

SOUTH DAKOTA FINANCES STARTING TO SLIP

April 2017
truthinaccounting.org

THE FINANCIAL STATE OF SOUTH DAKOTA

Unlike most states, South Dakota's elected officials have only promised the amount of benefits they can afford to pay. Because of this, South Dakota has enough money to pay all of its bills. When broken down, the amount available to pay future bills results in a surplus of \$2,300 for each South Dakota taxpayer.

Although South Dakota has enough money to pay all of its bills, it is still not completely transparent with taxpayers. Because of a new accounting standard from last year, it now has to report its pension debt on the face of the balance sheet. However, the state actually reported a pension asset of \$162.9 million instead of its \$129.8 million unfunded liability. This is due to their use of an outdated pension valuation in the preparation of the financial statements.

Here's the truth:

**\$684.6
million**

money available
to pay future
bills

\$2,300

taxpayer
surplus™

B

South Dakota's
financial grade

Data included in this report is derived from the state of South Dakota's 2016 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

SOUTH DAKOTA FINANCIAL BREAKDOWN

FAST FACTS

- + South Dakota has \$3 billion available in assets to pay \$2.3 billion worth of bills.
- + The outcome: A \$684.6 million surplus, which breaks down to \$2,300 per taxpayer.
- + Unlike most states, South Dakota does not have any retiree health care debt.

THE STATE'S ASSETS EXCEED ITS BILLS

Assets	\$10,929,768,000
<i>Minus:</i> Capital assets	-\$5,173,614,000
Restricted assets	-\$2,742,427,000
Assets available to pay bills	\$3,013,727,000
<i>Minus:</i> Bills	-\$2,329,078,000
Money available to pay bills	\$684,649,000
Each taxpayer's share of surplus	\$2,300

BILLS THE STATE HAS ACCUMULATED

Bonds	\$1,966,077,000
Other liabilities	\$876,692,000
<i>Minus:</i> Debt related to capital assets	-\$643,457,000
Unfunded pension benefits	\$129,766,000
Unfunded retiree health care	\$0
Bills	\$2,329,078,000

GRADE: B

Bottom line: South Dakota has enough money to pay its bills, so it has received a "B" for its finances from Truth in Accounting. A "B" grade is given to states with a taxpayer surplus™ between \$100 & \$10,000.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.