



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

July 28, 2022

8:30 AM CT

Pierre, South Dakota

The Board of Directors held a regular meeting on August 12, 2021, at the SDHSAA Office Building in Pierre, South Dakota with members present as follows:

Mark Murphy	Kelly Messmer	Tom Culver	Dani Walking Eagle
Michael Talley	Marty Weismantel	Eric Denning	Dr. Jeff Danielsen

Board Member Barry Mann was excused.

Staff members present included Dr. Dan Swartos, Jo Auch, Randy Soma, Brooks Bowman, and Ryan Mikkelsen.

The meeting was called to order by Chairman Mark Murphy at 8:31 A.M., followed by the pledge of allegiance.

Item #1-Approval of Agenda

Motion by Marty Weismantel second by Tom Culver, to approve the agenda amended, adding:

- 5E- Request to add gymnastics by Kimball/White Lake
- 5F- Cooperative Request from Freeman Academy/Freeman/Marion/Parker in Boys Soccer.
- 9/5- State Softball site for 2023 tournament

Motion carried 8-0.

Item #2- Public Forum

Chairman Murphy reviewed the SDHSAA Public Forum protocol. No individuals participated in the public forum.

Item #3- Approval of the minutes from the Regular Meeting held June 9, 2022.

Motion by Eric Denning, second by Kelly Messmer, to approve the minutes as presented.

Motion carried 8-0.

Item #4- Approval of Finance Reports

SDHSAA Executive Director Dr. Dan Swartos and SDHSAA Finance Director Ryan Mikkelsen reported on the income statements and balance sheets for June 2022 and the cash flow report. Brad Reinke presented the report from Reinke Gray.

Motion by Tom Culver, second by Kelly Messmer, to approve the Finance Reports as presented.

Motion Carried 8-0.

Item #5- Consent Agenda

The consent agenda contained the following items:

- A. Vouchers for June of 2022 in the amount of \$207,482.90.
- B. Approval of Athletic Advisory Committee/Council Appointments
- C. Penalty to Sioux Valley Girls Basketball program for violation of out-of-season rules.
- D. Penalty to Aberdeen Central Boys Soccer program for violation of summer moratorium.
- E. Request by Kimball and White Lake to sponsor gymnastics as a cooperative.
- F. Request by Freeman Academy/Freeman/Marion/Parker to form a Boys Soccer cooperative.

Motion by Eric Denning, second by Marty Weismantel, to approve the consent agenda as presented.
Motion carried 8-0.

Item #6- Reports

The board heard reports on the following:

- Media Advisory by Dr. Swartos
- State Tournament Directors Meeting by SDHSAA Staff
- New AD's meeting by SDHSAA Staff
- NFHS Summer Meeting by SDHSAA Staff and Board
- SDHSAA Foundation Report
- SDSSA Report

Item #7- Consider Changes to Officials Fees for 2022-26

Motion by Eric Denning, second by Marty Weismantel, to approve the following officials fees changes for 2021-22:

- Keep Track and Field changes established in 2021-22
- Wrestling state individual tournament pay from \$550 to \$600, reduce dual officials from 16 to 12, and change dual pay from \$175 to \$225.
- Establish softball umpire state tournament pay at \$300/tournament.
- Jazz Band/Show Choir adjust quantities to reflect addition of Show Choir, increase audition pay from \$200 to \$250.
- Increase One-Act Play judges from 9 to 12.
- Increase incidental expenses from \$25 to \$30 to mirror staff/board incidental expense allowance.

Motion Carried 8-0.

Item #8- Conduct Second Reading on proposed changes to the SDHSAA Fine Arts Handbook

Motion by Kelly Messmer, Second by Marty Weismantel, to approve a second reading of proposed changes to the SDHSAA Fine Arts Handbook. (No changes from first reading)

Motion carried 8 -0.

Item #9- Consider changes to host management fees for 2022-23

Motion by Marty Weismantel, second by Dr. Jeff Danielsen, to approve changes to the 2022-23 host management fees as presented:

- Softball- \$12,250 for an all-class event
- One-Act Play- \$1,800

Motion carried 8-0.

Item #9.5- Establish site for 2023 State Softball Tournament

Motion by Dani Walking Eagle, second by Tom Culver, to approve Aberdeen as the site for 2023 state softball (all classes).

Motion carried 8-0.

Item #10- Approve Corporate Sponsorships for 2022-23.

Motion by Eric Denning, second by Marty Weismantel to approve corporate sponsorships as presented.

Motion carried 8-0.

Chairman Murphy declared the board at recess at 9:36 AM and out of recess at 9:46 AM.

Item #11- Approve prices for state tournament programs

Motion by Marty Weismantel, second by Jeff Danielsen, to approve continuing the language of “up to \$5” for state tournament programs.

Motion carried 8-0.

Item #12- Approve Ticket Prices for state and sub-state events

Motion by Kelly Messmer, second by Tom Culver, to approve the following ticket price changes for 2022-23:

- Approve provisional per game ticket price at AA Girls Basketball of \$10 adults/\$5 students (if necessary)

All other ticket prices will remain the same.

Motion carried 8-0.

Item #13- Conduct 2nd Reading on FY23 SDHSAA Budget

Dr. Swartos and Mr. Mikkelsen presented the FY23 Budget for a 2nd reading.

Motion by Dani Walking Eagle, second by Eric Denning, to approve the 2nd reading of the FY23 SDHSAA Budget. **FY23 Budget can be found in Appendix A of the minutes.**

Motion carried 8-0.

Item #14- Approve FY20 Financial Audit

Motion by Dr. Jeff Danielsen, second by Dani Walking Eagle, to acknowledge receipt of the FY21 Financial Audit.

FY21 Financial Audit can be found in Appendix B of the minutes.

Motion carries 8-0.

Item #15- Appoint members to the 22-23 Site Selection Committee

Chairman Murphy appointed the following people to the Site Selection Committee:

- Kelly Messmer, Harding County/SDHSAA Board (Chair)
- Dr. Jeff Danielsen, Watertown
- Casey Meile- Sioux Falls Public Schools
- Jared Vasquez- Rapid City Public Schools
- Dawn Seiler, Aberdeen Central
- Terry Rotert, Huron
- Mike Jewett, Brookings
- Barry Mann, Wakpala

Item #16- Approve COVID-19 Protocol for the 22-23 School Year

Motion by Eric Denning, second by Dani Walking Eagle, to continue with the protocols from January 2022.

Protocols can be found on the SDHSAA Website

Motion carried 8-0.

Item #17- Approve 22-23 Board and Staff Handbook

Motion by Kelly Messmer, second by Tom Culver, to approve the Board and Staff Handbook.

Motion carried 8-0.

Item #18- Approve Changes to Golf Course Rental Fee for State Golf Tournaments

Motion by Tom Culver, second by Marty Weismantel, to approve changing the golf course rental fee from \$1,800 to \$4,500 for state golf, beginning with the 2022-23 school year.

Motion carried 8-0.

Item #19- Review Strategic Planning and Goal Setting Meeting

Dr. Swartos reviewed the July 27th Strategic Planning and Goal Setting Meeting.

The following goals were developed by staff and board for the 2022-23 school year:

1. Conduct an economic impact study and study the potential of a bid process for items within state events that can save member schools money (hotels, meals, etc).
2. Continue to explore new SDHSAA Sports/Activities and recommend a process for adding sanctioned sports and activities.
3. Develop officials/adjudicators recruiting partnerships with high schools, post-secondary organizations, and professional associations across South Dakota.
4. Develop a sportsmanship initiative concerning fan, coach, and participant behavior in SDHSAA sanctioned sports and activities.
5. Convene a calendar committee to study SDHSAA state event dates.
6. Convene a classification committee to study enrollment cutoffs for classification across all sanctioned sports and activities.

Item #20- Board Sharing

Tom Culver welcomed new Board members and talked about his experience at the NFHS Summer Meeting.

Mark Murphy thanked the staff, board members, and thanked Dana Hess from the South Dakota Newspaper Association for covering board meetings.

Kelly Messmer welcomed new board members and thanked the staff for their work.

Marty Weismantel welcomed new board members, thanked the board and staff for their work, and spoke of his experience at the NFHS Summer Meeting.

Dr. Jeff Danielsen thanked the staff and board and noted that he was excited to start his tenure on the Board of Directors.

Mike Talley welcomed new Board members and thanked the staff for their work. He encouraged the Board to continue to be forward-thinking.

Eric Denning also welcomed new Board members and thanked the staff. He looks forward to Board meetings and has enjoyed his time on the Board.

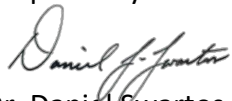
Dani Walking Eagle noted that she was honored to be a part of the Board and thankful to see a different perspective of the SDHSAA.

Item #21- Adjourn

Motion by Marty Weismantel, second by Eric Denning, to adjourn.

Chairman Murphy declared the meeting adjourned at 10:29 AM.

