

ACKNOWLEDGEMENTS

Report Prepared By Bureau of Finance and Management
South Dakota Capitol Building
Pierre, South Dakota

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SPECIAL THANKS TO:

South Dakota Department of Legislative Audit, Pierre
Jason C. Dilges, Deputy Commissioner, Bureau of Finance and Management, Pierre
Business Research Bureau, University of South Dakota, Vermillion
All State Finance Officers and Accountants

A sincere thanks to all who contributed their time and effort to this publication.

**TO THE HONORABLE MEMBERS OF THE LEGISLATURE
AND CITIZENS OF SOUTH DAKOTA**

It is my pleasure to present the *Comprehensive Annual Financial Report* covering operations for the fiscal year that ended June 30, 2000. This is our fourteenth *Comprehensive Annual Financial Report*. The report is prepared in accordance with generally accepted accounting principles and includes all agencies of state government and reporting entities for which the state has oversight responsibilities. Like previous reports, this report presents to you and the financial community the sound financial condition of South Dakota.

Continued expansion and diversification of the economy has allowed South Dakota's economy to remain one of the healthiest economies among the fifty states. South Dakota's labor force grew to an all-time high of 377,461 workers during the twelve-month period. Leading the way during this period of time were the finance, insurance, and real estate sector and the construction sector. In addition to the growth in nonfarm employment, the unemployment rates remained low and personal income grew at a rate greater than inflation.

In South Dakota, the emphasis of government is the basics, protecting people and property, providing educational opportunities, and helping people who cannot help themselves. South Dakota continues to live within its means and provide these services to the citizens as we have since statehood in 1889.

Sincerely,

William J. Janklow



INTRODUCTORY SECTION

The Honorable William J. Janklow, Governor
of the State of South Dakota
and Members of the South Dakota Legislature

It is my pleasure to submit to you *South Dakota's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2000*.

The Bureau of Finance and Management assumes full responsibility for the accuracy, fairness, and completeness of this document. It is my opinion that the information presented herein is, in all material respects, presented fairly, and accurately reflects the financial position of the state of South Dakota at fiscal year-end 2000.

REPORT PRESENTATION

This report is presented in sections: *Introductory*, *Financial*, and *Statistical*. The *Introductory Section* includes a brief description of the state's reporting entity, the state's Risk Management Program, the Cash Management Program, the South Dakota Lottery Fund, the state Auditor General, general fund statistics, a short economic review of the past year, and an economic outlook summary for South Dakota. Also included are a listing of principal state officials, a state organizational chart, and a listing of state government functions. The *Financial Section* includes the independent auditor's report, the state's general purpose financial statements that include figures for various component units of government for which the state has oversight responsibility, the notes to the financial statements, and the combining financial statements. The *Statistical Section* presents various economic, statistical, and demographic data including labor force, education, census information, banking, taxes, farming, etc.

COMPLIANCE WITH ACCOUNTING STANDARDS

South Dakota's Comprehensive Annual Financial Report (CAFR) is prepared in accordance with generally accepted accounting principles (GAAP) that are issued by the Governmental Accounting Standards Board (GASB). South Dakota state government subscribes to and follows all GASB literature, is a member of the Government Finance Officers Association (GFOA), and is dedicated to the practice of GAAP reporting.

South Dakota's financial statements are presented on the modified accrual basis of accounting for governmental funds and expendable trust funds, and records revenues when they are measurable and available as net current assets, and expenditures when the related fund liability is incurred. Proprietary funds, nonexpendable trust funds, and pension trust funds are presented on the full accrual basis of accounting. The state's six university funds are presented in accordance with guidelines and standards issued by one or more of the following organizations: The National Association of College and University Business Officers (NACUBO), the American Institute of Certified Public Accountants (AICPA), and the Governmental Accounting Standards Board (GASB).

STATE REPORTING ENTITY

The statements presented in this report include not only the main operating funds of state government, but also other reporting entities for which the state has oversight responsibility, including six state universities, South Dakota Building Authority, and the South Dakota Housing Authority. These other reporting entities are included in this report and in the notes to the financial statements.

AUDIT

The South Dakota Department of Legislative Audit, a division of the legislative branch of government, audits South Dakota's Comprehensive Annual Financial Report. The audits are conducted in accordance with generally accepted government auditing standards (GAGAS) as issued by the Comptroller General of the United States. The opinion expressed by Legislative Audit is expressed on the general purpose financial statements and the notes to the financial statements, but does not include the *Introductory Section* or the *Statistical Section*.

The Department of Legislative Audit also performs periodic audits of the various departments of state government, in addition to auditing the general purpose financial statements. Certified Public Accounting firms are employed to audit selected state agencies and component units.

Internal control procedures are evaluated on an annual basis by the Department of Legislative Audit to provide reasonable assurance for the safeguarding of the state's assets, and to provide reasonable assurance of proper recording of financial transactions used to prepare this report.

RISK MANAGEMENT

The state's Office of Risk Management provides risk management services to all state agencies and institutions. These services include conducting loss control audits to verify agencies and institutions are proactively identifying and

addressing liability and workers' compensation exposures; advising agencies on applicable laws, regulations, and standards that contribute to a safe working environment; providing loss control training; reviewing state contracts for adequate risk management language; and, selecting brokers and insurance companies to obtain the best product for the best price.

Housed with the Office of Risk Management is the Public Entity Pool for Liability (PEPL) Fund, a self-insurance program that provides general liability, automobile liability, professional liability, public officials' errors and omissions, law enforcement liability, and some medical malpractice coverage for state employees. The PEPL Fund aggressively manages claims and lawsuits filed against state employees to minimize cost and mitigate damages.

CASH MANAGEMENT

The South Dakota Investment Council manages the state's pooled fund cash on a daily basis. The South Dakota Investment Council was established by the state legislature in 1971 and became operational on July 1, 1972. The council consists of eight voting members: five of the members are chosen by the Executive Board of the Legislative Research Council--a bipartisan board of members of both houses of the legislature--and the other three members consist of the State Treasurer, the Commissioner of School and Public Lands, and a designee of the South Dakota Retirement Board of Trustees.

The Investment Council is responsible for the investment management of the South Dakota Cash Flow Fund, the South Dakota Retirement System, Cement Plant Retirement Fund, and the School and Public Lands Fund.

Investment Council management of the South Dakota Cash Flow Fund resulted in earnings this year of \$36.5 million, a yield of 5.2%. This fund serves as the state's checking account and has earned taxpayers \$610.1 million over the past 28 years. Total investment income for all funds invested by the Investment Council were \$550.0 million for fiscal year 2000. Income for the most recent five years totaled \$3.02 billion, and since inception has exceeded \$5.66 billion.

Performance for the past 27 years has placed the council in the top 1st percentile against state funds for total retirement assets. For the past 10 years, the equity portfolio ranks in the top 24th percentile and the fixed income in the top 13th percentile against equity and fixed income mutual funds. The Investment Council has grown from \$133.0 million in assets at the end of its first year to \$6.069 billion at June 30, 2000.

LOTTERY

The South Dakota Lottery Fund was created during the 1987 legislative session and organized to market instant scratch games. Video lottery was authorized during the 1989 legislative session and operations commenced in October 1989. Legislative approval to participate in a multi-state lotto game was given during the 1990 legislative session. That same year, South Dakota joined the Multi-State Lottery Association (MUSL), a consortium of 21 lottery jurisdictions that currently offer the Powerball game. South Dakota's own lotto game, Dakota Cash, began in FY1993. In FY1994, South Dakota entered into a multi-state agreement with the states of Montana and Idaho to offer the Tri-West Lotto game that began early in February 1994. On September 16, 1996, the South Dakota Lottery began selling MUSL's Daily Millions game. On February 1, 1998, Nebraska joined the Tri-West Lotto group and the group replaced the Tri-West Lotto game with a new game called Wild Card. On March 31, 1998, Daily Millions was replaced with a new MUSL daily game called Cash 4 Life. The Cash 4 Life group is currently made up of nine states. On May 23, 1999, Nebraska dropped out of Wild Card, leaving South Dakota, Idaho and Montana to participate in a revised version of Wild Card called Wild Card 2. The purpose of the lottery is to provide additional monies to fund vital public programs and projects, and as of June 30, 2000, \$762.7 million has been generated to fund many public programs and projects. Lottery revenues for FY2000 totaled \$100.3 million.

