



**SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
SDHSAA OFFICE BUILDING**

June 17, 2026

8:30 AM CT

Pierre, South Dakota

The Board of Directors held a regular meeting on June 18, 2025 at the SDHSAA Office Building in Pierre, South Dakota with members present as follows:

Dr. Jeff Danielsen	Randy Hartmann	Ryan Rollinger	Chuck Wilson	Chad Allison
Chris Long	Jeff Kusters	Billy Clanton	Jordan Bauer	

Staff members present included Dr. Dan Swartos, Kristina Sage, Brooks Bowman, and Ryan Mikkelsen. Randy Soma joined the meeting electronically via Zoom.

The meeting was called to order by President Danielsen at 8:30 A.M., followed by the pledge of allegiance.

Item #1-Approval of Agenda

Motion by Hartmann, second by Allison, to approve the agenda as presented, with some switching around of the action items due to timing.

Motion carried 9-0.

Item #2- Public Forum

Dr. Danielsen reviewed the SDHSAA Public Forum protocol. Susan Karels of Milbank, Ben Koch of O’Gorman, Kimberly Carda of Aberdeen Roncalli, and Wendy Thorson all spoke to Item #13- All-State Band Auditions. Karels and Koch were in person, Carda and Thorson joined electronically via Zoom.

Item #3- Approval of the minutes from meeting held April 22-23, 2026.

Motion by Kusters, second by Clanton, to approve the minutes as presented.

Motion carried 9-0.

Item #4- Approval of Finance Reports

SDHSAA Finance Director Ryan Mikkelsen reported on the income statements and balance sheets for April and May of 2026 and the cash flow report as well as the investment report from New Edge Advisors.

Motion by Rollinger, second by Long, to approve the Finance Reports as presented.

Motion Carried 9-0.

Item #5- Consent Agenda

The consent agenda contained the following items:

- A. Vouchers for April and May of 2026.
- B. Approval of NFHS Rulebook publications with published exceptions.
- C. Out of state travel requests for 26-27.
- D. Appoint Dr. Swartos as Treasurer for FY27 and set a surety bond for \$2,000,000.
- E. Approve George Erdahl (Lower Brule), Charles Cuny Jr. (Little Wound), Dr. Kelly Glodt (Pierre), Scott Andal (McCook Central), Cyndy Demers (Winner), Justin Speck (Rapid City Central), Joey Lore (Rapid City Central), Louis Young (Ft. Pierre), Mark Naugle (Custer), Jeff Schroeder (Brandon), and Dr. Lucio Margallo (Mitchell) for the 26-27 Distinguished Service Awards.
- F. Request from Florence/Henry to add Competitive Cheer for the 26-27 school year.
- G. Request from Burke to add Softball beginning in 2026-27.
- H. Request from Rapid City Central and Stevens to hold early tryouts in volleyball and basketball due to OCR ruling.

Motion by Clanton, second by Wilson, to approve the consent agenda as presented.

Motion carried 8-0, with Bauer abstaining due to conflict of interest in item H.

Item #6- Reports

The board heard reports on the following:

- All-State Jazz Band/Show Choir, State Tennis, State Softball, State Track and Field, and State Golf from SDHSAA staff.
- SDHSAA Finance Committee update from Dr. Swartos
- SDHSAA Foundation report from Dr. Swartos
- SDIAAA/SDHSCA Report
- SDHSAA Board Goals Report from Dr. Swartos

Dr. Danielsen Directed the Board to Item #13- All State Band Audition Discussion

Item #13- All-State Band Audition Discussion

After much discussion, motion by Bauer, second by Rollinger to continue with the current all-state band audition weather contingency protocol, and to look into the program Heart Out for use in recorded auditions due to inclement weather. Motion by Bauer, second by Rollinger to amend the motion to substitute “online platform” for “Heart Out” in the original motion.

Motion carried 9-0 on the amendment.

Motion carried 8-1 on the amended motion, with Long dissenting.

Dr. Danielsen directed the Board to Item #18- SDPB Report.

Item #18- SDPB Report

Brad VonOsdell and Kyle Mork from SDPB presented the Board with an annual report of SDPB broadcasting and coverage of state events. There were nearly 500,000 different users reached, with 2.8 million views and over 818,000 hours of events watched (excluding State Track/Field and Softball)

Item #7- First reading of the FY26 SDHSAA Budget

Dr. Swartos reviewed the FY27 SDHSAA Financial Budget with the Board as a first reading.

Item #8- 2nd Reading of Changes to SDHSAA Athletics Handbook

Motion by Kusters, second by Clanton, to approve all items that received a first reading as a second reading for implementation. There was a substitute motion by Danielsen, second by Bauer, to remove the Wrestling and Sports Officials items and approve all other items as a second reading.

Motion to amend carried 9-0.

Motion carried 9-0 on the amended motion to approve all items except for wrestling and sports officials.

It was moved by Clanton, second by Allison, to approve all wrestling items that received a first reading as a second reading for implementation.

Motion carried 9-0.

It was moved by Kusters, second by Wilson, to approve all Sports Officials items that received a first reading as a second reading for implementation.

Motion carried 8-1, with Danielsen dissenting.

Approved changes can be found in Appendix A of the minutes.

Item #9- 2nd Reading of Changes to SDHSAA Fine Arts Handbook

Motion by Bauer, second by Long, to approve all fine arts items that received a first reading as a second reading for implementation.

Motion carried 9-0.

Approved changes can be found in Appendix B of the minutes.

Item #10- Conduct a second reading on sites for the 29-30 school year and changes to previous years.

Motion by Bauer, second by Hartmann, to approve the following sites:

- 2027 Softball-
 - Class A/B- Sanford Complex, Sioux Falls
 - Class AA- Augustana University, Sioux Falls
- 2028 Gymnastics- Mitchell
- 2028 Debate- Watertown
- 2028 Oral Interp-Sturgis Brown
- 2029 Debate- Brookings
- 2029 Girls B Basketball- Huron
- 2027 Cross Country- Huron
- 2029-30 School Year:
 - Boys A Golf- Aberdeen (TBD)
 - Boys AA Golf- Spearfish (Spearfish Canyon)
 - Girls Tennis- Sioux Falls
 - Soccer- Brookings (SDSU)
 - Journalism- Vermillion (USD)
 - Cheer and Dance- Sioux Falls (Premier Center)

- Cross Country- Sioux Falls
- Chorus and Orchestra- Rapid City (Summit Arena, Monument Center)
- Football- Vermillion (USD)
- Combined Volleyball- Rapid City (Summit Arena, Monument Center)
- Oral Interp- Watertown
- One-Act Play- Mitchell
- Gymnastics- Pierre
- ESports- TBD
- Combined Wrestling- Rapid City (Summit Arena, Monument Center)
- Debate/IE- Aberdeen
- Girls B BB- Brookings (SDSU)
- Girls A BB- Watertown
- Girls AA BB- Rapid City
- Boys B BB- Aberdeen
- Boys A BB- Rapid City (Summit Arena, Monument Center)
- Boys AA BB- Sioux Falls (Premier Center)
- All-State Band- O’Gorman
- SDSCA Student Council- Rapid City
- Visual Arts- Aberdeen (ARC)
- All-State Jazz Band/Show Choir- Mitchell
- Boys Tennis- Rapid City
- Track and Field- Sioux Falls
- Softball- TBD
- Boys/Girls B Golf- Rapid City (Hart Ranch/Meadowbrook)
- Girls A Golf- Madison
- Girls AA Golf- Aberdeen (Lee Park)

Motion carried 9-0.

Item #11 - Review/Approve SDHSAA Board Election and Constitutional Amendments

Election Results were as follows:

- Divison IV Superintendent:
 - Jeff Kusters, Frederick Area- 143 (100%)
- Amendment #1
 - Yes- 145 (97%), No- 4 (3%)
- Amendment #2
 - Yes- 146 (98%), No- 3 (2%)
- Amendment #3
 - Yes- 147 (99%), No- 2 (1%)

Motion by Rollinger, second by Hartmann, to recognize the election of Jeff Kusters as Division IV Rep and ratify Constitutional Amendments 1-3.

Motion carried 8-0 with Kusters abstaining.