Respectfully submitted,



Dr. Daniel Swartos

SDHSAA Executive Director

SDHSAA
Revenue Budget
Blank 2022-2023

APPENDIX A

	2021-2022 Budgeted	2021-2022 YTD	2022-2023 Budgeted	2022-2023 Increase (Decrease)
Revenue Budget				
4100.00 State Event Revenue				
4101.00 Boys "B" Basketball- Aberdeen	100,000.00	174,145.00	\$ 148,750.36	48,750.36
4102.00 Basketball "A" Boys- Sioux Falls	150,000.00	141,241.52	\$ 170,000.00	20,000.00
4103.00 Basketball "AA" Boys- Rapid City	150,000.00	171,441.50	\$ 100,000.00	-50,000.00
4104.00 Girls "B" Basketball- Huron	65,000.00	94,160.00	\$ 80,000.00	15,000.00
4105.00 Basketball "A" Girls- Watertown	70,000.00	85,000.00	\$ 75,000.00	5,000.00
4106.00 Basketball "AA" Girls- Pentagon	55,000.00	81,700.00	\$ 75,000.00	20,000.00
4109.00 Football	200,000.00	218,740.00	\$ 205,000.00	5,000.00
4110.00 Gymnastics- Aberdeen	15,000.00	15,192.00	\$ 12,000.00	-3,000.00
4111.00 Track and Field- Sioux Falls	150,000.00	199,848.00	\$ 176,000.00	26,000.00
4113.00 All-State Chorus & Orchestra- Sioux Falls	65,000.00	51,395.00	\$ 65,000.00	0.00
4114.00 All-State Band- O'Gorman	8,500.00	9,190.00	\$ 8,500.00	0.00
4116.00 Cheer & Dance- Watertown	29,000.00	40,628.00	\$ 25,000.00	-4,000.00
4118.00 Cross Country- Huron	28,000.00	34,890.42	\$ 25,124.17	-2,875.83
4119.00 Soccer- Tea	20,000.00	26,819.00	\$ 25,000.00	5,000.00
4120.00 All-State Jazz Band/SC- Rapid City	5,000.00	4,710.00	\$ 5,000.00	0.00
4122.00 Combined "B" & "A" Wrestling- Rapid City	260,000.00	261,656.50	\$ 225,000.00	-35,000.00
4123.00 Combined Volleyball- Sioux Falls	145,000.00	144,533.14	\$ 185,000.00	40,000.00
4125.00 Student Council- Rapid City	90,000.00	56,460.00	\$ 90,000.00	0.00
4126.00 Softball- TBD	-	-	\$ 75,000.00	75,000.00
Total 4100.00 State Event Revenue \$	1,605,500.00	\$ 1,811,750.08	\$ 1,770,374.53	164,874.53
4200.00 Sponsorship Revenue				
4201.00 Televised State Championships	93,500.00	100,000.00	\$ 106,000.00	12,500.00
4202.00 Ball Bids	50,000.00	50,000.00	\$ 50,000.00	0.00
4203.00 Corporate Program	312,500.00	312,500.00	\$ 312,500.00	0.00
4204.00 Televised Sub-State Events	35,000.00	12,139.00	\$ 35,000.00	0.00
4205.00 E-Ticketing	-	-	\$ 0.00	0.00
4206.00 ALLIANCE HIGHWAY SAFETY	20,000.00	-	\$ -	-20,000.00
4207.00 Merchandise Partner	85,000.00	105,568.65	\$ 90,000.00	5,000.00
Total 4200.00 Sponsorship Revenue \$	596,000.00	\$ 580,207.65	\$ 593,500.00	-2,500.00
4300.00 Sub-State Event Revenue				
4301.00 Girls Basketball Sub-State	75,000.00	84,888.00	\$ 75,000.00	0.00
4302.00 Boys Basketball Sub-state	135,000.00	127,841.90	\$ 130,000.00	-5,000.00
4303.00 Football Sub-State	70,000.00	85,362.40	\$ 75,000.00	5,000.00
4304.00 Wrestling Sub-State	9,500.00	10,701.60	\$ 9,500.00	0.00
4305.00 Volleyball Sub-State	70,000.00	73,447.00	\$ 70,000.00	0.00
4306.00 Softball Sub-State	-	-	\$ 20,000.00	20,000.00
Total 4300.00 Sub-State Event Revenue \$	359,500.00	\$ 382,240.90	\$ 379,500.00	20,000.00
4400.00 Fee Revenue				
4401.00 Participation Fees	-	-	\$ -	0.00
4402.00 Postage	-	-	\$ -	0.00
4403.00 NF News/Student Press Pass	-	-	\$ -	0.00
4404.00 Sub-State Broadcast Media Fee	-	-	\$ -	0.00
Total 4400.00 Fee Revenue \$	0.00	\$ 0.00	\$ -	0.00
4500.00 General Revenue				
4501.00 Music Supplies	150.00	1,697.73	\$ 150.00	0.00
4503.00 Coaches Clinic	-	-	\$ 0.00	0.00
4504.00 Membership Dues	-	-	\$ 0.00	0.00
4505.00 Rule Books/Publications	25,000.00	31,853.00	\$ 30,000.00	5,000.00
4506.00 Registration of Officials	66,000.00	33,916.90	\$ 66,000.00	0.00
4507.00 Penalties & Fines	8,000.00	5,585.00	\$ 8,000.00	0.00
4512.00 Sale of Medals	2,300.00	1,060.00	\$ 2,300.00	0.00
4513.00 Miscellaneous	19,836.78	33,869.08	\$ 20,867.00	1,030.22
4516.00 Speech Ad Revenue	-	-	\$ 0.00	0.00
4517.00 Speech Programs/Shirts	500.00	401.00	\$ 500.00	0.00
4523.00 Fine Arts Judge Reimbursement	-	-	\$ 0.00	0.00
Total 4500.00 General Revenue \$	121,786.78	\$ 108,382.71	\$ 127,817.00	6,030.22
4600.00 Non-Operating Income Revenue				
4602.00 Interest Income	-	\$ -	\$ -	0.00
4607.00 Contributions & Donations	-	\$ -	\$ -	0.00
4611.00 PPP Loan	-	\$ -	\$ -	0.00
4612.00 Business Grant Round 2	-	\$ -	\$ -	0.00
Total 4600.00 Non-Operating Income Revenue \$	0.00	\$ 0.00	\$ -	0.00
Total Income	\$ 2,682,786.78	\$ 2,882,581.34	\$ 2,871,191.53	\$ 188,404.75

SDHSAA
G&A Expense Budget
Blank 2022-2023

	2021-2022 Budgeted	2021-2022 Actual	2022-2023 Budgeted	2022-2023 (Increase) Decrease
G&A Expenses				
5100 Salaries				
5110.00 Regular Salaries	756,899.94	756,899.94	795,188.85	(38,288.91)
5120.00 Temporary Salaries	500.00	500.00	19,309.37	(18,809.37)
Total 5100 Salaries \$	757,399.94 \$	757,399.94 \$	814,498.22 -\$	57,098.28
5200.00 Employee Benefits				
5210.00 Social Security	57,902.85	57,902.85	60,831.95	(2,929.10)
5220.00 South Dakota Retirement Systems	45,414.00	45,414.00	47,711.33	(2,297.33)
5230.00 Hospital Insurance	186,233.00	186,233.00	200,922.60	(14,689.60)
5232.00 Dental Insurance	4,450.00	4,450.00	5,000.00	(550.00)
5233.00 Employer Sponsored Group Life Insurance	378.00	378.00	378.00	-
5240.00 Workmen's Compensation	2,695.00	2,907.00	2,695.00	-
5290.00 Supplemental Medical	4,800.00	4,800.00	4,800.00	-
Total 5200.00 Employee Benefits \$	301,872.84 \$	302,084.85 \$	322,338.88 -\$	20,466.04
5300.00 Purchased Services				
5311.00 Legal Costs and Fees/Lobbyist	18,000.00	1,073.33	18,000.00	-
5312.00 403(b) Retirement Advisor	-	-	-	-
5313.00 Legislative Audit	25,000.00	20,959.50	25,000.00	-
5314.00 Clinicians-Coaches Clinic	5,000.00	-	5,000.00	-
5316.00 Test Supervisor	200.00	-	200.00	-
5317.00 Appeals Committees	200.00	300.00	200.00	-
5319.00 Section V Meeting	3,000.00	4,388.75	3,000.00	-
5320.00 11 States Meeting	1,500.00	-	1,500.00	-
5321.00 Utilities	7,200.00	7,072.81	7,200.00	-
5323.00 Maintenance & Repairs	8,000.00	5,358.33	8,000.00	-
5324.00 Technology	27,500.00	42,375.08	45,000.00	(17,500.00)
5325.00 Staff In-Service	500.00	-	2,000.00	(1,500.00)
5326.00 Snow Removal/Lawn Care	1,600.00	1,400.48	1,600.00	-
5327.00 Midwest Band Clinic	1,500.00	-	1,500.00	-
5329.00 NFHS - Music/Speech Meeting	1,200.00	392.98	1,200.00	-
5331.00 NF Summer Meeting	27,000.00	6,293.20	27,000.00	-
5332.00 NF Winter Meeting	2,500.00	1,102.38	1,500.00	1,000.00
5333.00 NF Legal Meeting	2,000.00	1,000.00	2,000.00	-
5334.00 Staff Travel	32,000.00	36,878.39	40,000.00	(8,000.00)
5335.00 Board of Directors Travel	21,000.00	20,633.77	25,000.00	(4,000.00)
5336.00 Advisory/Ad Hoc Com./Officials	5,000.00	2,583.28	5,000.00	-
5337.00 Dues - Wrestling Association	1,100.00	840.00	1,100.00	-
5338.00 Dues - Basketball Association	5,000.00	4,992.28	5,000.00	-
5339.00 Dues - Volleyball Association	2,300.00	2,340.00	2,300.00	-
5340.00 Telephone	10,400.00	4,592.99	10,400.00	-
5341.00 Postage & Permit Mail	20,000.00	20,705.60	23,000.00	(3,000.00)
5342.00 United Parcel Service	4,000.00	3,777.32	4,000.00	-
5343.00 State Officials Council	13,000.00	13,373.00	13,000.00	-
5344.00 Internet/Cable	2,500.00	1,585.60	2,500.00	-
5345.00 Midwest Official's Summit	1,500.00	114.34	1,500.00	-
5346.00 Dues - Football Association	4,200.00	4,090.00	4,200.00	-
5347.00 Dues - Gymnastics Association	380.00	350.00	380.00	-
5351.00 State Event Directors Reception	1,000.00	-	1,000.00	-
5354.00 NASO Meeting	2,000.00	-	2,000.00	-
5355.00 Media	250.00	-	250.00	-
5356.00 Officials Gifts	1,500.00	998.13	1,500.00	-
5357.00 State Event Directors/Corp Gift	3,500.00	905.52	6,000.00	(2,500.00)
5358.00 FB Rules Meeting	-	-	1,500.00	(1,500.00)
5359.00 SDIAAA	2,000.00	185.40	2,000.00	-
5360.00 Commercial Printing	15,000.00	12,192.50	20,000.00	(5,000.00)
5362.00 Printing - Officials	-	-	-	-
5364.00 NFOA Membership @ \$17.00	20,000.00	20,281.00	20,000.00	-
5365.00 Catastrophic/Liability Ins.	144,595.00	155,284.80	147,784.80	(3,189.80)
5368.00 State Officials Coordinator	13,000.00	9,600.00	13,000.00	-
5369.00 Professional Accounting Services	3,000.00	1,292.25	3,000.00	-
5370.00 Technology Conference	-	-	-	-
5371.00 NSDA National Conference	-	-	-	-
5372.00 Professional Cleaning Services	9,360.00	8,580.00	9,360.00	-
5390.00 Miscellaneous	15,000.00	36,074.47	30,000.00	(15,000.00)
Total 5300.00 Purchased Services \$	484,485.00 \$	453,967.48 \$	544,674.80 -\$	60,189.80

