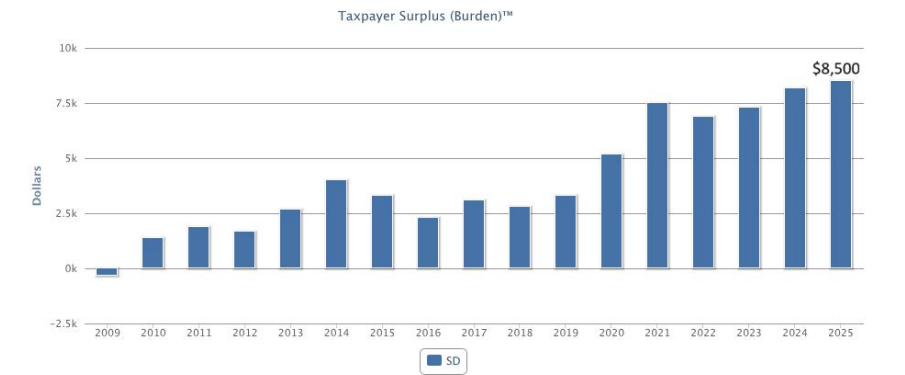


SOUTH DAKOTA'S FINANCIAL BREAKDOWN

Money Available to Pay Bills	\$2.8 billion	Ranking (Out of 50)	8
Taxpayer Surplus™	\$8,500	Financial Grade	B

In 2025, South Dakota's financial situation improved. It ended the year with \$2.8 billion more than it needed to pay its bills. That means the state had a Taxpayer Surplus™ of \$8,500 and earned a "B" grade from Truth in Accounting.

South Dakota reported that its pension system is overfunded, with more than enough assets to cover promised benefits. Strong investment performance and historically high asset values have contributed to the system's favorable financial position. The state also maintains a cushion that provides greater flexibility to manage potential market downturns. Additionally, South Dakota is in a stronger position because it does not have a retiree health plan or related long-term debt.



South Dakota received approximately \$4.2 billion in federal grants, which represented 46 percent of its revenue. The federal government mandates that entities receiving significant federal funds undergo a Single Audit. These audits are intended to be the taxpayers' first line of defense against potential fraud and abuse. Auditors found repeated problems across state agencies with financial reporting, documentation, staff oversight, and management of federal grants. Agricultural commodity councils also lacked enough staff to divide financial responsibilities properly and relied on outside auditors to prepare their financial statements.

The data in this report is derived from South Dakota's audited 2025 Annual Comprehensive Financial Report and its retirement systems' reports. To explore prior years or compare financial, demographic, and economic data across other states and cities, visit [Data-Z.org](#).

SOUTH DAKOTA'S FINANCIAL FACTS

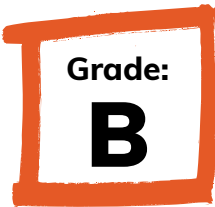
FACT #1: South Dakota had \$7.6 billion available to pay \$4.7 billion worth of bills.	FACT #2: The outcome was a \$2.8 billion surplus, which breaks down to \$8,500 per taxpayer.
FACT #3: South Dakota received 46 percent of its revenue from federal grants and was required to undergo a Single Audit, which identified potential fraud and abuse.	

THE STATE'S ASSETS EXCEEDED ITS BILLS

\$19,187,265,000	→	Total Assets
- \$7,530,285,000	→	Minus: Capital Assets
- \$4,103,511,000	→	Minus: Restricted Assets
= \$7,553,469,000	→	Assets Available to Pay Bills
- \$4,718,941,000	→	Minus: Total Bills*
= \$2,834,528,000	→	Money Available to Pay Bills
/ Divide by the estimated number of taxpayers		
= \$8,500	→	Each Taxpayer's Share of This Surplus

*BREAKDOWN OF TOTAL BILLS

\$3,634,790,000	→	Bonds
+ \$1,757,171,000	→	Other Liabilities
- \$670,016,000	→	Minus: Debt Related to Capital Assets
- \$3,004,000	→	Overfunded Pension Benefits
+ \$0	→	Unfunded Retiree Health Care Benefits
= \$4,718,941,000	→	Total Bills



Bottom line: South Dakota had more than enough money to pay its outstanding bills and received a "B" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Surplus between \$1 and \$9,999 is given a "B" grade.