational Center	USD	128,063	
Total U.S. Department of Labor					<u>47,269,970</u>	<u>83,138</u>
U.S. Department of State						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>						
					5,000	
Total U.S. Department of State					<u>5,000</u>	
U.S. Department of Transportation						
<i>Highway Planning and Construction Cluster</i>						
Highway Planning and Construction	20.205			Transportation	321,258,168	1,615,367
COVID-19 Highway Planning and Construction	20.205			Transportation	61,669,741	
Recreational Trails Program	20.219			Game, Fish and Parks	903,549	256,168
<i>Total Highway Planning and Construction Cluster</i>					<u>383,831,458</u>	<u>1,871,535</u>
<i>FMCSA Cluster</i>						
Motor Carrier Safety Assistance	20.218			Public Safety	2,343,234	
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237	IT064601G00000		Transportation	823,088	
<i>Total FMCSA Cluster</i>					<u>3,166,322</u>	
<i>Federal Transit Cluster</i>						
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526			Transportation	2,176,772	2,176,772
<i>Total Federal Transit Cluster</i>					<u>2,176,772</u>	<u>2,176,772</u>
<i>Transit Services Programs Cluster</i>						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			Transportation	616,128	543,856
COVID-19 Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			Transportation	71,528	71,527
<i>Total Transit Services Programs Cluster</i>					<u>687,656</u>	<u>615,383</u>

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Transportation (continued)						
<i>Highway Safety Cluster</i>						
State and Community Highway Safety	20.600			Public Safety	2,034,817	705,414
National Priority Safety Programs	20.616			Public Safety	845,014	69,762
<i>Total Highway Safety Cluster</i>					<u>2,879,831</u>	<u>775,176</u>
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					648,705	198,743
<i>Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs</i>						
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs (Note 3J)	20.106	510692		Transportation	301,590	
COVID-19 Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs (Note 3J)				Transportation	37,670	
<i>Total ALN 20.106</i>					<u>339,260</u>	
Consolidated Rail Infrastructure and Safety Improvements	20.325			Transportation	4,562,198	
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505			Transportation	73,520	73,520
<i>Formula Grants for Rural Areas and Tribal Transit Program</i>						
Formula Grants for Rural Areas and Tribal Transit Program	20.509			Transportation	5,621,680	5,407,097
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program				Transportation	6,058,594	5,988,289
<i>Total ALN 20.509</i>					<u>11,680,274</u>	<u>11,395,386</u>
Public Transportation Research, Technical Assistance, and Training	20.514			Transportation	1,735	1,735
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608			Public Safety	1,484,694	45,904
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	49,397	
E-911 Grant Program	20.615			Public Safety	149,332	
Pipeline Safety Program State Base Grant	20.700	693JK31930039PGSB		Public Utilities Commission	196,060	
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703			Public Safety	135,963	125,300
National Infrastructure Investments	20.933			Transportation	22,642,179	
Nationally Significant Freight and Highway Projects	20.934			Transportation	6,861,976	
Total U.S. Department of Transportation					<u>441,567,332</u>	<u>17,279,454</u>
U.S. Department of Treasury						
Low Income Taxpayer Clinics	21.008	21-LITC0434-03		USD	77,561	
Equitable Sharing	21.016			Attorney General	2,474	
COVID-19 Coronavirus Relief Fund (Note 3P)	21.019			State of South Dakota	110,840,919	6,826,893
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027			State of South Dakota	811,043	
Total U.S. Department of Treasury					<u>111,731,997</u>	<u>6,826,893</u>
U.S. Equal Employment Opportunity Commission						
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002			Labor	33,639	
Total U.S. Equal Employment Opportunity Commission					<u>33,639</u>	
Federal Financial Institutions Examination Council (FFIEC)						
State Appraiser Agency Support Grants	38.006	SSG2021SD01		Labor	53,684	
Total Federal Financial Institutions Examination Council (FFIEC)					<u>53,684</u>	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
General Services Administration						
Donation of Federal Surplus Personal Property (Note 3B)	39.003			Bureau of Administration	1,633,618	1,155,104
Election Reform Payments - Help America Vote Act	39.011			Secretary of State	192,422	
Total General Services Administration					1,826,040	1,155,104
National Aeronautics and Space Administration						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					1,891,875	120,180
Total National Aeronautics and Space Administration					1,891,875	120,180
National Endowment for the Arts						
Promotion of the Arts Grants to Organizations and Individuals	45.024	1854217-55-19		SDSU	309	
<i>Promotion of the Arts Partnership Agreements</i>						
Promotion of the Arts Partnership Agreements	45.025			Tourism	865,324	776,898
COVID-19 Promotion of the Arts Partnership Agreements				Tourism	430,346	388,157
<i>Total ALN 45.025</i>					<u>1,295,670</u>	<u>1,165,055</u>
Total National Endowment for the Arts					1,295,979	1,165,055
National Endowment for the Humanities						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					11,660	
<i>Promotion of the Humanities Federal/State Partnership</i>						
Promotion of the Humanities Federal/State Partnership	45.129					
		2021-177; 2021-140; 2021-389; 9146; 2609; 2504; SO-253172-17; 2021-298	South Dakota Humanities Council	USD	39,919	
		ZSO-283156-21; ZSO28315621; 2021300	South Dakota Humanities Council	SDSU	19,761	
		2021364	South Dakota Humanities Council	NSU	6,639	
<i>Total ALN 45.129</i>					<u>66,319</u>	
Promotion of the Humanities Division of Preservation and Access - National Digital Newspaper Program	45.149	PJ-50136-14		Education	28,821	
<i>Promotion of the Humanities Research</i>						
Promotion of the Humanities Research	45.161					
		RZ-279861-21		USD	28,523	
		2021327	South Dakota Humanities Council	USD	7,331	
		2021352	South Dakota Humanities Council	USD	4,457	1,525
<i>Total ALN 45.161</i>					<u>40,311</u>	<u>1,525</u>
COVID-19 Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162	ZED-283457-22		BHSU	132,405	
COVID-19 Promotion of the Humanities Federal/State Partnership	45.UNKNOWN	2021363		DSU	6,954	
Total National Endowment for the Humanities					286,470	1,525
Institute of Museum and Library Services						
<i>Grants to States</i>						
Grants to States	45.310			Education	1,118,783	
COVID-19 Grants to States				Education	1,618,244	1,178,806
<i>Total ALN 45.310</i>					<u>2,737,027</u>	<u>1,178,806</u>
Total Institute of Museum and Library Services					2,737,027	1,178,806
National Science Foundation						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					18,267,080	5,016,782
Total National Science Foundation					18,267,080	5,016,782

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Small Business Administration						
<i>Small Business Development Centers</i>	59.037					
Small Business Development Centers		SBAHQ20B0039		USD	790,442	337,209
COVID-19 Small Business Development Centers		SBAHQ20C0044		USD	184,596	
<i>Total ALN 59.037</i>					<u>975,038</u>	<u>337,209</u>
<i>Women's Business Ownership Assistance</i>	59.043					
Women's Business Ownership Assistance - Initial Phase		SBAHQ21W0007		BHSU	128,797	
Women's Business Ownership Assistance - New Renewal (Base Year)		SBAHQ20W0046		BHSU	151,757	
COVID-19 Women's Business Ownership Assistance		SBAHQ20C0163		BHSU	295,817	
<i>Total ALN 59.043</i>					<u>576,371</u>	
COVID-19 Community Navigator Pilot Program	59.077	CNP-2021-01	Startup Sioux Falls	USD	63	
Total U.S. Small Business Administration					<u>1,551,472</u>	<u>337,209</u>
U.S. Department of Veterans Affairs						
Grants to States for Construction of State Home Facilities - SD Veterans Home COVID Construction	64.005			Veterans Affairs	226,297	
Veterans State Domiciliary Care (Note 3C)	64.014			Veterans Affairs	252,041	
Veterans State Nursing Home Care (Note 3C)	64.015			Veterans Affairs	5,473,064	
Payments to States for Programs to Promote the Hiring and Retention of Nurses at State Veterans Homes - SD Veterans Home Nurse Recruitment and Retention	64.053			Veterans Affairs	20,945	
Vocational and Educational Counseling For Servicemembers and Veterans	64.125	V101 (223C) P-5181		Veterans Affairs	197,722	
Veterans Cemetery Grants Program	64.203	FAI Number SD-18-06; 36C78619D0057		BHSU/Veterans Affairs	108,601	
Veterans Legacy Grants Program	64.204	36C78621C0072		BHSU	43,720	
Total U.S. Department of Veterans Affairs					<u>6,322,390</u>	
U.S. Environmental Protection Agency						
<i>Clean Water State Revolving Fund (CWSRF) Cluster</i>						
Clean Water State Revolving Fund (Note 3G)	66.458			Agriculture and Natural Resources	17,009,594	16,608,187
<i>Total Clean Water State Revolving Fund (CWSRF) Cluster</i>					<u>17,009,594</u>	<u>16,608,187</u>
<i>Drinking Water State Revolving Fund (DWSRF) Cluster</i>						
Drinking Water State Revolving Fund (Note 3G)	66.468			Agriculture and Natural Resources	31,268,512	30,403,777
<i>Total Drinking Water State Revolving Fund (DWSRF) Cluster</i>					<u>31,268,512</u>	<u>30,403,777</u>
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>						
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034			Agriculture and Natural Resources	312,144	
Diesel Emissions Reduction Act (DERA) State Grants	66.040			Agriculture and Natural Resources	397,713	371,659
Water Pollution Control State, Interstate, and Tribal Program Support	66.419			Agriculture and Natural Resources	126,197	22,990
Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))	66.444			Agriculture and Natural Resources	5,697	
Water Quality Management Planning	66.454			Agriculture and Natural Resources	87,243	78,964
Nonpoint Source Implementation Grants	66.460			Agriculture and Natural Resources	2,988,350	2,277,721

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Environmental Protection Agency (continued)						
Performance Partnership Grants	66.605	BG-96810113-0; BG-96810116-0		Agriculture and Natural Resources	3,786,707	51,446
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802			Agriculture and Natural Resources	118,244	
Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	66.804			Agriculture and Natural Resources	305,231	
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805			Agriculture and Natural Resources	177,469	
State and Tribal Response Program Grants	66.817			Agriculture and Natural Resources	606,688	
Total U.S. Environmental Protection Agency					57,218,606	49,814,744
U.S. Department of Energy						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					2,556,576	131,750
State Energy Program	81.041			Governor's Office of Economic Development	848,406	
Weatherization Assistance for Low-Income Persons	81.042			Social Services	2,617,122	2,529,310
Office of Science Financial Assistance Program	81.049	DE-SC0020216		Science and Technology Authority	32,448,003	
<i>ALN UNKNOWN - U.S. Department of Energy</i>	81.UNKNOWN					
Fermi National Accelerator Laboratory Contract		674969; 630223; 658208; 685922; 671265	Fermi National Accelerator Laboratory Contract	Science and Technology Authority	4,556,489	
Lawrence Berkeley National Laboratory Contract		7525117; 7650068; 7371823	Lawrence Berkeley National Laboratory Contract	Science and Technology Authority	1,151,144	
Oak Ridge National Laboratory Contract		4000193681; 4000185715	Oak Ridge National Laboratory Contract	Science and Technology Authority	24,644	
RESPEC, Inc. Small Business Innovation Research Rock Melt Project		03506A	RESPEC, Inc. Small Business Innovation Research Rock Melt Project	Science and Technology Authority	18,194	
<i>Total ALN UNKNOWN - U.S. Department of Energy</i>					<u>5,750,471</u>	
Total U.S. Department of Energy					44,220,578	2,661,060
U.S. Department of Education						
<i>Special Education Cluster (IDEA)</i>						
Special Education Grants to States (IDEA, Part B)	84.027			Education	34,208,324	29,772,097
COVID-19 Special Education Grants to States (IDEA, Part B)	84.027X			Education	7,873,531	7,873,531
Special Education Preschool Grants (IDEA Preschool)	84.173			Education	1,430,146	926,685
COVID-19 Special Education Preschool Grants (IDEA Preschool)	84.173X			Education	505,237	505,237
<i>Total Special Education Cluster (IDEA)</i>					<u>44,017,238</u>	<u>39,077,550</u>
<i>TRIO Cluster</i>						
TRIO Student Support Services	84.042	P042A170790; P042A200408;		BHSU/SDSU/USD	911,462	
COVID-19 TRIO Student Support Services	84.042	P042A200602		SDSU	69	
TRIO Student Support Services	84.042A	P042A200408		NSU	270,158	
TRIO Talent Search	84.044	P042A201186		USD	594,437	
TRIO Talent Search - Services to South Dakota Schools with Outstanding Need Sioux Falls	84.044	P044A170241 P044A210096		USD	178,419	
TRIO Upward Bound	84.047	P047A180585;		SDSU/USD	886,333	
COVID-19 TRIO Upward Bound	84.047	P047A170328		SDSU	205	
TRIO Upward Bound	84.047A	P047A170328		NSU	339,916	
<i>Total TRIO Cluster</i>					<u>3,180,999</u>	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Education (continued)						
<i>Student Financial Assistance (Individual Federal Awards Reported at bottom of Schedule)</i>					166,239,283	
Adult Education - Basic Grants to States	84.002			Labor	1,383,663	1,141,262
Civil Rights Training and Advisory Services (also known as Equity Assistance Centers)	84.004	IN4296347BHSU	Indiana University	BHSU	11,486	
Title I Grants to Local Educational Agencies	84.010			Education	48,131,704	47,748,238
Migrant Education State Grant Program	84.011			Education	714,235	706,802
<i>Higher Education Institutional Aid</i>						
Higher Education Institutional Aid	84.031			DSU	61,184	
Higher Education Institutional Aid - Title III Part A Programs - Strengthening Institutions	84.031A	P031A210139		BHSU	110,085	
<i>Total ALN 84.031</i>					171,269	
Career and Technical Education - Basic Grants to States	84.048			Education	5,277,333	4,410,810
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126			Human Services	10,805,567	916,937
Rehabilitation Long-Term Training	84.129	H129B190001		SDSU	160,525	
Migrant Education Coordination Program	84.144			Education	176,593	1,854
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177			Human Services	246,742	
<i>Special Education - Grants for Infants and Families</i>						
Special Education - Grants for Infants and Families	84.181			Education	1,981,998	
COVID-19 Special Education - Grants for Infants and Families	84.181X			Education	86,797	
<i>Total ALN 84.181</i>					2,068,795	
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187			Human Services	93,632	
Education for Homeless Children and Youth	84.196			Education	360,005	259,406
Twenty-First Century Community Learning Centers	84.287			Education	5,838,786	5,370,663
Special Education - State Personnel Development	84.323			Education	681,151	340,496
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	H326T180053		USD	97,703	
Rural Education	84.358			Education	164,904	152,197
English Language Acquisition State Grants	84.365			Education	1,028,214	878,385
Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grants)	84.367			Education	9,597,237	9,176,913
Grants for State Assessments and Related Activities	84.369			Education	4,417,226	
School Improvement Grants	84.377			Education	920,734	200,714
Student Support and Academic Enrichment Program	84.424			Education	5,551,381	5,288,740