5400.00 Supplies & Materials

5410.00 Office Supplies	6,200.00	4,043.23	6,200.00	-
5411.00 Custodial Supplies	750.00	360.42	750.00	-
5412.00 Subscriptions	2,400.00	893.96	2,400.00	-
5414.00 Rule Books	42,000.00	20,158.33	42,000.00	-
5416.00 Distinguished Service Awards	600.00	628.00	600.00	-
5417.00 Inventory of Medals	1,200.00	1,583.00	1,200.00	-
Total 5400.00 Supplies & Materials \$	53,150.00	\$ 27,666.94	\$ 53,150.00	\$ 0.00

5600.00 Other Objects

5640.00 NF Dues/NF Foundation	2,500.00	2,500.00	2,500.00	-
5647.00 Travel Accident Insurance	1,000.00	1,900.00	1,967.00	(957.00)
5649.00 D & O Liability Insurance	11,377.00	10,576.00	12,239.70	(862.70)
5650.00 Excess Liability Insurance	3,813.00	3,300.00	4,073.00	(260.00)
5651.00 GenLib/ParticipantLiab/Auto	15,715.00	11,545.00	15,857.00	(142.00)
5652.00 Surety Bond	700.00	736.00	721.00	(21.00)
5658.00 Car Liability Insurance	5,756.00	5,756.00	6,376.00	(620.00)
5659.00 Ins. Office and Contents	5,531.00	5,531.00	5,696.93	(165.93)
5664.00 General Liability Insurance - Member Schools	19,342.00	14,476.00	21,029.00	(1,687.00)
Total 5600.00 Other Objects \$	65,734.00	\$ 56,320.00	\$ 70,449.63	-\$ 4,715.63

5900.00 Officials Observations

5910.00 Officials Observation	6,000.00	6,410.00	20,000.00	(14,000.00)
Total 5900.00 Officials Observations \$	6,000.00	\$ 6,410.00	\$ 20,000.00	-\$ 14,000.00

8500.00 Non Operating Expenses

8540.00 Capital Expenditures - Equipment	\$ -	-	-	-
Total 8500.00 Non-Operating Expenses \$	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Total G&A Expenses \$ 1,668,641.78 \$ 1,603,849.21 \$ 1,825,111.53 \$ (156,469.75)

SDHSAA
Athletics Expense Budget
Blank 2022-2023

Athletic Expenses	2021-2022 Budgeted	2021-2022 Actual	2022-2023 Budgeted	2022-2023 (Increase) Decrease
6050.00 Basketball "AA" Boys				
6051.00 Officials - Boys "AA" Basketball	9,000.00	6,995.24	9,000.00	0.00
6052.00 Management Fee - Boys "AA" Basketball	10,000.00	10,000.00	10,000.00	0.00
6053.00 Arena Rent/Facilities Fee/Custodial - Boys "AA" Basketball	70,000.00	78,519.99	22,000.00	48,000.00
6054.00 Team Expenses - Boys "AA" Basketball	-	-	\$	0.00
6055.00 Tournament Bands - Boys "AA" Basketball	300.00	-	300.00	0.00
6057.00 Awards - Boys "AA" Basketball	1,300.00	1,652.00	2,500.00	1,200.00
6058.00 Tickets/Passes - Boys "AA" Basketball	5,000.00	12,906.55	5,000.00	0.00
Total 6050.00 Combined "AA" Boys \$	95,600.00	\$ 110,073.78	\$ 48,800.00	\$ 46,800.00
6110.00 Basketball "AA" Girls				
6111.00 Officials - Girls "AA" Basketball	10,000.00	8,424.32	10,000.00	0.00
6112.00 Management Fee - Girls "AA" Basketball	10,000.00	10,000.00	-	10,000.00
6113.00 Rent/Custodial/Facility Fees - Girls "AA" Basketball	30,000.00	15,156.21	28,100.00	1,900.00
6114.00 Team Expenses - Girls "AA" Basketball	-	-	-	0.00
6115.00 Tournament Bands - Girls "AA" Basketball	300.00	300.00	300.00	0.00
6117.00 Awards - Girls "AA" Basketball	1,300.00	1,652.00	2,500.00	1,200.00
6118.00 Tickets/Passes - Girls "AA" Basketball	-	3,822.96	5,000.00	5,000.00
Total 5970.00 Girls "AA" Basketball \$	51,600.00	\$ 39,355.49	\$ 45,900.00	\$ 5,700.00
6030.00 Basketball "A" Boys				
6031.00 Officials - Boys "A" Basketball	10,500.00	9,198.24	10,500.00	-
6032.00 Management Fee - Boys "A" Basketball	10,000.00	10,000.00	10,000.00	-
6033.00 Arena Rent, Facilities Fee & Custodial - Boys "A" Basketball	60,000.00	21553.38	75,000.00	(15,000.00)
6034.00 Team Expenses - Boys "A" Basketball	-	-	-	-
6035.00 Tournament Bands - Boys "A" Basketball	300.00	150.00	300.00	-
6037.00 Awards - Boys "A" Basketball	1,600.00	1,652.00	2,500.00	(900.00)
6038.00 Tickets - Boys "A" Basketball	7,200.00	6,490.48	13,000.00	(5,800.00)
Total 5980.00 Boys "A" Basketball \$	89,600.00	\$ 27,490.72	\$ 111,300.00	\$ 21,700.00
6090.00 Basketball "A" Girls				
6091.00 Officials - Girls "A" Basketball	10,500.00	7,160.52	10,500.00	-
6092.00 Management Fee - Girls "A" Basketball	10,000.00	10,000.00	10,000.00	-
6093.00 Arena Rent, Facilities Fee & Custodial - Girls "A" Basketball	14,500.00	14,050.00	3,000.00	11,500.00
6094.00 Team Expenses - Girls "A" Basketball	-	-	-	-
6095.00 Tournament Bands - Girls "A" Basketball	300.00	450.00	450.00	(150.00)
6097.00 Awards - Girls "A" Basketball	1,600.00	1,652.00	2,500.00	(900.00)
6098.00 Tickets - Girls "A" Basketball	-	264.00	-	-
Total 5980.00 Girls "A" Basketball \$	36,900.00	\$ 33,576.52	\$ 26,450.00	\$ 10,450.00
5990.00 Combined "A" & "B" Wrestling				
5991.00 Officials - Combined "B" & "A" Wrestling	23,000.00	22,334.08	25,000.00	(2,000.00)
5992.00 Management Fee - Combined "B" & "A" Wrestling	24,500.00	54,549.35	24,500.00	-
5993.00 Floor Removal/5% Gross/Custodial - Combined "B" & "A" Wrestling	60,000.00	78,709.31	25,000.00	35,000.00
5994.00 Team Expenses - Combined "B" & "A" Wrestling	-	-	-	-
5995.00 Awards - Combined "B" & "A" Wrestling	3,000.00	3,905.64	4,000.00	(1,000.00)
5996.00 Tickets/Passes/BoxOffice/Surcharge - Combined "B" & "A" Wrestling	10,000.00	10,066.39	12,000.00	(2,000.00)
5997.00 Track Wrestling - Combined "B" & "A" Wrestling	14,000.00	17,332.44	16,000.00	(2,000.00)
Total 5990.00 Combined "A" & "B" Wrestling \$	134,500.00	\$ 186,897.21	\$ 106,500.00	\$ 28,000.00
6010.00 Boys' "B" Basketball				
6011.00 Officials - Boys B Basketball	9,500.00	6,165.32	9,500.00	-
6012.00 Management Fee - Boys B Basketball	10,000.00	10,000.00	10,000.00	-
6013.00 Arena Rent / Custodial - Boys B Basketball	4,300.00	5,224.35	4,300.00	-
6014.00 Team Expenses - Boys B Basketball	-	-	-	-
6015.00 Tournament Bands - Boys B Basketball	600.00	150.00	600.00	-
6017.00 Awards - Boys B Basketball	1,500.00	1,652.00	2,500.00	(1,000.00)
6018.00 Tickets/Passes - Boys B Basketball	1,500.00	430.00	500.00	1,000.00
Total 6010.00 Boys' "B" Basketball \$	27,400.00	\$ 23,621.67	\$ 27,400.00	\$ 0.00
6070.00 Girls "B" Basketball				
6071.00 Officials - Girls B Basketball	8,500.00	6,576.48	8,500.00	-
6072.00 Management Fee - Girls B Basketball	10,000.00	10,000.00	10,000.00	-
6073.00 Arena Rental/Custodial - Girls B Basketball	1,500.00	1,500.00	1,500.00	-
6074.00 Team Expenses - Girls B Basketball	-	-	-	-
6075.00 Tournament Bands - Girls B Basketball	300.00	150.00	300.00	-
6077.00 Awards - Girls B Basketball	1,800.00	1,652.00	2,500.00	(700.00)
6078.00 Tickets/Passes - Girls B Basketball	-	289.00	-	-
Total 6070.00 Girls "B" Basketball \$	22,100.00	\$ 20,147.48	\$ 22,800.00	\$ 700.00
6170.00 Gymnastics				
6171.00 Officials - Gymnastics	10,500.00	10,714.12	11,000.00	(500.00)
6172.00 Management Fee - Gymnastics	7,750.00	7,750.00	7,750.00	-
6173.00 Arena Rent/Custodial - Gymnastics	1,000.00	1,000.00	1,000.00	-
6174.00 Team Expenses - Gymnastics	-	-	-	-
6177.00 Awards - Gymnastics	1,500.00	1,685.20	2,500.00	(1,000.00)
6178.00 Tickets - Gymnastics	-	-	-	-
Total 6170.00 Gymnastics \$	20,750.00	\$ 21,149.32	\$ 22,250.00	\$ 1,500.00