Item #12- Election of Chair and Vice-Chair for 2025-26

Randy Hartmann was nominated as Board Chair for 2026-27 by Rollinger, with a second by Kusters.

Motion by Clanton, second by Long, to cease nominations and cast unanimous ballot for Randy Hartmann as Board Chair for 2026-27.

Motion carried 8-0, with Hartmann abstaining.

Ryan Rollinger was nominated as Board Vice-Chair for 2026-27 by Allison, with a second by Clanton.

Motion by Clanton second by Kosters, to cease nominations and cast a unanimous ballot for Ryan Rollinger as SDHSAA Board Vice-President for 2026-27.

Motion carried 8-0, with Rollinger abstaining.

Item #13 was addressed earlier in the meeting following Item #6.

Item # 14- Receive FY 25 Financial Audit

Motion by Bauer, second by Long, to recognize the receipt of the FY 25 financial audit of the SDHSAA, completed by the South Dakota Department of Legislative Audit. **Audit is attached to the minutes as**

Appendix B.

Motion carried 9-0.

Item #15- Resignation

Motion by Kusters, second by Bauer, to approve the resignation of Ryan Mikkelsen as SDHSAA Finance Director as of June 30, 2026, with thanks for his service to the Association.

Motion carried 9-0.

Item #16- Approve Contract for new Finance Director

Motion by Allison, second by Rollinger, to approve a 990 contract with Isaac Jahn for 2026-27.

Motion carried 9-0.

Item #17- Approve Resolution

Motion by Clanton, second by Allison, to approve a resolution thanking Ryan Mikkelsen for his service to the SDHSAA.

Motion carried 9-0.

Item #18 was covered earlier in the meeting after items #6 and #13.

Item #19- Board Sharing

Jeff Kusters noted his appreciation for the state track and field meet and state golf meet and thanked everyone for their work.

Chris Long noted that it was a great year and thanked everyone involved for their work.

Chuck Congratulated Jeff Kusters on his appointment to the Board of Directors and congratulated Randy Hartmann and Ryan Rolinger for their elections to Board Chair and Vice-Chair.

Ryan Rollinger thanked the board and staff for all of their work, and noted he was thankful for the small things that matter the most. He thanked Ryan Mikkelsen for his work and wished him well.

Randy Hartmann noted his appreciation for state softball and was thankful to be a part of it.

Billy Clanton thanked everyone for their work throughout the school year and is looking forward to a new school year.

Chad Allison echoed that thanks and shared it.

Jordan Bauer noted that he was able to spend 15 days of his year hosting state events for the SDHSAA and extended thanks to all involved who make it go. He thanked the staff for their work, thanked Ryan Mikkelsen and wished him well, and thanked Jeff Danielsen for his year as SDHSAA Board Chair.

Jeff Danielsen noted his appreciation and thanks for the opportunity to serve a year as Board Chair. He appreciated the confidence in others to allow him to do it. He thanked all host sites for serving the kids of South Dakota and helping the SDHSAA in making state events a reality.

Item #20- Executive Session SDCL 1-25-2.4 and 2.5

Motion by Kusters second by Bauer, to enter into executive session per SDCL 1-25-2.4 and 2.5.

Motion carried 9-0.

President Danielsen declared the Board in Executive Session at 11:50 AM and out at 1:30 PM.

Item #18- Staff Contracts

Motion by Ryan Rollinger, second by Chris Long, to approve staff contracts for 2026-27 as negotiated (2% increase). Staff contracts for 2025-26 are as follows: Executive Director Dan Swartos- \$205,313.11, Assistant Executive Director Randy Soma- \$120,899.47, Assistant Executive Director Brooks Bowman- \$120,899.47, Assistant Executive Director Kristina Sage- \$113,883, Technology Director Aaron Magnuson- \$107,778.27, Administrative Assistant Marsha Karst- \$27.19/hour, Administrative Assistant Nicki Axtell- \$26.26/hour, 3rd Administrative Assistant Maggie Price- \$24.74/hour.

Motion carried 9-0.

Item #22- Adjourn

Motion by Allison, second by Kusters, to adjourn.

Motion carried 9-0.

President Danielsen declared the meeting adjourned at 1:32 PM.

Respectfully submitted,



Dr. Daniel Swartos

SDHSAA Executive Director

June 17, 2026

APPENDIX A

2nd Reading- Proposed Changes to Athletics Handbook

Full proposals and rationale for all proposals can be found at the end of this document

The proposals passing a first reading are as follows:

Basketball- No Proposals

Competitive Cheer-

- Proposal 1- Stunting category rubric changes.
- Proposal 2- Revision of Co-Ed criteria.
- Proposal 3- Clarification of awards distribution.

Competitive Dance-

- Proposal 1- Restructure tiebreaker criteria for grand champion.
- Proposal 2- Change in difficulty rubric.
- Proposal 3- Additions to dance rubric.

Football-

- Proposal 1- Handbook language changes regarding forfeiture.
- Proposal 2- Tiebreaker cleanup in handbook.
- Proposal 3- New seed point system.
- Proposal 6- Profit/loss language update in handbook.

Golf-

- Proposal 2- Changes dates for posting of SDHSAA State Meet participants (AA).

Gymnastics-

- Proposal 1- Language regarding individual day in-season qualifiers update.
- Proposal 2- Entry form mandated at all regular season events.
- Proposal 3- Require a meet referee for Class A Region and Class AA Qualifying Meets.

Soccer- No proposals

Softball- No proposals

Tennis-

- Proposal 2- Expand team awards in Class AA to five at the state tournament.

Track and Field/Cross Country-

- Proposal 1- Use a two-pit pole vault system starting in 2027, pending logistics and funding.
- Proposal 2- Maintain current starting heights process for state meet in high jump and pole vault with the addition of the games committee retaining the ability to adjust heights due to unforeseen circumstances.
- Proposal 3- Eliminate the girls 100-meter hurdles deviation starting in the 2029 track season.
- Proposal 4- (AA) Seed the top 12 teams in the fast heat for the 4x800 relay, with the rest going to the slow heat, provided there are at least eight teams in the slow heat.

Volleyball- No proposals

Wrestling-

- Proposal 1- Discontinue the state dual event at the end of the 2025-26 school year.
- Proposal 2- One-year exemption for an additional weigh-in for those who qualify for the SDWCA Duals event to accommodate the transition from SDHSAA to SDWCA.
- Proposal 3- State tournament seeding clarification.
- Proposal 4- Two-year weigh in increase for girls wrestling.

In/Out of Season-

- Proposal 1- Change Open Gym Wording in Handbook
- Proposal 2- Change wording in golf handbook pertaining to AJGA events.

Sports Medicine- No proposals

Sports Officials Advisory-

- Proposal 1- Funding to Football Officials Alliance for training.
- Proposal 2- Eliminate sit out rule in Basketball.
- Proposal 3- Approve the use of red, yellow, and green cards by track and field starting team to communicate decisions at the start line.

June 17, 2026

APPENDIX B

2nd Reading- Proposed Changes to Fine Arts Handbook

Full proposals and rationale for all proposals can be found at the end of this document

The proposals passing a first reading are as follows:

Music-

- Proposal 1- Audition changes for Orchestra- scores not docked for concertmaster auditions.
- Proposal 2- Late fee for additions and errors for All-State Band.
- Proposal 3- Create a subcommittee to select four pieces of music to be used on rotation for one of the two combined music selections at All-State Chours and Orchestra.

Speech-

- Proposal 1- Form a committee to review Oral Interp rankings chart.

Debate-

- Proposal 1- Change to debate handbook: allow schools to enter events that include Sunday competition (**Sunday competition is still not allowed for SDHSAA schools**, but the event may include Sunday competition that others not involved with the SDHSAA compete in. Current rules do not allow a SDHSAA school to enter an event that includes Sunday competition for others.)
- Proposal 2- Change debate handbook language regarding the pull up from a tabroom to a seeded model.
- Proposal 3- Change to allowable entrants.
- Proposal 4- Clarifying that you cannot strike a community judge.

Journalism-

- Proposal 1- Add a photo with a caption requirement to Newswriting category.

Visual Arts-

- Proposal 1- Include cyanotype as an allowable submission in photography.