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Education (continued)						
<i>Education Stabilization Fund</i>						
COVID-19 Education Stabilization Fund - Discretionary Grants: Rethink K-12 Education Models Grants	84.425B			Education	999,102	
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief Fund	84.425C			Education	5,232,504	4,416,807
COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425D			Education	55,046,370	54,586,893
COVID-19 Education Stabilization Fund - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	84.425E	P425E201956; P425E203122 P425F200885;		BHSU/DSU/NSU/SDSMT/ SDSU/USD	22,573,811	
COVID-19 Education Stabilization Fund - Higher Education Emergency Relief Fund (HEERF) Institutional Portion	84.425F	P425F201807; P425F201010		BHSU/DSU/NSU/SDSMT/ SDSU/USD	10,801,353	
COVID-19 Education Stabilization Fund - Higher Education Emergency Relief Fund (HEERF) Strengthening Institutions Program	84.425M	P425M200220		USD	851,692	
COVID-19 Education Stabilization Fund - Emergency Assistance for Non-Public Schools	84.425R			Education	6,241,198	
COVID-19 Education Stabilization Fund - ARP - Elementary and Secondary School Emergency Relief Fund	84.425U			Education	23,640,459	23,082,790
COVID-19 Education Stabilization Fund - ARP - Emergency Assistance to Non-Public Schools	84.425V			Education	210,099	
COVID-19 Education Stabilization Fund - ARP - Homeless Children and Youth	84.425W			Education	119,879	115,623
<i>Total ALN 84.425</i>					<u>125,716,467</u>	<u>82,202,113</u>
COVID-19 Randolph-Sheppard - Financial Relief and Restoration Payments	84.426A			Human Services	22,663	
National Assessment of Educational Progress (NAEP)	84.902			Education	85,450	
Total U.S. Department of Education					<u>437,160,985</u>	<u>197,873,080</u>
U.S. Election Assistance Commission						
Help America Vote Act Requirements Payments	90.401			Secretary of State	12,465	
2018 HAVA Election Security Grant	90.404			Secretary of State	17,575	
Total U.S. Election Assistance Commission					<u>30,040</u>	
U.S. Department of Health and Human Services						
<i>Aging Cluster</i>						
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044			Human Services	1,992,526	201,911
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044			Human Services	711,293	509,188
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045			Human Services	1,494,550	1,138,634
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045			Human Services	3,605,057	3,605,057
Nutrition Services Incentive Program	93.053			Human Services	1,111,103	1,111,103
<i>Total Aging Cluster</i>					<u>8,914,529</u>	<u>6,565,893</u>
<i>CCDF Cluster</i>						
Child Care and Development Block Grant	93.575			Social Services	11,316,928	2,419,977
COVID-19 Child Care and Development Block Grant	93.575			Social Services	50,828,306	7,143,060
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596			Social Services	5,226,384	
COVID-19 Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596			Social Services	1,930,438	
<i>Total CCDF Cluster</i>					<u>69,302,056</u>	<u>9,563,037</u>
<i>Head Start Cluster</i>						
Head Start	93.600	08CH010864		Education/USD	2,737,449	2,500
COVID-19 Head Start	93.600	08CH010864; 08HE000884		USD	241,447	
<i>Total Head Start Cluster</i>					<u>2,978,896</u>	<u>2,500</u>
<i>Medicaid Cluster</i>						
State Medicaid Fraud Control Units	93.775	2001SD5050; 2101SD5050 05-2005-SD-5000;		Attorney General	395,378	
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	05-2105-SD-IMPACT		Health	1,399,673	
COVID-19 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	05-2005-SD-5000		Health	38,827	
Medical Assistance Program	93.778			Social Services	833,827,275	
COVID-19 Medical Assistance Program - 6.2% FFCRA increase	93.778			Social Services	95,640,685	
<i>Total Medicaid Cluster</i>					<u>931,301,838</u>	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Health and Human Services (continued)						
<i>Research and Development (Individual Federal Awards Reported at bottom of Schedule)</i>					12,708,858	1,736,901
<i>Student Financial Assistance (Individual Federal Awards Reported at bottom of Schedule)</i>					14,053,607	
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041			Human Services	27,350	
<i>Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals</i>	93.042					
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals				Human Services	90,723	
COVID-19 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals				Human Services	37,126	
<i>Total ALN 93.042</i>					<u>127,849</u>	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043			Human Services	112,500	19,112
<i>Special Programs for the Aging, Title IV, and Title II, Discretionary Projects</i>	93.048					
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects				Human Services	220,561	94,258
COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects				Human Services	61,934	56,480
<i>Total ALN 93.048</i>					<u>282,495</u>	<u>150,738</u>
National Family Caregiver Support, Title III, Part E	93.052			Human Services	764,812	170,471
Sexual Risk Avoidance Education - (Title V State SRAE) Program	93.060	90SR0123		Health	136,398	88,084
Chronic Diseases: Research, Control, and Prevention	93.068	73-1328414	National Association of Chronic Disease Directors	SDSU	4,764	
Public Health Emergency Preparedness	93.069	NU90TP922021		Health	4,168,371	101,527
Medicare Enrollment Assistance Program	93.071			Human Services	27,382	27,000
Lifespan Respite Care Program	93.072			Human Services	62,060	
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	NU87PS004310		Health	86,212	
<i>Guardianship Assistance</i>	93.090					
Guardianship Assistance				Social Services	165,930	
COVID-19 Guardianship Assistance - 6.2% FFCRA increase				Social Services	14,818	
<i>Total ALN 93.090</i>					<u>180,748</u>	
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	2001SDPREP		Health	186,777	157,757
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	H79SM082998	Sisseton-Wahpeton Oyate	SDSU	6,368	
Area Health Education Centers - Point of Service Maintenance and Enhancement Awards	93.107	U77HP26850		USD	541,030	426,395
<i>Maternal and Child Health Federal Consolidated Programs</i>	93.110					
Maternal and Child Health Federal Consolidated Programs		RS20201119-02	University of Oklahoma	USD	34,960	
Maternal and Child Health Federal Consolidated Programs		T73MC00037; U7E42170		USD	805,103	
Maternal and Child Health Federal Consolidated Programs - SD State Systems Development Initiative and Children's Oral Healthcare Access Program		H1800046		Health	109,502	
<i>Total ALN 93.110</i>					<u>949,565</u>	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	NU52PS910204		Health	161,976	
Emergency Medical Services for Children	93.127	H33MC06693		USD	117,227	
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	U6811439		Health	189,301	
Injury Prevention and Control Research and State and Community Based Programs - Sexual Violence Prevention and Education	93.136	NUF2CE002491; NU17CE924922; NU17CE924994		Health	2,905,509	133,107

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Health and Human Services (continued)						
Community Programs to Improve Minority Health Grant Program	93.137	CPIMP151092		USD	6,857	6,857
Projects for Assistance in Transition from Homelessness (PATH)	93.150			Social Services	344,123	314,943
COVID-19 Rural Health Research Centers - SHIP	93.155	H3L42215		Health	679,887	679,887
Graduate Psychology Education	93.191	D4045684		USD	3,210	
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	NUE2EH001423		Health	72,670	
Family Planning Services	93.217	FPHPA006469		Health	1,047,499	528,533
Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	93.235	2101SDSRAE		Health	175,475	156,792
State Rural Hospital Flexibility Program	93.241	U2WRH33329		Health	805,743	
<i>Substance Abuse and Mental Health Services Projects of Regional and National Significance</i>	93.243					
Substance Abuse and Mental Health Services Projects of Regional and National Significance		H79SM081688	Southeastern Behavioral HealthCare	SDSU	191,806	
Substance Abuse and Mental Health Services Projects of Regional and National Significance		H79TI082565		Social Services/USD	802,017	
Substance Abuse and Mental Health Services Projects of Regional and National Significance - Project AWARE				Education	1,056,771	591,149
Substance Abuse and Mental Health Services Projects of Regional and National Significance - Strategic Prevention Framework State Incentive Grant				Social Services	283,845	46,988
<i>Total ALN 93.243</i>					<u>2,334,439</u>	<u>638,137</u>
Early Hearing Detection and Intervention	93.251	H61MC33906; H61MC28391		Health/USD	190,838	
Occupational Safety and Health Program	93.262	U54OH008085	Colorado State University	SDSU	13,613	
<i>Immunization Cooperative Agreements</i>	93.268					
Immunization Cooperative Agreements		NH23IP922581		Health	12,779,465	39,337
COVID-19 Immunization Cooperative Agreements		NH23IP922581		Health	3,309,704	209,663
<i>Total ALN 93.268</i>					<u>16,089,169</u>	<u>249,000</u>
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	283-02-9026		Social Services	18,481	
<i>Small Rural Hospital Improvement Grant Program</i>	93.301					
Small Rural Hospital Improvement Grant Program		H3HRH00021		Health	446,963	446,963
COVID-19 Small Rural Hospital Improvement Grant Program				Health	1,720,920	1,720,920
<i>Total ALN 93.301</i>					<u>2,167,883</u>	<u>2,167,883</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	NU58DP006819		Health	914,414	
Outreach Programs to Reduce the Prevalence of Obesity in High Risk Rural Areas	93.319	NU58DP006571		SDSU	382,488	
<i>Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</i>	93.323					
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		NU50CK000512		Health	1,064,516	
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		NU50CK000512		Health	43,853,118	
<i>Total ALN 93.323</i>					<u>44,917,634</u>	
State Health Insurance Assistance Program	93.324			Human Services	280,985	205,058
Behavioral Risk Factor Surveillance System	93.336	NU58DP006858		Health	244,211	
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922117		Health	378,595	38,957
Nurse Education, Practice Quality and Retention Grants	93.359	UK1HP31729		SDSU	669,015	
ACL Independent Living State Grants	93.369			Human Services	347,390	331,003
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	NH75OT000041		Health	2,598,615	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Health and Human Services (continued)						
The State Flexibility to Stabilize the Market Grant Program	93.413			Labor	19,614	
COVID-19 Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	14-21-8815	Association of University Centers on Disabilities	USD	24,483	
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	NU58DP006526		Health	1,638,834	
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 Children's Hospital	USD	54,444	
ACL Assistive Technology	93.464			Human Services	481,078	472,137
COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498			Social Services/ Veterans Affairs	3,086,349	
<i>MaryLee Allen Promoting Safe and Stable Families Program</i>	93.556			Social Services	1,120,701	
MaryLee Allen Promoting Safe and Stable Families Program				Social Services	174,379	
COVID-19 MaryLee Allen Promoting Safe and Stable Families Program					<u>1,295,080</u>	
<i>Total ALN 93.556</i>						
<i>Temporary Assistance for Needy Families</i>	93.558					
Temporary Assistance for Needy Families				Social Services	20,307,154	432,597
COVID-19 Temporary Assistance for Needy Families				Social Services	2,285,616	
<i>Total ALN 93.558</i>					<u>22,592,770</u>	<u>432,597</u>
Child Support Enforcement (Note 3N)	93.563			Social Services	5,344,505	
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566			Social Services	83,179	
<i>Low-Income Home Energy Assistance</i>	93.568					
Low-Income Home Energy Assistance				Social Services	23,785,654	991,223
COVID-19 Low Income Home Energy Assistance				Social Services	5,433,011	
<i>Total ALN 93.568</i>					<u>29,218,665</u>	<u>991,223</u>
<i>Community Services Block Grant</i>	93.569					
Community Services Block Grant				Social Services	3,604,065	3,509,086
COVID-19 Community Services Block Grant				Social Services	1,505,241	1,505,241
<i>Total ALN 93.569</i>					<u>5,109,306</u>	<u>5,014,327</u>
<i>State Court Improvement Program</i>	93.586					
State Court Improvement Program		2101SDSCIP		Unified Judicial System	102,368	101,412
State Court Improvement Program - Data Sharing		2101SDSCID; 2001SDSCID		Unified Judicial System	81,149	3,787
State Court Improvement Program - Training		2101SDSCIT; 2001SDSCIT		Unified Judicial System	67,293	3,558
<i>Total ALN 93.586</i>					<u>250,810</u>	<u>108,757</u>
Community-Based Child Abuse Prevention Grants - Child Abuse Prevention and Treatment	93.590			Social Services	140,928	
Grants to States for Access and Visitation Programs	93.597			Public Safety	104,946	104,946
<i>Chafee Education and Training Vouchers Program (ETV)</i>	93.599					
Chafee Education and Training Vouchers Program (ETV)				Social Services	225,090	
COVID-19 Chafee Education and Training Vouchers Program (ETV)				Social Services	126,583	
<i>Total ALN 93.599</i>					<u>351,673</u>	
Adoption and Legal Guardianship Incentive Payments	93.603			Social Services	273,415	
Community Health Access and Rural Transformation (Chart) Model	93.624			Social Services	6,530	
<i>Developmental Disabilities Basic Support and Advocacy Grants</i>	93.630					
Developmental Disabilities Basic Support and Advocacy Grants				Human Services	659,498	592,144
Developmental Disabilities Basic Support and Advocacy Grants		577308	University of Arizona	USD	19,544	
<i>Total ALN 93.630</i>					<u>679,042</u>	<u>592,144</u>

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Health and Human Services (continued)						
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	90DDUC0024; 90DDTI0032; 90DDC50017-01		USD	636,691	
Children's Justice Grants to States	93.643			Social Services	96,784	
<i>Stephanie Tubbs Jones Child Welfare Services Program</i>	93.645			Social Services	595,335	
Stephanie Tubbs Jones Child Welfare Services Program				Social Services	76,341	
COVID-19 Stephanie Tubbs Jones Child Welfare Services Program						
<i>Total ALN 93.645</i>					<u>671,676</u>	
Child Welfare Research Training or Demonstration	93.648	16-92159	Research Foundation for SUNY	USD	89,080	
<i>Foster Care Title IV-E</i>	93.658			Social Services	8,235,988	
Foster Care Title IV-E				Social Services	425,573	
COVID-19 Foster Care Title IV-E - 6.2% FFCRA increase						
<i>Total ALN 93.658</i>					<u>8,661,561</u>	
<i>Adoption Assistance</i>	93.659			Social Services	7,814,005	
Adoption Assistance				Social Services	737,990	
COVID-19 Adoption Assistance - 6.2% FFCRA increase						
<i>Total ALN 93.659</i>					<u>8,551,995</u>	
COVID-19 Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665			Social Services	1,584,295	191,650
Social Services Block Grant	93.667			Social Services	4,392,527	
Child Abuse and Neglect State Grants	93.669			Social Services	82,559	
<i>Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services</i>	93.671			Public Safety	731,793	688,787
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services				Public Safety	181,742	174,743
COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services						
<i>Total ALN 93.671</i>					<u>913,535</u>	<u>863,530</u>
<i>John H. Chafee Foster Care Program for Successful Transition to Adulthood</i>	93.674			Social Services	450,871	
John H. Chafee Foster Care Program for Successful Transition to Adulthood				Social Services	1,096,543	
COVID-19 John H. Chafee Foster Care Program for Successful Transition to Adulthood						
<i>Total ALN 93.674</i>					<u>1,547,414</u>	
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	237,661	
<i>Elder Abuse Prevention Interventions Program</i>	93.747			Human Services	494,808	
COVID-19 Elder Abuse Prevention Interventions Program				Human Services	767,988	767,988
COVID-19 Elder Abuse Prevention Interventions Program - CRRSA Act, 2021 Supplemental Funding for APS under SSA Title XX Section 2042(b) 93.747						
<i>Total ALN 93.747</i>					<u>1,262,796</u>	<u>767,988</u>
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	90FPSG0022		SDSU	50,173	14,192
<i>Children's Health Insurance Program</i>	93.767			Social Services	26,244,119	
Children's Health Insurance Program				Social Services	1,606,579	
COVID-19 Children's Health Insurance Program - 4.34% FFCRA increase						
<i>Total ALN 93.767</i>					<u>27,850,698</u>	
<i>Opioid STR</i>	93.788					
Opioid STR		H79TI081898	Trustees of Purdue University	SDSU	9,107	
Opioid STR		H79TI081899		Social Services/SDSU	4,475,881	466,964
<i>Total ALN 93.788</i>					<u>4,484,988</u>	<u>466,964</u>