6200.00 Track & Field

6201.00 Officials/Announcers - Track & Field	10,000.00	12,000.00	12,000.00	(2,000.00)
6202.00 Management Fee/Computer Person - Track & Field	21,100.00	52,790.88	21,100.00	-
6204.00 Team Expenses - Track & Field	-	-	-	-
6206.00 Supplies/Film/Ammo/Finish Lynk - Track & Field	1,500.00	1,500.00	1,500.00	-
6207.00 Awards - Track & Field	9,000.00	9,000.00	13,000.00	(4,000.00)
6208.00 Tickets - Track & Field	-	-	-	-
Total 6200.00 Track & Field \$	41,600.00 \$	75,290.88 \$	47,600.00 -\$	6,000.00

6220.00 Golf

6221.00 Officials - Golf	1,200.00	1,200.00	1,200.00	-
6222.00 Management Fee - Golf	4,050.00	4,050.00	4,050.00	-
6223.00 Greens Fees/Cart Rental - Golf	10,800.00	10,800.00	10,800.00	-
6226.00 Supplies - Golf	1,500.00	4,846.48	5,000.00	(3,500.00)
6227.00 Awards - Golf	4,200.00	4,200.00	5,500.00	(1,300.00)
Total 6220.00 Golf \$	21,750.00 \$	25,096.48 \$	26,550.00 -\$	4,800.00

6240.00 Tennis

6241.00 Officials - Tennis	6,600.00	6,600.00	6,600.00	-
6242.00 Management Fee - Tennis	8,000.00	8,000.00	8,000.00	-
6243.00 Indoor Court Rental - Tennis	4,800.00	4,800.00	4,800.00	-
6247.00 Awards - Tennis	1,600.00	1,181.80	1,800.00	(200.00)
Total 6240.00 Tennis \$	21,000.00 \$	20,581.80 \$	21,200.00 -\$	200.00

6260.00 Cross Country

6261.00 Officials-XC	500.00	581.92	600.00	(100.00)
6262.00 Management Fee - XC	18,000.00	24,797.88	27,000.00	(9,000.00)
6263.00 Rental of Course - XC	400.00	400.00	400.00	-
6265.00 Computer Scoring - XC	3,000.00	3,200.00	3,500.00	(500.00)
6266.00 Supplies - XC	500.00	480.26	500.00	-
6267.00 Awards - XC	3,800.00	3,417.60	5,500.00	(1,700.00)
Total 6260.00 Cross Country \$	26,200.00 \$	32,877.66 \$	37,500.00 -\$	11,300.00

6280.00 Football Championships

6281.00 Officials - Football	12,000.00	18,622.68	19,000.00	(7,000.00)
6283.00 Rent of Dome - Football	50,000.00	50,000.00	50,000.00	-
6284.00 Team Expenses - Football	-	-	-	-
6285.00 Tournament Bands - Football	-	-	-	-
6287.00 Awards/Dist Champions - Football	2,800.00	2,843.20	3,500.00	(700.00)
6288.00 Tickets/Passes - Football	1,700.00	382.50	1,000.00	700.00
6290.00 Sub-State Losses	7,000.00	7,000.00	7,000.00	-
Total 6280.00 Football Championships \$	73,500.00 \$	78,848.38 \$	80,500.00 -\$	7,000.00

6340.00 Combined B/A/AA Volleyball

6341.00 Officials - Combined B/A/AA Volleyball	23,500.00	34,145.16	30,000.00	(6,500.00)
6342.00 Management Fee - Combined B/A/AA Volleyball	12,250.00	12,250.00	12,250.00	-
6343.00 Arena Rent/Custodial Fee - Combined B/A/AA Volleyball	45,000.00	31,446.78	45,000.00	-
6344.00 Team Expenses - Combined B/A/AA	-	-	-	-
6345.00 Tournament Bands - Combined B/A/AA	150.00	-	150.00	-
6347.00 Awards - Combined B/A/AA Volleyball	4,800.00	4,929.00	6,000.00	(1,200.00)
6348.00 Tickets/Passes - Combined B/A/AA Volleyball	7,000.00	7,382.05	8,000.00	(2,000.00)
Total 6340.00 Combined B/A/AA Volleyball \$	92,700.00 \$	90,152.99 \$	102,400.00 -\$	9,700.00

6370.00 Cheer & Dance

6371.00 Judges - Cheer & Dance	5,000.00	6,088.95	6,500.00	(1,500.00)
6372.00 Management Fee - Cheer & Dance	4,750.00	4,750.00	4,750.00	-
6373.00 Rent/Custodial - Cheer & Dance	1,000.00	1,000.00	1,000.00	-
6374.00 Team Expenses - Cheer & Dance	-	-	-	-
6377.00 Awards - Cheer & Dance	2,600.00	2,607.00	3,500.00	(900.00)
6378.00 Tickets - Cheer & Dance	300.00	-	300.00	-
Total 6370.00 Cheer & Dance \$	13,650.00 \$	14,445.95 \$	16,050.00 -\$	2,400.00

6380.00 Soccer

6381.00 Officials - Soccer	4,000.00	4,590.36	5,000.00	(1,000.00)
6382.00 Management Fee - Soccer	2,000.00	10,738.59	2,000.00	-
6383.00 Custodial Fee - Soccer	500.00	500.00	500.00	-
6384.00 Team Expenses - Soccer	-	-	-	-
6387.00 Awards - Soccer	1,300.00	1,346.00	1,600.00	(300.00)
6388.00 Tickets - Soccer	250.00	-	250.00	-
Total 6380.00 Soccer \$	8,050.00 \$	17,174.95 \$	9,350.00 -\$	1,300.00

6390.00 Softball

6391.00 Officials - Softball	-	-	15,000.00	(15,000.00)
6392.00 Management Fee - Softball	-	-	12,250.00	(12,250.00)
6393.00 Custodial Fee - Softball	-	-	1,500.00	(1,500.00)
6394.00 Team Expenses - Softball	-	-	-	-
6397.00 Awards - Softball	-	-	5,500.00	(5,500.00)
6398.00 Tickets - Softball	-	-	250.00	(250.00)
Total 6390.00 Softball \$	0.00 \$	0.00 \$	34,500.00 -\$	34,500.00

Total Athletics Expenses \$ 776,900.00 \$ 816,781.28 \$ 787,050.00 \$ (10,150.00)

SDHSAA
Fine Arts Expense Budget
Blank 2022-2023

	2020-2021 Budgeted	2020-2021 Actual	2021-2022 Budgeted	2021-2022 (Increase) Decrease
6400.00 Student Council				
6401.00 SDSCA Executive Director Stipend	1,500.00	1,500.00	1,500.00	-
6402.00 Convention Meals	38,000.00	10,033.80	35,000.00	3,000.00
6403.00 Convention Room Rental	11,000.00	30,723.00	11,000.00	-
6404.00 Convention Guest Speaker	8,000.00	10,337.50	10,000.00	(2,000.00)
6405.00 Convention Shirts	-	-	-	-
6406.00 Convention DJ (HS)	4,000.00	4,000.00	6,000.00	(2,000.00)
6407.00 Convention DJ (MS)	1,000.00	1,280.00	1,200.00	(200.00)
6409.00 NFHS Transportation (Airfare)	-	-	4,000.00	(4,000.00)
6410.00 NFHS Adult Rooms (3 nights)	-	-	400.00	(400.00)
6411.00 NASC Transportation (Mileage)	550.00	-	550.00	-
6412.00 NASC Lodging	600.00	-	600.00	-
6413.00 NASC Meals	350.00	-	350.00	-
6414.00 NASCSD Transportation (airfare)	500.00	688.40	700.00	(200.00)
6415.00 NASCSD Lodging	1,000.00	404.92	600.00	400.00
6416.00 NASCSD Meals	350.00	49.00	200.00	150.00
6417.00 NDSCC Transportation (airfare)	-	-	-	-
6418.00 NDSCC Lodging	-	-	-	-
6419.00 NDSCC Meals	-	-	-	-
6420.00 SDSCA Board Travel	1,500.00	-	1,500.00	-
6421.00 Awards	400.00	719.05	700.00	(300.00)
6422.00 NASCSD Registration Fee	500.00	245.00	300.00	200.00
Total 6400.00 Student Council \$	69,250.00 \$	59,990.67 \$	74,600.00 -\$	5,350.00
6450.00 Oral Interp				
6451.00 Judges - Oral Interp	10,000.00	11,419.63	11,000.00	(1,000.00)
6452.00 Management Fee - Oral Interp	575.00	575.00	575.00	-
6457.00 Awards - Oral Interp	3,000.00	2,928.80	3,000.00	-
6459.00 Programs - Oral Interp	1,500.00	2,233.00	1,500.00	-
Total 6450.00 Oral Interp \$	15,075.00 \$	17,156.43 \$	16,075.00 -\$	1,000.00
6470.00 One Act Play				
6471.00 Judges - One Act Play	9,000.00	9,874.44	9,000.00	-
6472.00 Management Fee - One Act Play	2,175.00	2,544.00	2,175.00	-
6477.00 Awards - One Act Play	3,200.00	3,282.00	3,200.00	-
6479.00 Programs - One Act Play	1,500.00	-	2,000.00	(500.00)
Total 6470.00 One Act Play \$	15,875.00 \$	15,680.44 \$	16,375.00 -\$	500.00
6500.00 Debate				
6501.00 Judges - Debate	14,000.00	8,090.64	10,000.00	4,000.00
6502.00 Management Fee - Debate	575.00	575.00	575.00	-
6507.00 Debate Awards - Debate	2,300.00	1,981.60	2,100.00	200.00
6508.00 NFHS Speech Award - Debate	80.00	-	80.00	-
6510.00 Computer (Joy of Tournaments) - Debate	200.00	-	200.00	-
6511.00 Computer Operator - Debate	200.00	200.00	200.00	-
6512.00 Extemp Draw Facilitator - Debate	50.00	50.00	50.00	-
Total 6500.00 Debate \$	17,405.00 \$	10,897.24 \$	13,205.00 \$	4,200.00
6540.00 All-State Jazz Band				
6541.00 Guest Conductors - ASJB	8,600.00	10,016.48	11,000.00	(2,400.00)
6542.00 Rent/Custodial - ASJB	300.00	-	-	300.00
6543.00 Chairman/Site Expense - ASJB	400.00	800.00	800.00	(400.00)
6544.00 Audition Expenses - ASJB	1,000.00	2,000.00	2,000.00	(1,000.00)
6546.00 Music - ASJB	800.00	768.60	800.00	-
6547.00 Awards - ASJB	250.00	146.50	250.00	-
6549.00 Faculty Performance Session - ASJB	350.00	1,800.00	350.00	-
6550.00 Programs - ASJB	1,100.00	918.00	1,100.00	-
Total 6540.00 All-State Jazz Band \$	12,800.00 \$	16,449.58 \$	16,300.00 -\$	3,500.00
6610.00 All-State Chorus & Orchestra				
6611.00 Guest Conductors - All-State Chorus & Orchestra	6,000.00	7,367.48	7,000.00	(1,000.00)
6612.00 Arena Rent/Custodial - All-State Chorus & Orchestra	25,000.00	15,631.87	25,000.00	-
6613.00 Chairman/Site Expense - All-State Chorus & Orchestra	1,875.00	1,350.00	1,875.00	-
6614.00 Audition Expense - All-State Chorus & Orchestra	10,000.00	9,274.89	10,000.00	-
6615.00 Piano - All-State Chorus & Orchestra	3,765.00	1,235.00	3,000.00	765.00
6616.00 Music - All-State Chorus & Orchestra	2,500.00	2,890.12	3,500.00	(1,000.00)
6617.00 Awards - All-State Chorus & Orchestra	1,700.00	1,203.00	1,800.00	(100.00)
6618.00 Tickets/Passes/Box Office - All-State Chorus & Orchestra	-	3,632.03	4,000.00	(4,000.00)
6620.00 Programs - All-State Chorus & Orchestra	4,000.00	5,239.75	5,000.00	(1,000.00)
6621.00 Sound System - All-State Chorus & Orchestra	1,000.00	1,800.00	6,000.00	(5,000.00)
Total 6610.00 All-State Chorus & Orchestra \$	55,840.00 \$	49,624.14 \$	67,175.00 -\$	11,335.00