Student Council- No proposals

ESports-

- Proposal 1- Update handbook to specify team vs. Individual titles.

APPENDIX C

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION

AUDIT REPORT

June 30, 2025



**State of South Dakota
Department of Legislative Audit**
427 South Chapelle
% 500 East Capitol
Pierre, SD 57501-5070

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
ASSOCIATION OFFICIALS
June 30, 2025

Board of Directors:

Marty Weismantel – Chairperson
Dr. Jeff Danielsen – Vice Chairperson
Randy Hartmann
Jeff Kusters
Chris Long
Trent Osborne
Ryan Rollinger
Adam Shaw
Chuck Wilson

Executive Director:

Dr. Daniel Swartos

Finance Director:

Ryan Mikkelsen

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
TABLE OF CONTENTS

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1
Schedule of Current Audit Finding and Recommendation	3
Schedule of Prior Audit Findings and Recommendations	3
Independent Auditor's Report	4
Management's Discussion & Analysis	7
<i>Basic Financial Statements:</i>	
Statement of Net Position	9
Statement of Revenues, Expenses and Changes in Fund Net Position	10
Statement of Cash Flows	12
Notes to the Financial Statements	13
<i>Required Supplementary Information:</i>	
Schedule of the Association's Pension Contributions	26
Schedule of the Association's Proportionate Share of the Net Pension Liability (Asset)	27
Notes to the Required Supplementary Information	28
<i>Supplementary Information:</i>	
Schedule of Budgeted and Actual Revenues – Cash Basis	29
Schedule of Budgeted and Actual Expenditures – Cash Basis	30
Notes to the Schedules of Budgeted and Actual Revenues and Expenditures	32



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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**

Board of Directors
South Dakota High School Activities Association

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, the financial statements of the South Dakota High School Activities Association (Association), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements and have issued our report thereon dated June 10, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Association'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Association's internal control. Accordingly, we do not express an opinion on the effectiveness of Association'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 identified a certain deficiency in internal control, described in the accompanying Schedule of Current Audit Finding and Recommendation as item 2025-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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*.

Association's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Association's response to the finding identified in our audit and described in the accompanying Schedule of Current Audit Finding and Recommendation. The Association'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 result 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

June 10, 2026

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION

SCHEDULE OF CURRENT AUDIT FINDING AND RECOMMENDATION

Financial Statement Audit Finding:

Finding No. 2025-001: Lack of proper segregation of duties

Type of Finding: Material Weakness

Criteria:

An effective system of internal controls depends on 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 Association did not have an effective internal control system to ensure adequate segregation of duties in certain areas of the accounting function was achieved. The oversight and review process by management, such as reviews of the monthly bank reconciliation, journal entries, and financial reports, was not consistently performed or formally documented.

Cause:

Management oversight is done on an informal and inconsistent basis.

Effect:

The lack of segregation of duties increases the risk of fraud related to misappropriation of assets, financial statement misstatement, or both.

Repeat Finding from Prior Year:

No.

Recommendation:

Management and the Board should provide adequate oversight to ensure controls designed over certain areas of the accounting function have been placed into operation, consistently performed, and adequately documented.

Views of Responsible Officials:

SDHSAA concurs with the finding and agrees with the importance of adequate segregation of duties in the prevention of fraud, waste, and abuse. We have already taken steps to rectify deficiencies and ensure proper review of bank statements prior to reconciliation and will review all procedures, to include end of fiscal year financial reviews and reporting, in order to ensure adequate, formal, and consistent management oversight of accounting.

PRIOR AUDIT FINDINGS AND RECOMMENDATIONS

There were no prior audit findings.



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RUSSELL A. OLSON
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

Board of Directors
South Dakota High School Activities Association

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the South Dakota High School Activities Association (Association), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2025, the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. 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 Association 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 opinion.

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 Association'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 opinion. 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 Association'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 Association'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*, *Schedule of the Association's Pension Contributions*, and the *Schedule of the Association's Proportionate Share of the Net Pension Liability (Asset)* 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 auditing standards generally accepted in the United States of America, 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 an opinion on the financial statements that collectively comprise the Association's basic financial statements. The *Schedule of Budgeted and Actual Revenue – Cash Basis*, *Schedule of Budgeted and Actual Expenditures – Cash Basis*, and *Notes to the Schedules of Budgeted and Actual Revenues and Expenditures* 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 auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Budgeted and Actual Revenue – Cash Basis*, *Schedule of Budgeted and Actual Expenditures – Cash Basis*, and *Notes to the Schedules of Budgeted and Actual Revenues and Expenditures* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2026, on our consideration of the Associations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Association'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 Association's internal control over financial reporting and compliance.



Russell A. Olson, Auditor General
Pierre, South Dakota

June 10, 2026

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION MANAGEMENT'S DISCUSSION & ANALYSIS

This section of the South Dakota High School Activities Association (SDHSAA) annual financial report presents management's discussion and analysis of the SDHSAA's financial performance during the fiscal year ended June 30, 2025. This analysis should be read in conjunction with the Independent Auditor's Report, Financial Statements, and notes to the financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the SDHSAA's basic financial statements. The SDHSAA's basic financial statements include: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Fund Net Position, 3) Statement of Cash Flows, and 4) Notes to the Financial Statements.

The Statement of Net Position presents information on all of the SDHSAA's assets and liabilities, with the difference between the two reported as net position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents information showing how the SDHSAA's net position changed during the most recent fiscal year.

The Statement of Cash Flows presents the SDHSAA's flows of cash by defined categories. The primary purpose of the Statement of Cash Flows is to provide information about the SDHSAA's cash receipts and payments during the year.

The Notes to the Financial Statements are an integral part of the financial statements and provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis

- In FY25, South Dakota High School Activities Association once again saw the cancellation of State Student Council due to weather conditions and received no revenue from the event. This led to a budgeted loss of about \$62,000 in revenue and budgeted savings of about \$39,000 in expenses.
- General and administrative expenses increased \$96,504 (or 4.58%) from FY24. This was generally led by increases to a majority of our insurance expenses, as well as smaller increases to other expenses, such as rule book orders and staff travel, across the board.

Financial Highlights as of June 30, 2025

- South Dakota High School Activities Association's investments decreased from FY24 to FY25 by \$163,004 (or 21.07%.) This decrease can largely be attributed to investments being moved from SDHSAA's investment fund into cash and cash equivalents throughout FY25.
- At the end of FY25, accounts receivable sat at \$325,347, a \$118,124 (or 57%) increase from FY24. This increase is largely due to a few remaining state event and sponsorship revenues that had not yet been collected as of June 30th, 2025, such as around \$25,000 each from state softball and SD Army National Guard. These revenues have since been collected in FY26.

Economic Conditions and Outlook

- SDHSAA Board of Directors voted in June of 2021 to suspend both the participation fee revenues and state event team expenses for FY22 and the foreseeable future.
- Starting in FY24, SDHSAA has partnered with Teall Properties Group (TPG) to handle all sponsorship revenue from current corporate partners and work towards adding new partnerships and revenues. SDHSAA expects revenues from corporate partners to increase year over year going forward.