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
U.S. Department of Health and Human Services (continued)						
<i>Money Follows the Person Rebalancing Demonstration</i>	93.791					
Money Follows the Person Rebalancing Demonstration				Social Services	2,161,253	
COVID-19 Money Follows the Person Rebalancing Demonstration - 3.1% FFCRA increase				Social Services	79,049	
<i>Total ALN 93.791</i>					<u>2,240,302</u>	
State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	93.796	05-1905-SD-5001		Health	967,318	
Organized Approaches to Increase Colorectal Cancer Screening	93.800	NU58DP006763		Health	366,531	107,568
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	X10MC39715		Health	825,897	
<i>National Bioterrorism Hospital Preparedness Program</i>	93.889					
National Bioterrorism Hospital Preparedness Program		U3REP190559		Health	1,621,200	894,040
COVID-19 National Bioterrorism Hospital Preparedness Program		U3REP190559		Health	1,013,417	
<i>Total ALN 93.889</i>					<u>2,634,617</u>	<u>894,040</u>
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	NU58DP006293		Health	1,675,746	
<i>Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement</i>	93.912					
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement		6 D06RH375230102	Avera Sacred Heart Hospital	SDSU	116,141	
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement		GA1RH39598;				
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement		D04RH31802; H7N42565		SDSU/USD	348,577	
<i>Total ALN 93.912</i>					<u>464,718</u>	
Grants to States for Operation of State Offices of Rural Health	93.913	H96RH00127		Health	290,415	
HIV Care Formula Grants - Ryan White Care Act Title II	93.917	X0700010; X07HA00010		Health	1,683,569	728,335
Demonstration Projects for Indian Health	93.933	2021-USD-01	South Dakota Urban Indian Health	USD	458	
HIV Prevention Activities Health Department Based	93.940	NU62PS924534		Health	946,922	337,146
<i>Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs</i>	93.946					
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs		U01DP006618;				
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs		U01DP006196		Health	149,263	
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs - Pregnancy Risk Assessment Monitoring System		U01DP006618		Health	14,098	
<i>Total ALN 93.946</i>					<u>163,361</u>	
<i>Block Grants for Community Mental Health Services</i>	93.958					
Block Grants for Community Mental Health Services				Social Services	1,686,194	
COVID-19 Block Grants for Community Mental Health Services				Social Services	456,699	156,554
<i>Total ALN 93.958</i>					<u>2,142,893</u>	<u>156,554</u>
<i>Block Grants for Prevention and Treatment of Substance Abuse</i>	93.959					
Block Grants for Prevention and Treatment of Substance Abuse				Social Services	6,556,926	48,397
COVID-19 Block Grants for Prevention and Treatment of Substance Abuse				Social Services	471,856	5,000
<i>Total ALN 93.959</i>					<u>7,028,782</u>	<u>53,397</u>
PPHF Geriatric Education Centers	93.969	U1QHP33081	University of North Dakota	SDSU	316	
Health Professions Recruitment Program for Indians	93.970	NU11HS0065		SDSU	275,109	
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	NH25PS005161		Health	961,287	
Mental Health Disaster Assistance and Emergency Mental Health	93.982			Social Services	725,254	13,948
Preventive Health and Health Services Block Grant	93.991	NB01OT009335		Health	347,102	
Maternal and Child Health Services Block Grant to the States	93.994	B0440162		Health	1,504,135	38,901
Total U.S. Department of Health and Human Services					<u>1,282,096,528</u>	<u>36,809,916</u>

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
Corporation for National and Community Service						
AmeriCorps State and National 94.006	94.006			SDSMT	8,520	
Total Corporation for National and Community Service					<u>8,520</u>	
Executive Office of the President						
High Intensity Drug Trafficking Areas Program	95.001	G19MW0004A; G20MW0004A		Attorney General	1,087,880	528,307
Total Executive Office of the President					<u>1,087,880</u>	<u>528,307</u>
Social Security Administration						
<i>Disability Insurance/SSI Cluster</i>						
Social Security Disability Insurance	96.001	04-0804SDDI00		Human Services	5,858,677	
<i>Total Disability Insurance/SSI Cluster</i>					<u>5,858,677</u>	
Total Social Security Administration					<u>5,858,677</u>	
U.S. Department of Homeland Security						
Non-Profit Security Program	97.008			Public Safety	531,267	531,267
Boating Safety Financial Assistance	97.012			Game, Fish and Parks	1,390,228	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			Public Safety	3,845,852	2,316,147
Hazard Mitigation Grant	97.039			Public Safety	1,616,456	1,475,033
National Dam Safety Program	97.041			Agriculture and Natural Resources	183,649	
<i>Emergency Management Performance Grants</i>	97.042					
Emergency Management Performance Grants				Public Safety	3,466,823	1,171,735
COVID-19 Emergency Management Performance Grants				Public Safety	228,442	47,246
<i>Total ALN 97.042</i>					<u>3,695,265</u>	<u>1,218,981</u>
BRIC: Building Resilient Infrastructure and Communities	97.047			Public Safety	599,031	586,760
Homeland Security Grant Program	97.067			Public Safety	3,326,858	2,268,113
Total U.S. Department of Homeland Security					<u>15,188,606</u>	<u>8,396,301</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 2,935,745,458</u>	<u>\$ 472,974,643</u>
Research and Development Cluster						
<i>U.S. Department of Agriculture</i>						
Agricultural Research Basic and Applied Research	10.001	58-3060-0-025		SDSU	\$ 851	\$
Agricultural Research Basic and Applied Research	10.001	59-0206-0-115		SDSU	2,883	
Agricultural Research Basic and Applied Research	10.001	58-3060-9-036		SDSU	2,946	
Agricultural Research Basic and Applied Research	10.001	58-5030-1-034		SDSU	10,258	
Agricultural Research Basic and Applied Research	10.001	58-8042-0-074		SDSU	17,564	
Agricultural Research Basic and Applied Research	10.001	58-3060-9-048		SDSU	57,373	
Agricultural Research Basic and Applied Research	10.001	58-3060-9-049		SDSU	65,964	
Agricultural Research Basic and Applied Research	10.001	58-3080-1-001		SDSU	67,628	
Agricultural Research Basic and Applied Research	10.001	59-0206-1-199		SDSU	92,341	
Agricultural Research Basic and Applied Research	10.001	59-0206-0-117		SDSU	95,015	
Agricultural Research Basic and Applied Research	10.001	59-0206-0-116		SDSU	127,080	
Agricultural Research Basic and Applied Research	10.001	58-0206-0-200		SDSU	130,544	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21VSSP0000C049		SDSU	84,307	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21VSD&B000C023		SDSU	142,311	105,332
Conservation Reserve Program	10.069	2501.20.066948	National Fish and Wildlife Foundation	SDSU	91,527	
Conservation Reserve Program	10.069	NR186740XXXXG005		SDSU	26,159	
Grants for Agricultural Research, Special Research Grants	10.200	20203862432471	North Dakota State University	SDSU	3,883	
Cooperative Forestry Research	10.202			SDSU	299,512	
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203			SDSU	529,072	
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	415-49-02		SDSU	1,997,251	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
Research and Development Cluster (continued)						
Animal Health and Disease Research	10.207			SDSU	33,694	
Sustainable Agriculture Research and Education	10.215	2019-38640-29879	Regents of the University of Minnesota	SDSU	59	
Sustainable Agriculture Research and Education	10.215	2021-38640-34714	Regents of the University of Minnesota	SDSU	22,193	
Sustainable Agriculture Research and Education	10.215	2018-38640-28416	University of Minnesota	SDSU	90,469	19,788
Higher Education - Institution Challenge Grants Program	10.217	2020-70003-32308		SDSU	20,139	34
Higher Education - Institution Challenge Grants Program	10.217	2020-70003-30933		SDSU	225,507	111,548
Biotechnology Risk Assessment Research	10.219	2021-33522-35486		SDSU	2,746	
Biotechnology Risk Assessment Research	10.219	2018-33522-28795		SDSU	96,366	
1994 Institutions Research Program	10.227	2019-38424-29292	Fort Berthold Community College	SDSU	27,422	
Homeland Security Agricultural	10.304	2021-37621-35790	Kansas State University	SDSU	10,130	
Organic Agriculture Research and Extension Initiative	10.307	2020-51300-32379	Cornell University	SDSU	59,480	
Specialty Crop Research Initiative	10.309	2017-51181-26829	Cornell University	SDSU	53,978	
Agriculture and Food Research Initiative (AFRI)	10.310	2015-68007-23193	Trustees of Purdue University	SDSU	975	
Agriculture and Food Research Initiative (AFRI)	10.310	20216701534419	North Dakota State University	SDSU	2,351	
Agriculture and Food Research Initiative (AFRI)	10.310	2022-67016-36201	State of Oklahoma	SDSU	3,113	
Agriculture and Food Research Initiative (AFRI)	10.310	2019-67013-29015	Board of Trustees of Michigan State University	SDSU	9,110	
Agriculture and Food Research Initiative (AFRI)	10.310	20176700725939	Regents of the University of California-Davis	SDSU	106,959	
Agriculture and Food Research Initiative (AFRI)	10.310	2017-67016-26775		SDSU	1,456	
Agriculture and Food Research Initiative (AFRI)	10.310	2018-67014-27454		SDSU	2,936	
Agriculture and Food Research Initiative (AFRI)	10.310	2022-69014-36670		SDSU	4,158	
Agriculture and Food Research Initiative (AFRI)	10.310	2022-67021-36518		SDSU	4,957	
Agriculture and Food Research Initiative (AFRI)	10.310	2017-67016-26776		SDSU	5,085	
Agriculture and Food Research Initiative (AFRI)	10.310	2017-67032-26016		SDSU	11,603	
Agriculture and Food Research Initiative (AFRI)	10.310	2021-67022-34344		SDSU	26,182	
Agriculture and Food Research Initiative (AFRI)	10.310	2016-68006-24630		SDSU	28,016	
Agriculture and Food Research Initiative (AFRI)	10.310	2019-67016-29444		SDSU	28,170	
Agriculture and Food Research Initiative (AFRI)	10.310	2021-67014-33945		SDSU	36,611	
Agriculture and Food Research Initiative (AFRI)	10.310	2018-67020-27809		SDSU	45,001	
Agriculture and Food Research Initiative (AFRI)	10.310	20216701634829		SDSU	57,774	
Agriculture and Food Research Initiative (AFRI)	10.310	20216701634460		SDSU	59,341	
Agriculture and Food Research Initiative (AFRI)	10.310	20216702034246		SDSU	71,955	
Agriculture and Food Research Initiative (AFRI)	10.310	2019-67032-29308		SDSU	72,696	
Agriculture and Food Research Initiative (AFRI)	10.310	2019-67022-29695		SDSU	77,202	
Agriculture and Food Research Initiative (AFRI)	10.310	2018-67032-27712		SDSU	79,306	
Agriculture and Food Research Initiative (AFRI)	10.310	2021-67016-33497		SDSU	80,079	
Agriculture and Food Research Initiative (AFRI)	10.310	2019-67014-29238		SDSU	82,902	
Agriculture and Food Research Initiative (AFRI)	10.310	2020-68018-30656		SDSU	123,851	
Agriculture and Food Research Initiative (AFRI)	10.310	2021-67022-33469		SDSU	133,882	
Agriculture and Food Research Initiative (AFRI)	10.310	20186701727566		SDSU	145,936	
Agriculture and Food Research Initiative (AFRI)	10.310	2018-67020-27885		SDSU	217,186	
Agriculture and Food Research Initiative (AFRI)	10.310	2022-69015-36283		SDSU	29,926	8,400
Agriculture and Food Research Initiative (AFRI)	10.310	2017-67014-26530		SDSU	49,831	11,884
Agriculture and Food Research Initiative (AFRI)	10.310	2021-68008-34100		SDSU	72,891	25,754
Agriculture and Food Research Initiative (AFRI)	10.310	2017-67024-26279		SDSU	83,525	31,297
Agriculture and Food Research Initiative (AFRI)	10.310	2017-67008-25934		SDSU	88,871	88,871
Agriculture and Food Research Initiative (AFRI)	10.310	2021-69008-34111		SDSU	101,195	23,274
Agriculture and Food Research Initiative (AFRI)	10.310	2016-68004-24768		SDSU	392,909	211,851
Sun Grant Program	10.320	2020-38502-32916		SDSU	280,995	252,665
Sun Grant Program	10.320	2019-38502-30120		SDSU	917,604	766,645
Alfalfa and Forage Research Program	10.330	20197000530239	North Dakota State University	SDSU	19,642	10,364
Cooperative Extension Service	10.500	20184610028766		SDSU	13,027	13,027
Rural Health and Safety Education Competitive Grants Program	10.516	2020-46100-32816		SDSU	80,772	31,350
Wood Utilization Assistance	10.674	20-DG-11021600-026		SDSU	10,207	
Research Joint Venture and Cost Reimbursable Agreements	10.707	22-JV-11221632-051		SDSU	349	
Research Joint Venture and Cost Reimbursable Agreements	10.707	22-JV-11221632-040		SDSU	3,227	
Research Joint Venture and Cost Reimbursable Agreements	10.707	19-JV-11221635-090		SDSU	10,974	
Soil and Water Conservation	10.902	69-6740-17-034	Southeast South Dakota Experiment Farm	SDSU	19,386	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
Research and Development Cluster (continued)						
Soil and Water Conservation	10.902	NR196740XXXXG012		SDSU	10,710	
Soil and Water Conservation	10.902	NR196740XXXXG005		SDSU	14,736	
Soil and Water Conservation	10.902	NR186740XXXXG006		SDSU	23,051	
Soil and Water Conservation	10.902	NR186740XXXXG007		SDSU	26,636	
Soil and Water Conservation	10.902	NR186740XXXXG005		SDSU	34,879	
Soil and Water Conservation	10.902	NR183A750023C001		SDSU	53,054	
Soil and Water Conservation	10.902	NR206740XXXXG002		SDSU	239,142	27,446
Soil Survey	10.903	NR203A750025C008		SDSU	17,661	
			North Dakota State			
Environmental Quality Incentives Program	10.912	69-3A75-17-282	University	SDSU	54,741	
Environmental Quality Incentives Program	10.912	NR216740XXXXC003		SDSMT	20,683	
Environmental Quality Incentives Program	10.912	NR216740XXXXG002		SDSU	42	
Environmental Quality Incentives Program	10.912	NR206740XXXXG003		SDSU	657	
Environmental Quality Incentives Program	10.912	NR216740XXXXG008		SDSU	4,751	
Environmental Quality Incentives Program	10.912	NR196740XXXXG007		SDSU	5,237	
Environmental Quality Incentives Program	10.912	NR186740XXXXG007		SDSU	13,318	
Environmental Quality Incentives Program	10.912	NR196740XXXXG012		SDSU	16,065	
Environmental Quality Incentives Program	10.912	NR186740XXXXG005		SDSU	17,440	
Environmental Quality Incentives Program	10.912	69-3A75-17-285		SDSU	95,232	
Environmental Quality Incentives Program	10.912	NR196740XXXXG005		SDSU	117,889	
Environmental Quality Incentives Program	10.912	NR216740XXXXG007		SDSU	39,621	1,056
Conservation Stewardship Program	10.924	NR216740XXXXC001		SDSU	62	
Conservation Stewardship Program	10.924	NR186740XXXXG005		SDSU	8,720	
Conservation Stewardship Program	10.924	NR196740XXXXG005		SDSU	14,736	
Conservation Stewardship Program	10.924	NR186740XXXXG006		SDSU	53,786	
Conservation Stewardship Program	10.924	NR196740XXXXG012		SDSU	80,323	
Conservation Stewardship Program	10.924	NR186740XXXXG007		SDSU	93,227	
Value Differences in Feed Cattle Auction Reporting	10.UNKNOWN	PO0409018488	State of Oklahoma	SDSU	5,123	
<i>Total U.S. Department of Agriculture</i>					9,242,298	1,740,586
<i>U.S. Department of Commerce</i>						
Economic Development Technical Assistance	11.303	ED18DEN3030025		SDSU	83,035	
COVID-19 Economic Adjustment Assistance	11.307	ED20DEN3070060		SDSU	130,382	
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	NA19NES4320002	State of Maryland	SDSU	36,357	
Special Oceanic and Atmospheric Projects	11.460	NA20OAR4600290		SDSU	124,194	
<i>Total U.S. Department of Commerce</i>					373,968	
<i>U.S. Department of Defense</i>						
Collaborative Research and Development	12.114	GR09638	Desert Research Institute	USD	1,318	
Collaborative Research and Development	12.114	GR12211	Desert Research Institute	USD	47,031	
Collaborative Research and Development	12.114	W912P618C0007		USD	1,400	
Commercial Technologies for Maintenance Activities Program - Improved Hardware Sustainment	12.225	HQ0034-20-2-0007	VRC Metal Systems, LLC	SDSMT	13,631	
Basic and Applied Scientific Research	12.300	N00014-17-1-2965		SDSMT	36,016	
Basic and Applied Scientific Research	12.300	N002531910003		SDSMT	5,468	
Basic and Applied Scientific Research	12.300	N00174-20-1-0007		SDSMT	24,629	
Basic and Applied Scientific Research	12.300	N00174-20-1-0021		SDSMT	26,138	
Basic and Applied Scientific Research	12.300	N00174-19-1-0027		SDSMT	115,014	
Basic and Applied Scientific Research	12.300	W9126G-18-2-0061		SDSU	22,338	
Scientific Research - Combating Weapons of Mass Destruction	12.351	HDTRA12020001	The John Hopkins University	SDSMT	78,481	
Pest Management and Vector Control Research	12.355	W911QY1910013		USD	253,956	80,000
Military Medical Research and Development	12.420	W81XWH2020034		SDSU	31,152	
Military Medical Research and Development	12.420	W81XWH2020025		SDSU	88,982	
Basic Scientific Research	12.431	W911NF2220005	VRC Metal Systems, LLC	SDSMT	17,025	
Basic Scientific Research	12.431	W911NF1920329	HF Webster	SDSMT	57,404	
Basic Scientific Research	12.431	W911NF2120054		SDSMT	79,324	
Basic Scientific Research	12.431	W911NF2110017		SDSMT	147,315	
			Rochester Institute of			
Basic, Applied, and Advanced Research in Science and Engineering	12.630	Award dated 01.14.2021	Technology	SDSMT	114	
Air Force Defense Research Sciences Program	12.800	FA9550-19-1-0070	Arizona State University	SDSMT	26,675	
Air Force Defense Research Sciences Program	12.800	FA9550-22-1-0183		SDSU	10,880	
Air Force Defense Research Sciences Program	12.800	FA9550-19-1-0289		SDSMT	122,836	
Information Security Grants	12.902			DSU	993	
Information Security Grants	12.902			DSU	83,581	
Information Security Grants - NCAEC Fac Dev Workshop Travel	12.902			DSU	18,920	
Information Security Grants - NSA Cyber Scholarship Program at DSU	12.902			DSU	23,780	
GenCyber Grants Program	12.903			DSU	426,681	