6630.00 All-State Band

6631.00 Guest Conductor - All-State Band	5,100.00	4,228.68	5,000.00	100.00
6632.00 Arena Rent/Custodial - All-State Band	500.00	-	1,000.00	(500.00)
6633.00 Chairman - All-State Band	400.00	700.00	400.00	-
6634.00 Audition Expense - All-State Band	20,000.00	24,210.49	25,000.00	(5,000.00)
6636.00 Music - All-State Band	1,500.00	679.98	1,500.00	-
6637.00 Awards - All-State Band	1,000.00	225.50	300.00	700.00
6640.00 Printing - All-State Band	1,500.00	796.00	1,000.00	500.00
Total 6630.00 All-State Band \$	30,000.00	\$ 30,840.65	\$ 34,200.00	-\$ 4,200.00

6650.00 Music Miscellaneous

6653.00 SDMEA Convention	-	-	-	-
Total 6650.00 Music Miscellaneous \$	0.00	\$ 0.00	\$ 0.00	0.00

6670.00 Journalism

6673.00 Journalism Convention	3,000.00	2,017.31	3,000.00	-
6674.00 Journalism Adjudicator	1,500.00	1,308.94	1,500.00	-
6675.00 Journalism Postage	200.00	-	200.00	-
6677.00 Journalism Awards	800.00	382.50	600.00	200.00
Total 6670.00 Journalism \$	5,500.00	\$ 3,708.75	\$ 5,300.00	200.00

6680.00 Visual Arts

6681.00 Judges - Visual Arts	6,000.00	6,753.20	7,000.00	(1,000.00)
6683.00 Rent/Repair - Visual Arts	4,000.00	6,753.00	6,000.00	(2,000.00)
6685.00 Gallery Reception - Visual Arts	1,200.00	416.20	1,200.00	-
6687.00 Awards - Visual Arts	1,500.00	1,333.81	1,600.00	(100.00)
Total 6680.00 Visual Arts \$	12,700.00	\$ 15,256.21	\$ 15,800.00	3,100.00

Total Fine Arts Expenses \$ 234,445.00 \$ 219,604.11 \$ 259,030.00 \$ (24,585.00)

FY23	Total Revenue	\$	2,871,191.53	
	G&A Exepenses	\$		1,825,111.53
	Athletics Expenses	\$		787,050.00
	Fine Arts Expenses	\$		259,030.00
	Total Expenses	\$	2,871,191.53	
	Defecit/Surplus	\$	0.00	
FY22	Total Revenue	\$	2,882,581.34	
	G&A Expenses	\$		1,603,849.21
	Athletics Expenses	\$		816,781.28
	Fine Arts Expenses	\$		219,604.11
	Total Expenses	\$	2,640,234.60	
	Defecit/Surplus	\$	242,346.74	

APPENDIX B

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION

AUDIT REPORT

June 30, 2021



**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, 2021

Board of Directors:

Craig Cassens – Chairperson
Randy Soma – Vice Chairperson
Dan Aaker
Tom Culver
Barry Mann
Mark Murphy
Dr. Jerry Rasmussen
Michael Talley
Marty Weismantel

Executive Director:

Dr. Daniel Swartos

Finance Director:

Ryan Mikkelsen

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
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C/O 500 EAST CAPITOL
PIERRE, SD 57501-5070
(605) 773-3595

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, 2021, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated May 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 have not been identified. We did identify certain deficiencies in internal control, described in the *Schedule of Current Audit Findings* as item 2021-001 that we consider to be a material weakness.

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

The Association's response to the finding identified in our audit is described in the accompanying *Schedule of Current Audit Findings*. The Association's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

May 31, 2022

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF CURRENT AUDIT FINDINGS

Finding No. 2021-001: Financial Statement Reporting Errors

Type of Finding: Material Weakness

Criteria:

The objective of our audit of the South Dakota High School Activities Association includes the expression of an opinion on whether the Association's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). The accrual basis of accounting is required by GAAP and requires expenses to be recognized in the period incurred, if measurable.

Condition:

During our audit we identified the annual "Expense Allowance" payments to schools competing in Fiscal Year 2021 (FY2021) state tournament events occurred later than in prior years, resulting in the FY2021 payments being made in July 2021 (FY2022). The total of all payments was determined to be \$250,761.19. As the payments relate to expenses incurred in FY2021, GAAP requires the payments be recognized in FY2021. An accrual entry of \$250,761.19 was necessary to properly recognize the payments in FY2021.

Cause:

The delay in sending the FY2021 payments to schools resulted in an additional entry needed for proper financial statement reporting. Internal controls over financial statement reporting were not sufficient to identify the necessity of the entry needed for proper reporting.

Effect:

The effect of the uncorrected error would have been the material overstatement of Net Position, the material understatement of liabilities, and the understatement of expenses for FY2021. The error was corrected by the posting of an audit adjustment to properly recognize the transactions.

Repeat Finding from Prior Year:

No.

Recommendation:

1. We recommend the Association review significant transactions posted after June 30 to identify those which must be accrued to the proper period.
2. We recommend the Association strengthen internal controls over financial reporting.

Views of Responsible Officials:

SDHSAA concurs with the finding. This will not occur again because FY2021 was the last year we paid out state tournament expenses to schools. In consultation with our member school's business managers and the SDHSAA finance committee, it was determined in FY2021 to discontinue both the charging of dues and fees to schools as a revenue source to the SDHSAA and the payment of state tournament expenses as an expense to the SDHSAA, as it ended up being a net wash - the Association would collect dues and fees from schools at the beginning of the year and reimburse schools at the end of the year for approximately the same amount of money. For school budgeting purposes, eliminating both made the most sense. Therefore, this specific issue will not occur in the future because we are no longer making large scale school reimbursement payments at the end of the year.



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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 Financial Statements

We have audited the accompanying financial statements of the South Dakota High School Activities Association (Association), as of and for the year ended June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association, as of June 30, 2021, and 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.

Other Matters

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 Contributions*, and the *Schedule of the Association's Proportionate Share of the Net Pension Liability (Asset)* on pages 6 - 7 and 24 - 26 be presented to supplement the basic financial statements. Such information, 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 Budget and Actual Revenues and Expenditures* are presented for purposes of additional analysis and are not a required part of the 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 Budget and Actual Revenues and Expenditures* 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. Such 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 Budget 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 May 31, 2022 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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

May 31, 2022

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, 2021. This analysis should be read in conjunction with the Independent Auditor's Report, Financial Statements, and notes to the financial statements.

Financial Analysis

- Throughout the year, SDHSAA saw decreased attendance and ticket sales at state and sub-state events. Sub-state events in particular decreased by \$274,715 (or 31.66%) due to facility limitations and general public uneasiness during the COVID-19 pandemic. State events as a whole saw a slight increase from FY20, though most of the increase can be attributed to the cancellation of the state track and basketball tournaments in FY20 skewing revenues and expenses.
- Non-operating revenue saw a dramatic increase from FY20 to FY21. In FY21 SDHSAA received both a SD Business Grant and had the Paycheck Protection Program (PPP) Loan forgiven, moving it from a liability to a revenue. These accounted for \$366,446 of the non-operating revenue with another \$203,038 coming from Unrealized Gains on Investments. These gains can be attributed to market fluctuations throughout FY21.