FINANCIAL

The state's main operating fund is the general fund. The general fund records all revenues

and expenditures for carrying out the general day-to-day business of state government. 55.9% of general fund revenue is produced by a 4% sales and use tax. South Dakota does not have a state personal or corporate income tax.

NOTE: All charts in this section are presented on the accrual basis.

GENERAL FUND REVENUE SOURCE/TRANSFERS (Thousands)

	<u>AMOUNT</u>	<u>PERCENT</u>
Taxes	\$614,092	78.7
Use of Money/Property	21,289	2.7
Sales and Services	5,214	0.7
Licenses/Permits/Fees	4,965	0.6
Administering Programs	1,661	0.2
Fines/Forfeits/Penalties	564	0.1
Other	2,639	0.3
TOTAL REVENUE	\$650,424	83.3
Transfer From Property Tax Reduction Fund	\$ 87,300	11.2
Transfer From Component Units	12,199	1.6
Transfer From Other Agencies	30,023	3.9
TOTAL GENERAL FUND	\$779,946	100.0

TAXES BY SOURCE (Thousands)

	<u>AMOUNT</u>	<u>PERCENT</u>
Sales and Use Tax	\$435,942	71.0
Inheritance Tax	26,234	4.3
Insurance Company Tax	39,340	6.4
Liquor Tax	8,262	1.4
Cigarette Tax	17,921	2.9
Bank Franchise Tax	35,609	5.8
Contractor's Excise Tax	47,555	7.7
Severance Tax	2,066	0.3
Other Tobacco Tax	1,163	0.2
TOTAL	\$614,092	100.0

GENERAL FUND EXPENDITURES BY OBJECT/TRANSFERS (Thousands)

	<u>AMOUNT</u>	<u>PERCENT</u>
Salaries/Wages/Benefits	\$116,263	15.4
Travel	4,345	0.6
Contractual	43,336	5.7
Supplies/Materials	8,441	1.1
Grants/Subsidies	421,863	55.7
Capital Outlay	13,255	1.7
Other	6,776	0.9
TOTAL EXPENDITURES	\$614,279	81.1
Transfer to Universities	\$116,544	15.4
Other Transfers Out	26,834	3.5
TOTAL GENERAL FUND	\$757,657	100.0

**GENERAL FUND EXPENDITURES
BY FUNCTION/TRANSFERS
(Thousands)**

	<u>AMOUNT</u>	<u>PERCENT</u>
General Government	\$ 53,535	7.1
Human Resources	233,552	30.8
Natural Resources	11,120	1.4
Protection of Public	7,339	1.0
Transportation	424	0.1
Education and Research	306,214	40.4
Economic Resources	<u>2,095</u>	<u>0.3</u>
TOTAL EXPENDITURES	<u>\$614,279</u>	<u>81.1</u>
Transfer to Universities	\$116,544	15.4
Other Transfers Out	<u>26,834</u>	<u>3.5</u>
TOTAL GENERAL FUND	<u>\$757,657</u>	<u>100.0</u>

**ECONOMIC REVIEW FOR
FISCAL YEAR 2000**

South Dakota's economy continues to be one of the healthiest economies among the fifty states. A prime indication of the strength of South Dakota's economy during FY2000 was the growth in South Dakota's labor force. During FY2000, the South Dakota labor force grew 2.55% to an all-time high, with the finance, insurance, and real estate sector and the construction sector leading the way, with growth rates of 7.0% and 5.4%, respectively. At the same time, South Dakota enjoyed one of the lowest unemployment rates in the nation at 2.6%, far below the national unemployment rate.

During FY2000, nonfarm employment grew by 9,348 jobs, an increase of 2.5%. Nationally, nonfarm employment grew 2.2% during the same period. Most sectors in South Dakota realized a growth in jobs. Building permits issued during this 12-month period were up 10.9%; the value of building permits issued increased by 13.3%. Finally, total personal income in South Dakota grew 6.7%, compared to the national growth rate of 6.0%. South Dakota's 6.8% increase in nonfarm income was part of the reason South Dakota exceeded the U.S. in personal income growth.

ECONOMIC OUTLOOK

After speeding through the final half of FY2000 at an even higher pace than existed during the beginning of FY2000, South Dakota's economy is expected to grow above the historical average in the first part of FY2001, but slow to less than historical averages for the final half of FY2001. Contributing to the significant growth in the first half of FY2001 is the stable national economy, a growing labor market, and healthy increases in wages. The slowdown in the final half will be due to weakening national economy, labor force layoffs, a crumbling of the U.S. stock market and a lower level of consumer confidence. After growing 2.5% in FY2000, nonfarm employment is expected to plateau, with little or no growth taking place. The housing sector is projected to soften, but then strengthen as interest rates begin to fall. Finally, total personal income is expected to grow 5.65%, with nonfarm income growing 4.91%.

ACKNOWLEDGMENTS

I want to thank all of the department finance officers for their dedication in accumulating the data needed to produce this report in a timely fashion. Without their cooperation, this report would be impossible to produce. I would also like to thank the Department of Legislative Audit and the Bureau of Finance and Management Accounting Staff for their talents in putting all of this information together in an understandable and informative format. It is my intention that this audited financial report will make state government more accountable to its citizens and also provide a valuable insight into state government operations for bond investors, legislators, and other interested parties.

Sincerely,

Curtis A. Everson, Commissioner
Bureau of Finance and Management

BUREAU OF FINANCE AND MANAGEMENT

The Bureau of Finance and Management (BFM) is a staff agency in the South Dakota Department of Executive Management that is headed by the Governor. Other agencies in the Department of Executive Management include the Governor's Office, Lt. Governor's Office, Office of Tribal Government Relations, Office of Economic Development, Bureau of Administration, Bureau of Information and Telecommunication, and Bureau of Personnel.

The general purpose of the BFM, as described in South Dakota Codified Law, is to "...promote economy and efficiency in the fiscal management of the state government". The functions performed by bureau staff fall into four categories--budget analysis, Executive Management Finance Office, financial compliance, and financial systems.

BUDGET ANALYSIS

South Dakota state government has an executive budget process whereby all agencies of state government submit their annual budget requests to the Bureau of Finance and Management. The bureau assists the Governor in developing the Governor's Budget Book that contains the Governor's recommendations to the Legislature for funding all state government programs for the next fiscal year.

EXECUTIVE MANAGEMENT FINANCE OFFICE

The Executive Management Finance Office provides annual budget preparation and financial accounting for the BFM, Bureau of Administration, Bureau of Information and Telecommunications, and Bureau of Personnel. The financial accounting is used for completion of the Comprehensive Annual Financial Report and assurance of compliance with OMB Circular A-87.

FINANCIAL COMPLIANCE

The BFM Financial Compliance Division is primarily responsible for advising South Dakota state agencies on compliance issues in the areas of generally-accepted accounting principles, payroll, statewide cost allocation procedures, and the U.S. Treasury—state agreement pertaining to the Cash Management Improvement Act. The U.S. Treasury—state agreement is between the state of South Dakota, BFM, and the United States Treasury Financial Service and outlines procedures for drawing federal funds for grants that are subject to the agreement. In addition, the BFM Financial Compliance Division is also responsible for reconciling "pooled and restricted cash" on the state's accounting system, computing (for all state government funds) the allocated investment proration amounts due to each fund annually, maintaining and monitoring the cash management improvement program by ensuring development of clearance patterns for federal grants, preparing the South Dakota Statewide Cost Allocation Plan annually, and preparing the South Dakota Comprehensive Annual Financial Report annually.

FINANCIAL SYSTEMS

The BFM Financial Systems Division is responsible for the operation, development, and user education of statewide financial systems for South Dakota. This includes the state purchasing system, accounts payable, general ledger, inventory, central payroll, budget, and financial decision support system.