Change in Assets and Liabilities

	FY 2024	FY 2025	Increase (Decrease)	% Increase (Decrease)
Assets:				
Cash and Cash Equivalents	\$ 811,981	\$ 671,890	\$ (140,091)	(17.25)
Investments	773,678	610,674	(163,004)	(21.07)
Accounts Receivable	207,223	325,347	118,124	57.00
Capital Assets (Net of Depreciation)	685,624	667,425	(18,199)	(2.65)
Deferred Outflows of Resources	284,270	249,819	(34,451)	(12.12)
Net Pension Asset	3,289	1,304	(1,985)	(60.35)
Total Assets and Deferred Outflows	<u>2,766,065</u>	<u>2,526,459</u>	<u>(239,606)</u>	<u>(8.66)</u>
Liabilities				
Current Liabilities	240,034	232,612	(7,422)	(3.09)
Non-Current Liabilities	42,358	60,345	17,987	42.46
Deferred Inflow of Resources (GASB 68)	164,394	163,826	(568)	(0.35)
Total Liabilities and Deferred Inflows	<u>446,786</u>	<u>456,783</u>	<u>9,997</u>	<u>2.24</u>
Net Investment in Capital Assets	685,624	667,425	(18,199)	(2.65)
Restricted for SDRS Pension Purposes (GASB 68)	123,165	87,297	(35,868)	(29.12)
Unrestricted Net Position	<u>1,510,490</u>	<u>1,314,954</u>	<u>(195,536)</u>	<u>(12.95)</u>
Total Net Position	<u>\$ 2,319,279</u>	<u>\$ 2,069,676</u>	<u>\$ (249,603)</u>	<u>(10.76)</u>

Change in Net Position

	FY 2024	FY 2025	Increase (Decrease)	% Increase (Decrease)
Operating Revenues:				
State Events	\$ 2,131,343	\$ 2,075,724	\$ (55,619)	(2.61)
Sub-State Events	869,548	866,237	(3,311)	(0.38)
Corporate Partner	607,433	601,676	(5,757)	(0.95)
Miscellaneous	123,576	169,110	45,534	36.85
Non-Operating Revenue	127,087	122,433	(4,654)	(3.66)
Total Revenue	<u>3,858,987</u>	<u>3,835,180</u>	<u>(23,807)</u>	<u>(0.62)</u>
Expenses:				
General and Administrative	2,107,719	2,204,223	96,504	4.58
Activities	1,770,393	1,812,022	41,629	2.35
Depreciation Expense	17,854	18,199	345	1.93
Total Expenses	<u>3,895,966</u>	<u>4,034,444</u>	<u>138,478</u>	<u>3.55</u>
Changes in Net Position	<u>\$ (36,979)</u>	<u>\$ (199,264)</u>	<u>\$ (162,285)</u>	<u>(438.86)</u>

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENT OF NET POSITION
JUNE 30, 2025

Assets:

Current Assets:

Cash and Cash Equivalents	\$ 671,889.74
Investments	175,652.98
Accounts Receivable	325,347.37
Total Current Assets	<u>1,172,890.09</u>

Non-Current Assets:

Investments	435,020.85
Land	163,870.75
Land Improvements	48,027.26
Less: Accumulated Depreciation-Land Improvements	(47,626.84)
Building	787,943.97
Less: Accumulated Depreciation-Building	(321,042.24)
Equipment, Furniture and Fixtures	176,447.35
Less: Accumulated Depreciation-Equipment, Furniture and Fixtures	(140,195.00)
Net Pension Asset	1,303.58
Total Non-Current Assets	<u>1,103,749.68</u>

Total Assets	<u>2,276,639.77</u>
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Deferred Outflows of Resources:

Pension Related Deferred Outflows	249,819.33
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Liabilities:

Current Liabilities:

Wages Payable	23,036.81
Vouchers Payable	51,907.83
Accrued Vacation	44,343.03
Accrued Sick Leave	35,743.84
Severance Pay Benefit	25,017.80
Post Employment Benefit	4,800.00
Unearned Revenue	47,763.04
Total Current Liabilities	<u>232,612.35</u>

Non-Current Liabilities:

Accrued Vacation	34,030.96
Accrued Sick Leave	26,314.12
Total Non-Current Liabilities	<u>60,345.08</u>

Total Liabilities	<u>292,957.43</u>
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Deferred Inflows of Resources:

Pension Related Deferred Inflows	163,826.21
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Net Position:

Investment in Capital Assets	667,425.25
Restricted for SDRS Pension Purposes	87,296.70
Unrestricted	1,314,953.51
Total Net Position	<u>\$ 2,069,675.46</u>

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

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Operating Revenue:

Basketball:

State Tournament - Boys	\$ 467,100.54	
State Tournament - Girls	295,920.00	
Sub-State Events	<u>455,334.00</u>	
Total Basketball Receipts		\$ 1,218,354.54

Wrestling:

State Tournament	252,701.29	
Sub-State Events	<u>31,097.00</u>	
Total Wrestling Receipts		283,798.29

Volleyball:

State Tournament	267,740.00	
Sub-State Events	<u>146,177.00</u>	
Total Volleyball Receipts		413,917.00

Football:

State Tournament	240,905.00	
Sub-State Events	<u>233,629.00</u>	
Total Football Receipts		474,534.00

Cross Country	31,918.87
State Track and Field Meet	273,007.29
State Gymnastics Meet	22,250.00
Cheer and Dance	43,555.00
Soccer	25,520.00
All-State Chorus and Orchestra	71,770.00
All-State Band	9,908.57
All-State Jazz Band	5,605.00
Student Council	9,202.00
Softball	58,620.00
Television Contract	35,700.00
Corporate Partner	565,976.00
Sale of Medals	1,689.30
Rule Books/Publications	38,571.00
Registration of Officials	88,176.92
Officials/Coaches Penalties	6,650.00
Miscellaneous	<u>34,022.62</u>

Total Operating Revenue	<u>3,712,746.40</u>
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SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Operating Expenses:	
General and Administrative	2,204,223.40
Activities	1,812,022.25
Depreciation Expense	18,198.94
Total Operating Expenses	<u>4,034,444.59</u>
Operating Income (Loss)	<u>(321,698.19)</u>
Non-operating Revenue (Expense):	
Earnings on Deposits and Investments	19,695.96
Unrealized Gain (Loss) on Investments	69,799.09
Contributions and Donations	40,157.38
Investment Expense	(7,219.04)
Total Non-operating Revenue (Expense)	<u>122,433.39</u>
Change in Net Position	(199,264.80)
Net Position, July 1, 2024, as Previously Reported	<u>2,319,279.12</u>
Restatement for Accounting Change (See Note 13)	<u>(50,338.86)</u>
Net Position, July 1, 2024, as Restated	<u>2,268,940.26</u>
Net Position, June 30, 2025	<u><u>\$ 2,069,675.46</u></u>

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

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 2,849,616.73	
Cash Payments to Suppliers for Goods and Services	(1,993,052.48)	
Cash Payments to Employees for Services	(1,241,935.49)	
Net Cash Provided (Used) by Operating Activities		<u>(385,371.24)</u>
Cash Flows from Investing Activities:		
Sale of Investments	225,584.35	
Interest Received on Investments	19,695.96	
Net Cash Provided by Investing Activities		<u>245,280.31</u>
Net Increase in Cash and Cash Equivalents During the Fiscal Year		(140,090.93)
Cash and Cash Equivalents at Beginning of Year		<u>811,980.67</u>
Cash and Cash Equivalents at End of Year		<u><u>\$ 671,889.74</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)		\$ (321,698.19)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Activities Expense - Value of Donated Automobiles	40,157.38	
Depreciation Expense	18,198.94	
Change in Assets and Liabilities:		
Decrease in Net Pension Asset	1,985.70	
Decrease in Pension Related Deferred Outflows	34,450.77	
Decrease in Pension Related Deferred Inflows	(568.16)	
Decrease in Unearned Revenue	(3,851.27)	
Increase in Accounts Receivable	(118,124.26)	
Decrease in Vouchers Payable	(27,517.82)	
Increase in Wages Payable	3,793.58	
Increase in Accrued Vacation Liability	5,907.26	
Increase in Accrued Sick Leave Liability	11,712.63	
Decrease in Severance Pay Benefit	(25,017.80)	
Decrease in Post Employment Benefit	(4,800.00)	
Total Adjustments		<u>(63,673.05)</u>
Net Cash Provided by Operating Activities		<u><u>\$ (385,371.24)</u></u>
Non-cash Investing, Capital and Financing Activities:		
Value of Donated Automobiles		\$ 40,157.38
Increase in Fair Value of Investments		69,799.09

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

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

a. Nature of Activities:

The Associations of the State of South Dakota, acting by and through their duly elected school board members, associated together in the creation and development of a voluntary, nonprofit association, the South Dakota High School Activities Association (Association), to direct and coordinate interscholastic activities carried on by member high schools of South Dakota.

b. Significant Accounting Policies:

Date of Management's Review:

Management has evaluated subsequent events through June 10, 2026, the date the financial statements were available to be issued.

Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c. 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).

Proprietary Funds:

Enterprise Funds – Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the constituency on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Association has one enterprise fund.

d. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

Measurement Focus:

The "economic resources" measurement focus, and the accrual basis of accounting are applied to proprietary fund types.