Financial Highlights as of June 30, 2021

- Deferred Outflows of Resources increased by \$50,864 (or 24.63%) and Deferred Inflow of Resources increased by \$124,432 (138.62%) due to GASB 68 annual adjustments.
- Current Liabilities increased to \$512,288 (up 121.59%) due to team expenses for the FY21 school year being remitted in FY22.

Economic Conditions and Outlook

- SDHSAA Board of Directors voted to suspend both the participation fee revenues and state event team expenses for FY22 and the foreseeable future.

Change in Assets and Liabilities

	FY 2020	FY 2021	Increase (Decrease)	% Increase (Decrease)
Assets:				
Cash and Cash Equivalents	\$ 504,358	\$ 739,867	\$235,509	46.69
Investments	1,029,229	1,119,690	90,461	8.79
Accounts Receivable	166,837	286,937	120,100	71.99
Capital Assets (Net of Depreciation)	737,699	720,305	(17,394)	(2.36)
Deferred Outflows of Resources	206,552	257,416	50,864	24.63
Net Pension Asset	3,922	1,589	(2,333)	(59.48)
Total Assets and Deferred Outflows	2,648,597	3,125,804	477,207	18.02
Liabilities				
Current Liabilities	231,189	512,288	281,099	121.59
Non-Current Liabilities	49,923	65,782	15,859	31.77
Deferred Inflow of Resources (GASB 68)	89,765	214,197	124,432	138.62
Total Liabilities and Deferred Inflows	370,877	792,267	421,390	113.62
Net Investment in Capital Assets	737,699	720,305	(17,394)	(2.36)
Restricted for SDRS Pension Purposes (GASB 68)	120,709	44,807	(75,902)	(62.88)
Unrestricted Net Position	1,419,312	1,568,424	149,112	10.51
Total Net Position	\$ 2,277,720	\$ 2,333,536	\$ 55,816	2.45

Change in Net Position

	FY 2020	FY 2021	Increase (Decrease)	% Increase (Decrease)
Revenues:				
State Events	\$ 721,342	1,056,139	\$ 334,797	46.41
Sub-State Events	867,612	592,897	(274,715)	(31.66)
Corporate Partner	517,081	578,377	61,296	11.85
Fees	145,674	159,055	13,381	9.19
Miscellaneous	135,709	151,018	15,309	11.28
Non-Operating Revenue	5,528	643,914	638,386	11,548.23
Total Revenue	<u>2,392,946</u>	<u>3,181,400</u>	<u>788,453</u>	<u>32.95</u>
Expenses:				
General and Administrative	1,718,372	1,706,486	(11,886)	(0.69)
Activities	1,011,778	1,401,704	389,926	38.54
Depreciation Expense	17,276	17,394	118	0.68
Total Expenses	<u>2,747,426</u>	<u>3,125,584</u>	<u>378,158</u>	<u>13.76</u>
Changes in Net Position	<u>\$ (354,480)</u>	<u>\$ 55,816</u>	<u>\$ 410,296</u>	<u>115.75</u>

SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENT OF NET POSITION
JUNE 30, 2021

Assets:

Current Assets:

Cash and Cash Equivalents	\$ 739,867.20
Investments	1,119,689.64
Accounts Receivable	286,936.99
Total Current Assets	<u>2,146,493.83</u>

Non-Current Assets:

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	(259,891.68)
Equipment, Furniture and Fixtures	165,799.87
Less: Accumulated Depreciation-Equipment, Furniture and Fixtures	(137,818.37)
Net Pension Asset	1,588.85
Total Non-Current Assets	<u>721,893.81</u>

Total Assets	<u>2,868,387.64</u>
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Deferred Outflows of Resources:

Pension Related Deferred Outflows	257,416.01
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Liabilities:

Current Liabilities:

PPP Forgivable Loan	176,047.00
Wages Payable	19,769.95
Vouchers Payable	277,030.11
Accrued Vacation	30,524.58
Accrued Sick Pay	3,716.63
Post Employment Benefit	5,200.00
Total Current Liabilities	<u>512,288.27</u>

Non-Current Liabilities:

Accrued Vacation	57,917.77
Accrued Sick Leave	1,591.36
Post Employment Benefit	6,272.77
Total Non-Current Liabilities	<u>65,781.90</u>

Total Liabilities	<u>578,070.17</u>
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Deferred Inflows of Resources:

Pension Related Deferred Inflows	214,197.44
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Net Position:

Investment in Capital Assets	720,304.96
Restricted for SDRS Pension Purposes	44,807.42
Unrestricted	1,568,423.66
Total Net Position	<u>\$ 2,333,536.04</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, 2021

Operating Revenue:

Basketball:

State Tournament - Boys	\$ 249,327.00	
State Tournament - Girls	131,129.66	
Sub-State Events		
Elimination Tournaments	<u>327,681.00</u>	
Total Basketball Receipts		\$ 708,137.66

Wrestling:

State Tournament	213,260.00	
Sub-State Events	<u>19,332.00</u>	
Total Wrestling Receipts		232,592.00

Volleyball:

State Tournament	81,326.00	
Sub-State Events	<u>88,171.00</u>	
Total Volleyball Receipts		169,497.00

Football:

State Tournament	151,620.00	
Sub-State Events	<u>157,713.00</u>	
Total Football Receipts		309,333.00

Cross Country		20,781.00
State Track and Field Meet		154,155.00
State Gymnastics Meet		9,186.00
Cheer and Dance		17,841.50
Soccer		10,288.00
All State Chorus & Orchestra		7,250.00
All State Band		7,640.00
All-State Jazz Band		2,335.00
Television Contract		127,030.00
Ball Bids		50,000.00
Corporate Partner		312,500.00
Merchandise Partner		88,846.70
NF News/Student Press Fee		27,955.00
Participation Fees		131,100.00
Sale of Medals		1,139.75
Rule Books/Publications		30,274.00
Registration of Officials		71,538.18
Officials/Coaches Penalties		4,860.00
Membership Dues		9,787.80
Fine Arts Judge Reimbursement		14,700.43
Miscellaneous		<u>18,718.11</u>

Total Operating Revenue		<u>2,537,486.13</u>
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SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Operating Expenses:	
General and Administrative	1,706,485.56
Activities	1,401,704.42
Depreciation Expense	17,394.14
Total Operating Expenses	<u>3,125,584.12</u>
Operating Income (Loss)	<u>(588,097.99)</u>
Non-operating Revenue (Expense):	
Earnings on Deposits and Investments	47,587.12
Unrealized Gain (Loss) on Investments	203,037.67
Grant Revenue	366,446.00
Contributions and Donations	37,005.18
Investment Expense	(10,162.48)
Total Non-operating Revenue (Expense)	<u>643,913.49</u>
Change in Net Position	55,815.50
Net Position, July 1, 2020	<u>2,277,720.54</u>
Net Position, June 30, 2021	<u><u>\$ 2,333,536.04</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, 2021

Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 1,960,985.15	
Cash Payments to Suppliers for Goods and Services	(1,253,912.65)	
Cash Payments to Employees for Services	(984,558.28)	
Net Cash Provided (Used) by Operating Activities		<u>(277,485.78)</u>
Cash Flows from Investing Activities:		
Sale of Investments	150,000.00	
Interest Received on Investments	1.90	
Net Cash Provided by Investing Activities		<u>150,001.90</u>
Cash Flows from Noncapital Financing Activities:		
Receipt of Grant Revenue	362,993.00	
Net Cash Provided by Noncapital Financing Activities		<u>362,993.00</u>
Net Increase in Cash and Cash Equivalents During the Fiscal Year		235,509.12
Cash and Cash Equivalents at Beginning of Year		<u>504,358.08</u>
Cash and Cash Equivalents at End of Year		<u><u>\$ 739,867.20</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)		\$ (588,097.99)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Activities Expense - Value of Donated Automobiles	37,005.18	
Depreciation Expense	17,394.14	
Change in Assets and Liabilities:		
Decrease in Net Pension Asset	2,333.63	
Increase in Pension Related Deferred Outflows	(50,864.51)	
Increase in Pension Related Deferred Inflows	124,432.55	
Increase in Accounts Receivable	(120,099.78)	
Increase in Vouchers Payable	277,030.11	
Increase in Wages Payable	19,769.95	
Increase in Accrued Vacation Liability	9,003.57	
Decrease in Accrued Sick Leave Liability	(992.63)	
Decrease in Post Employment Benefit	(4,400.00)	
Total Adjustments		<u>310,612.21</u>
Net Cash Provided by Operating Activities		<u><u>\$ (277,485.78)</u></u>
Non-cash Investing, Capital and Financing Activities:		
Value of Donated Automobiles		\$ 37,005.18
Decrease in Fair Value of Investments		203,037.67

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, 2021

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 May 31, 2022, 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. Construction period interest is capitalized in accordance with US GAAP.

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 August 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 saving account for administrative assistant employees and maximum family health savings account for executive employees.

Payments made during fiscal year 2021 amounted to \$159,490.09.

The Association pays dental insurance for all employees. Family coverage is optional at the employee's expense. Payments made during fiscal year 2021 amounted to \$4,614.40.

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 employed before June 30, 2008 will be eligible for reimbursement of unused sick leave upon termination. The amount is determined by multiplying current base pay times a maximum of 50 days of unused sick leave. Base pay is computed by dividing the current annual salary by 260 days.

Vacation Leave:

Vacation leave is earned by the executive staff, the technology director, and the finance director at a rate of 12 working days after 1 year of service, 15 working days after 2 years, and 20 working days after 7 years. The full-time administrative assistants are eligible for 12 working days of paid vacation after 1 year of service, 15 working days after 2 years, and 18 working days after 7 years. Administrative assistants having 7 years of continuous service are granted 18 working days. 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 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.

The financial statements give effect to these liabilities.

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, accrued payroll taxes for the compensated absences, and a post-employment benefit.

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 no outstanding credit card debt.

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 \$443,256.96.