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, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
Research and Development Cluster (continued)						
CyberSecurity Core Curriculum - Cyber Curriculum and Research	12.905			DSU	209,310	
CyberSecurity Core Curriculum - Machine Learning Assisted Cloud-Based Continuous Learning						
Approach for IoT Device Identification	12.905			DSU	104,386	
CyberSecurity Core Curriculum - NCAE-C K12	12.905			DSU	4,936	
CyberSecurity Core Curriculum - NCAE-C Research	12.905			DSU	156,497	
CyberSecurity Core Curriculum - NCAE-CHI CityU	12.905			DSU	4,358	
CyberSecurity Core Curriculum - NCAE-C Faculty Development	12.905			DSU	855,544	631,883
Basic and Applied Scientific Research	12.UNKNOWN	W911NF1920329	HF Webster, LLC	SDSMT	127,461	
Basic and Applied Scientific Research	12.UNKNOWN	N68335-C-17-0016	NanoCoatings, Inc.	SDSMT	5,941	
			Netherlands Organization for applied scientific research			
Basic and Applied Scientific Research	12.UNKNOWN	W912HQ19C0067	TNO	SDSMT	92,997	
Basic Scientific Research	12.UNKNOWN	W9128F21P0094		SDSMT	24,999	
			Advanced Technology International			
Development of Additive Manufacturing Technologies for Energetic Materials	12.UNKNOWN	DOTC-16-01; INIT1199 SA-DAKSTE-1917.1029-		SDSMT	129,194	
MIL Corporation	12.UNKNOWN	DAITA		DSU	817,483	
Navy IPA	12.UNKNOWN	OF69PAULI; OF69HAM		DSU	26,123	
NSA IPA	12.UNKNOWN	PO 975018		DSU	15,476	
Pilot-Scale, Portable Water Treatment Train for Remediation of PFAS Contamination	12.UNKNOWN	FA890321C0010		SDSMT	55,213	
Research and Development	12.UNKNOWN	W913E521C0007	ERDC Contracting Office Rocky Mountain Scientific Laboratory	SDSMT	1,880,944	
Research and Development	12.UNKNOWN	W52P1J093032		SDSMT	2,163	
Small Business Innovation Research	12.UNKNOWN	20-1589S	ADA Technologies	SDSMT	439	
Small Business Innovation Research	12.UNKNOWN	FA864920-P-0398	VRC Metal Systems, LLC	SDSMT	116,287	
Small Business Innovation Research	12.UNKNOWN	N6833519C0558	VRC Metal Systems, LLC	SDSMT	8,303	
Small Business Technology Transfer	12.UNKNOWN	FA864920P0979	HF Webster, LLC	SDSMT	115,762	
Small Business Technology Transfer	12.UNKNOWN	FA8649-20-9-9046	HF Webster, LLC	SDSMT	7,026	
Small Business Innovation Research	12.UNKNOWN	N6833521C0330	VRC Metal Systems, LLC	SDSMT	14,442	
Small Business Technology Transfer Program	12.UNKNOWN	N68936-22-C-0017	Lynntech	SDSMT	29,620	
VENICEKISS	12.UNKNOWN	H98230-16-C-0957		DSU	1,572	
<i>Total U.S. Department of Defense</i>					<u>6,567,558</u>	<u>711,883</u>
<i>U.S. Department of Housing and Urban Development</i>						
National Disaster Resilience Competition	14.272	B-13-DS-34-0002	Rutgers University	SDSU	14,438	
<i>Total U.S. Department of Housing and Urban Development</i>					<u>14,438</u>	
<i>U.S. Department of Interior</i>						
Rangeland Resource Management	15.237	L20AC00504		SDSMT	50,448	
Fisheries and Aquatic Resources Management	15.244	L21AC10400-00		SDSMT	19,601	
Plant Conservation and Restoration Management	15.245	L21AC10524-00		SDSU	26,186	
Cultural Resources Management	15.511	R21AC10453-00		SDSMT	1,211	
Wildlife Restoration and Basic Hunter Education	15.611	F17AF00375	Nebraska Department of Game Fish And Parks	SDSU	1,344	
Wildlife Restoration and Basic Hunter Education	15.611	F17AF01167 (W-136-R-1)	Nebraska Department of Game Fish And Parks	SDSU	30,409	
State Wildlife Grants	15.634		Nebraska Department of Game, Fish and Parks		710,722	135,788
Migratory Bird Joint Ventures	15.637	F15AC01071	Nebraska Community Foundation	SDSU	36,150	
Migratory Bird Joint Ventures	15.637			Game, Fish and Parks	37,589	
Migratory Bird Joint Ventures	15.637	F21AC02848-00		SDSU	20,189	
Endangered Species Recovery Implementation	15.657	F22AC00780		USD	24,042	
Endangered Species Recovery Implementation	15.657	F19AC00386		USD	38,051	
Fish and Wildlife Coordination and Assistance	15.664	F22AC00327-00		SDSU	25,818	
Cooperative Ecosystem Studies Units	15.678	F17AC01252		SDSU	28,641	
Cooperative Ecosystem Studies Units	15.678	F20AC11253-00		SDSU	31,846	
Assistance to State Water Resources Research Institutes	15.805	G16AP00083		SDSU	41,203	
Assistance to State Water Resources Research Institutes	15.805	G21AP10599-00		SDSU	63,771	
U.S. Geological Survey Research and Data Collection	15.808	G18AC00207		SDSMT	47,097	
U.S. Geological Survey Research and Data Collection	15.808	G19AC00177		SDSU	902,684	
U.S. Geological Survey Research and Data Collection - Development of a Portable Field Assay to Detect Environmental DNA of the Endangered Hine's Emerald Dragonfly and Devil Crayfish at a Landscape Level	15.808	G21AC10519		USD	27,342	
Cooperative Research Units	15.812	G17AC00336; RWO 118		SDSU	32,124	
Cooperative Research Units	15.812	G17AC00338; RWO 117		SDSU	236,197	
Cooperative Research Units	15.812	G17AC00337; RWO 116		SDSU	468,690	

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, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
Research and Development Cluster (continued)						
National and Regional Climate Adaptation Science Centers	15.820	G18AC00325	University of Colorado/Boulder	SDSU	5,180	
Cooperative Research and Training Programs - Resources of the National Park System	15.945	P19AC00164		SDSMT	4,925	
Cooperative Research and Training Programs - Resources of the National Park System - Expand						
Missouri River Intern Program	15.945	P20AC00365		USD	12,648	
Basic Scientific Research	15.UNKNOWN	Check #103		SDSMT	2,499	
Effect of Water Velocity and Temperature on Energy Reserves, Growth, Survival, and Dispersal						
Distance of Larval Pallid Sturgeon	15.UNKNOWN	00-UGPR-34; 17-UGPR-47		SDSU	6,766	
<i>Total U.S. Department of Interior</i>					<u>2,933,373</u>	<u>135,788</u>
<i>U.S. Department of Justice</i>						
OVW Research and Evaluation Program - Healing among Rural and Indigenous Women Victims of Domestic Violence: A Mixed-Methodological Analysis	16.026	2020-SI-AX-0008		USD	216,412	73,890
OVW Research and Evaluation Program - Indigenous-led Research on Sex Trafficking among Native Americans in Western South Dakota	16.026	15JOVW-21-GG-02482-MUMU		USD	11,477	
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2019-DU-BX-4011	The University of Central Florida Board of Trustees	SDSU	66,061	
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2017-IJ-CX-0026		SDSMT	109,329	6,303
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	2019-MU-GX-K014-B	Avera Rural Health	USD	97,306	
Byrne Criminal Justice Innovation Program	16.817	2019-BJ-BX-0002	City of Rapid City	USD	36,032	
National Sexual Assault Kit Initiative	16.833	2019-AK-BX-0033	The Network	USD	7,456	
<i>Total U.S. Department of Justice</i>					<u>544,073</u>	<u>80,193</u>
<i>U.S. Department of Labor</i>						
Mine Health and Safety Grants	17.600	MS-36836-21-55-R-46		SDSMT	25,550	
Mine Health and Safety Grants	17.600	MS-35246-20-55-R-46		SDSMT	45,648	
Brookwood-Sago Grant	17.603	BS-37046-21-60-R-46		SDSMT	67,489	
Brookwood-Sago Grant	17.603	BS-35544-20-60-R-46		SDSMT	92,185	
<i>Total U.S. Department of Labor</i>					<u>230,872</u>	
<i>U.S. Department of State</i>						
AEECA/ESF PD Programs	19.900	SKZ10020CA0029	American Councils for International Education: ACTR/ACCELS, Inc.	SDSU	5,000	
<i>Total U.S. Department of State</i>					<u>5,000</u>	
<i>U.S. Department of Transportation</i>						
Highway Research and Development Program	20.200	DTFH61-13-H-00024		SDSMT	254,716	198,743
University Transportation Centers Program	20.701	69A3551947137	Washington State University	SDSU	130,379	
University Transportation Centers Program	20.701	69A3551747108	North Dakota State University	SDSU	263,610	
<i>Total U.S. Department of Transportation</i>					<u>648,705</u>	<u>198,743</u>
<i>National Aeronautics and Space Administration</i>						
Science	43.001	80NSSC1K0235	State of Maryland Board of Trustees of Michigan State University	SDSU	7,080	
Science	43.001	80NSSC19M0132	State of Maryland	SDSU	15,528	
Science	43.001	80NSSC20K0408		SDSU	60,801	
Science	43.001	80NSSC21K0293		SDSMT	83,973	
Science	43.001	80NSSC21K1157		SDSU	26,717	
Science	43.001	80NSSC21K1962		SDSU	31,935	
Science	43.001	80NSSC21K1142		SDSU	98,246	
Science	43.001	80NSSC18K0626		SDSU	162,009	
Science	43.001	80NSSC20K1337		SDSU	141,895	11,330
Science - Interdependent Dynamics of Food, Energy, and Water in Kazakhstan and Mongolia: Connecting LULCC to the Transitional SocioEcological Systems	43.001	RC111029A	Michigan State University	USD	38,879	
Aeronautics	43.002	80NSSC20K0475		SDSU	18,061	
Office of Stem Engagement (OSTEM)	43.008	80NDDC20M0040	South Dakota Space Grant Consortium	SDSU	1,367	
Office of Stem Engagement (OSTEM)	43.008	80NSSC21M0326		SDSMT	9,269	
Office of Stem Engagement (OSTEM)	43.008	80NSSC21M0147		SDSMT	42,429	
Office of Stem Engagement (OSTEM) - Education	43.008	80NSSC20C0638	VRC Metal Systems, LLC	SDSMT	15,827	
Office of Stem Engagement (OSTEM) - Education	43.008	80NSSC19M0168		SDSMT	7,610	
Office of Stem Engagement (OSTEM) - Education	43.008	NNX16AQ98A		SDSMT	12,702	
Office of Stem Engagement (OSTEM) - Education	43.008	80NSSC21P0113		SDSMT	42,128	
Office of Stem Engagement (OSTEM) - Education	43.008	80NSSC20M0156		SDSMT	45,478	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
Research and Development Cluster (continued)						
Office of Stem Engagement (OSTEM) - Education	43.008	80NSSC18M0022		SDSMT	114,312	
Office of Stem Engagement (OSTEM) - Education	43.008	80NSSC19M0063		SDSMT	123,355	
Office of Stem Engagement (OSTEM) - Education	43.008	80NSSC20M0040		SDSMT	730,418	108,850
Space Technology	43.012	80NSSC19K0971	Wichita State University	SDSU	12,324	
Space Technology	43.012	80NSSC21K1297		SDSMT	49,532	
<i>Total National Aeronautics and Space Administration</i>					<u>1,891,875</u>	<u>120,180</u>
<i>National Endowment for the Humanities</i>						
Promotion of the Humanities Federal/State Partnership	45.129	SO-253172-17	South Dakota Humanities Council	SDSU	5,357	
Promotion of the Humanities Federal/State Partnership	45.129	SO-268667-20	South Dakota Humanities Council	SDSU	6,303	
<i>Total National Endowment for the Humanities</i>					<u>11,660</u>	
<i>National Science Foundation</i>						
Engineering	47.041	1842577	Colorado State University	SDSMT	2,391	
Engineering	47.041	060803.362694.01	Mississippi State University	SDSU	8,910	
Engineering	47.041	1903726	Colorado State University	SDSU	32,069	
Engineering	47.041	CNS-2202706	Virginia Polytechnic Institute and State University	SDSU	36,951	
Engineering	47.041	1947303		SDSMT	4,853	
Engineering	47.041	2037874		SDSMT	5,444	
Engineering	47.041	2143972		SDSMT	6,852	
Engineering	47.041	2212643		SDSMT	17,205	
Engineering	47.041	1711946		SDSMT	21,041	
Engineering	47.041	2052631		SDSMT	36,524	
Engineering	47.041	1663646		SDSMT	41,051	
Engineering	47.041	2125851		SDSMT	44,567	
Engineering	47.041	1805550		SDSMT	47,321	
Engineering	47.041	1652958		SDSMT	57,497	
Engineering	47.041	1826314		SDSMT	84,539	
Engineering	47.041	2033577		SDSMT	93,781	
Engineering	47.041	2010696		SDSMT	100,560	
Engineering	47.041	1852336		SDSMT	104,682	
Engineering	47.041	1454102		SDSMT	149,129	
Engineering	47.041	2018626		SDSMT	1,280,731	
Engineering	47.041	1929814		SDSU	3,323	
Engineering	47.041	2138647		SDSU	6,481	
Engineering	47.041	2039482		SDSU	16,455	
Engineering	47.041	2210277		SDSU	22,684	
Engineering	47.041	1852177		SDSU	43,923	
Engineering	47.041	2046627		SDSU	51,383	
Engineering	47.041	2038082		SDSU	57,933	
Engineering	47.041	2033522		SDSU	126,043	
Engineering	47.041	EEC-1852306		USD	36,002	
Engineering - The Role of Cellular Mechanical Oscillations in Triggering Cell Migration	47.041	CMMI-2127031		USD	360	
COVID-19 Engineering	47.041	2028069		SDSU	41,775	
Mathematical and Physical Sciences	47.049	1913746	University of Notre Dame	SDSMT	36,354	
Mathematical and Physical Sciences	47.049	PHY-2150517		BHSU	37,353	
Mathematical and Physical Sciences	47.049	PHY-1852575		BHSU	58,187	
Mathematical and Physical Sciences	47.049	1806826		SDSMT	2,241	
Mathematical and Physical Sciences	47.049	1615050		SDSMT	6,388	
Mathematical and Physical Sciences	47.049	1948838		SDSMT	31,100	
Mathematical and Physical Sciences	47.049	2150356		SDSMT	41,969	
Mathematical and Physical Sciences	47.049	1757799		SDSMT	77,304	
Mathematical and Physical Sciences	47.049	1830066		SDSU	22,453	
Mathematical and Physical Sciences	47.049	2003856		SDSU	24,857	
Mathematical and Physical Sciences	47.049	CHE-1800354		USD	45,519	
Mathematical and Physical Sciences - CAREER: Understanding Structure-Function Relationships of Polyoxovanadate-Alkoxide Clusters from a Bottom-Up Perspective	47.049	2145657		USD	6,664	
Mathematical and Physical Sciences - Germanium-Based Neutrinoless DoubleBeta Decay Searches	47.049	PHY-2111140		USD	26,904	
Mathematical and Physical Sciences - MRI-Acquisition: Sputtering System for Developing Novel Germanium Detectors and Materials	47.049	PHY-2117774		USD	140,850	
Mathematical and Physical Sciences - NSF Center for Sustainable Polymers	47.049	A008060106	University of Minnesota	USD	129,770	
Mathematical and Physical Sciences - REU Site: Molecules Meet Materials	47.049	CHE-2150083		USD	49,799	
Mathematical and Physical Sciences - REU Site: Undergraduate Research in Fluorine Chemistry	47.049	CHE-1757652		USD	31,723	