SOUTH DAKOTA PRINCIPAL STATE OFFICIALS

EXECUTIVE BRANCH

*THE HONORABLE WILLIAM J. JANKLOW, GOVERNOR
THE HONORABLE CAROLE K. HILLARD, LIEUTENANT GOVERNOR*

CONSTITUTIONAL OFFICERS

*The Honorable Mark W. Barnett, Attorney General
The Honorable Joyce I. Hazeltine, Secretary of State
The Honorable Richard D. Butler, Treasurer
The Honorable Vernon L. Larson, Auditor
The Honorable Curtis J. Johnson, Commissioner, School and Public Lands*

PUBLIC UTILITIES COMMISSION

*The Honorable Laska L. Schoenfelder, Commissioner
The Honorable Pamela A. Nelson, Commissioner
The Honorable James A. Burg, Commissioner*

LEGISLATIVE BRANCH

*The Honorable Roger Hunt
Speaker of the House*

*The Honorable M. Michael Rounds
Senate Majority Leader*

*The Honorable Jim Hutmacher
Senate Minority Leader*

*The Honorable Steve Cutler
House Majority Leader*

*The Honorable Pat Haley
House Minority Leader*

JUDICIAL BRANCH

*The Honorable Robert A. Miller
Chief Justice*

*The Honorable Richard Sabers
Associate Justice*

*The Honorable Robert Amundson
Associate Justice*

*The Honorable John Konenkamp
Associate Justice*

*The Honorable David Gilbertson
Associate Justice*

SOUTH DAKOTA FY2000 FUNCTIONS OF STATE GOVERNMENT

GENERAL GOVERNMENT

Executive Management
Revenue
State Lottery
Unified Judicial System
Legislature
Attorney General
School and Public Lands
Secretary of State
State Treasurer
State Auditor

HUMAN RESOURCES

Social Services
Health
Labor
Human Services
Corrections

NATURAL RESOURCES

Agriculture
Game, Fish, and Parks
Environment and Natural Resources

PROTECTION OF PUBLIC AND PRIVATE DOMAIN

Commerce and Regulation
Military and Veterans' Affairs

TRANSPORTATION

Transportation

EDUCATION AND RESEARCH

Education and Cultural Affairs
Higher Education

ECONOMIC RESOURCES

Economic Development
Tourism



FINANCIAL SECTION

**STATE OF SOUTH DAKOTA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 2000
 (Expressed in Thousands)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Cash and Cash Equivalents	\$ 36,735	\$ 321,209	\$ 2,104	\$ 5,593
Investments		170	98,947	696
Securities Lending Collateral	17,212	71,308		377
Accounts Receivable	2,066	6,730		
Taxes Receivable (Net)	10,224	391		
Interest, Dividends & Penalties Receivable	3,681	253	62	36
Loans and Notes Receivable (Net)		25,698		
Due From Other Funds	81,286	72,416	3,762	44
Due From Primary Government				
Due From Component Units	30	111		
Due From Other Governments	687	80,257	40	
Inventory	1,435	15,363		
Advances To Other Funds	48	967		
Restricted Assets:				
Cash and Cash Equivalents	38,227			
Investments				
Deferred Fiscal Charges and Other Assets	552	775		
Property, Plant and Equipment (Net)				
Amount to be Provided				
Amount Available in Debt Service				
Total Assets	\$ 192,183	\$ 595,648	\$ 104,915	\$ 6,746
Liabilities, Equity and Other Credits				
Liabilities:				
Accounts Payable	\$ 17,751	\$ 72,909	\$ 3,753	\$ 152
Accrued Liabilities	6,995	9,313		
Compensated Absences Payable		259		
Due To Other Funds	16,500	21,532		38
Due To Primary Government				
Due To Component Units		432		
Due To Other Governments	1,089	15,140		
Deferred Revenue	120	41,395		
Escrow Payable				
Amounts Held in Custody for Others				
Advances From Other Funds	3,286			
Policy Claim Liabilities				
Securities Lending Collateral Liability	17,212	71,308		377
Bonds and Notes Payable (Net)				
Certificates of Participation Payable				
Trust Certificates Payable				
Capital Lease Obligations				
Other Liabilities				
Total Liabilities	62,953	232,288	3,753	567
Equity and Other Credits:				
Contributions				
Investment in Fixed Assets				
Retained Earnings:				
Reserved				
Unreserved				
Fund Balance				
Reserved	36,235	44,193	101,162	
Unreserved:				
Designated	38,227			
Undesignated	54,768	319,167		6,179
Total Fund Equity	129,230	363,360	101,162	6,179
Total Liabilities and Fund Equity	\$ 192,183	\$ 595,648	\$ 104,915	\$ 6,746

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

**STATE OF SOUTH DAKOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 2000
(Expressed in Thousands)**

	Proprietary Fund Types			Fiduciary Fund Type	Account Groups	
	Enterprise	Internal Service	Trust And Agency		General Fixed Assets	General Long-Term Debt
Assets and Other Debits						
Cash and Cash Equivalents	\$ 50,434	\$ 42,103	\$ 233,397		\$	\$
Investments	44,515		5,504,554			
Securities Lending Collateral	10,755	9,625	401,113			
Accounts Receivable	4,718	381	145,149			
Taxes Receivable (Net)			92,687			
Interest, Dividends & Penalties Receivable	1,715		10,923			
Loans and Notes Receivable (Net)	101,700		290			
Due From Other Funds	3,551	9,246	9,754			
Due From Primary Government						
Due From Component Units	646	692	24			
Due From Other Governments	388	69	6,944			
Inventory	1,492	1,531				
Advances To Other Funds		496	2,319			
Restricted Assets:						
Cash and Cash Equivalents						
Investments						
Deferred Fiscal Charges and Other Assets	824	1,406	490			
Property, Plant and Equipment (Net)	1,231	19,545	9,043	430,815		
Amount to be Provided						129,355
Amount Available in Debt Service						101,162
Total Assets	\$ 221,969	\$ 85,094	\$ 6,416,687	\$ 430,815	\$ 230,517	
Liabilities, Equity and Other Credits						
Liabilities:						
Accounts Payable	\$ 1,435	\$ 2,819	\$ 337,918	\$	\$	
Accrued Liabilities	689	1,362	3,171			
Compensated Absences Payable	448	3,977	201			37,917
Due To Other Funds	4,485	1,295	136,209			
Due To Primary Government						
Due To Component Units		64	6,801			
Due To Other Governments			59,787			
Deferred Revenue	176	3,370				
Escrow Payable	29		90			
Amounts Held in Custody for Others			7,550			
Advances From Other Funds		496	48			
Policy Claim Liabilities		24,987	108			
Securities Lending Collateral Liability	10,755	9,625	401,113			
Bonds and Notes Payable (Net)	23,674	207				145,138
Certificates of Participation Payable						83
Trust Certificates Payable						46,530
Capital Lease Obligations	16	7,610				849
Other Liabilities	644					
Total Liabilities	42,351	55,812	952,996	0	230,517	
Equity and Other Credits:						
Contributions	43,631	17,974				
Investment in Fixed Assets				430,815		
Retained Earnings:						
Reserved	5,773					
Unreserved	130,214	11,308				
Fund Balance						
Reserved			5,463,691			
Unreserved:						
Designated						
Undesignated						
Total Fund Equity	179,618	29,282	5,463,691	430,815	0	
Total Liabilities and Fund Equity	\$ 221,969	\$ 85,094	\$ 6,416,687	\$ 430,815	\$ 230,517	

The notes to the financial statements are an integr.