Basis of Accounting:

The financial statements are presented on the accrual basis of accounting; revenues are recorded when earned and expenses are recorded when the obligation is incurred.

e. Capital Assets:

On July 1, 2004, the Association and Delta Dental Plan of South Dakota entered into an agreement of joint venture for the construction of an office building together with related improvements. The Association's undivided interest is 63% and Delta Dental Plan of South Dakota's is 37%. Each entity was liable for their share of the construction costs of the building and related improvements, in proportion to their undivided interest. Buildings and land improvements are valued at historical cost. The value reported by the Association reflects their undivided interest of 63% in the building and land improvements. All non-structural and routine repairs are at the expense of the applicable owner.

Land was valued at estimated fair value at the time the joint venture agreement was executed. This value was arrived at by Delta Dental Plan of South Dakota, who prior to entering into an agreement of joint venture with the Association was the sole owner of the property. The value assigned to the property was arrived at by analyzing similar commercial property values. The property is currently held jointly between the Association and Delta Dental Plan of South Dakota as tenants in common. The value reported by the Association represents their undivided interest of 63% in the property.

Equipment, furniture, and fixtures are valued at historical cost.

Capital assets acquired after July 1, 2007 are capitalized, based on the criteria of a useful life of one year or more, tangible in nature, and a unit cost of \$2,500 or more. Capital assets acquired prior to July 1, 2007 were capitalized at a cost of \$300 or more.

Buildings, equipment and furniture, and land improvements are depreciated over their estimated useful life using the straight-line method of depreciation. The estimated useful life for buildings is 45 years. The estimated useful life for land improvements is 10 years. The estimated useful life for equipment and furniture varies from 3 to 50 years.

f. Budget:

The Association follows these procedures in establishing the budget:

1. At the meeting just prior to the fiscal year end, the Executive Director submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. The Board of Directors approves the first reading of the budget at this meeting.
3. The Board of Directors approves the second reading of the budget and formally adopts the budget at the July meeting.
4. The Board of Directors must approve any revisions to the budget.
5. The budget is developed and approved using the cash basis of accounting. Therefore, the schedule of budgeted and actual revenues and expenditures in the supplementary information is presented on the cash basis of accounting.

g. Employee Fringe Benefits:

The Association pays the cost of single health insurance coverage for those administrative assistant employees and family health insurance coverage for those executive employees who enroll in the Association's group health plan with Avera Health Plans.

The Association also pays the cost of a maximum single health savings account for administrative assistant employees and maximum family health savings account for executive employees.

Payments made during fiscal year 2025 amounted to \$233,807.94.

The Association pays dental insurance for all employees. Family coverage is optional at the employee's expense. Payments made during fiscal year 2025 amounted to \$6,987.70.

h. Accumulated Unpaid Vacation and Sick Leave:

Sick Leave:

Executive staff, the technology director, the finance director, and administrative assistants earn sick leave at the rate of 12 days per fiscal year and this can be accumulated without limit.

Board action on April 15-16, 2008 changed the reimbursement of unused sick leave. Only employees hired before June 30, 2008 will be eligible for reimbursement of unused sick leave upon termination.

Vacation Leave:

Vacation leave is earned by the executive staff, the technology director, and the finance director at a rate of 12 working days for the first year of service, 15 working days after 1 year, and 20 working days after 7 years. The full-time administrative assistants are eligible for 12 working days of paid vacation for the first year of service, 15 working days after 1 year, and 18 working days after 7 years. Vacation leave is accrued monthly, with a maximum amount of accrual equal to twice the annual rate.

Executive staff, the technology director, and the finance director are eligible for reimbursement of unused vacation leave up to a maximum of 40 days. The administrative assistants are eligible for up to a maximum of 36 days. The amount is determined by multiplying current base pay times the number of unused vacation days up to the limits set forth in the policy. Base pay is computed by dividing the current annual salary by 260 days.

A liability has been estimated and recorded in the financial statements for accumulated unpaid vacation and sick leave based on a first-in-first-out flow assumption for the estimated leave to be used by the employees during the term of their employment as well as the remaining portion of the employees balances to be paid upon termination in accordance with GASB standards.

i. Investments:

Investments of the Association are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale. Unrealized gains and losses due to fluctuations in market value are included in investment income.

j. Cash Flows:

For purposes of the Statement of Cash Flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

k. Revenue and Expense Classifications:

In the Statement of Revenues, Expenses and Changes in Fund Net Position, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues or expenses.

l. Net Position:

Net Position is classified in the following three components:

1. Investment in capital assets – Consists of capital assets, net of accumulated depreciation.
2. Restricted – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation; or (c) contractual constraints.
3. Unrestricted – Consists of net position that does not meet the definition of restricted or net investment in capital assets.

m. Application of Net Position:

It is the Association's policy to first use restricted resources, prior to the use of unrestricted resources, when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

n. Long-Term Liabilities:

The accounting for proprietary fund long-term debt is on the accrual basis. The long-term liabilities consist of compensated absences and accrued payroll taxes for the compensated absences.

o. Available Credit

The Association holds six corporate credit cards through their corporate partner, Dacotah Bank. The combined credit limit for all six cards is \$75,000.00. At fiscal year end, the Association had outstanding credit card debt of \$21,009.32 which was paid in full in July 2025.

2. DEPOSITS AND INVESTMENTS AND CREDIT RISK, CONCENTRATIONS OF CREDIT RISK, AND INTEREST RATE RISK:

State law does not limit the Association's deposit and investment choices.

Custodial Credit Risk – The Association does not have a formal custodial credit risk deposit policy. The Association maintains deposits with two banks: Dacotah Bank and BankWest. Each deposit is insured by the FDIC up to \$250,000. The amount held in deposit over this limit, and therefore uninsured and subject to custodial credit risk, was \$529,501.72.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Association's mutual fund investments are susceptible to credit risk because mutual funds are not rated nor does the U.S. Government guarantee them. The Association does not have a formal credit risk investment policy.

Concentration of Credit Risk – The Association places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk – The Association does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2025, the Association had investments maturing as follows:

Investment Type	Fair Value	2025 Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	Greater than 10
Exchange Traded Funds	\$ 220,383	\$ 175,653	\$ 44,730	\$ -	\$ -

3. FAIR VALUE MEASUREMENTS:

Accounting standards define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The three-level fair value hierarchy is defined as follows:

Level One: observable inputs such as quoted market prices for identical assets or liabilities in active markets. The types of assets and liabilities included in Level One are highly liquid and actively traded instruments with quoted market prices.

Level Two: inputs include quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. The types of assets and liabilities included in Level Two are typically either comparable to actively traded securities or priced with models using observable inputs.

Level Three: inputs are based on prices or valuation techniques that are unobservable. These types of assets and liabilities require significant management judgment or estimation.

The following table presents the assets measured at fair value on a recurring basis as of June 30, 2025, on the accompanying statement of net position by the three-level fair value hierarchy. No liabilities are measured at fair value. The Association has no assets or liabilities measured on a non-recurring basis.

	Total	Level 1	Level 2	Level 3
Equities	\$ 192,577	\$ 192,577	\$ -	\$ -
Exchange-Traded Funds	418,097	418,097	-	-
Total Investments by fair value level	\$ 610,674	\$ 610,674	\$ -	\$ -

At each measurement date, the Association estimates the fair value of the financial instruments using various valuation techniques. The Association utilizes, to the extent available, quoted market prices in active markets or observable market inputs in estimating the fair value of investments. When quoted market prices or observable market inputs are not available, the Association utilizes valuation techniques that rely on unobservable inputs to estimate the fair value of investments. The

following describes the valuation techniques used to determine the fair value of investments held as of June 30, 2025. Exchange-traded funds classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets.

4. RECEIVABLES:

Receivables are not aggregated in the financial statements.

The Association expects all accounts receivable to be collected within one year. Appropriate allowances for estimated uncollectibles have not been established due to the fact that prior receivables have been collected.