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, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
Research and Development Cluster (continued)						
Geosciences	47.050	SUBAWD002840	University Corporation for		16,305	
Geosciences	47.050	ICER-2026916	Atmospheric Research	SDSMT	31,730	
Geosciences	47.050	2138293	Columbia University	SDSMT	921	
Geosciences	47.050	2143456		SDSMT	5,345	
Geosciences	47.050	2135828		SDSMT	9,910	
Geosciences	47.050	2136809		SDSMT	15,270	
Geosciences	47.050	2049293		SDSU	213	
Geosciences	47.050	1904142		SDSU	49,651	
Geosciences	47.050	1946396		SDSMT	58,726	
Geosciences - RUI: Collaborative Research: Dust in the Critical Zone from the Great Basin to the Rocky Mountains	47.050	10055640-01	University of Utah	USD	16,267	
			University of			
Computer and Information Science and Engineering	47.070	1925681	Missouri/Columbia	SDSU	7,697	
Computer and Information Science and Engineering	47.070	1949921	Florida Atlantic University	SDSU	8,317	
Computer and Information Science and Engineering	47.070	CNS 1738855		BHSU	197,044	
Computer and Information Science and Engineering	47.070			DSU	58,568	
Computer and Information Science and Engineering	47.070			DSU	117,577	
Computer and Information Science and Engineering	47.070	1626579		SDSMT	43,810	
Computer and Information Science and Engineering	47.070	2007367		SDSMT	155,875	
Computer and Information Science and Engineering	47.070	1950448		SDSU	136,696	
Computer and Information Science and Engineering	47.070	OAC-1827227		USD	98,842	
Computer and Information Science and Engineering	47.070	2026431		SDSU	171,093	122,444
Computer and Information Science and Engineering - Computing Innovation Fellows 2021 Project	47.070	2021CIF-USouthDakota-26	Computing Research	USD	107,967	
Computer and Information Science and Engineering - Great Plains Regional Cyber Team	47.070	C00066283-5	Association	USD	39,641	
Biological Sciences	47.074	1555725	University of Missouri	BHSU	1,623	
Biological Sciences	47.074	1442600		SDSMT	1,121	
Biological Sciences	47.074	2120633		SDSU	1,996	
Biological Sciences	47.074	2030266		SDSU	41,760	
Biological Sciences	47.074	1950503		SDSU	103,718	
Biological Sciences	47.074	2117500		SDSU	242,887	
Biological Sciences	47.074	1922542		SDSU	366,868	
Biological Sciences	47.074	DEB-1837233		USD	11,558	
Biological Sciences	47.074	1546869	Saint Louis University	SDSU	209,207	59,912
Biological Sciences - NSF 20-506 Macrosystems Biology and NEON-Enabled Science	47.074	DEB-2106067		USD	21,687	
Social, Behavioral, and Economic Sciences	47.075	2200523		SDSU	41,080	
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	18,050	
Social, Behavioral, and Economic Sciences - Long-Term Human Responses to Ecological Instability	47.075	BCS-1916770		USD	45,804	
STEM Education (formerly Education and Human Resources)	47.076	2140744		SDSMT	38,975	
STEM Education (formerly Education and Human Resources)	47.076	1642050		SDSMT	49,870	
STEM Education (formerly Education and Human Resources)	47.076	2021135		SDSMT	51,426	
STEM Education (formerly Education and Human Resources)	47.076	2120156		SDSMT	63,340	
STEM Education (formerly Education and Human Resources)	47.076	2121601		SDSMT	65,512	
STEM Education (formerly Education and Human Resources)	47.076	2028340		SDSMT	117,232	
STEM Education (formerly Education and Human Resources)	47.076	1564837		SDSMT	151,781	
STEM Education (formerly Education and Human Resources)	47.076	1828462		SDSMT	160,153	
STEM Education (formerly Education and Human Resources)	47.076	HRD-1463993		SDSU	30,509	
STEM Education (formerly Education and Human Resources)	47.076	2041853		SDSU	52,767	
STEM Education (formerly Education and Human Resources)	47.076	1828492		SDSU	70,474	
STEM Education (formerly Education and Human Resources)	47.076	1950255		SDSU	161,141	
STEM Education (formerly Education and Human Resources)	47.076	1930415		SDSU	213,898	
STEM Education (formerly Education and Human Resources)	47.076	DGE-1828288		USD	72,375	
STEM Education (formerly Education and Human Resources) - JR ROTC	47.076	1548315	Whatcom Community	DSU	77,378	
STEM Education (formerly Education and Human Resources) - Leveraging Computational Thinking to Increase Computer Science within Elementary Classrooms	47.076	DRL-2031526		BHSU	163,214	
STEM Education (formerly Education and Human Resources) - Next Generation Concept Inventory to Help Environmental Programs Evaluate Student Knowledge of Complex Food-Energy-Water Systems in Environmental Education	47.076	000021-00001A.009.00	University of Northern	USD	7,029	
STEM Education (formerly Education and Human Resources) - NRT	47.076		Colorado	DSU	68,980	
STEM Education (formerly Education and Human Resources) - NRT-UtB: University of South Dakota Neuroscience and Nanotechnology Network	47.076	DGE-1633213		USD	493,827	32,658
STEM Education (formerly Education and Human Resources) - SFS Cyber Corp General Renewal	47.076			DSU	762,495	
STEM Education (formerly Education and Human Resources) - SFS Cyber Corp Sch Renewal	47.076			DSU	270,412	
Polar Programs	47.078	2113692		SDSU	131,334	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
Research and Development Cluster (continued)						
Office of International Science and Engineering	47.079	PHY-1812356		USD	56,529	
Office of International Science and Engineering - PIRE: Advanced Germanium Detectors and Technologies for Underground Physics	47.079	OISE-1743790		USD	791,818	362,328
Integrative Activities	47.083	A22-0449-S001	Kansas State University	SDSMT	13,195	
			University of Louisiana at Lafayette			
Integrative Activities	47.083	OIA-1920858		SDSU	69,409	
Integrative Activities	47.083	2132223		SDSMT	48,586	
Integrative Activities	47.083	1833069		SDSMT	84,884	
Integrative Activities	47.083	2019597		SDSMT	792,483	
Integrative Activities	47.083	2138647		SDSU	6,481	
Integrative Activities	47.083	2132021		SDSU	14,670	
Integrative Activities	47.083	2146384		SDSU	43,446	
Integrative Activities	47.083	1736255		SDSMT	765,615	413,908
Integrative Activities	47.083	1920954		SDSMT	1,351,944	334,450
Integrative Activities	47.083			Board of Regents	4,628,816	3,691,082
Integrative Activities - Collaborative Research: Cultivating Indigenous Research Communities for Leadership in Education and STEM - CIRCLES Alliance	47.083	OIA-2038203		BHSU	23,787	
Integrative Activities - EPS-WO Gateway for Education, Training, Broader Impacts and Outreach	47.083	OIA-1903738		USD	6,620	
Integrative Activities - R11 Track-2 FEC: Sustainable Socio-economic, Ecological, and Technological Scenarios	47.083	G137-17-W6274	Montana State University	USD	290,287	
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	1,089	
Integrative Activities - R11 Track-4: Research and Development of Ring-Contact Germanium Detectors	47.083	OIA-2132003		USD	18,074	
Integrative Activities - R11 Track-4: Operating High Purity Germanium Detectors in Liquid Scintillator	47.083	OIA-1929097		USD	68,574	
Intergovernmental Personnel Act	47.UNKNOWN	DMR-1936490		SDSMT	109,932	
<i>Total National Science Foundation</i>					18,267,080	5,016,782
<i>U.S. Environmental Protection Agency</i>						
Nonpoint Source Implementation Grants	66.460	99818520	South Dakota Discovery Center and Aquarium	SDSU	4,018	
			South Dakota Discovery Center and Aquarium			
Nonpoint Source Implementation Grants - Land Use Explorer Kits	66.460	S06-01-T1-P1-02	Center and Aquarium	USD	3,450	
P3 Award: National Student Design Competition for Sustainability	66.516	84016301		SDSMT	10,799	
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814	83684001	Kansas State University	SDSU	10,550	
<i>Total U.S. Environmental Protection Agency</i>					28,817	
<i>U.S. Department of Energy</i>						
Office of Science Financial Assistance Program	81.049	DE-SC0017209/0003	isol8	SDSMT	13,321	
Office of Science Financial Assistance Program	81.049	DE-SC0017229	VRC Metal Systems, LLC	SDSMT	73,175	
Office of Science Financial Assistance Program	81.049	DE-SC0021126	University of Texas at Austin	SDSU	21,086	
Office of Science Financial Assistance Program	81.049	DE-SC0020281	University of Alaska	SDSU	354,078	
Office of Science Financial Assistance Program	81.049	DE-SC0019430		SDSMT	45,951	
Office of Science Financial Assistance Program	81.049	DE-SC0021309		SDSMT	54,402	
Office of Science Financial Assistance Program	81.049	DE-SC0014223		SDSMT	517,298	
Office of Science Financial Assistance Program	81.049	DE-SC0015657		USD	77,426	
Office of Science Financial Assistance Program	81.049	DE-SC0019463		USD	149,138	
Office of Science Financial Assistance Program - Design of a Cryogenic Scintillation Neutrino Detector at the Spallation Neutron Source	81.049	DE-SC0022167		USD	55,995	
Renewable Energy Research and Development	81.087	DE-EE0008923	Colorado School of Mines	SDSMT	100,569	
			Electric Power Research Institute			
Renewable Energy Research and Development	81.087	DE-EE0008574		SDSU	119	
Renewable Energy Research and Development	81.087	DEEE0008521	University of Illinois	SDSU	49,473	
Renewable Energy Research and Development	81.087	DE-EE0008252		SDSMT	460,267	131,750
Renewable Energy Research and Development	81.087	DE-EE009836		SDSMT	5,486	
Advanced Research Projects Agency - Energy	81.135	DE-AR0001226	The Nebraska Board of Regents University of Nebraska	SDSU	4,640	
Basic and Applied Scientific Research	81.UNKNOWN	DE-AC02-05CH11231	Lawrence Berkeley National Laboratory	SDSMT	2,352	
Basic, Applied, and Advanced Scientific Research	81.UNKNOWN	4000195586		SDSMT	23,000	
Basic Research and Development	81.UNKNOWN	DE-AC05-00OR22725	UT Battelle, LLC	SDSMT	311,859	
Deep Underground Neutrino Experiment (DUNE)	81.UNKNOWN	DE-AC02-07CH11359	Fermi Research Alliance, LLC	SDSMT	6,900	
Deep Underground Neutrino Experiment (DUNE)	81.UNKNOWN	DE-AC02-07CH11359	Fermi Research Alliance, LLC	SDSMT	3,715	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
Research and Development Cluster (continued)						
Deep Underground Neutrino Experiment (DUNE)	81.UNKNOWN	DE-AC02-07CH11359	Fermi Research Alliance, LLC	SDSMT	60,130	
Deep Underground Neutrino Experiment (DUNE) - Stripline Welding	81.UNKNOWN	AC0207CH11359	Fermi Research Alliance, LLC	SDSMT	40,119	
Office of Science Financial Assistance Program	81.UNKNOWN	DE-AC02-05CH11231	Lawrence Berkeley National Laboratory	SDSMT	11,816	
Restore Natural Recruitment of Kootenai River White Sturgeon	81.UNKNOWN	76826	Kootenai Tribe of Idaho	SDSMT	89,418	
Small Business Innovation Research	81.UNKNOWN	DE-SC0018577	VRC Metal Systems, LLC	SDSMT	3,759	
Small Business Technology Transfer Program	81.UNKNOWN	89233218CNA000001	Triad National Security, LLC	SDSMT	21,084	
<i>Total U.S. Department of Energy</i>					2,556,576	131,750
<i>U.S. Department of Health and Human Services</i>						
Food and Drug Administration Research	93.103	U18FD006181		SDSU	81,727	
Food and Drug Administration Research	93.103	U18FD006558		SDSU	106,372	
Food and Drug Administration Research	93.103	U19FD007117		SDSU	205,932	
Environmental Health	93.113	U54ES027698	The Regents of the University of Colorado	SDSU	14,231	
Environmental Health	93.113	U54ES027698	The Regents of the University of Colorado	SDSU	19,593	
Environmental Health	93.113	R44ES029006	TF Health Corporation	SDSU	81,655	
Oral Diseases and Disorders Research	93.121	1 R01 DE029159-01A1	University of Iowa	SDSMT	67,960	
Human Genome Research	93.172	R01HG010805		SDSU	339,459	
Human Genome Research - Integrated, Individualized, and Intelligent Prescribing (13P) Clinical Trial Network	93.172	SR-2022-01	Sanford Research	USD	34,713	
Mental Health Research Grants - Characterization of Trophic Factor Induced Antidepressant Action	93.242	R01MH106640		USD	314,360	
Mental Health Research Grants - PTSD, AUD, and Interpersonal Conflict: Within-person Associations	93.242	R01MH122954		USD	510,059	180,715
Mental Health Research Grants - Sex Differences in the Neurobiological Significance of Orexin Stress Signaling	93.242	R15MH125306		USD	161,509	
Occupational Safety and Health Program	93.262	P009439403	Regents of the University of Minnesota	SDSMT	1,620	
Occupational Safety and Health Program	93.262	P009439402	Regents of the University of Minnesota	SDSMT	6,574	
Occupational Safety and Health Program	93.262	P009439401	Regents of the University of Minnesota	SDSMT	15,006	
Alcohol Research Programs	93.273	R01AA027206		USD	255,810	
Alcohol Research Programs - Influence of Early Developmental Ethanol Exposure on Genes, the mTOR Signaling Pathway and Behavior	93.273	R00AA027567		USD	35,027	
Drug Abuse and Addiction Research Programs - Summer Program for Undergraduate Research in Addiction	93.279	1R25DA033674		USD	78,946	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	R03EB028869	National Institute of Health	SDSMT	82,756	
COVID-19 Trans-NIH Research Support	93.310	R01CA240080	The General Hospital Corporation	SDSU	48,319	
Cancer Cause and Prevention Research	93.393	FY21.654.001	The Regents of the University of Colorado	SDSU	12,000	
Cancer Cause and Prevention Research	93.393	R01CA201112	Colorado State University	SDSU	25,806	
Cancer Cause and Prevention Research	93.393	R01CA240080	The General Hospital Corporation	SDSU	54,791	
Cancer Treatment Research	93.395	R03CA252825		SDSMT	17,379	
Cancer Biology Research	93.396	R01CA259581	The University of Texas Southwestern Medical Center	SDSU	36,725	
Cancer Biology Research	93.396	R03CA223935		USD	13,558	
Cancer Research Manpower - Tracing Intratumoral Cellular Heterogeneity Using Genetic Barcoding in Small Cell Lung Cancer	93.398	F31CA243149		USD	44,327	
Opioid STR	93.788	H79TI083272		SDSU	256,803	50,258
Cardiovascular Diseases Research	93.837	R01HL147105		USD	433,745	
Cardiovascular Diseases Research - Cardiac Pathophysiology of Proteasome Phosphoregulation	93.837	R01HL153614		USD	235,957	
Cardiovascular Diseases Research - Cardiac Sympathetic Afferent Reflex Control of Venous Function	93.837	R01HL136741		USD	52,196	
Cardiovascular Diseases Research - Mechanical Response and Cytoskeletal Rearrangement Following Interrupted Cholesterol Metabolism in Vascular Smooth Muscle Cell	93.837	R15HL147214		USD	21,860	
Cardiovascular Diseases Research - PKG and PKA Duo-Activation to Treat Cardiac Proteotoxicity	93.837	R01HL072166		USD	346,624	
Cardiovascular Diseases Research - The NRF2-p62 Axis in the Cross-Talk between Proteasomal and Lysosomal Degradation	93.837	R01HL131667		USD	191,216	2,633
Cardiovascular Diseases Research - VAL-0914 Decreases PAO to Protect Against Cardiac Proteinopathies	93.837	A21-0047	Enable Therapeutics	USD	69,477	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
Research and Development Cluster (continued)						
Lung Diseases Research - Hyperoxic Modulation of Thioredoxin Signaling	93.838	RS20210309-02;				
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	RS20210339-02 R15DK125940	University of Oklahoma	USD SDSU	32,988 53,565	27,188
Diabetes, Digestive, and Kidney Diseases Extramural Research - Novel Target Mechanism (Renal Nerves) for the Beneficial Actions of SGLT2 Inhibition in Congestive Heart Failure	93.847	34-5170-2215-201	University of Nebraska	USD	101,949	
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	USD	199,537	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	F30NS106788		USD	34,868	
Extramural Research Programs in the Neurosciences and Neurological Disorders - Endovanilloid-Mediated Modulation and its Role in Habituation and Sensitization	93.853	R01NS092716		USD	172,783	
Extramural Research Programs in the Neurosciences and Neurological Disorders - FOXOs in Ischemic Stroke	93.853	R01NS124846		USD	20,655	
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	100,578	
Extramural Research Programs in the Neurosciences and Neurological Disorders - Rehabilitation Mechanisms of Hand Motor Recovery After Sensorimotor Cortex Injury	93.853	R01NS097450		USD	25,884	
Extramural Research Programs in the Neurosciences and Neurological Disorders - Role of Ubiquitin in Ischemic Stroke	93.853	R01NS088084		USD	3,030	
Allergy and Infectious Diseases Research	93.855	1R01AI153422-01	Yale University	SDSU	5,004	
Allergy and Infectious Diseases Research	93.855	7R01AI141889-03	University of Kentucky	SDSU	9,898	
Allergy and Infectious Diseases Research	93.855	R01AI152109	Stellenbosch University	SDSU	84,897	
Allergy and Infectious Diseases Research	93.855	R21AI162594		SDSU	167,350	
Allergy and Infectious Diseases Research	93.855	R03AI142593		USD	45,987	
Allergy and Infectious Diseases Research	93.855	R21AI128558		SDSU	48,778	48,778
Allergy and Infectious Diseases Research	93.855	U01AI148153		SDSU	330,700	103,456
Allergy and Infectious Diseases Research - Antibacterial Nanoparticles as Insecticide Synergists and Insect Growth Regulators for Improved Control of Cockroach Infestations	93.855	R41AI162017	Apex Bait Technologies	USD	90,652	
Biomedical Research and Research Training	93.859	R35GM131720	The Regents of the University of Michigan North Dakota State	SDSU	782	
Biomedical Research and Research Training	93.859	P20GM109024	University BBC Entrepreneurial Training and Consulting	SDSU USD	23,259 6,128	
Biomedical Research and Research Training	93.859	1UT2GM130175	University of Nebraska	USD	10,744	
Biomedical Research and Research Training	93.859	34-5250-2005-863		SDSU	54,720	
Biomedical Research and Research Training	93.859	R15GM131263		SDSU	76,101	
Biomedical Research and Research Training	93.859	R15GM134502		SDSU	150,457	
Biomedical Research and Research Training	93.859	1R01GM138861		SDSU	157,424	
Biomedical Research and Research Training	93.859	R15GM140458		SDSU	202,998	
Biomedical Research and Research Training	93.859	R15GM139162		SDSU	306,726	
Biomedical Research and Research Training	93.859	P20GM135008		SDSU	17,057	
Biomedical Research and Research Training	93.859	P20GM103620	Sanford Research	SDSU	16,923	
Biomedical Research and Research Training	93.859	2P20GM103620	Sanford Research	SDSU	16,923	
Biomedical Research and Research Training - AKT/mTOR Pathway in Obesity and Colorectal Cancer (CRC): Molecular Interconnections and Potential Clinical Applications	93.859	UND0026618-S2	University of North Dakota	USD	98,413	327
Biomedical Research and Research Training - AKT/mTOR Pathway in Obesity and Colorectal Cancer: Molecular Interconnections and Potential Clinical Applications-Year 3	93.859	UND0025418-S2	University of North Dakota	USD	18,992	711
Biomedical Research and Research Training - Biomedical Technology - BRIN (Biomedical Research Infrastructure Network) for SD	93.859	P20GM103443		USD	4,118,739	1,231,852
Biomedical Research and Research Training - Center for Biobehavioral Mechanisms of Eating Behavior	93.859	SRN-2021-03	Sanford Research	USD	26,013	
Biomedical Research and Research Training - Comparison of Antibodies Against SARS CoV-2 in Cancer and Non-cancer Pediatric Patients in SD	93.859	SR-2021-02	Sanford Research	USD	25,927	
Biomedical Research and Research Training - Dakota Cancer Collaborative on Translational Activity - Year 3	93.859	UND0025418-S1	University of North Dakota	USD	22,290	
Biomedical Research and Research Training - Dakota Cancer Collaborative on Translational Activity - Year 4	93.859	UND0026618-S1	University of North Dakota	USD	104,208	
Biomedical Research and Research Training - Detection of Antibodies Against SARS-CoV-2 in Cancer Patients	93.859	UND0025418-S4	University of North Dakota	USD	28,733	3,770
Biomedical Research and Research Training - G-RISE	93.859	T32GM136503		USD	159,402	
Biomedical Research and Research Training - Great Plains IDeA-CTR	93.859	34-5250-2016-761	University of Nebraska	USD	9,315	9,315
Biomedical Research and Research Training - Intervention to Promote Breast Cancer Screening Among American Indian Women	93.859	UND0026618-S3	University of North Dakota	USD	164,619	
Biomedical Research and Research Training - Intervention to Promote Breast Cancer Screening Among American Indian Women - Year 3	93.859	UND0025418-S3	University of North Dakota	USD	37,035	
Biomedical Research and Research Training - Midwestern Changes in Substance Use and Treatment During the COVID-19 Pandemic	93.859	SR-2020-04	Sanford Research	USD	252,800	