**STATE OF SOUTH DAKOTA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 2000
 (Expressed in Thousands)**

Assets and Other Debits	Component Units
Cash and Cash Equivalents	\$ 395,316
Investments	527,879
Securities Lending Collateral	23,684
Accounts Receivable	9,596
Taxes Receivable (Net)	
Interest, Dividends & Penalties Receivable	12,521
Loans and Notes Receivable (Net)	1,109,227
Due From Other Funds	
Due From Primary Government	3,614
Due From Component Units	5,315
Due From Other Governments	4,558
Inventory	22,714
Advances To Other Funds	
Restricted Assets:	
Cash and Cash Equivalents	587
Investments	6,591
Deferred Fiscal Charges and Other Assets	19,038
Property, Plant and Equipment (Net)	498,319
Amount to be Provided	
Amount Available in Debt Service	
Total Assets	\$ 2,638,959
Liabilities, Equity and Other Credits	
Liabilities:	
Accounts Payable	\$ 10,808
Accrued Liabilities	19,572
Compensated Absences Payable	26,795
Due To Other Funds	
Due To Primary Government	1,501
Due To Component Units	5,315
Due To Other Governments	4,683
Deferred Revenue	2,566
Escrow Payable	24,919
Amounts Held in Custody for Others	562
Advances From Other Funds	
Policy Claim Liabilities	
Securities Lending Collateral Liability	23,684
Bonds and Notes Payable (Net)	1,641,343
Certificates of Participation Payable	87
Trust Certificates Payable	9,250
Capital Lease Obligations	1,442
Other Liabilities	8
Total Liabilities	1,772,535
Equity and Other Credits:	
Contributions	6,431
Investment in Fixed Assets	371,793
Retained Earnings:	
Reserved	249,591
Unreserved	118,655
Fund Balance	
Reserved	86,130
Unreserved:	
Designated	
Undesignated	33,824
Total Fund Equity	866,424
Total Liabilities and Fund Equity	\$ 2,638,959

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

STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	Governmental Fund Types				Fiduciary	Component
	General	Special Revenue	Debt Service	Capital Projects	Fund Type Expendable Trust	Unit Housing Authority
Revenue:						
Taxes	\$ 614,092	\$ 138,563	\$	\$	\$ 15,712	\$
Licenses, Permits and Fees	4,965	157,725	1,327		259	
Fines, Forfeits and Penalties	564	12,867				
Use of Money and Property	21,289	20,635	208	447	4,657	41
Sales and Services	5,214	15,407			931	
Administering Programs	1,661	800,226			120	16,344
Deferred Compensation					5,759	
Other Revenue	2,639	11,505	249		5,891	
Total Revenue	<u>650,424</u>	<u>1,156,928</u>	<u>1,784</u>	<u>447</u>	<u>33,329</u>	<u>16,385</u>
Expenditures:						
Current:						
Education and Research	306,214	93,691	39	404	20	
Economic Resources	2,095	34,168				14,386
General Government	53,535	33,533		266	1,771	
Human Resources	233,552	473,278			21,446	
Natural Resources	11,120	62,753			4	
Protection of Domain	7,339	54,883			1,099	
Transportation	424	367,801				
Capital Outlay				2,694		
Debt Service:						
Principal			12,333			
Interest			11,133			
Total Expenditures	<u>614,279</u>	<u>1,120,107</u>	<u>23,505</u>	<u>3,364</u>	<u>24,340</u>	<u>14,386</u>
Excess of Revenues Over (Under) Expenditures	36,145	36,821	(21,721)	(2,917)	8,989	1,999
Other Financing Sources (Uses):						
Bond Proceeds				7,067		
Operating Transfers In	117,323	123,268	14,962		263	
Operating Transfers From Component Units	12,199	41	58			
Operating Transfers Out	(26,834)	(127,835)		(851)	(562)	
Operating Transfers To Component Units	(116,544)					
Net Other Financing Sources (Uses)	<u>(13,856)</u>	<u>(4,526)</u>	<u>15,020</u>	<u>6,216</u>	<u>(299)</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	22,289	32,295	(6,701)	3,299	8,690	1,999
Fund Balance at Beginning of Year, restated	106,941	331,065	107,863	2,880	116,901	16,860
Fund Balance at End Of Year	<u>\$ 129,230</u>	<u>\$ 363,360</u>	<u>\$ 101,162</u>	<u>\$ 6,179</u>	<u>\$ 125,591</u>	<u>\$ 18,859</u>

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

**STATE OF SOUTH DAKOTA
 COMBINED STATEMENT OF EXPENDITURES
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 ALL BUDGETED FUND TYPES
 For the Fiscal Year Ended June 30, 2000
 (Expressed in Thousands)**

Department	GENERAL			FEDERAL		
	Budgeted	Actual	Variance	Budgeted	Actual	Variance
EXECUTIVE MANAGEMENT						
Personal Services	\$ 6,220	\$ 6,211	\$ 9	\$ 584	\$ 356	\$ 228
Operating Expenses	30,483	30,475	8	11,301	9,752	1,549
Total	36,703	36,686	17	11,885	10,108	1,777
REVENUE						
Personal Services	562	537	25			0
Operating Expenses	1,316	991	325	83	36	47
Total	1,878	1,528	350	83	36	47
AGRICULTURE						
Personal Services	2,583	2,505	78	1,213	1,047	166
Operating Expenses	1,176	1,175	1	1,179	1,045	134
Total	3,759	3,680	79	2,392	2,092	300
TOURISM						
Personal Services			0			0
Operating Expenses	500	500	0			0
Total	500	500	0	0	0	0
GAME, FISH AND PARKS						
Personal Services	2,115	2,115	0	263	262	1
Operating Expenses	3,909	3,754	155	1,858	868	990
Total	6,024	5,869	155	2,121	1,130	991
SOUTH DAKOTA LOTTERY						
Personal Services			0			0
Operating Expenses			0			0
Total	0	0	0	0	0	0
SOCIAL SERVICES						
Personal Services	10,876	10,852	24	19,507	19,232	275
Operating Expenses	112,308	112,299	9	292,195	275,680	16,515
Total	123,184	123,151	33	311,702	294,912	16,790
HEALTH						
Personal Services	2,776	2,776	0	6,690	6,502	188
Operating Expenses	3,643	3,642	1	8,517	7,465	1,052
Total	6,419	6,418	1	15,207	13,967	1,240
LABOR						
Personal Services	347	344	3	12,172	11,342	830
Operating Expenses	67	67	0	18,006	17,698	308
Total	414	411	3	30,178	29,040	1,138
TRANSPORTATION						
Personal Services	230	230	0	6,915	6,915	0
Operating Expenses	217	217	0	4,439	3,696	743
Total	447	447	0	11,354	10,611	743

STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
ALL BUDGETED FUND TYPES (Continued)
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

Department	OTHER		Variance
	Budgeted	Actual	
EXECUTIVE MANAGEMENT			
Personal Services	\$ 21,377	\$ 20,202	\$ 1,175
Operating Expenses	56,701	45,603	11,098
Total	78,078	65,805	12,273
REVENUE			
Personal Services	6,225	5,921	304
Operating Expenses	6,355	6,333	22
Total	12,580	12,254	326
AGRICULTURE			
Personal Services	965	861	104
Operating Expenses	2,909	1,530	1,379
Total	3,874	2,391	1,483
TOURISM			
Personal Services	895	837	58
Operating Expenses	4,652	4,647	5
Total	5,547	5,484	63
GAME, FISH AND PARKS			
Personal Services	4,453	4,308	145
Operating Expenses	7,175	6,400	775
Total	11,628	10,708	920
SOUTH DAKOTA LOTTERY			
Personal Services	432	419	13
Operating Expenses	4,413	3,923	490
Total	4,845	4,342	503
SOCIAL SERVICES			
Personal Services	420	361	59
Operating Expenses	5,503	4,452	1,051
Total	5,923	4,813	1,110
HEALTH			
Personal Services	1,927	1,344	583
Operating Expenses	3,452	2,825	627
Total	5,379	4,169	1,210
LABOR			
Personal Services	1,246	1,214	32
Operating Expenses	1,432	1,429	3
Total	2,678	2,643	35
TRANSPORTATION			
Personal Services	35,533	31,925	3,608
Operating Expenses	51,309	49,574	1,735
Total	86,842	81,499	5,343

**STATE OF SOUTH DAKOTA
 COMBINED STATEMENT OF EXPENDITURES
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 ALL BUDGETED FUND TYPES (Continued)
 For the Fiscal Year Ended June 30, 2000
 (Expressed in Thousands)**

