



THE TRUTH

Money Available to Pay
Future Bills

\$2.2 Billion

Taxpayer Surplus™

\$7,500

Financial Grade

B

Ranking

5 out of 50

South Dakota Ranked In Top Five For Fiscal Health



October 2022

truthinaccounting.org | data-z.org

Financial State of South Dakota

South Dakota's healthy financial condition helped the state move forward in a positive direction post-Covid. Based upon the state's latest audited financial report for the fiscal year 2021, South Dakota had a Taxpayer Surplus™ of \$7,500 per taxpayer, earning it a "B" grade from Truth in Accounting.

Unlike most states, even with the challenges of the Covid pandemic South Dakota had more than enough resources available, including a surplus of \$2.2 billion, to pay all of its bills. This includes public employees' retirement benefits. Notably, like most states in this year's report, some of South Dakota's economic condition improved only on paper due to stock market increases in 2021. However, these increases are transitory as financial markets are volatile, and the gains recorded previously may not have been realized through the actual sale of the market assets. Therefore, the report is expected to look different next year when the market decreases are reflected in South Dakota's annual statements.

Even though South Dakota was financially sound before and during the pandemic, the state still received federal support from COVID-19 related grants, which contributed to the continuing financial health of this state. The uncertainty surrounding the full economic recovery post-Covid makes it impossible to determine how much will be needed to maintain government services and benefits in the coming years. However, the surplus South Dakota had, and additional funds will help the state weather any future public health or economic crises and downturns in the market.

The data included in this report is derived from the State of South Dakota's 2021 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare state financial, demographic and economic information go to Data-Z.org.



UNIVERSITY of
DENVER

DANIELS COLLEGE OF BUSINESS
School of Accountancy

South Dakota's Financial Breakdown

Fast Facts

- South Dakota had \$5.1 billion available to pay \$2.9 billion worth of bills.
- The outcome was a \$2.2 billion surplus, which breaks down to \$7,500 per taxpayer.
- South Dakota had no unfunded retiree health care benefits and its pension plans appeared to be overfunded by \$256.5 million, but maintaining a surplus is advisable because the value of pension plan assets can fluctuate dramatically.

THE STATE'S ASSETS EXCEEDED ITS BILLS

| | |
|---------------------------------------|------------------|
| Total assets | \$14,575,658,000 |
| Minus: Capital assets | -\$6,034,711,000 |
| Restricted assets | -\$3,436,487,000 |
| Assets available to pay bills | \$5,104,460,000 |
| Minus: Total bills* | -\$2,870,191,000 |
| Money available to pay future bills | \$2,234,269,000 |
| Each taxpayer's share of this surplus | \$7,500 |

* BREAKDOWN OF TOTAL BILLS

| | |
|---------------------------------------|-----------------|
| Bonds | \$2,346,856,000 |
| Other liabilities | \$1,472,922,000 |
| Minus: Debt related to capital assets | -\$693,082,000 |
| Overfunded pension benefits | -\$256,505,000 |
| Unfunded retiree health care benefits | \$0 |
| Total bills | \$2,870,191,000 |

Grade:

B

Bottom line: South Dakota had enough money to pay all of its bills, so it received a "B" for its finances. A "B" grade is given to states with a Taxpayer Surplus between \$100 and \$10,000.

Truth in Accounting is a 501(c)(3) organization 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.