STATE OF SOUTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Agency/Program Title/Cluster	ALN	Federal/Pass-Through Entity Identifying Number	Pass-Through Entity	State Agency	Total Expenditures	Amount Passed Through to Non-State Agencies
Research and Development Cluster (continued)						
Biomedical Research and Research Training - Site-specific Delivery of Veratridine: A Novel Targeted Therapy in Colorectal Cancer	93.859	UND0025418-S5	University of North Dakota	USD	69,065	
Biomedical Research and Research Training - The Sustainable Heartland Accelerator Regional Partnership (SHARP) Hub	93.859	3UT2GM130175-02S1	BBC Entrepreneurial Training and Consulting	USD	5,915	
COVID-19 Biomedical Research and Research Training - Biomedical Technology - BRIN (Biomedical Research Infrastructure Network) for SD	93.859	P20GM103443		USD	321,201	
Child Health and Human Development Extramural Research	93.865	R03HD099412		SDSU	10,211	
Child Health and Human Development Extramural Research - Developmental Research Program for Medical Students (DRPMS)	93.865	T35HD088383		USD	7,068	
			The University of Texas Health Science Center at Houston			
Aging Research	93.866	7R01AG074283-02		SDSU	33,138	
Antimicrobial Resistance Surveillance in Retail Food Specimens	93.876	U01FD007156		SDSU	184,873	
CDC's Collaboration with Academia to Strengthen Public Health	93.967	20IPA2008334DPG		USD	13,743	
National Institute for Occupational Safety and Health - EVADE Software	93.UNKNOWN	21IPA2116225		SDSMT	718	
Safe Integrated Engineering in Mining	93.UNKNOWN	75D30119C06090		SDSMT	169,926	77,898
<i>Total U.S. Department of Health and Human Services</i>					<u>12,708,858</u>	<u>1,736,901</u>
Total Research and Development Cluster					\$ 56,025,151	\$ 9,872,806
Student Financial Assistance Cluster						
<i>U.S. Department of Education</i>						
Federal Supplemental Educational Opportunity Grants	84.007	P007A213840		BHSU/DSU/NSU/SDSMT/SDSU/USD	\$ 1,896,629	\$
Federal Work-Study Program	84.033	P033A213840; P033A203840		BHSU/DSU/NSU/SDSMT/SDSU/USD	1,907,837	
Federal Perkins Loan Program - Federal Capital Contributions (Notes 3D and 3F)	84.038			BHSU/DSU/NSU/SDSMT/SDSU/USD	9,274,277	
		P063P212214; P063P202214; P063P182214;		BHSU/DSU/NSU/SDSMT/SDSU/USD	23,888,768	
Federal Pell Grant Program	84.063	P063P222214		BHSU/DSU/NSU/SDSMT/SDSU/USD	129,067,138	
Federal Direct Student Loans (Note 3H)	84.268	P268K232214; P268K222214		BHSU/DSU/NSU/SDSU/USD	204,634	
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	P379T222214		USD	<u>166,239,283</u>	
<i>Total U.S. Department of Education</i>						
<i>U.S. Department of Health and Human Services</i>						
Nurse Faculty Loan Program (NFLP) (Note 3F)	93.264	P379T092217		SDSU	738,403	
Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students (Note 3F)	93.342	P379T092219		SDSU/USD	9,813,134	
Nursing Student Loans (Note 3F)	93.364			SDSU/USD	2,846,211	
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	T08HP39273		SDSU	655,859	
<i>Total U.S. Department of Health and Human Services</i>					<u>14,053,607</u>	
Total Student Financial Assistance Cluster					\$ 180,292,890	\$

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, 2022

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, 2022, 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 is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit Assistance Listing Number (ALN) and program name. The accompanying schedule and footnotes reflect the program names and ALNs assigned by the <https://sam.gov> website. Federal financial assistance programs and contracts which have not been assigned an ALN or, where management has been unable to determine the ALN, are identified with a two-digit number that identifies the federal awarding agency followed by 'UNKNOWN'.

- 2. Clusters of Programs** – Closely related programs with different ALNs which share common compliance requirements are considered clusters of programs, as determined by the Office of Management and Budget (OMB). Most clusters of programs are contained within a single federal awarding agency and are reported on the Schedule under the respective awarding agency. Two clusters, the Research and Development Cluster and the Student Financial Assistance Cluster, have awards from two or more federal agencies. These clusters are reported on the Schedule in total under each federal awarding agency, with the detail for each individual award being shown by federal awarding agency at the bottom of the Schedule.
- 3. Pandemic Funding** – Program expenditures of funds awarded in response to the Coronavirus Pandemic are identified with "COVID-19" in the Program Title.

4. Type A and Type B Programs - The Uniform Guidance establishes the levels of expenditures or expenses to be used in defining Type A and Type B federal financial assistance programs. Type A programs for the State are those which equaled or exceeded \$8,800,000 in expenditures/disbursements/issuances for the fiscal year ended June 30, 2022. Type B programs for the State are those which are less than \$8,800,000 in expenditures/disbursements/issuances for the fiscal year ended June 30, 2022.

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

The Schedule includes a portion of costs associated with general activities which are allocated to federal financial assistance programs under negotiated formulas commonly referred to as indirect cost rates. Several of South Dakota's state agencies have negotiated indirect cost rates or other approved cost allocation plans for the purpose of claiming indirect costs, while others do not. The Board of Regents Central Office claimed the 10 percent de minimis cost rate during fiscal year 2022 for ALN 47.083 *Integrative Activities*. This was the only state agency that claimed the de minimis cost rate during fiscal year 2022.

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 \$7,584,830 (\$3,014,145 under ALN 10.555, \$43,342 under ALN 10.559, \$3,074,653 under ALN 10.569, and \$1,452,690 under COVID-19 ALN 10.569) are included in the definition of expenditures of federal awards for the purpose of the accompanying Schedule. Commodities are valued at the last purchase price.

B. As of June 30, 2022, donated federal surplus property (ALN 39.003) reported on the Schedule totaled \$1,633,618, which represents 23.3% of the original acquisition cost of the federal surplus property received by the State. Of that amount, \$1,155,104, was passed through. This percentage approximates the fair market value of the property at the time of distribution as determined by the General Services Administration.

C. The amounts reported as federal expenditures for ALN 64.014 and 64.015 represent cash received. Federal reimbursements are based on approved rates for services provided, rather than reimbursement for specific expenditures.

D. Perkins Loan amounts (ALN 84.038) include federal, state, and program revenues. The exact portion associated with federal dollars cannot be readily determined.

E. Electronic benefits under the Supplemental Nutrition Assistance Program (SNAP) (ALN 10.551) totaled \$140,729,756 and are included in the federal financial assistance reported on the Schedule. Additional benefits provided in response to the Coronavirus Pandemic under the Pandemic EBT Food Benefits program (ALN 10.542) totaled \$63,689,997 and are also reported on the Schedule.

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

ALN	Grant Program	Current Year		Outstanding Loan Balance June 30, 2022
		Administrative Expense	Loan Disbursement	
84.038	Perkins Loans Funds	\$ 63,077	\$	\$ 9,211,200
93.264	Nurse Faculty Loan Program		50,714	738,403
93.342	Health Professions Student Loans/ Loans For Disadvantaged Students		1,249,178	9,813,134
93.364	Nursing Student Loans		813,295	2,846,211

G. The expenditures provided for the Clean Water State Revolving Fund (ALN 66.458) and the Drinking Water State Revolving Fund (ALN 66.468) consist of federal, state, and program revenues, the exact percentage of which is not readily determinable. The same requirements are followed for all loans regardless of the funding source utilized. The amount of federal expenditures reported on the Schedule consists of administrative expenses in the amount of \$401,407 and loan disbursements totaling \$16,608,187 for ALN 66.458, and \$928,735 in administrative expenses and \$30,339,777 in loan disbursements for ALN 66.468.

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

Direct Subsidized Loans	\$ 31,699,683
Direct Unsubsidized Loans	76,593,116
Direct PLUS & G PLUS Program Loans	20,774,339

I. During the fiscal year ended June 30, 2022, the South Dakota Department of Health (DOH) received \$3,383,872 in cash rebates from infant formula manufacturers on sales of formula to participants in the WIC Program (ALN 10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(a) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food. The rebate contract allowed the DOH to serve 5,491 more persons during fiscal year 2022.