Department	GENERAL			FEDERAL		
	Budgeted	Actual	Variance	Budgeted	Actual	Variance
EDUCATION AND CULTURAL AFFAIRS						
Personal Services	3,149	3,148	1	2,536	2,313	223
Operating Expenses	305,234	305,234	0	84,398	82,910	1,488
Total	308,383	308,382	1	86,934	85,223	1,711
COMMERCE AND REGULATION						
Personal Services	1,080	1,067	13	288	188	100
Operating Expenses	1,774	1,774	0	1,429	1,102	327
Total	2,854	2,841	13	1,717	1,290	427
HIGHER EDUCATION						
Personal Services	102,364	102,356	8	18,814	18,413	401
Operating Expenses	22,669	22,668	1	29,749	28,240	1,509
Total	125,033	125,024	9	48,563	46,653	1,910
MILITARY AND VETERANS' AFFAIRS						
Personal Services	2,478	2,476	2	447	396	51
Operating Expenses	1,923	1,922	1	856	851	5
Total	4,401	4,398	3	1,303	1,247	56
CORRECTIONS						
Personal Services	25,608	25,608	0	1,335	1,158	177
Operating Expenses	18,177	18,177	0	3,422	3,287	135
Total	43,785	43,785	0	4,757	4,445	312
HUMAN SERVICES						
Personal Services	21,692	21,692	0	18,294	18,244	50
Operating Expenses	42,609	42,609	0	63,620	62,972	648
Total	64,301	64,301	0	81,914	81,216	698
ENVIRONMENT AND NATURAL RESOURCES						
Personal Services	3,751	3,740	11	2,676	2,361	315
Operating Expenses	1,310	1,310	0	4,940	4,925	15
Total	5,061	5,050	11	7,616	7,286	330
UNIFIED JUDICIAL SYSTEM						
Personal Services	18,285	18,269	16	100	100	0
Operating Expenses	2,743	2,743	0	548	460	88
Total	21,028	21,012	16	648	560	88
LEGISLATIVE						
Personal Services	1,808	1,650	158			0
Operating Expenses	338	298	40			0
L.R.C. Appropriation	3,964	3,901	63			0
Total	6,110	5,849	261	0	0	0

STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
ALL BUDGETED FUND TYPES (Continued)
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

Department	Budgeted	OTHER Actual	Variance
EDUCATION AND CULTURAL AFFAIRS			
Personal Services	418	290	128
Operating Expenses	5,359	2,495	2,864
Total	5,777	2,785	2,992
COMMERCE AND REGULATION			
Personal Services	15,380	14,531	849
Operating Expenses	6,157	5,920	237
Total	21,537	20,451	1,086
HIGHER EDUCATION			
Personal Services	44,167	42,975	1,192
Operating Expenses	79,249	72,893	6,356
Total	123,416	115,868	7,548
MILITARY AND VETERANS' AFFAIRS			
Personal Services	1,193	1,124	69
Operating Expenses	1,120	1,099	21
Total	2,313	2,223	90
CORRECTIONS			
Personal Services	1,321	1,198	123
Operating Expenses	4,558	4,002	556
Total	5,879	5,200	679
HUMAN SERVICES			
Personal Services	279	252	27
Operating Expenses	1,863	1,813	50
Total	2,142	2,065	77
ENVIRONMENT AND NATURAL RESOURCES			
Personal Services	1,630	1,429	201
Operating Expenses	9,311	832	8,479
Total	10,941	2,261	8,680
UNIFIED JUDICIAL SYSTEM			
Personal Services	52	9	43
Operating Expenses	2,437	2,375	62
Total	2,489	2,384	105
LEGISLATIVE			
Personal Services			0
Operating Expenses			0
L.R.C. Appropriation	90	18	72
Total	90	18	72

STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
ALL BUDGETED FUND TYPES (Continued)
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

Department	GENERAL			FEDERAL		
	Budgeted	Actual	Variance	Budgeted	Actual	Variance
ATTORNEY GENERAL						
Personal Services	3,599	3,599	0	1,464	1,425	39
Operating Expenses	776	759	17	3,591	3,077	514
Total	<u>4,375</u>	<u>4,358</u>	<u>17</u>	<u>5,055</u>	<u>4,502</u>	<u>553</u>
SCHOOL AND PUBLIC LANDS						
Personal Services	318	318	0			0
Operating Expenses	143	142	1	20	20	0
Total	<u>461</u>	<u>460</u>	<u>1</u>	<u>20</u>	<u>20</u>	<u>0</u>
SECRETARY OF STATE						
Personal Services	554	554	0			0
Operating Expenses	174	174	0			0
Total	<u>728</u>	<u>728</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
STATE TREASURER						
Personal Services	234	234	0			0
Operating Expenses	164	164	0			0
Total	<u>398</u>	<u>398</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
STATE AUDITOR						
Personal Services	655	652	3			0
Operating Expenses	119	119	0			0
Total	<u>774</u>	<u>771</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>
STATE OF SOUTH DAKOTA						
Personal Services	211,284	210,933	351	93,298	90,254	3,044
Operating Expenses	551,772	551,213	559	530,151	504,084	26,067
L.R.C. Appropriation	3,964	3,901	63	0	0	0
Total	<u>\$ 767,020</u>	<u>\$ 766,047</u>	<u>973</u>	<u>\$ 623,449</u>	<u>\$ 594,338</u>	<u>\$ 29,111</u>

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

STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
ALL BUDGETED FUND TYPES (Continued)
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

Department	OTHER		Variance
	Budgeted	Actual	
ATTORNEY GENERAL			
Personal Services	1,331	1,271	60
Operating Expenses	1,319	1,313	6
Total	2,650	2,584	66
SCHOOL AND PUBLIC LANDS			
Personal Services			0
Operating Expenses	296	296	0
Total	296	296	0
SECRETARY OF STATE			
Personal Services	36	36	0
Operating Expenses	174	153	21
Total	210	189	21
STATE TREASURER			
Personal Services	2,186	1,934	252
Operating Expenses	1,070	888	182
Total	3,256	2,822	434
STATE AUDITOR			
Personal Services			0
Operating Expenses			0
Total	0	0	0
STATE OF SOUTH DAKOTA			
Personal Services	141,466	132,441	9,025
Operating Expenses	256,814	220,795	36,019
L.R.C. Appropriation	90	18	72
Total	\$ 398,370	\$ 353,254	\$ 45,116

**STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	Proprietary Fund Types		Fiduciary Fund Type	Component Units
	Enterprise	Internal Service	Nonexpendable Trust	Enterprise
Operating Revenue:				
Licenses, Permits and Fees	\$ 1,140	\$	\$	\$ 2,869
Use of Money and Property	6,151	17	12,404	103,785
Sales and Services	129,210	117,653		64,479
Administering Programs	14,137			
Tobacco Settlement			28,718	
Other Revenue	5	220		1
Total Operating Revenue	150,643	117,890	41,122	171,134
Operating Expenses:				
Personal Services and Benefits	2,796	23,532		15,637
Travel	192	546		412
Contractual Services	7,756	26,636	386	16,951
Supplies and Materials	5,704	13,265		11,145
Grants			8,655	3,518
Other	59		202	179
Interest	1,386	363		82,294
Bad Debts	250			50
Depreciation/Amortization	217	6,103		5,977
Lottery Prizes	13,133			
Insurance Claims		52,023		
Total Operating Expenses	31,493	122,468	9,243	136,163
Operating Income (Loss)	119,150	(4,578)	31,879	34,971
Nonoperating Revenue (Expenses):				
Gain on Disposal of Assets		44	603	
Loss on Disposal of Assets	(162)	(328)		(524)
Interest Income	2,923	2,481		1,800
Other Expense	(547)	(436)		(23)
Grant and Other Income	243			193
Loss on Extinguishment of Debt				(1,440)
Total Nonoperating Revenue (Expenses)	2,457	1,761	603	6
Net Income (Loss) Before Operating Transfers	121,607	(2,817)	32,482	34,977
Operating Transfers:				
Operating Transfers In	139	1,964		
Operating Transfers Out	(101,139)	(266)	(432)	
Operating Transfers To Primary Government				(12,000)
Operating Transfers To Component Units			(1,715)	
Net Operating Transfers	(101,000)	1,698	(2,147)	(12,000)
Net Income (Loss)	20,607	(1,119)	30,335	22,977
Retained Earnings/Fund Balance at				
Beginning of Year, restated	115,353	13,430	150,241	345,269
Decrease in Contributed Capital	27			
Residual Equity Transfers In (Out)		(1,003)	1,229	
Retained Earnings/Fund Balance at End of Year	\$ 135,987	\$ 11,308	\$ 181,805	\$ 368,246

