



SOUTH DAKOTA IN GOOD SHAPE

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THE FINANCIAL STATE OF SOUTH DAKOTA

A new analysis of the latest available audited financial reports found South Dakota had a Taxpayer Surplus™ of \$3,100, earning it a "B" grade based on Truth in Accounting's grading scale.

Unlike most states, South Dakota's state government has enough resources available to pay all of its bills, including public employees' retirement benefits. When broken down, the amount available to pay future bills results in a surplus of \$3,100 for each South Dakota taxpayer. Because a large percentage of the state's revenue is derived from taxes related to the energy industry, it is at risk if energy prices or production decrease.

While South Dakota's pension plan is well-funded and its assets exceeded liabilities in fiscal year 2017, the state reported a net pension liability of \$129 million on its balance sheet because it used the previous year's pension valuation to prepare the financial statements.

Here's the truth:

5

Rank

\$922.7
million

Money available to
pay future bills

\$3,100

Taxpayer
Surplus

B

Financial grade

SOUTH DAKOTA FINANCIAL BREAKDOWN

FAST FACTS

- + South Dakota has \$3.2 billion available in assets to pay \$2.3 billion worth of bills.
- + The outcome is a \$922.7 million surplus, which breaks down to \$3,100 per taxpayer.
- + While the state's pension plan appears to be overfunded by \$3.5 million, maintaining a cushion is a good practice because the value of pension plan assets can fluctuate dramatically.
- + South Dakota's reported net position is inflated by \$327.4 million, largely because the state defers recognizing losses incurred when the net pension liability increases.

THE STATE'S ASSETS EXCEED ITS BILLS

Assets	\$11,447,189,000
<i>Minus:</i> Capital assets	-\$5,414,575,000
Restricted assets	-\$2,838,579,000
Assets available to pay bills	\$3,194,035,000
<i>Minus:</i> Bills	-\$2,271,316,000
Money available to pay bills	\$922,719,000
Each taxpayer's share of surplus	\$3,100

BILLS THE STATE HAS ACCUMULATED

Bonds	\$2,062,385,000
Other liabilities	\$891,549,000
<i>Minus:</i> Debt related to capital assets	-\$679,152,000
Overfunded pension benefits	-\$3,466,000
Unfunded retiree health care	\$0
Bills	\$2,271,316,000

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 and \$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.