5. CHANGES IN CAPITAL ASSETS:

	Balance 7/01/24	Increases	Decreases	Balance 6/30/25
Capital Assets, not being depreciated:				
Land	\$ 163,870.75	\$ -	\$ -	\$ 163,870.75
Capital Assets, being depreciated:				
Land Improvements	48,027.26			48,027.26
Building	787,943.97	-		787,943.97
Equipment, Furniture and Fixtures	176,447.35			176,447.35
Totals	1,012,418.58	-	-	1,012,418.58
Less Accumulated Depreciation for:				
Land Improvements	47,626.84	-	-	47,626.84
Building	305,754.60	15,287.64	-	321,042.24
Equipment, Furniture and Fixtures	137,283.70	2,911.30	-	140,195.00
Total Accumulated Depreciation	490,665.14	18,198.94	-	508,864.08
Total Capital Assets, being Depreciated, Net	521,753.44	(18,198.94)	-	503,554.50
Capital Assets, Net	\$ 685,624.19	\$ (18,198.94)	\$ -	\$ 667,425.25

6. LIABILITIES:

Long-term obligations on June 30, 2025 and changes to long-term liabilities during the fiscal year ended are as follows:

	Balance 7/01/24	Increases	Decreases	Balance 6/30/25	Due Within One Year
Accrued Vacation	\$ 72,473.20	\$ 63,525.00	\$ 57,624.21	\$ 78,373.99	\$ 44,343.03
Accrued Sick Pay	-	62,057.96	-	62,057.95	35,743.84
Severance Pay (see note 9)	50,035.60	-	25,017.80	25,017.80	25,017.80
Post Employment Benefit (see note 8)	9,600.00	-	4,800.00	4,800.00	4,800.00

Accrued vacation and accrued sick pay increases and decreases include amounts for prior period adjustments required by GASB 101 as described in note 13.

7. INCOME TAXES:

The Association is exempt from federal income taxes pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code and is classified as a private foundation. Contributions to the organization are deductible for income tax purposes.

Accounting standards prescribe a recognition threshold of more likely than not, and a measurement attribute for all tax positions taken or expected to be taken on a tax return, in order for those tax positions to be recognized in the financial statements. At June 30, 2025, the Association believes that there are no uncertain tax positions or liabilities, or interest and penalties associated with uncertain tax positions. If the Association had interest and penalties related to uncertain tax positions, it would be accounted for as a component of income tax expense. In accordance with the applicable statute of limitations, the Association's tax returns could be audited by the Internal Revenue Service for the years ended June 30, 2019 to 2025.

8. POST EMPLOYMENT BENEFIT:

The Association adopted a policy to provide past Executive Director Marlyn Goldhammer \$400.00 a month, for the rest of his life, to purchase supplemental medical insurance. This benefit went into effect July 1, 2001. Marlyn Goldhammer is the only retiree eligible to receive this benefit.

During fiscal year 2025, a budgeted expense of \$4,800.00 was incurred for this benefit. Future payments have been estimated to total approximately \$4,800.00. No monies have been set-aside for future payments.

9. SEVERANCE PAY BENEFIT:

The Association has a policy where a retirement/severance benefit is available to any qualifying employee. The employee must be at least 55 years of age and has not yet reached their 69th birthday. An employee who has been employed by the Association for at least fifteen (15) years will be eligible for 60% of their final salary payable over a three (3) year period. The first payment shall be made prior to June 30 of the retirement year with payments two and three being made after January 1 and prior to February 28 the following two years. An employee who has been employed by the Association for at least twenty (20) years will be eligible for 80% of their final salary payable over a three (3) year period. Payment will be made during the month of June each fiscal year. An employee who has been employed by the Association for at least twenty-five (25) years will be eligible for 100% of their final salary payable over a three (3) year period. Payment will be made during the month of June each fiscal year. A maximum of one new recipient may become eligible per budget year. Notice of retirement must be submitted in writing a minimum of 180 days prior to the actual retirement date. Future payments over the next year will total \$25,017.80. No monies have been set aside for future payments.

In the event the employee entitled to the separation pay policy benefit hereunder shall die while all or part of such benefit remains unpaid, such unpaid benefit or part thereof shall be paid to the beneficiary designated in writing by the employee prescribed by the comptroller. In the event no beneficiary has been designated, such unpaid benefit shall be paid to the estate of the deceased.

10. RISK MANAGEMENT:

The Association is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year ended June 30, 2025, the Association managed its risks as follows:

Employee Health & Dental Insurance:

See note 1 g.

Liability Insurance:

The Association purchases liability insurance for risks related to torts; theft or damage to property; and errors and omissions of staff members from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Board of Directors coverage includes:

- a) Bodily injury liability, including participant and spectator bodily injury at events under the Association's jurisdiction, sponsorship or control;
- b) Property damage liability at events under the Association's jurisdiction, sponsorship, and control;
- c) Auto liability insurance of secondary coverage in the amount of \$1,000,000 when driving personal car for Association business; and
- d) Accidental Death/Trip Insurance \$250,000.

Staff member coverage includes any suit brought by a third party for:

- a) Bodily injury liability, including participant and spectator bodily injury at events under the Association's jurisdiction, sponsorship of Directors;
- b) Property damage liability at events under the Association's jurisdiction, sponsorship and control;
- c) Advertising injury liability; and
- d) Libel or slander.

Coverage for errors and omissions of staff members is \$1,000,000.

Automobile:

Automobile liability insurance, which covers all staff members, is secondary coverage in the amount of \$1,000,000 when driving a personal car for Association business. The insurance coverage is through a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Property and Building:

Coverage is through a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Worker's Compensation:

The Association purchases liability insurance for worker's compensation from a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Unemployment Benefits:

The Association has elected to be self-insured and retain all risk for liabilities resulting from claims for unemployment benefits.

During the fiscal year ended June 30, 2025, no claims for unemployment benefits were paid. At June 30, 2025, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

11. SIGNIFICANT CONTINGENCIES—LITIGATION:

At June 30, 2025, the Association was not involved in any litigation.

12. PENSION NOTE:

Plan Information:

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <https://www.sd.gov/sdrs> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided:

SDRS has 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 that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory 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 Foundation retirement benefits that do not meet the above criteria may be payable at a reduced level. Class A and B eligible spouses of Foundation members will receive a 60 percent joint 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 percent joint and survivor benefit, or a 100 percent 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 percent of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

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.

Legislation enacted in 2021 reduced the minimum COLA from 0.5 percent to 0.0 percent.

All benefits except those depending on the Member's Accumulated Contributions are annually increased by the Cost-of-Living Adjustment.

Contributions:

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State Statute also requires the employer to contribute an amount equal to the employee's contribution. The Association's share of contributions to the SDRS for the fiscal years ended June 30, 2025, 2024 and 2023, equal to required contributions each year, were as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 54,730.31
2024	54,208.44
2023	52,510.22

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2024, SDRS was 100% funded and accordingly had a net pension asset. The proportionate share of the components of the net pension asset of the South Dakota Retirement System for the Association as of the measurement period ending June 30, 2024 and reported by the Association as of June 30, 2025 are as follows:

Proportionate share of pension liability	\$ 4,804,127.75
Less proportionate share of net pension restricted for pension benefits	<u>4,805,431.33</u>
Proportionate share of net pension liability (asset)	\$ (1,303.58)

At June 30, 2025, the Association reported an asset of \$1,303.58 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024 and the total pension liability used to calculate the net pension asset was based on a projection of the Association's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024 the Association's proportion was 0.032203% which is a decrease of 0.001497% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Association recognized pension expense of \$35,868.32. At June 30, 2025 the Association reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual Experience	\$ 120,711.37	\$
Changes in assumption	21,492.03	163,824.35
Net difference between projected and actual earnings on pension plan investments	49,102.08	
Changes in proportion and difference between Association contributions and proportionate share of contributions	3,783.54	1.86
Association contributions subsequent to the measurement date	54,730.31	
TOTAL	<u>\$ 249,819.33</u>	<u>\$ 163,826.21</u>

The \$54,730.31 reported as deferred outflow of resources related to pensions resulting from Association contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ended June 30,	
2026	\$ (44,102.34)
2027	64,047.67
2028	7,202.15
2029	4,115.33
TOTAL	<u>\$ 31,262.81</u>

Actuarial Assumptions:

The total pension liability (asset) in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%.
Future COLAs	1.71%

Mortality rates

All mortality rates based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2020

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65

Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above

Public Safety Retirees: PubS-2010, 102% of rates at all ages

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2021.