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

STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary	Component
	Enterprise	Internal Service	Fund Type Nonexpendable Trust	Unit Enterprise
Cash Flows from Operating Activities:				
Operating Income/(Loss) Before Transfers	\$ 119,150	\$ (4,578)	\$ 31,879	\$ 34,971
Adjustments to Reconcile Operating Income to				
Net Cash Provided by Operating Activities:				
Depreciation/Amortization Expense	217	6,103		5,992
Bad Debt Expense	250			50
Unamortized Charges Expensed	95			
Investment Income	(2,647)		(8,693)	(35,902)
Interest Expense	1,386	363		82,290
Miscellaneous Nonoperating Items	213	(6)		193
Decrease/(Increase) in Assets:				
Accounts Receivable	(154)	(26)	1	178
Interest, Dividends & Penalties Receivable	(264)		5	(691)
Loans and Notes Receivable	(14,137)		142	(71,379)
Due From Other Funds	(58)	513	(30)	
Due From Primary Government				(39)
Due From Component Units	2,069	18		428
Due From Other Governments	(155)	13		
Inventory	70	(335)		(1,118)
Deferred Fiscal Charges and Other Assets	(8)	437		(37)
Increase/(Decrease) in Liabilities:				
Accounts Payable	(314)	696	(15)	1,201
Accrued Liabilities	33	240		(283)
Compensated Absences Payable	37	122		54
Due To Other Funds	545	(196)	6	
Due To Primary Government				53
Due To Component Units		50	(43)	(95)
Deferred Revenue	(259)	239		27
Escrow Payable	(13)			(145)
Policy Claim Liabilities		886		
Other Liabilities	(28)			(409)
Total Adjustments	(13,122)	9,117	(8,627)	(19,632)
Net Cash Provided (Used) by Operating Activities	106,028	4,539	23,252	15,339
Cash Flows From Capital and Related Financing				
Activities:				
Purchases of Capital Assets	(48)	(3,627)		(7,514)
Capital Grants				558
Sales of Capital Assets		503	123	2
Payments on Notes		(90)		
Payments on Capital Lease Obligations	(65)	(2,664)		(4)
Capital Contributed		36		
Net Cash Provided (Used) by Capital and Related Financing Activities	(113)	(5,842)	123	(6,958)

Continued on next page

STATE OF SOUTH DAKOTA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS (Continued)
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Proprietary Fund Types</u>		<u>Fiduciary</u>	<u>Component</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Fund Type</u> <u>Nonexpendable</u> <u>Trust</u>	<u>Unit</u> <u>Enterprise</u>
Cash Flows From Noncapital Financing Activities:				
Operating Transfers In	139	1,226		
Operating Transfers Out	(101,139)	(266)	(432)	
Operating Transfers To Component Units			(1,715)	
Operating Transfers To Primary Government				(12,000)
Residual Equity Transfers In		1,000	1,229	
Residual Equity Transfers Out		(1,000)		
Sale of Assets				2,000
Issuance of Bonds				498,236
Payments on Bonds and Notes	(820)			(343,829)
Payments on Loans				(2,182)
Bond Issuance Costs				(2,862)
Interest Payments on Bonds and Notes	(1,398)			(80,279)
Net Cash Provided(Used) From Noncapital Financing Activities	(103,218)	960	(918)	59,084
Cash Flows From Investing Activities:				
Investment Income	5,845	2,490	9,023	39,503
Purchase of Investment Securities	(9,352)		(7,513)	(686,045)
Proceeds From Sales and Maturities of Investment Securities	6,317		6,547	612,390
Security Lending Rebate Fees	(517)	(436)	(202)	
Net Cash Provided by Investing Activities	2,293	2,054	7,855	(34,152)
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	4,990	1,711	30,312	33,313
Cash and Cash Equivalents at Beginning of Year	45,444	40,392	20,650	285,843
Cash and Cash Equivalents at End of Year	<u>\$ 50,434</u>	<u>\$ 42,103</u>	<u>\$ 50,962</u>	<u>\$ 319,156</u>
Noncash Investing, Capital and Financing Activities:				
Loss/(Gain) on Disposal of Fixed Assets	4	282		174
Donation of Fixed Assets		774		
Gain on Exchange of Land			477	
Capital Lease Obligations Entered Into		4,250		
Residual Equity Transfers Out		3		
Extinguishment of Debt				1,440
Write-off of Assets for Change in Capitalization Policy	154	1,530		212
Reconciliation of Cash and Cash Equivalents to the Combined Balance Sheet:				
Nonexpendable Trust			<u>\$ 50,962</u>	<u>\$</u>
Proprietary Component Units				319,156
Other Trust and Agency		182,435		
Other Component Units				76,747
Total Cash and Cash Equivalents per Combined Balance Sheet		<u>\$ 233,397</u>	<u>\$</u>	<u>395,903</u>

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

STATE OF SOUTH DAKOTA
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND AND DISCRETELY PRESENTED
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	South Dakota Retirement System	Component Units	
		Cement Plant Retirement System	Perpetuity Fund
Additions			
Contributions:			
Employee	\$ 58,508	\$ 29	\$
Employer	52,622	2,745	
Total Contributions	<u>111,130</u>	<u>2,774</u>	<u>0</u>
Investment Income:			
<i>From Investing Activities</i>			
Net Increase (Decrease) in Fair Value of Investments	347,022	3,960	
Interest	87,072	561	
Dividends	49,525	313	
Real Estate	17,892	107	
Investment Activity Income	<u>501,511</u>	<u>4,941</u>	<u>0</u>
Less Investment Activity Expenses	<u>(12,698)</u>		
Net Investment Activity Income	488,813	4,941	0
<i>From Security Lending Activities</i>			
Security Lending Income	23,870		
Security Lending Expenses	<u>(22,331)</u>		
Net Security Lending Activity Income	<u>1,539</u>	<u>0</u>	<u>0</u>
Total Investment Income	<u>490,352</u>	<u>4,941</u>	<u>0</u>
Total Additions	<u>601,482</u>	<u>7,715</u>	<u>0</u>
Deductions			
Benefits	133,776	953	12
Refunds of Contributions	26,213		
Administrative Expenses	2,349	127	3
Purchase of Annuity			1,140
Residual Equity Transfer Out			1,229
Total Deductions	<u>162,338</u>	<u>1,080</u>	<u>2,384</u>
Net Increase	439,144	6,635	(2,384)
Net Assets Held In Trust For Pension Benefits			
Beginning of Year	<u>4,717,151</u>	<u>29,809</u>	<u>2,384</u>
End of Year	<u>\$ 5,156,295</u>	<u>\$ 36,444</u>	<u>\$ 0</u>