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, 2021, the Association had investments maturing as follows:

Investment Type	Fair Value	2021 Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	Greater than 10
Mutual Funds	\$ 327,471	\$ -	\$ 276,711	\$ 50,760	\$ -
Exchange-Traded Funds	71,804	-	-	71,804	-
	<u>\$ 399,275</u>	<u>\$ -</u>	<u>\$ 276,711</u>	<u>\$ 122,564</u>	<u>\$ -</u>

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, 2021, 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
Exchange-Traded Funds	<u>\$ 254,766</u>	<u>\$ 254,766</u>	<u>\$ -</u>	<u>\$ -</u>
Total Investments by fair value level	<u>254,766</u>	<u>\$ 254,766</u>	<u>\$ -</u>	<u>\$ -</u>

Investment measure at Net Asset Value (NAV)

Mutual Funds	<u>854,215</u>
Total investments measure at NAV	<u>854,215</u>
Total investments measured at Fair Value	<u>\$1,108,981</u>

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, 2021. Exchange-traded funds classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Mutual funds are valued at the net asset value per share based on valuations of the underlying companies or securities as determined and reported by the fund manager. Alternative investments are valued at the net asset value per share as determined by independent valuation firms.

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 7/01/20	Increases	Decreases	Balance 6/30/21
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	165,799.87	-	-	165,799.87
Totals	1,001,771.10	-	-	1,001,771.10
Less Accumulated Depreciation for:				
Land Improvements	47,626.84	-	-	47,626.84
Building	244,604.04	15,287.64	-	259,891.68
Equipment, Furniture and Fixtures	135,711.87	2,106.50	-	137,818.37
Total Accumulated Depreciation	427,942.75	17,394.14	-	445,336.89
Total Capital Assets, being Depreciated, Net	573,828.36	(17,394.14)	-	556,434.21
Capital Assets, Net	\$ 737,699.10	\$ (17,394.14)	\$ -	\$ 720,304.96

6. LIABILITIES:

On March 26, 2021 the South Dakota High School Activities Association was awarded a Paycheck Protection Program loan in the amount of \$176,047.00, which is fully forgivable if the terms of the program are fulfilled. Payments on the loan are deferred pending a determination of forgiveness by the Small Business Administration.

Long-term obligations at June 30, 2021 and changes to long-term liabilities during the fiscal year ended are as follows:

	Balance 7/01/20	Increases	Decreases	Balance 6/30/21	Due Within One Year
Accrued Vacation	\$79,438.78	\$ 58,645.32	\$49,641.76	\$ 88,442.35	\$ 26,858.41
Accrued Sick Pay	6,300.62	2,723.99	3,716.62	5,307.99	3,716.63

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 not 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, 2021, 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, 2015 to 2021.

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 2021, a budgeted expense of \$4,800.00 was incurred for this benefit. Future payments have been estimated to total approximately \$11,472.77. 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 the following 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. During fiscal year 2020, no expense was incurred for this benefit. No future payments have been scheduled over the next year. 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, 2021, 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 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. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

During the fiscal year ended June 30, 2021, no claims for unemployment benefits were paid. At June 30, 2021, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

11. SIGNIFICANT CONTINGENCIES—LITIGATION:

At June 30, 2021, 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), a cost sharing, multiple employer defined benefit pension plan administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provide retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. 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 <http://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided:

SDRS has three different classes of employees, Class A general members, Class B public safety and judicial members, and Class C Cement Plant Retirement Fund 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.

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.

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, 2021, 2020 and 2019, equal to required contributions each year, were as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 48,040.75
2020	48,174.64
2019	47,219.67

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

At June 30, 2020, SDRS is 100.04% funded and accordingly has 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, 2020 and reported by the Association as of June 30, 2021 are as follows:

Proportionate share of pension liability	\$ 4,497,281.67
Less proportionate share of net pension restricted for pension benefits	<u>4,498,870.52</u>
Proportionate share of net pension liability (asset)	\$ (1,588.85)

At June 30, 2021, the Association reported an asset of \$1,588.85 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020 and the total pension asset 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, 2020 the Association's proportion was 0.0365841% which is a decrease of 0.0004299% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Association recognized a pension expense of \$75,901.67. At June 30, 2021 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.	\$ 6,078.17	\$ 1,244.65
Changes in assumption.	51,177.80	206,402.95
Net difference between projected and actual earnings on pension plan investments.	147,674.93	
Changes in proportion and difference between Association contributions and proportionate share of contributions.	4,444.36	6,549.84
Association contributions subsequent to the measurement date.	48,040.75	
TOTAL	\$ 257,416.01	\$ 214,197.44

The \$48,040.75 reported as deferred outflow of resources related to pensions resulting from Association contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. 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:	
2022	\$(17,797.26)
2023	(15,876.45)
2024	1,252.81
2025	27,598.72
TOTAL	\$ (4,822.18)

Actuarial Assumptions:

The total pension liability (asset) in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	6.50% at entry to 3.00% after 25 years of service
Discount Rate	6.50% net of plan investment expense
Future COLAs	1.41%

Mortality rates were based on 97% of the RP-2014 Mortality Table, adjusted to 2006 projected generationally with Scale MP-2016, white collar rates for females and total dataset rates for males. Mortality rates for disabled members were based on the RP-2014 Disabled Retiree Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period of July 1, 2011 to June 30, 2016.

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, 2020 (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>
Global Equity	58.0%	5.1%
Fixed Income	30.0%	1.5%
Real Estate	10.0%	6.2%
Cash	2.0%	1.0%
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)	\$ 616,364.73	\$ (1,588.85)	\$ (507,062.69)

Pension Plan Fiduciary Net Position:

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

13. SUBSEQUENT EVENTS

On January 24, 2022 the Association received notice from the Small Business Administration of the full forgiveness for the second Paycheck Protection Program loan received on March 26, 2021.

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

	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 48,041	\$ 48,175	\$ 47,220	\$ 42,779	\$ 42,076	\$ 43,167	\$ 39,813
Contributions in relation to the Contractually required contribution	48,041	48,175	47,220	42,779	42,076	43,167	39,813
Contribution deficiency (excess)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Association's covered-employee payroll	\$ 799,552	\$ 801,678	\$ 785,742	\$ 712,980	\$ 701,265	\$ 719,450	\$ 663,550
Contributions as a percentage of Covered-employee payroll	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

* Until a full 10-year trend is compiled, the Association will present information for those years for which information is available.

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

	2021	2020	2019	2018	2017	2016	2015
Association's proportion of the net pension liability/asset	0.0365841%	0.0370140%	0.0346601%	0.0361807%	0.0378359%	0.0363446%	0.0392004%
Association's proportionate share of net pension liability (asset)	\$ (1,589)	\$ (3,922)	\$ (808)	\$ (3,283)	\$ 127,806	\$ (154,148)	\$ (282,423)
25 Association's covered-employee payroll	\$ 801,678	\$ 748,224	\$ 712,980	\$ 701,265	\$ 719,450	\$ 663,550	\$ 685,507
Association's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.20%	0.52%	0.11%	0.47%	17.76%	23.23%	41.20%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.04%	100.09%	100.02%	100.10%	96.89%	104.1%	107.3%

* 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. Until a full 10-year trend is compiled, the Association will present information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2021
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, 2020 Actuarial Valuation reflects no changes in actuarial methods from the June 30, 2019 Actuarial Valuation. One change in actuarial assumptions and two plan provision changes are reflected and described below.

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

a. Benefit Provision Changes:

Legislation enacted in 2020 established a Qualified Benefit Preservation Arrangement (QBPA) under Section 415(m) of the Internal Revenue Code (IRC). The QBPA is effective July 1, 2020 and pays a portion of SDRS benefits that are restricted by IRC Section 415(b). The total benefits paid from SDRS and the QBPA will be limited to the applicable 415(b) annual limit, unreduced for early commencement if Members retire prior to age 62 and actuarially increased for late retirement up to age 70 if Members retire after age 65. The Actuarial Valuation considers benefits payable from both SDRS and the QBPA.

Legislation enacted in 2020 also brought the assets and the liabilities of the South Dakota Department of Labor and Regulation Plan into SDRS effective July 1, 2020. With the exception of the accounting results presented in Section 6 of this report, all exhibits include the assets, liabilities, and member counts of the former Department of Labor and Regulation Plan Members.

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 0.5% 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%. That condition existed as of June 30, 2019 and exists again this year as of June 30, 2020. Future COLAs are assumed to equal the current restricted maximum COLA which was 1.88% as of June 30, 2019 and is 1.41% as of June 30, 2020.

The changes in actuarial assumptions due to the 1.41% restricted maximum COLA decreased the Actuarial Accrued Liability by \$595 million, or 4.6% of the Actuarial Accrued Liability based on the 1.88% restricted maximum COLA.

