**South Dakota Board of Directors for Educational Telecommunications**

**Virtual Winter Meeting**

**January 6, 2023**

**Board Members Present:** Julie Overgaard, Kay Jorgensen, Doyle Estes, Dave Landry, Shuree Mortenson, Julie Ashworth, and Jeff Clines

**Board Members Not Present:** Jerry Oster

**Staff Members Present**: Teri Roetman, Twyla Olson, Laura Peterson, Ryan Howlett, Eric Erickson, SeVern Ashes, and Marcy Drew

**CALL TO ORDER**

Kay Jorgensen called the meeting to order at 1:30pm Central Time. Roll call was taken by Teri Roetman.

**APPROVAL OF MINUTES**

A motion was made by Julie Ashworth to approve the September 30th meeting minutes as presented. Second by Jeff Clines. Motion carried.

**AUDIT APPROVAL**

Laura Peterson presented an overview of the FY2022 Audit:

Eide Bailly has been engaged to complete the audit of our financial statements. We have a four-year contract with Eide Bailly, and FY 2022 was year two of this agreement.

The first portion of the audit is the Independent Auditor’s report. The primary purpose of the report is for the auditors to issue their opinion over the financial statements. For fiscal year 2022, Eide Bailly has issued a clean, unmodified opinion and believe the financial statements of SDPB were presented fairly in all material respects.

The Independent Auditor’s Report also includes reference to the adoption of the new GASB standard no. 87 for leases. This new accounting standard resulted in several changes in the presentation of our financial statements.

The most significant changes to the Statement of Net Position for the Network are related to the lease standard and the changes in the Network’s proportionate share of the State Retirement System.

A new lease receivable has been recorded in the amount of $1.5 million related to contracts on the use of our towers with a corresponding deferred inflow for the same amount as this represents future flows of revenue on these contracts. In addition to this, SDPB has agreements for the right to use a radio tower. This results in a new Right to Use Assets of $90,000 and a related lease liability of $84,000 for future payments on the lease agreement.

In addition to these changes, there was an increase in the related net pension asset reported of approximately $1 million and a related deferred inflow of resources of around $2.3 million for SDPB’s proportionate share of the Retirement plan.

Overall, the Network experienced a decrease in net position or a net loss of $750,000 over FY 2021. This is due to general operating grants related to COVID funding being down from Fiscal Year 2021 and a decrease in tower revenue recognized. Overall, expenses were down 3% over Fiscal Year 2021.

The financial statements include the financial information of Friends of SDPB as a component unit of the organization. Overall, Friends experienced an increase in net position of approximately $900,000 over Fiscal Year 2021. This was primarily contributed to the fundraising efforts of friends under the Sound Vision Campaign.

Laura will continue to work with BIT and BFM on ways to add additional internal reviews of financial reporting activities.

Kay Jorgensen was very appreciative of Laura and the BIT staff for all their hard work on the Audit process.

A motion was made by Doyle Estes to approve theFY22 Audit as presented. Second by Julie Ashworth. Motion carried.

**EXECUTIVE DIRECTOR’S REPORT**

The main purpose for today’s meeting was to approve the FY22 Audit. Julie’s written report can be found under Tab C.

The Joint Appropriations hearing is scheduled February 2 at 4pm CT. Kay Jorgensen said the board will be standing by if any help is needed.

Unless something comes up, we will plan to have our next board meeting mid to late March after legislative session is over. Teri will be in touch with board members in determining a date and time.

**ADJOURNMENT**

Kay adjourned the meeting at 1:56pm.