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

**STATE OF SOUTH DAKOTA
HIGHER EDUCATION
COMBINED STATEMENT OF CHANGES
IN FUND BALANCE
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Current Funds</u>		<u>Loan Funds</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
Revenues and Other Additions:			
Tuition and Fees	\$ 82,020	\$	\$
Federal Appropriations		7,011	
Federal Grants and Contracts	42	40,483	1,027
State Grants and Contracts	5	2,312	
Private Gifts, Grants and Contracts	53	13,599	
Auxiliary Enterprise Revenue	32,427		
Retirement of Indebtedness			
Indirect Cost Recovery	2,896		
Investment Income	1,949	4	643
Expended for Plant Facilities			
Transfer of Bonds to Investment in Plant			
Sales and Services	23,071		
Other Sources	2,282		129
Total Revenue and Other Additions	<u>144,745</u>	<u>63,409</u>	<u>1,799</u>
Expenditures and Other Deductions:			
Education and General	218,014	61,779	
Auxiliary Enterprise	29,455	172	
Expended for Plant Facilities			
Retirement of Indebtedness			
Interest on Indebtedness			
Indirect Costs Recovered		2,858	38
Disposal of Plant			
Loan Cancellations and Write-Offs			525
Administrative and Collection Costs			214
Transfer of Bonds From Unexpended Plant Funds			
Change in Capitalization Policy			
Other		2	
Total Expenditures and Other Deductions	<u>247,469</u>	<u>64,811</u>	<u>777</u>
Transfers Among Funds - Additions (Deductions):			
Non-Mandatory:			
Net Interfund Transfers	(6,225)	603	(86)
Operating Transfers To Primary Government	(298)		
Operating Transfers From Primary Government	118,259		
Mandatory:			
Principal and Interest	(7,352)		
Renewals and Replacements	(1,325)		
Loan Fund Matching	(87)		87
Net Transfers In (Out)	<u>102,972</u>	<u>603</u>	<u>1</u>
Net Increase (Decrease) for Year	248	(799)	1,023
Fund Balance at Beginning of Year, restated	<u>14,900</u>	<u>2,702</u>	<u>31,684</u>
Fund Balance at End of Year	<u>\$ 15,148</u>	<u>\$ 1,903</u>	<u>\$ 32,707</u>

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

**STATE OF SOUTH DAKOTA
HIGHER EDUCATION
COMBINED STATEMENT OF CHANGES
IN FUND BALANCE
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	Plant Funds			
	Unexpended Plant Funds	Renewals & Replacements	Retirement of Indebtedness	Investment in Plant
Revenues and Other Additions:				
Tuition and Fees	\$	\$ 692	\$ 125	\$
Federal Appropriations				
Federal Grants and Contracts				
State Grants and Contracts				
Private Gifts, Grants and Contracts		2,628		3,920
Auxiliary Enterprise Revenue				3,506
Retirement of Indebtedness				
Indirect Cost Recovery				
Investment Income	259	644	65	
Expended for Plant Facilities				34,942
Transfer of Bonds to Investment in Plant	7,191			
Sales and Services				
Other Sources	126		107	
Total Revenue and Other Additions	<u>7,576</u>	<u>3,964</u>	<u>297</u>	<u>42,368</u>
Expenditures and Other Deductions:				
Education and General				
Auxiliary Enterprise				
Expended for Plant Facilities	7,992	12,047		
Retirement of Indebtedness			3,506	
Interest on Indebtedness	161		4,083	
Indirect Costs Recovered				
Disposal of Plant				4,891
Loan Cancellations and Write-Offs				
Administrative and Collection Costs				
Transfer of Bonds From Unexpended Plant Funds				7,191
Change in Capitalization Policy				49,374
Other	115	109	86	
Total Expenditures and Other Deductions	<u>8,268</u>	<u>12,156</u>	<u>7,675</u>	<u>61,456</u>
Transfers Among Funds - Additions (Deductions):				
Non-Mandatory:				
Net Interfund Transfers	695	5,034	(21)	
Operating Transfers To Primary Government				
Operating Transfers From Primary Government				
Mandatory:				
Principal and Interest	28	(315)	7,639	
Renewals and Replacements	2	1,323		
Loan Fund Matching				
Net Transfers In (Out)	<u>725</u>	<u>6,042</u>	<u>7,618</u>	<u>0</u>
Net Increase (Decrease) for Year	33	(2,150)	240	(19,088)
Fund Balance at Beginning of Year, restated	<u>989</u>	<u>15,366</u>	<u>415</u>	<u>390,881</u>
Fund Balance at End of Year	<u>\$ 1,022</u>	<u>\$ 13,216</u>	<u>\$ 655</u>	<u>\$ 371,793</u>

The notes to the financial statements are an integral

**STATE OF SOUTH DAKOTA
HIGHER EDUCATION
COMBINED STATEMENT OF CHANGES
IN FUND BALANCE
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Total</u>
Revenues and Other Additions:	
Tuition and Fees	\$ 82,837
Federal Appropriations	7,011
Federal Grants and Contracts	41,552
State Grants and Contracts	2,317
Private Gifts, Grants and Contracts	20,200
Auxiliary Enterprise Revenue	32,427
Retirement of Indebtedness	3,506
Indirect Cost Recovery	2,896
Investment Income	3,564
Expended for Plant Facilities	34,942
Transfer of Bonds to Investment in Plant	7,191
Sales and Services	23,071
Other Sources	2,644
Total Revenue and Other Additions	<u>264,158</u>
Expenditures and Other Deductions:	
Education and General	279,793
Auxiliary Enterprise	29,627
Expended for Plant Facilities	20,039
Retirement of Indebtedness	3,506
Interest on Indebtedness	4,244
Indirect Costs Recovered	2,896
Disposal of Plant	4,891
Loan Cancellations and Write-Offs	525
Administrative and Collection Costs	214
Transfer of Bonds From Unexpended Plant Funds	7,191
Change in Capitalization Policy	49,374
Other	312
Total Expenditures and Other Deductions	<u>402,612</u>
Transfers Among Funds - Additions (Deductions):	
Non-Mandatory:	
Net Interfund Transfers	0
Operating Transfers To Primary Government	(298)
Operating Transfers From Primary Government	118,259
Mandatory:	
Principal and Interest	0
Renewals and Replacements	0
Loan Fund Matching	0
Net Transfers In (Out)	<u>117,961</u>
Net Increase (Decrease) for Year	(20,493)
Fund Balance at Beginning of Year, restated	<u>456,937</u>
Fund Balance at End of Year	<u>\$ 436,444</u>

The notes to the financial statements are an integral

**STATE OF SOUTH DAKOTA
HIGHER EDUCATION
COMBINED STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES, AND OTHER CHANGES
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Current Funds</u>
Revenues:			
Tuition and Fees	\$ 82,020	\$	\$ 82,020
Federal Appropriations		6,963	6,963
Federal Grants and Contracts	42	38,237	38,279
State Grants and Contracts	5	3,151	3,156
Private Gifts, Grants and Contracts	53	13,597	13,650
Auxiliary Enterprise Revenue	32,427		32,427
Investment Income	1,949	3	1,952
Sales and Services	28,249		28,249
Total Revenue	<u>144,745</u>	<u>61,951</u>	<u>206,696</u>
Expenditures and Mandatory Transfers:			
Education and General:			
Instruction	101,510	5,758	107,268
Research	13,126	17,415	30,541
Public Service	15,507	13,709	29,216
Academic Support	30,024	1,343	31,367
Student Services	19,057	1,263	20,320
Institutional Support	22,745	1,043	23,788
Operation and Maintenance of Plant	14,918	11	14,929
Scholarships and Fellowships	1,127	21,237	22,364
Education and General Expenditures	<u>218,014</u>	<u>61,779</u>	<u>279,793</u>
Auxiliary Enterprises:			
Expenditures	<u>29,455</u>	<u>172</u>	<u>29,627</u>
Mandatory Transfers:			
For Principal and Interest	7,352		7,352
For Renewals and Replacements	1,325		1,325
For Loan Fund Matching	87		87
Total Mandatory Transfers	<u>8,764</u>	<u>0</u>	<u>8,764</u>
Total Expenditures and Mandatory Transfers	<u>256,233</u>	<u>61,951</u>	<u>318,184</u>
Other Transfers and Additions (Deductions):			
Operating Transfers To Primary Government	(298)		(298)
Operating Transfers From Primary Government	118,259		118,259
Net Transfers In (Out)	(6,225)	603	(5,622)
Other Fund Balance Changes			
Excess of Restricted Receipts Over (Under)			
Transfers to Revenue		(1,402)	(1,402)
Total Other Transfers and Additions (Deductions)	<u>111,736</u>	<u>(799)</u>	<u>110,937</u>
Net Increase/(Decrease) in Fund Balance	<u>\$ 248</u>	<u>\$ (799)</u>	<u>\$ (551)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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). University funds reported under the higher education discrete presentation have been prepared in conformity with generally accepted accounting principles for colleges and universities as prescribed by the National Association of College and University Business Officers (NACUBO) and the American Institute of Certified Public Accountants.