Actuarial assumptions are reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2022 Actuarial Valuation and any recommended changes anticipated to be first implemented in the June 30, 2022 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, 2021

	Budgeted Revenue	Actual Revenue	Variance Favorable/ (Unfavorable)
Activities			
Boys' "B" Basketball	\$ 115,000.00	\$ 76,300.00	\$ (38,700.00)
Boys' "A" Basketball	180,000.00	29,784.92	(150,215.08)
Boys' "AA" Basketball	120,000.00	85,888.00	(34,112.00)
Girls' "B" Basketball	61,000.00	59,688.00	(1,312.00)
Girls' "A" Basketball	64,000.00	51,207.00	(12,793.00)
Girls' "AA" Basketball	55,000.00	-	(55,000.00)
Football	225,000.00	151,620.00	(73,380.00)
Gymnastics	14,500.00	9,186.00	(5,314.00)
Track & Field	100,000.00	114,984.00	14,984.00
Volleyball "B"	38,000.00	32,162.00	(5,838.00)
Chorus & Orchestra	75,000.00	-	(75,000.00)
All-State Band	8,500.00	-	(8,500.00)
Volleyball "AA"	28,000.00	22,364.00	(5,636.00)
Cheer & Dance	25,000.00	17,841.50	(7,158.50)
Volleyball "A"	34,000.00	26,800.00	(7,200.00)
Cross Country	21,500.00	20,781.00	(719.00)
Soccer	15,000.00	10,288.00	(4,712.00)
All-State Jazz Band	2,000.00	-	(2,000.00)
Combined A & B Wrestling	200,000.00	161,624.00	(38,376.00)
Student Council	90,000.00	-	(90,000.00)
Total Activities	1,471,500.00	870,518.42	(600,981.58)
TV Contract - FB/BB/VB/WR	126,500.00	126,780.00	280.00
Ball Bids	50,000.00	25,000.00	(25,000.00)
Corporate Partner	332,500.00	340,417.00	7,917.00
Merchandise Partner	75,000.00	37,848.77	(37,151.23)
Total	584,000.00	530,045.77	(53,954.23)
Sub-State Events			
Girls' Basketball	95,000.00	73,871.33	(21,128.67)
Boys' Basketball	135,000.00	93,478.34	(41,521.66)
Football Playoffs	80,000.00	53,073.60	(26,926.40)
Wrestling	10,500.00	8,956.40	(1,543.60)
Volleyball	70,000.00	45,759.25	(24,240.75)
Total Sub-State Events	390,500.00	275,138.92	(115,361.08)
Fees			
Participation Fees	157,000.00	75,300.00	(81,700.00)
Subscription/Postage Fee	22,250.00	-	(22,250.00)
NFHS News/Student Press Pass	5,580.00	13,291.00	7,711.00
Sub-State Broadcast Media Fee	1,000.00	900.00	(100.00)
Total Fees	185,830.00	89,491.00	(96,339.00)
General			
Music Supplies	150.00	-	(150.00)
Coaches Clinic	-	80.00	80.00
Membership Dues	10,000.00	4,338.00	(5,662.00)
Rule Books/Publications	25,000.00	28,644.00	3,644.00
Registration of Officials	66,000.00	124,805.87	58,805.87
Penalties and Fines	8,000.00	4,035.00	(3,965.00)
Sale of Medals	2,300.00	761.00	(1,539.00)
Miscellaneous	20,000.00	21,715.32	1,715.32
Speech Programs/Shirts	500.00	-	(500.00)
Fine Arts Judge Reimbursement	14,700.00	14,458.88	(241.12)
Interest	40.00	1.90	(38.10)
Business Grant Round 2	-	186,946.00	186,946.00
Total General	146,690.00	385,785.97	239,095.97
GRAND TOTAL	\$ 2,778,520.00	\$ 2,150,980.08	\$ (627,539.92)

SUPPLEMENTARY DATA
SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Expenditures	Actual Expenditures	Variance Favorable/ (Unfavorable)
Regular Salaries	\$ 765,629.58	\$ 783,906.50	\$ (18,276.92)
Temporary Salaries	500.00	-	500.00
Total Salaries	<u>766,129.58</u>	<u>783,906.50</u>	<u>(17,776.92)</u>
Social Security	58,570.66	57,259.04	1,311.62
Retirement	45,937.77	47,714.52	(1,776.75)
Health Insurance	145,706.48	159,490.09	(13,783.61)
Dental Insurance	4,944.00	4,614.40	329.60
Worker's Compensation	2,695.00	2,695.00	-
Life Insurance	378.00	380.40	(2.40)
Supplemental Medical	4,800.00	-	4,800.00
Total Employee Benefits	<u>263,031.91</u>	<u>272,153.45</u>	<u>(9,121.54)</u>
Legal Costs and Fees/Lobbyist	18,000.00	15,485.83	2,514.17
Audit	25,000.00	24,560.25	439.75
Clinicians-Coaches Clinic	5,000.00	2,500.00	2,500.00
Test Supervisor	200.00	-	200.00
Appeals Committee	200.00	-	200.00
Section V Meeting	2,000.00	917.25	1,082.75
11 States Meeting	1,500.00	437.20	1,062.80
Utilities	7,200.00	6,640.53	559.47
Maintenance and Repairs	8,000.00	5,471.36	2,528.64
Technology	12,500.00	10,034.16	2,465.84
Staff In-Service	500.00	-	500.00
Snow Removal/Lawn	1,600.00	962.31	637.69
NFHS-Music/Speech Meeting	1,200.00	-	1,200.00
NF Summer Meeting	27,000.00	11,313.66	15,686.34
NF Winter Meeting	2,500.00	-	2,500.00
NF Legal Meeting	2,000.00	1,379.57	620.43
Staff Travel	32,000.00	23,728.66	8,271.34
Board of Control Travel	21,000.00	22,194.87	(1,194.87)
Advisory/Ad Hoc Com/Officials	15,000.00	3,551.44	11,448.56
Dues-Regional Wrestling Assoc.	1,100.00	760.00	340.00
Dues-Regional Basketball Assoc.	5,000.00	4,710.00	290.00
Dues-Regional Volleyball Assoc.	2,300.00	2,350.00	(50.00)
Telephone	10,400.00	9,028.45	1,371.55
Postage and Permit	19,000.00	25,187.25	(6,187.25)
United Parcel Service	4,000.00	2,788.31	1,211.69
State Officials Council	13,000.00	12,797.00	203.00
Internet/Cable	2,500.00	1,773.60	726.40
Midwest Officials Summit	1,500.00	-	1,500.00
Dues-Football Assoc.	4,200.00	3,900.00	300.00
Dues-Gymnastics Assoc.	340.00	380.00	(40.00)
State Event Directors Reception	1,000.00	583.94	416.06
NASO Travel	2,000.00	-	2,000.00
Media	250.00	-	250.00
Officials Gifts	1,500.00	-	1,500.00
State Event Directors/Corp Gifts	3,500.00	-	3,500.00
SDIAAA	2,000.00	4,000.00	(2,000.00)
Commercial Printing	15,000.00	13,350.32	1,649.68
NFOA Membership	20,000.00	19,584.00	416.00
Catastrophic/Liability Insurance	138,712.00	131,642.00	7,070.00
State Officials Coordinator	11,000.00	5,398.12	5,601.88
Professional Accounting Services	3,000.00	4,454.80	(1,454.80)
Janitorial Services	9,360.00	8,490.00	870.00
Miscellaneous	12,000.00	28,437.95	(16,437.95)
Total Purchased Services	<u>465,062.00</u>	<u>408,792.83</u>	<u>56,269.17</u>

SUPPLEMENTARY DATA
SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES - CASH BASIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Expenditures	Actual Expenditures	Variance Favorable/ (Unfavorable)
Office Supplies	6,200.00	5,780.59	419.41
Custodial Supplies	750.00	360.42	389.58
Subscriptions	2,400.00	913.96	1,486.04
Rule Books and Exams	43,000.00	23,761.70	19,238.30
Distinguished Service Awards	550.00	628.00	(78.00)
Inventory of Medals	1,200.00	1,636.00	(436.00)
Total Supplies and Materials	<u>54,100.00</u>	<u>33,080.67</u>	<u>21,019.33</u>
NF Dues/Foundation	2,500.00	2,500.00	-
Travel Accident Insurance	1,000.00	1,900.00	(900.00)
D&O Liability Insurance	10,756.00	10,576.00	180.00
Excess Liability Insurance	3,300.00	3,300.00	-
General Liability Insurance	12,840.00	11,545.00	1,295.00
Surety Bond	700.00	736.00	(36.00)
Car Liability Insurance	5,756.00	5,756.00	-
Insurance Office and Contents	5,531.00	6,163.00	(632.00)
General Liability Insurance - Member Schools	16,105.00	14,476.00	1,629.00
Total Other Objects	<u>58,488.00</u>	<u>56,952.00</u>	<u>1,536.00</u>
Officials Observation	<u>6,000.00</u>	<u>6,410.00</u>	<u>(410.00)</u>
Boys' "AA" Basketball	59,100.00	44,679.28	14,420.72
Girls' "AA" Basketball	64,200.00	28,007.94	36,192.06
Boys' "A" Basketball	138,100.00	16,951.62	121,148.38
Girls' "A" Basketball	38,400.00	20,097.48	18,302.52
Combined "A" and "B" Wrestling	125,550.00	108,984.59	16,565.41
Boys' "B" Basketball	43,900.00	24,236.21	19,663.79
Girls' "B" Basketball	32,600.00	23,023.79	9,576.21
Gymnastics	19,300.00	18,064.14	1,235.86
Track and Field	70,100.00	55,994.39	14,105.61
Golf	19,500.00	23,461.80	(3,961.80)
Tennis	12,700.00	16,354.96	(3,654.96)
Cross Country	11,200.00	26,892.52	(15,692.52)
Football Play-Offs	77,700.00	70,364.36	7,335.64
"B" Volleyball	31,900.00	16,367.08	15,532.92
"A" Volleyball	32,900.00	16,968.09	15,931.91
"AA" Volleyball	35,420.00	14,588.52	20,831.48
Cheer and Dance	22,600.00	23,492.52	(892.52)
Soccer	12,700.00	9,457.84	3,242.16
Student Council	68,400.00	11,393.00	57,007.00
Oral Interp	24,700.00	21,730.00	2,970.00
One Act Play	15,500.00	16,436.96	(936.96)
Debate	17,030.00	6,788.05	10,241.95
All-State Jazz Band	12,650.00	10,039.31	2,610.69
All-State Chorus and Orchestra	63,465.00	18,432.29	45,032.71
All-State Band	29,700.00	22,793.83	6,906.17
Journalism	5,500.00	4,096.93	1,403.07
Visual Arts	12,700.00	11,114.93	1,585.07
Total Events	<u>1,097,515.00</u>	<u>680,812.43</u>	<u>416,702.57</u>
GRAND TOTAL	<u>\$ 2,710,326.49</u>	<u>\$ 2,242,107.88</u>	<u>\$ 468,218.61</u>

SUPPLEMENTARY DATA
SOUTH DAKOTA HIGH SCHOOL ACTIVITIES ASSOCIATION
NOTES TO THE SCHEDULES OF BUDGET AND ACTUAL REVENUES AND EXPENDITURES
June 30, 2021

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, 2021
- 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.