- J.** The South Dakota Department of Transportation (SDDOT) acts as a channeling state for the various Airport Improvement Program grants (ALN 20.106) funded through the Federal Aviation Administration (FAA). The majority of these grants are between the FAA and cities, counties, and airport authorities that carry out the projects. Total reimbursements processed in fiscal year 2022 for channeling grants amounted to \$40,745,220 and \$17,438,369 (COVID-19). These monies are not reflected on the Schedule as expenditures of federal awards of the State. The \$301,590 and \$37,670 (COVID-19) reported on the Schedule under ALN 20.106 was expended under a separate agreement between the SDDOT and the FAA in which the SDDOT is considered the grant recipient and directly funds multiple small projects at these airports.
- K.** The amount included as of June 30, 2022, on the unemployment insurance section of the Schedule (ALN 17.225) is reported on the accrual basis of accounting and includes the amount of federal unemployment insurance, the amount of the State's expenditure for unemployment insurance benefits, the amount of administrative expense, and the amount of Alternative Trade Adjustment Assistance as required by the U.S. Department of Labor and the Inspector General. The amounts are \$1,088,708, \$21,339,913, \$6,443,231, and \$116,520 respectively. An additional \$3,108,728 of pandemic unemployment assistance was received for COVID-19, which is also reported under ALN 17.225.
- L.** The South Dakota Governor's Office of Economic Development, through the South Dakota Economic Development Finance Authority (EDFA), participates in the United States Department of Agriculture Rural Business Cooperative Service (RBCS) Intermediary Relending Program (IRP). As of June 30, 2022, EDFA had drawn down \$2,179,030 of RBCS loan funds and had disbursed all these RBCS funds. The total value of loans issued as of June 30, 2022, was \$4,201,600, with the total remaining loans outstanding as of June 30, 2022, equaling \$956,320.
- 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 2022, the South Dakota Department of Tourism had \$356,105 in expenditures from the trust fund in support of DOE programs and received \$1,944,979 in loan payments. These expenditures are not included on the Schedule.
- N.** The amount of expenditures reported for the Child Support Enforcement program (ALN 93.563) was not reduced by \$2,988,793 which is the federal share of prior quarters' Title IV-A collections retained to fund the Child Support Enforcement program during fiscal year 2022.
- O.** (Unaudited) During fiscal year ended June 30, 2022, the State of South Dakota received inventory from the federal government to assist in the fight against the global COVID-19 pandemic. The State of South Dakota had a remaining amount of \$2,157,089 from prior fiscal years. The State received \$277,500 in fiscal year 2022 and used a total of \$1,770,833 throughout the fiscal year. Because donated PPE has no bearing on the single audit, this footnote was not audited as part of the Single Audit.
- 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. For SEFA reporting, the SDHDA was treated as a subrecipient for Coronavirus Relief

Funds (ALN 21.019). For fiscal year ending June 30, 2022, the SDHDA received \$1,358,827 from the State. 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 <https://legislativeaudit.sd.gov/reports/reports.aspx>.





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



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



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

RUSSELL A. OLSON
AUDITOR GENERAL

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

The Honorable Kristi Noem
Governor of South Dakota

and

Members of the Legislature
State of South Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Dakota (State) as of and for the year ended June 30, 2022, 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 30, 2022. Our report includes a reference to other auditors who audited the financial statements of the Unemployment Insurance Fund, the South Dakota Retirement System, the South Dakota Housing Development Authority, the South Dakota Science and Technology Authority, the South Dakota Ellsworth Development Authority and foundations of Higher Education as described in our report on the State's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the foundations of Higher Education were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with foundations of Higher Education or that are reported on separately by those auditors who audited the financial statements of foundations of Higher Education.

Report on Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We and the other auditors identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

State's Response to Finding

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

Purpose of this Report

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



Russell A. Olson, Auditor General
Pierre, South Dakota

December 30, 2022



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

Opinion on Each Major Federal Program

We have audited the State of South Dakota's (State's) compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2022. The State's major federal programs are identified in the "Summary of Auditor's Results" section of the accompanying "Schedule of Findings and Questioned Costs."

The State's basic financial statements include the operations of the South Dakota Housing Development Authority (discretely presented component unit), which expended \$70,219,891 in federal awards which are not included on the schedule of expenditures of federal awards for the year ended June 30, 2022. 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).

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, where applicable, have been furnished to us. Our report on the basic financial statements and this report, insofar as it relates to the amounts included for these entities and their compliance and internal control over compliance, excluding the South Dakota Housing and Development Authority, are based solely on the reports of the other auditors.

In our opinion, based on our audit and the reports of other auditors, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying "Schedule

of Findings and Questioned Costs” as item 2022-003. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we and other auditors did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses 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 2022-003 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 and the other auditors consider the deficiencies in internal control over compliance described in the accompanying “Schedule of Findings and Questioned Costs” as items 2022-002 and 2022-004 to be significant deficiencies.

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

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

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



Russell A. Olson
Auditor General

March 31, 2023





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



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

**State of South Dakota
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022
Index**

Summary of Auditor’s Results	<u>Page</u> 240		
Schedule of Findings and Questioned Costs	242		
<u>Summary of Findings and Questioned Costs for Federal Awards:</u>			
<u>State Agency</u>	<u>Federal Agency</u>	<u>Finding Number</u>	<u>Page</u>
<i>Non-Compliance Finding:</i>			
Department of Transportation	DOT	2022-003	246
<i>Material Weakness:</i>			
Department of Transportation	DOT	2022-003	246
<i>Significant Deficiency:</i>			
Science and Technology Authority	ENERGY	2022-002	244
Department of Human Services	DHHS	2022-004	248
<u>Summary of State Audit Findings:</u>			
<i>Financial Statement Findings:</i>			
Science and Technology Authority		2022-001	242
Soybean Research and Promotion Council		2022-005	252
South Dakota Public Broadcasting		2022-006	253
Corn Utilization Council		2022-007	254
Corn Utilization Council		2022-008	255

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022**

Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	Yes
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of major federal programs:

Assistance
Listing
Numbers

Name of Federal Program or Cluster

	Medicaid Cluster
	Aging Cluster
	Student Financial Assistance Cluster
	Child Care and Development Fund Cluster
	Fish and Wildlife Cluster
	Drinking Water State Revolving Fund Cluster
12.401	National Guard Military Operations and Maintenance (O&M) Projects
12.600	Community Investment
20.933	National Infrastructure Investments
20.934	Nationally Significant Freight and Highway Projects
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States
84.425	Education Stabilization Fund

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022**

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

Dollar threshold used to distinguish between Type A and Type B programs - \$8,800,000

Auditee Qualified as low-risk auditee? No

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022**

SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY

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

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Financial Statement Audit Finding:

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

Type of Finding: Material Weakness

Criteria:

The Authority is required to provide accurate GAAP basis financial data for preparation of the annual financial statements. Additionally, a good system of internal accounting control contemplates an adequate system of reviewing, recording, processing and reconciling account balances to the financial statements.

Condition:

Based on audit procedures performed as of June 30, 2022, we identified the following material adjustments that were recorded in order to fairly present the financial statements in accordance with GAAP:

- During 2022, we identified a material audit adjustment related to recording an Asset Retirement Obligation (ARO) in accordance with GASB Statement No. 83, Certain Asset Retirement Obligations, in order to appropriately reflect the future obligation to close and clean up the site that the Authority operates on. GASB Statement No. 83 was effective for the year ending June 30, 2020, however, was not appropriately implemented at the time, and accordingly, was corrected during fiscal year 2022.
- During 2022, it was determined that an error had been made in the prior year related to the recording of construction in process (CIP) on projects that were ongoing as of June 30, 2021. Specifically, it was determined that various projects in progress at June 30, 2021 were left in expenses at June 30, 2021 and were not moved to capital assets until the projects were completed during fiscal year 2022. These expenses should have been capitalized as CIP at June 30, 2021. The Authority rectified this by determining the projects in progress and correcting CIP at June 30, 2021 and also correcting balances at June 30, 2022 for projects in progress and completed during fiscal year 2022.

Cause:

In fiscal year 2020, the Authority failed to implement GASB 83 guidance and did not identify that an ARO should be recorded as a result. Management did not revisit implementation guidance during fiscal year 2022 until discussion surrounding GASB 83 and mine closure costs were had during the audit. As a result of the discussions and further research performed, it was determined that the entry should be recorded.

As it relates to the CIP, management failed to record CIP as projects were not being capitalized until they were completed and thus, ongoing projects as of June 30, 2021 were left in expenses.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022**

SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY
(Continued)

This carried forward into the processes and control system in place during fiscal year 2022 and was corrected as of June 30, 2022.

Effect:

Management has posted correcting journal entries for the material items noted above.

Management has written a corrective action plan to ensure errors of similar nature do not occur going forward.

Recommendation:

We recommend the Authority continue to improve controls surrounding the recording of costs related to projects in progress and ensure completeness of CIP balances. Additionally, the ARO should be carried forward and adjusted each year as assumptions and estimates change related to future understanding of closure costs and requirements.

Views of Responsible Officials:

Agree.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022**

SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY
(Continued)

The following finding was issued under a separate compliance audit of the Cooperative Agreement with the U.S. Department of Energy's Office of Science for the Sanford Underground Research Facility (SURF) – Operations Program performed by Eide Bailly, LLP.

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Federal Compliance Audit Finding:

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

Type of Finding: Significant Deficiency

Assistance Listing Title: Office of Science Financial Assistance Program – Sanford Underground Research Facility (SURF) Operations Support

Assistance Listing Number: 81.049

Federal Agency: Department of Energy

Category of Finding: Procurement and Suspension and Debarment

Criteria:

The Sanford Underground Research Facility (SURF) Operations Support program provides federal funds to support its mission of advancing world-class science and inspire learning across generations. There are compliance requirements regarding procurement, suspension and debarment to ensure federal funds are being expended in accordance with the grant agreements. Furthermore, the Uniform Guidance, Section 200.303 Internal Controls, requires that the non-Federal entity must establish and maintain documentation of effective internal controls over Federal awards that provide reasonable assurance that awards are being managed in compliance with Federal statutes, regulations and the terms and conditions of the Federal award.

Condition:

We tested procurement, suspension and debarment for 22 vendor expenditures. We noted the following in our testing:

- One instance where the required request for proposal was not able to be located.
- One instance where various applicable provisions required by Appendix II to 2 CFR Part 200 were not included in the contract.

Cause:

The Authority failed to ensure that the internal controls surrounding compliance over the program's procurement, suspension and debarment criteria were in place related to data maintained by employees that are no longer employed with the Authority. As such, information related to the request for proposal work that was performed by an employee no longer with the Authority could not be located when requested for the audit. Additionally, controls were not in place to ensure that all applicable required provisions are included in all federal contracts.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022**

SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY
(Continued)

Effect:

Transactions could be entered into with vendors that do not follow the Authority's written procurement policies and that do not include the proper contract provisions.

Questioned Costs:

None to report.

Context/Sampling:

A nonstatistical sample of 22 vendors out of 144 were selected for procurement, suspension and debarment testing.

Repeat Finding from Prior Year(s):

No.

Recommendation:

We recommend the Authority implement controls which include a review of contracts to ensure they contain the proper provisions and institute document retention policies.

Views of Responsible Officials:

Agree.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Fiscal Year Ended June 30, 2022**

DEPARTMENT OF TRANSPORTATION

CURRENT AUDIT FINDING AND RECOMMENDATION

Federal Compliance Audit Findings:

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

Type of Finding: Material Weakness and Non-Compliance

Assistance Listing Title: Nationally Significant Freight and Highway Projects, National Infrastructure Investments

Assistance Listing Number: 20.934 and 20.933

Federal Award Number: INFRA 2017, INFRA 2019 MISSOURI BRIDGE, BUILD 2018, and BUILD 2020

Federal Award Year: 2017, 2018, 2019, and 2020

Federal Agency: Department of Transportation

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*, the *General Terms and Conditions Under The Fiscal Year 2019 INFRA Program: FHWA Projects*, the *Grant Agreement Under The Consolidated Appropriations Act, 2018 (PUB. L. 115-141, March 23, 2018) For The National Infrastructure Investments Discretionary Grant Program (FY 2018 BUILD Transportation Discretionary Grants)*, and the *General Terms and Conditions Under The Fiscal Year 2020 BUILD Transportation Grants Program: FHWA Projects* to submit Quarterly Project Progress Reports, which must include the SF-425 Federal Financial Report.

Condition:

Internal controls were not adequate to ensure the accuracy of SF-425 Federal Financial Reports submitted for the Nationally Significant Freight and Highway Projects (INFRA) and National Infrastructure Investments (BUILD) programs.

Cause:

Errors were identified related to two distinct causes.

Three INFRA and one BUILD (3/31/22 BUILD 2018) reports tested identified material errors on line *10 j. Recipient share of expenditures* due to a failure to properly identify and report relevant expenditure data.

One BUILD (6/30/22 BUILD 2020) report tested identified material errors on lines *10 a. Cash Receipts*, *10 b. Cash Disbursements*, and *10 f. Federal share of unliquidated obligations* due to human data entry error.

STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Fiscal Year Ended June 30, 2022
DEPARTMENT OF TRANSPORTATION
(Continued)

Effect:

The result of the errors noted is the misstatement of values as follows:

<u>Nationally Significant Freight and Highway Projects (CFDA 20.934)</u>			
<u>March 31, 2022 – INFRA 2017</u>	<u>Reported</u>	<u>Verified</u>	<u>Variance</u>
j. Recipient share of expenditures	14,756,945.00	19,771,029.63	(5,014,084.63)
<u>June 30, 2022, 2022 – INFRA 2017</u>	<u>Reported</u>	<u>Verified</u>	<u>Variance</u>
j. Recipient share of expenditures	27,939,790.18	19,781,813.89	8,157,976.29
<u>June 30, 2022, 2022 – INFRA 2019</u>	<u>Reported</u>	<u>Verified</u>	<u>Variance</u>
j. Recipient share of expenditures	6,564,037.00	2,986,623.36	3,577,413.64
<u>National Infrastructure Investments (CFDA 20.933)</u>			
<u>March 31, 2022 – BUILD 2018</u>	<u>Reported</u>	<u>Verified</u>	<u>Variance</u>
j. Recipient share of expenditures	23,271,277.37	25,152,853.65	(1,881,576.28)
<u>June 30, 2022 – BUILD 2020</u>	<u>Reported</u>	<u>Verified</u>	<u>Variance</u>
a. Cash receipts	22,000,000.00	15,028,970.96	6,971,029.04
e. Federal share of expenditures	22,000,000.00	15,028,970.96	6,971,029.04
f. Fed. share of unliquidated obligations	-	6,971,029.04	(6,971,029.04)

Questioned Costs:

None.

Repeat Finding from Prior Year:

Yes.

Recommendation:

We recommend internal controls be strengthened to ensure the material accuracy of SF-425 reports submitted.

Views of Responsible Officials:

The Department of Transportation concurs with this audit finding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Fiscal Year Ended June 30, 2022**

DEPARTMENT OF HUMAN SERVICES

CURRENT AUDIT FINDING AND RECOMMENDATION

Federal Compliance Audit Finding:

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

Type of Finding: Significant Deficiency

Assistance Listing Title: Special Programs for the Aging, Title III, Part C, Nutrition Services; COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services; and Nutrition Services Incentive Program

Assistance Listing Number: 93.045; 93.053

Federal Award Number: 2001SDOACM, 2101SDOACM, 2201SDOACM, 2001SDOANS, 2101SDOANS, 2201SDOANS, 2001SDOAH, 2101SDOAH, 2201SDOAH

Federal Award Year: FFY20, FFY21, FFY22

Federal Agency: Department of Health and Human Services

Category of Finding: Subrecipient Monitoring

Criteria:

Title 45 of the Code of Federal Regulations (CFR), Part 1321.11, states:

- (a) The State agency on aging shall develop policies governing all aspects of programs operated under this part The state agency is responsible for enforcement of these policies.
- (b) The policies developed by the State agency shall address the manner in which the State agency will monitor the performance of all programs and activities initiated under this part for quality and effectiveness.

45 CFR 75.352 requires pass-through entities to:

- (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section
-
- (d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

....

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Fiscal Year Ended June 30, 2022**

**DEPARTMENT OF HUMAN SERVICES
(Continued)**

- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.

....

- (e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- (1) Providing subrecipients with training and technical assistance on program-related matters; and
- (2) Performing on-site reviews of the subrecipient's program operations...

Condition:

Controls were not adequate to ensure policies for subrecipient monitoring of nutrition service providers were properly developed, implemented, and documented during the audit period.

The Division of Long-Term Services and Supports (LTSS) within the South Dakota Department of Human Services (DHS) administers the Title III-C Nutrition Services program through grants to subrecipients who provide congregate and home-delivered meals to eligible participants.

LTSS was not able to provide us with any written policies and procedures over subrecipient monitoring that had been prepared prior to the end of the audit period. On December 29, 2022, we requested the policies and procedures in place over subrecipient monitoring during state fiscal year (FY) 2022. On January 20, 2023, we were provided written subrecipient monitoring procedures for the Department of Human Services Office of Budget and Finance which were dated as having been printed on January 13, 2023 and approved on January 19, 2023.