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of portions of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). 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, 2024 (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>
Public Equity	56.3%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	1.9%	0.8%
Total	100%	

Discount Rate:

The discount rate used to measure the total pension liability (asset) was 6.50%. 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 these 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 liability (asset).

Sensitivity of liability (asset) to change in the discount rate:

The following presents the Association's proportionate share of net pension liability (asset) calculated using the discount rate of 6.50% as well as what the Association's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<u>1 % Decrease</u>	<u>Current Discount Rate</u>	<u>1 % Increase</u>
Associations proportionate share of the net pension liability (asset)	\$ 662,403.42	\$ (1,303.58)	\$ (544,422.63)

Pension Plan Fiduciary Net Position:

Detailed information about the plan's fiduciary net position is available in the separately issued SDRS financial report.

13. ACCOUNTING CHANGES, RESTATEMENTS, AND RECLASSIFICATIONS:

The SDHSAA implemented Governmental Accounting Standards Board Statement Number 101 – Compensated Absences as of July 1, 2024. This standard requires the recognition of liabilities for compensated absences that have not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized for leave that has not been used if (a) leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Previously, the SDHSAA recorded a liability only for leave that was likely to be paid in cash to employees. The implementation of this new standard resulted in the recognition of an increase in previously recorded liability balances and a prior period restatement of net position as follows:

Net Position – July 1, 2024, as Previously Recorded	\$ 2,319,279.12
Impact of Adoption of GASB 101	<u>(50,338.86)</u>
Net Position – July 1, 2024, as Restated	<u>\$ 2,268,940.26</u>

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ASSOCIATION'S PENSION CONTRIBUTIONS
South Dakota Retirement System
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 54,730	\$ 54,208	\$ 52,510	\$ 49,084	\$ 48,041	\$ 48,175	\$ 47,220	\$ 42,779	\$ 42,076	\$ 43,167
Contributions in relation to the contractually required contribution	54,730	54,208	52,510	49,084	48,041	48,175	47,220	42,779	42,076	43,167
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Association's covered payroll	\$ 911,281	\$ 902,528	\$ 874,153	\$ 817,063	\$ 799,552	\$ 801,678	\$ 785,742	\$ 712,980	\$ 701,265	\$ 719,450
Contributions as a percentage of covered payroll	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ASSOCIATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
South Dakota Retirement System
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Association's proportion of the net pension liability/asset	0.032203%	0.033700%	0.034260%	0.035552%	0.036584%	0.037014%	0.034660%	0.036181%	0.037836%	0.036345%
Association's proportionate share of net pension liability (asset)	\$ (1,304)	\$ (3,289)	\$ (3,238)	\$ (272,267)	\$ (1,589)	\$ (3,922)	\$ (808)	\$ (3,283)	\$ 127,806	\$ (154,148)
Association's covered payroll	\$ 902,528	\$ 874,153	\$ 817,063	\$ 799,552	\$ 801,678	\$ 785,742	\$ 712,980	\$ 701,265	\$ 719,450	\$ 663,550
Association's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.14%	0.38%	0.40%	34.05%	0.20%	0.50%	0.11%	0.47%	17.76%	23.23%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.00%	100.10%	100.10%	105.52%	100.04%	100.09%	100.02%	100.10%	96.89%	104.1%

* The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability (asset) which is 6/30 of previous fiscal year.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2025
SCHEDULE OF THE ASSOCIATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(ASSET) AND SCHEDULE OF PENSION CONTRIBUTIONS

CHANGES FROM PRIOR VALUATION

The June 30, 2024 Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2023 Actuarial Valuation.

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

a. Benefit Provision Changes:

During the 2024 Legislative Session no significant SDRS benefit changes were made.

b. Actuarial Assumption Changes:

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% 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%.

As of June 30, 2023, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was less than 100% and the July 2024 SDRS COLA was limited to a restricted maximum of 1.91%. For the June 30, 2023 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA assumption of 1.91%.

As of June 30, 2024, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2025 SDRS COLA is limited to a restricted maximum of 1.71%. The July 2025 SDRS COLA will equal inflation, between 0% and 1.71%. For this June 30, 2024 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.71%.

Actuarial assumptions are reviewed for reasonability annually and reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2027 Actuarial Valuation and any recommended changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2027 Actuarial Valuation.

c. Actuarial Method Changes:

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

SUPPLEMENTARY DATA
SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF BUDGETED AND ACTUAL REVENUES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Revenue	Actual Revenue	Variance Favorable/ (Unfavorable)
Activities			
Boys' "B" Basketball	\$ 170,000.00	\$ 156,269.53	\$ (13,730.47)
Boys' "A" Basketball	175,000.00	91,708.05	(83,291.95)
Boys' "AA" Basketball	150,000.00	112,745.00	(37,255.00)
Girls' "B" Basketball	100,000.00	126,878.65	26,878.65
Girls' "A" Basketball	90,000.00	82,812.16	(7,187.84)
Girls' "AA" Basketball	90,000.00	77,905.00	(12,095.00)
Football	250,000.00	240,905.00	(9,095.00)
Gymnastics	14,500.00	2,643.81	(11,856.19)
Track & Field	225,000.00	263,730.88	38,730.88
Chorus & Orchestra	60,000.00	47,730.60	(12,269.40)
All-State Band	9,000.00	8,894.55	(105.45)
Cheer & Dance	40,000.00	43,555.00	3,555.00
Cross Country	35,000.00	31,918.87	(3,081.13)
Soccer	30,000.00	25,520.00	(4,480.00)
All-State Jazz Band	5,000.00	5,151.13	151.13
Combined A & B Wrestling	237,000.00	236,686.29	(313.71)
Combined AA, A, & B Volleyball	210,000.00	148,268.34	(61,731.66)
Student Council	70,000.00	7,518.00	(62,482.00)
Softball	60,000.00	29,735.00	(30,265.00)
Total Activities	2,020,500.00	1,740,575.86	(279,924.14)
TV Contract - FB/BB/VB/WR	143,000.00	11,667.00	(131,333.00)
Ball Bids	51,000.00	-	(51,000.00)
Corporate Partner	322,500.00	620,976.00	298,476.00
Merchandise Partner	105,000.00	-	(105,000.00)
Total Sponsorship Revenue	621,500.00	632,643.00	11,143.00
Sub-State Events			
Girls' Basketball	95,000.00	82,109.60	(12,890.40)
Boys' Basketball	130,000.00	117,055.55	(12,944.45)
Football Playoffs	75,000.00	100,717.26	25,717.26
Wrestling	10,000.00	11,499.90	1,499.90
Volleyball	70,000.00	78,802.65	8,802.65
Softball	2,500.00	2,151.60	(348.40)
Total Sub-State Events	382,500.00	392,336.56	9,836.56
General			
Music Supplies	500.00	-	(500.00)
Membership Dues	-	-	-
Rule Books/Publications	30,000.00	39,743.00	9,743.00
Registration of Officials	71,000.00	112,304.14	41,304.14
Penalties and Fines	8,000.00	5,250.00	(2,750.00)
Sale of Medals	2,000.00	1,562.35	(437.65)
Miscellaneous	28,800.00	35,454.89	6,654.89
Interest Income	-	35.18	35.18
Music Program Ad Sales	8,000.00	-	(8,000.00)
Total General	148,300.00	194,349.56	46,049.56
GRAND TOTAL	\$ 3,172,800.00	\$ 2,959,904.98	\$ (212,895.02)