These policies state:

If a subrecipient relationship is determined, a pre-award risk assessment is completed while working with the department's budget and financial grants/contracts specialist. The pre-award risk assessment helps to determine a subrecipient organization's financial and management strength, which helps assess risk and dictates the monitoring plan for domestic subrecipients.

We requested these risk assessments for nine of the 14 subrecipients providing nutrition services during FY22 and were provided completed assessments prepared on standardized risk assessment forms approved by the South Dakota Board of Internal Control. These forms rank risk on a number scale and determine a risk rating of "Low", "Moderate", or "High" depending on the point values assigned to the various risk factors for each subrecipient. Two of the nine risk assessments reviewed had a ranking of "Low" risk, while seven had a risk ranking of "Moderate". The written subrecipient monitoring procedures for the Department of Human Services Office of Budget and Finance state:

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Fiscal Year Ended June 30, 2022**

**DEPARTMENT OF HUMAN SERVICES
(Continued)**

If the subrecipient is determined to be medium risk by the department, the subrecipient must complete a subrecipient questionnaire. The completed subrecipient questionnaire is then scored by division staff using the questionnaire scoring sheet and if the risk is determined to be low, medium, or high, various periodic departmental procedures will be implemented. The periodic departmental procedures that will be implemented based on the assessed level of risk are:

- reviewing invoices prior to payment
- program/financial desk reviews
- program/financial field reviews

We requested the subrecipient questionnaires from LTSS and were again provided the standardized risk assessment forms described above. These risk assessment forms do not contain any conclusions as to what monitoring procedures will be performed for that subrecipient, and we were unable to obtain any information tying the risk assessments to the monitoring carried out for these subrecipients.

According to the LTSS nutrition program manager, on-site assessments are done for nutrition sites on a rotational basis, with the dates that sites last received assessments and the fiscal year of the next scheduled assessment recorded on a tracking spreadsheet to ensure the proper assessments get performed. During FY22, this spreadsheet identified 142 nutrition sites operated by ten nutrition providers. Tribal providers were not included on this tracking spreadsheet, as discussed further below.

We reviewed a random sample of 15 nutrition sites out of the 142 sites on the tracking spreadsheet and identified the following issues:

For six of the 15 sites selected for testing, there had been no site assessment performed since the DHS took over the program during state FY18. Three of these six sites were scheduled for review during FY22 on the tracking spreadsheet, but there was no review performed.

For two of the on-site assessments in our sample, issues were identified as needing correction on the assessment checklist, but there was no documentation in the file that nutrition site personnel acknowledged the review or prepared a corrective action plan. Further, there was no documentation in the file documenting LTSS personnel had followed up with the nutrition site to determine if the issues were corrected.

Tribal nutrition sites receive direct funding from the Federal Department of Human Services, Administration for Community Living (ACL) under Title VI of the Older Americans Act in addition to the funding provided to some of the tribes by the South Dakota DHS under the Title III Nutrition Program. Since the tribes also receive direct funding from ACL, personnel at LTSS informed us that they believe the on-site assessments are handled by the federal government, but they had not requested or received these assessments or any notice that the assessments had been completed. Because the amount given to the tribal governments by the DHS does not exceed the Single Audit threshold, no Single Audits of the tribes were requested or reviewed by LTSS or DHS Budget and Finance Office personnel.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Fiscal Year Ended June 30, 2022**

**DEPARTMENT OF HUMAN SERVICES
(Continued)**

Cause:

Employee turnover, personnel shortages, and the lack of written policies and procedures over subrecipient monitoring resulted in inconsistent application and inadequate documentation of internal controls.

Effect:

As a result of the deficiencies in internal control over subrecipient monitoring, LTSS was hindered in its ability to verify and document that all subawards were used for authorized purposes in compliance with Federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals were achieved.

Questioned Costs:

None.

Repeat Finding from Prior Year:

No.

Recommendation:

We recommend DHS maintain written internal control procedures over the subrecipient monitoring process to ensure that monitoring procedures for nutrition service providers are consistently applied and adequately documented. These procedures should include documentation tying pre-award risk assessments to monitoring procedures to be performed for all subrecipients, including tribal governments, and proper follow up on any issues identified with subrecipients as a result of monitoring performed.

Views of Responsible Officials:

The Department of Human Services concurs with this audit finding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Fiscal Year Ended June 30, 2022**

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. 2022-005: Preparation of Financial Statements

Type of Finding: Significant Deficiency

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Views of Responsible Officials:

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

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Fiscal Year Ended June 30, 2022**

SOUTH DAKOTA PUBLIC BROADCASTING

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

CURRENT AUDIT FINDING AND RECOMMENDATION

Financial Statement Audit Finding:

Finding No. 2022-006: Segregation of Duties

Type of Finding: Material Weakness

Criteria:

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

Condition:

South Dakota Public Broadcasting has a limited number of office personnel, which prevents an ideal segregation of duties for controls over financial reporting. The oversight and review process by management for various account reconciliations such as pension liabilities, fund balance, and net position is not formally documented.

Cause:

Management oversight is done on an informal basis. South Dakota Public Broadcasting had turnover in the accounting and finance department and related responsibilities within the department.

Effect:

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

Recommendation:

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

Views of Responsible Officials:

Management agrees with the finding.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Fiscal Year Ended June 30, 2022**

SOUTH DAKOTA CORN UTILIZATION COUNCIL

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

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Financial Statement Audit Finding:

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

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. In addition, it was noted that a restatement was necessary due to the lack of proper controls over financial reporting.

Condition:

The Council does not have an internal control system designed to provide for the preparation of the financial statements being audited. We were requested to draft the financial statements and accompanying notes to the financial statements. In addition, there was a restatement identified as part of the financial statement preparation.

Cause:

The Council had accounting and management transitions that occurred during the current year under audit.

Effect:

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

Recommendation:

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

Views of Responsible Officials:

Management and the Board of Directors will review for propriety the draft financial statements and accompanying notes to the financial statements. The contracted accountant will draft the financial statements and provide the information for accompanying notes going forward.

**STATE OF SOUTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Fiscal Year Ended June 30, 2022**

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

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

CURRENT AUDIT FINDINGS AND RECOMMENDATIONS

Financial Statement Audit Finding:

Finding No. 2022-008: Segregation of Duties

Type of Finding: Material Weakness

Criteria:

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

Condition:

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

Cause:

Management oversight is done on an informal basis. The Council had turnover in accounting responsibilities. Documentation, which may have existed in some form, was not located.

Effect:

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

Recommendation:

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

Views of Responsible Officials:

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





***AUDITEE PREPARED
CORRECTIVE ACTION
PLANS***



***AUDITEE PREPARED
CORRECTIVE ACTION
PLANS***

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2022

SOUTH DAKOTA SCIENCE AND TECHNOLOGY AUTHORITY

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

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

Corrective Action Plan: The South Dakota Science and Technology Authority (SDSTA) will continue to work on improving controls surrounding the recording of costs related to projects in progress and ensure completeness of construction in progress balances. Additionally, the asset retirement obligations will be carried forward and adjusted each year as assumptions and estimates change related to future understanding of closure costs and requirements.

Contact Person: Terry Miller, Chief Finance Officer, South Dakota Science and Technology Authority.

Anticipated Completion Date: The SDSTA has corrected the financial statements for the FY2022 reporting period and will implement additional year-end controls on or before June 2023.

The following was issued under a separate compliance audit of the Cooperative Agreement with the U.S. Department of Energy's Office of Science for the Sanford Underground Research Facility (SURF) – Operations Program performed by Eide Bailly, LLP.

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

Corrective Action Plan: The SDSTA will continue to work on improving controls surrounding the review of contracts to ensure they contain the proper provisions and strengthen document retention policies.

Contact Person: Terry Miller, Chief Finance Officer, South Dakota Science and Technology Authority.

Anticipated Completion Date: The SDSTA will implement additional controls on or before June 2023.

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2022

DEPARTMENT OF TRANSPORTATION

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

Corrective Action Plan: The Department will receive guidance from the FHWA Division office on proper reporting of recipient share of expenditures. Accountant II will correct the BUILD SF-425 and send to Planning. Planning will submit report to Federal Highway. The Department has implemented internal controls to ensure the accuracy of SF-425 federal financial reports submitted.

Contact Person: Patricia Devitt, Accounting Manager II

Anticipated Completion Date: July 1, 2023

DEPARTMENT OF HUMAN SERVICES

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

Corrective Action Plan: DHS LTSS in partnership with Budget and Finance will review and enhance internal controls to ensure adequate policies are in place for subrecipient monitoring of nutrition service providers. DHS LTSS will ensure that monitoring procedures for nutrition service providers are consistently applied and adequately documented. These procedures will include documentation tying pre-award risk assessments to the monitoring procedures to be performed for all subrecipients, including tribal governments, and properly follow up on any issues identified with subrecipients as a result of monitoring performed.

Contact Person: Jeff Overcash, Chief Financial Officer, Heather Krzmarzick, Director of Long-Term Services, and Supports Greg Evans, Audit Manager

Anticipated Completion Date: June 30, 2023

SOUTH DAKOTA SOYBEAN RESEARCH AND PROMOTION COUNCIL

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

Finding No. 2022-005: Preparation of Financial Statements

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

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

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

STATE OF SOUTH DAKOTA
AUDITEE PREPARED CORRECTIVE ACTION PLANS
For the Fiscal Year Ended June 30, 2022

SOUTH DAKOTA PUBLIC BROADCASTING

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

Finding No. 2022-006: Segregation of Duties

Corrective Action Plan: With the limited number of office personnel, adequate segregation of duties is challenging. The Executive Management Finance Office (EMFO) within the Bureau of Finance and Management (BFM) is now reviewing and approving all accounting transactions prior to posting in the accounting system. The EMFO will continue to review all accounting transactions. South Dakota Public Broadcasting (SDPB) will implement year-end reconciliations for all accounts to be formally reviewed and approved by EMFO as part of the year-end financial statement preparation.

Contact Person: Rachel Williams, Director of Executive Management Finance Office, Bureau of Finance and Management.

Anticipated Completion Date: The EMFO started reviewing and approving all accounting transactions May 2022. Year end reconciliation for financial statement preparation will be completed for the FY23 financial statements.

SOUTH DAKOTA CORN UTILIZATION COUNCIL

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

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

Corrective Action Plan: Management and the Board of Directors will review for propriety the draft financial statements and accompanying notes to the financial statements. The contracted accountant will draft the financial statements and provide the information for accompanying notes going forward.

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, 2022**

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

Finding No. 2022-008: Segregation of Duties

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

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

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



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



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

**STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2022**

DEPARTMENT OF REVENUE

Finding No. 2021-001: Inadequate Internal Controls Over the Distribution of Snowmobile License Fees

Initial Year of Finding: Fiscal Year 2021

Status: Fully Corrected – Corrective Action was Taken

Finding No. 2021-002: Inadequate Internal Controls Over Cash Receipting

Initial Year of Finding: Fiscal Year 2021

Status: Fully Corrected – Corrective Action was Taken

Finding No. 2021-003: Inadequate Internal Controls Over the Distribution of Local Government Highway and Bridge Fund

Initial Year of Finding: Fiscal Year 2021

Status: Fully Corrected – Corrective Action was Taken

ECONOMIC DEVELOPMENT FINANCE AUTHORITY

Finding No. 2021-004: Inadequate Internal Controls Over Financial Reporting

Initial Year of Finding: Fiscal Year 2021

Status: Fully Corrected – Corrective Action was Taken

STATEWIDE FINANCIAL REPORTING PROCESS

Finding No. 2021-005: Ineffective Internal Controls Over Financial Reporting

Initial Year of Finding: Fiscal Year 2020

Status: Fully Corrected – Corrective Action was Taken

STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2022

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. 2021-006: Auditor Proposed Adjustment

Initial Year of Finding: Fiscal Year 2020

Status: Fully Corrected – Corrective Action was Taken

Finding No. 2021-007: Lack of Review of Certain Statement of Financial Position Accounts and Manual Adjusting Journal Entries

Initial Year of Finding: Fiscal Year 2021

Status: Fully Corrected – Corrective Action was Taken

Finding No. 2020-005: Special Tests and Provisions – UI Reemployment Programs

Initial Year of Finding: Fiscal Year 2020

Status: The corrective action plan has been partially implemented. Delays for completing this project are due to unavailability of development resources for this project. The program was not audited as a major program for the Fiscal Year 2021 and 2022 Single Audits. No repeat audit finding was issued for the Fiscal Year 2021 and 2022 Single Audits.

Reason for Recurrence: Not Applicable.

Partial Corrective Action Taken: The fact-finding functionality from the Reemployment Assistance (RA) system to the SDWORKS system regarding case notes is completed.

Corrective Action Planned: The automation of SDWORKS system case notes to RA system fact-finding still needs to be completed and is estimated to be fully operational by June 30, 2023.

DEPARTMENT OF HEALTH

Finding No. 2021-008: Inadequate Internal Controls Over Grant Management

Initial Year of Finding: Fiscal Year 2021

Status: Fully Corrected – Corrective Action was Taken

**STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2022**

CORONAVIRUS RELEIF FUND

Finding No. 2021-009: Inadequate Procedures Over Grant Disbursements

Initial Year of Finding: Fiscal Year 2021

Status: Fully Corrected – Corrective Action was Taken

DEPARTMENT OF TRANSPORTATION

Finding No. 2021-010: Inadequate Internal Controls Over Federal Financial Reports

Initial Year of Finding: Fiscal Year 2020

Status: Repeat audit finding issued in Fiscal Year 2022 Single Audit – see Finding No. 2022-003

Reason for Recurrence: Internal controls were not fully implemented.

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. 2021-011: Preparation of Financial Statements and Material Audit Adjustments

Initial Year of Finding: Fiscal Year 2010

Status: Repeat audit finding issued in Fiscal Year 2022 Single Audit – see Finding No. 2022-005

Reason for Recurrence: No reason given.

SOUTH DAKOTA PUBLIC BROADCASTING

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

Finding No. 2021-012: Preparation of Financial Statements and Material Adjustments, Including the Corrections of an Error

Initial Year of Finding: Fiscal Year 2021

Status: Fully Corrected – Corrective Action was Taken

**STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2022**

**SOUTH DAKOTA PUBLIC BROADCASTING
(Continued)**

Finding No. 2021-013: Segregation of Duties

Initial Year of Finding: Fiscal Year 2021

Status: Repeat audit finding issued in Fiscal Year 2022 Single Audit – see Finding No. 2022-006

Reason for Recurrence: Limited number of office personnel prevents adequate segregation of duties.

Finding No. 2021-014: Inaccuracy of Internal Financial Statements

Initial Year of Finding: Fiscal Year 2021

Status: Fully Corrected – Corrective Action was Taken

SOUTH DAKOTA CORN UTILIZATION COUNCIL

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

Finding No. 2021-015: Preparation of Financial Statements

Initial Year of Finding: Fiscal Year 2010

Status: Repeat audit finding issued in Fiscal Year 2022 Single Audit – see Finding No. 2022-007

Reason for Recurrence: No reason given.

Finding No. 2021-016: Segregation of Duties

Initial Year of Finding: Fiscal Year 2021

Status: Repeat audit finding issued in Fiscal Year 2022 Single Audit – see Finding No. 2022-008

Reason for Recurrence: No reason given.

**STATE OF SOUTH DAKOTA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2022**

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

Finding No. 2021-017: Documentation of Expenditures and Related Party Grants

Initial Year of Finding: Fiscal Year 2021

Status: Finding has been remediated.

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

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

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

Initial Year of Finding: Fiscal Year 2021

Status: Not Corrected. The SDWC has limited staff. We do not have a CPA on staff, nor can we justify the expense of such, to prepare documents to auditing standards.

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

Initial Year of Finding: Fiscal Year 2021

Status: Not Corrected. The SDWC has limited staff and cannot justify hiring additional personnel in order to better segregate duties. Management oversight is completed on an informal basis.

Finding No. 2021-020: Documentation of Expenditures

Initial Year of Finding: Fiscal Year 2021

Status: Fully Corrected – Corrective Action was Taken