SUPPLEMENTARY DATA
SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Expenditures	Actual Expenditures	Unfavorable/ (Favorable)
Regular Salaries	\$ 865,374.87	\$ 907,852.77	\$ 42,477.90
Temporary Salaries	25,017.79	-	(25,017.79)
Total Salaries	890,392.66	907,852.77	17,460.11
Social Security	66,201.18	67,537.79	1,336.61
Retirement	51,686.57	54,623.60	2,937.03
Health Insurance	219,226.92	233,807.94	14,581.02
Dental Insurance	4,450.00	7,479.70	3,029.70
Worker's Compensation	2,695.00	2,194.00	(501.00)
Life Insurance	378.00	-	(378.00)
Supplemental Medical	4,800.00	-	(4,800.00)
Severance - 3 year plan	0.00	-	-
Total Employee Benefits	349,437.67	365,643.03	16,205.36
Legal Costs and Fees/Lobbyist	18,000.00	8,638.33	(9,361.67)
Audit	30,000.00	42,202.50	12,202.50
Clinicians-Coaches Clinic	5,000.00	7,500.00	2,500.00
Test Supervisor	200.00	-	(200.00)
Appeals Committee	200.00	-	(200.00)
Section V Meeting	1,500.00	522.21	(977.79)
11 States Meeting	1,500.00	-	(1,500.00)
Utilities	7,200.00	7,903.89	703.89
Maintenance and Repairs	8,000.00	6,094.62	(1,905.38)
Technology	60,000.00	61,748.19	1,748.19
Staff In-Service	2,000.00	-	(2,000.00)
Snow Removal/Lawn	2,000.00	2,926.29	926.29
NFHS-Debate Topic Meeting	1,500.00	1,493.86	(6.14)
NFHS-Music/Speech Meeting	1,500.00	1,419.34	(80.66)
NIAAA Meeting	1,000.00	-	(1,000.00)
NF Summer Meeting	27,000.00	17,919.55	(9,080.45)
NF Winter Meeting	1,500.00	3,345.96	1,845.96
NF Legal Meeting	1,500.00	-	(1,500.00)
Staff Travel	40,000.00	70,036.58	30,036.58
Board of Control Travel	25,000.00	45,024.02	20,024.02
Advisory/Ad Hoc Com/Officials	5,000.00	3,589.16	(1,410.84)
Dues-Regional Wrestling Assoc.	1,100.00	820.00	(280.00)
Dues-Regional Basketball Assoc.	5,000.00	2,545.00	(2,455.00)
Dues-Regional Volleyball Assoc.	2,300.00	2,570.00	270.00
Telephone	10,400.00	10,877.34	477.34
Postage and Permit	25,000.00	31,237.06	6,237.06
United Parcel Service	4,000.00	2,624.52	(1,375.48)
State Officials Council	13,000.00	14,183.00	1,183.00
Internet/Cable	2,500.00	3,542.41	1,042.41
Midwest Officials Summit	1,500.00	1,126.85	(373.15)
Dues-Football Assoc.	4,200.00	2,080.00	(2,120.00)
Dues-Gymnastics Assoc.	380.00	300.00	(80.00)
State Event Directors Reception	1,000.00	-	(1,000.00)
NASO Travel	2,000.00	2,105.41	105.41
Media	250.00	-	(250.00)
Officials Gifts	1,500.00	-	(1,500.00)
State Event Directors/Corp Gifts	4,000.00	6,212.62	2,212.62
FB Rules Meeting	1,500.00	-	(1,500.00)
SDIAAA	2,000.00	9,500.00	7,500.00
Commercial Printing	20,000.00	31,775.22	11,775.22
NFOA Membership	23,000.00	22,712.00	(288.00)
Catastrophic/Liability Insurance	162,817.65	162,817.65	-
State Officials Coordinator	13,000.00	9,600.00	(3,400.00)
Professional Accounting Services	3,000.00	2,750.28	(249.72)
Technology Conference	1,000.00	924.74	(75.26)
Janitorial Services	8,500.00	9,165.00	665.00
Miscellaneous	36,124.36	188,849.13	152,724.77
Total Purchased Services	588,672.01	798,682.73	210,010.72
Office Supplies	6,200.00	10,138.25	3,938.25
Custodial Supplies	300.00	338.18	38.18
Subscriptions	1,200.00	1,290.75	90.75

SUPPLEMENTARY DATA
SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Budgeted Expenditures	Actual Expenditures	Unfavorable/ (Favorable)
Rule Books and Exams	42,000.00	67,608.50	25,608.50
Distinguished Service Awards	800.00	756.00	(44.00)
Inventory of Medals	1,200.00	4,034.55	2,834.55
Total Supplies and Materials	<u>51,700.00</u>	<u>84,166.23</u>	<u>32,466.23</u>
NF Dues/Foundation	2,500.00	2,500.00	-
Travel Accident Insurance	2,000.00	-	(2,000.00)
D&O Liability Insurance	13,971.00	13,971.00	-
Excess Liability Insurance	5,063.00	5,063.00	-
General Liability Insurance	19,525.66	21,042.32	1,516.66
Surety Bond	736.00	746.00	10.00
Car Liability Insurance	7,081.00	6,781.00	(300.00)
Insurance Office and Contents	8,643.00	13,756.00	5,113.00
General Liability Insurance - Member Schools	23,873.00	23,873.00	-
Total Other Objects	<u>83,392.66</u>	<u>87,732.32</u>	<u>4,339.66</u>
Officials Observation	<u>17,000.00</u>	<u>14,734.16</u>	<u>(2,265.84)</u>
Boys' "AA" Basketball	52,150.00	61,753.58	9,603.58
Girls' "AA" Basketball	45,450.00	57,373.25	11,923.25
Boys' "A" Basketball	108,450.00	26,666.96	(81,783.04)
Girls' "A" Basketball	27,950.00	38,775.28	10,825.28
Combined "A" and "B" Wrestling	120,000.00	151,436.36	31,436.36
Boys' "B" Basketball	29,450.00	31,439.83	1,989.83
Girls' "B" Basketball	22,950.00	26,854.32	3,904.32
Gymnastics	36,000.00	45,993.06	9,993.06
Track and Field	47,600.00	90,041.14	42,441.14
Golf	42,750.00	42,638.10	(111.90)
Tennis	17,400.00	20,818.57	3,418.57
Cross Country	41,700.00	28,995.58	(12,704.42)
Football Play-Offs	80,250.00	95,992.27	15,742.27
Combined "AA", "A", and "B" Volleyball	152,750.00	57,311.74	(95,438.26)
Cheer and Dance	32,050.00	30,149.45	(1,900.55)
Soccer	9,300.00	9,980.20	680.20
Softball	35,000.00	49,730.82	14,730.82
Student Council	79,300.00	40,133.84	(39,166.16)
Oral Interp	18,575.00	20,232.58	1,657.58
One Act Play	20,375.00	29,868.44	9,493.44
Debate	13,155.00	19,475.35	6,320.35
All-State Jazz Band	19,450.00	24,008.38	4,558.38
All-State Chorus and Orchestra	57,300.00	30,249.44	(27,050.56)
All-State Band	25,550.00	28,531.91	2,981.91
Journalism	5,200.00	7,055.18	1,855.18
Visual Arts	25,100.00	24,951.93	(148.07)
Total Events	<u>1,165,205.00</u>	<u>1,090,457.56</u>	<u>(74,747.44)</u>
GRAND TOTAL	<u>\$ 3,145,800.00</u>	<u>\$ 3,349,268.80</u>	<u>\$ 203,468.80</u>

SUPPLEMENTARY DATA
SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO THE SCHEDULES OF BUDGETED AND ACTUAL REVENUES AND EXPENDITURES
June 30, 2025

Note 1: Purpose of the Schedule

Article IV of the South Dakota High School Activities Association's (Association) Constitution requires the Board of Directors to adopt a budget for each fiscal year.

Note 2: Significant Accounting Policies

- A. Reporting Entity – The accompanying schedules include primary activities, events, fees, and general areas administered by the Association for the fiscal year ended June 30, 2025.
- B. Basis of Accounting – The information presented in the Schedules of Budgeted and Actual Revenues and Expenditures are presented on the cash basis of accounting. The Association's basic financial statements are reported on the accrual basis of accounting and, therefore, the schedule's data may not be directly traceable to the basic financial statements.
- C. Sub-State Events – Associations throughout the State host sub-state events. The School Districts collect the revenue and subtract from that revenue the expenditures applicable to hosting the sub-state events. The School Districts then remit payment to the Association for the Association's share of the sub-state proceeds. The payment received by the Association is reflected in the Schedule of Budgeted and Actual Revenues. Generally accepted accounting principles require the total revenue earned and the total expenditures incurred be reported on the accrual basis of accounting in the basic financial statements, therefore, the schedule's data may not be directly traceable to the basic financial statements.