B. Reporting Entity

For financial reporting purposes, the state of South Dakota includes all fund types and account groups administered by state departments, bureaus, boards, commissions, universities, and authorities determined to be part of the state's financial reporting entity in accordance with GASB Statement No. 14.

GASB Statement No. 14 identifies the basic criterion for including a potential component unit in a governmental unit's reporting entity. The reporting entity includes all organizations for which the primary government is financially accountable and other organizations for which the nature of their relationship is such that exclusion would cause the state's financial statements to be misleading or incomplete.

Despite being legally separate entities, some component units may be so intertwined with the primary government that they are, in substance, the same as the primary government. These component units are blended and reported as a part of the primary government. The Building Authority, South Dakota Conservancy District and the Vocational Education Bond Program administered by the Health and Educational Facilities Authority were blended with the primary government.

Component units that are legally separate organizations, but are financially accountable to the state or their exclusion would cause the state's financial statements to be misleading or incomplete, are discretely presented. The following entities are included in the Component Unit columns in the financial statements.

Conservation Reserve Enhancement Program (CREP)
Cement Plant
South Dakota Finance Authority
State Fair
South Dakota Housing Authority
Higher Education

Related organizations are excluded from the reporting entity because the state's accountability does not extend beyond appointing a voting majority of the organizations' board members. The Health and Educational Facilities Authority was not included in the reporting entity except for the Vocational Education Bond Program administered by the Authority.

Financial statements of the component units are available from the Bureau of Finance and Management.

C. Fund Accounting

Financial activities of the state are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Financial resources are segregated by fund for the purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Account groups are presented for general fixed assets and general long-term debt.

The state has established the following fund categories, fund types, and account groups:

GOVERNMENTAL FUNDS

General Fund - Is the primary operating fund of the state. It is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds - Account for specific revenue sources that are legally restricted to expenditures for specific purposes. Special revenue funds account for federal grant programs, taxes levied with statutorily defined distributions, and other resources restricted as to purpose.

Debt Service Funds - Account for resources accumulated for the retirement of general long-term debt principal and interest.

Capital Projects Funds - Account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary, fiduciary, or higher education funds).

PROPRIETARY FUNDS

Enterprise Funds - Account for activities that are financed and operated in a manner similar to private business enterprises where: (a) the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or, (b) the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate.

Internal Service Funds - Account for the financing of goods or services provided by one department or agency to other departments or agencies of the state, or to other governments, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds - Account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include expendable trust, nonexpendable trust, pension trust, and agency funds. Nonexpendable trust and pension trust funds are accounted for in the same manner as proprietary funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature and do not involve the measurement of the results of operations.

ACCOUNT GROUPS

General Fixed Asset Account Group - Accounts for all fixed assets acquired or constructed by governmental and expendable trust funds.

General Long-Term Debt Account Group - Accounts for long-term obligations of governmental funds and expendable trust funds not paid with current resources. Long-term obligations include bonds, accrued annual and sick leave, and capital leases.

COMPONENT UNITS

The Component Units include proprietary, fiduciary, and governmental type organizations, along with higher education, that are legally separate from the state, but are considered a part of the reporting entity. The Cement Plant component unit enterprise and

pension trust funds are reported using a December 31, 1999 fiscal year-end.

The higher education discrete presentation reflects transactions related to resources received and used for the operation of the state's universities. The higher education funds include:

Current Funds - Unrestricted - Account for economic resources that are expendable for the purpose of performing the primary objectives of the universities for which no stipulation has been made by donors or other external agencies as to the purpose for which they should be expended.

Current Funds - Restricted - Account for resources received from donors or other external agencies that are restricted by them for specific operating purposes.

Loan Funds - Account for resources available for loans to students.

Plant Funds - Account for: (1) resources to be used in the acquisition of physical properties, but unexpended at the date of reporting; (2) resources set aside for renewals and replacements; (3) resources set aside for debt service charges and for retirement of indebtedness; and, (4) resources expended for and thus invested in university property.

Agency Funds - Account for resources held by a university acting in the capacity of an agent for distribution to designated beneficiaries.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary funds, nonexpendable trust funds, and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Governmental, expendable trust, and agency funds are reported on the modified accrual basis of

accounting. Revenues of governmental and expendable trust funds are recognized when they become measurable and available as net current assets. Significant revenue sources that are susceptible to accrual include sales tax, motor fuel taxes, bank card taxes, grant revenues, investment income, and charges for goods and services. Fines, penalties, licenses, and other miscellaneous revenues are recognized when received since they are normally measurable only at that time.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick leave, and other employee amounts accrued only to the extent that the expenditure would be made from expendable available financial resources with long-term portions reported in the general long-term debt account group; and, (2) principal and interest on general long-term obligations are recognized when due.

Proprietary, pension trust, and nonexpendable trust funds are reported on the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The state's proprietary funds follow all GASB pronouncements and those Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

Higher education, a component unit, is reported on the accrual basis of accounting, except that depreciation is not reported for plant fund assets.

E. Budgetary Accounting

Agencies and departments submit budget requests to the Bureau of Finance and Management. The commissioner approves the bureau's budget recommendation that is presented to the Governor for his consideration. The Governor's decisions are presented to the legislature in the Governor's budget book.

The financial plan for each fiscal year is adopted by the legislature by the passage of a general appropriations act, special appropriations acts, and deferred maintenance appropriations. The formal budget approved by the legislature does not include budgeting for revenues and other financing sources/uses.

Interim appropriations are requested by state agencies through the Bureau of Finance and Management. The Joint Committee on Appropriations reviews the requests and makes the final determination. During

FY 2000, interim appropriations of \$24,097,499 were approved.

Monies appropriated on a program basis by the general appropriations act may be transferred between program accounts within or between departments and bureaus at the written request of the state agency with the approval of the Legislative Interim Appropriations Committee.

The general appropriations act includes only appropriations for ordinary current and capital expenses of the executive, legislative, and judicial branches of the state. By law, appropriations are classified into general, federal, and other fund classifications. The budget is controlled at the program level for personal services and operating expenses. Detailed appropriation information at this level is presented in the Available Funds Report that is available at the Bureau of Finance and Management. Encumbrances and certain monies available to departments and component units are not included in the general appropriations act and are not budgeted.

The state's annual budget is prepared on the cash basis of accounting. Encumbrance accounting is utilized to reserve a portion of the budget to future periods for payment of purchase orders, contracts, and other commitments. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Encumbrances at June 30, 2000 totaled \$62,831,587.

Budget authority and appropriations in an amount equal to outstanding encumbrances may be carried forward for two fiscal years after the expiration of the appropriation acts with the approval of the commissioner of the Bureau of Finance and Management.

F. Budgetary - GAAP Reporting Reconciliation

The Combined Statement of Expenditures - Budget and Actual (Budgetary Basis), All Budgeted Fund Types - presents comparisons of the general appropriations act with actual data on the budgetary basis. Because accounting principles used to present budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of the different basis for the fiscal year ended June 30, 2000 is presented below (expressed in thousands):

	<u>GENERAL FUND</u>	<u>FEDERAL FUND</u>	<u>OTHER FUND</u>	<u>SPECIAL REVENUE</u>	<u>EXPENDABLE TRUST</u>
Expenditures, Budget Basis	\$766,047	\$594,338	\$353,254	\$	\$
Adjustments:					
To Adjust for Encumbrances	(33,068)	(15,952)	(11,858)		
To Adjust Expenditures/Expenses for Accruals	(15,751)			61,574	(8,165)
To Adjust for Budgeted Transfers	(250)	(387)	(209)		
Reclassification and Other Adjustments:					
To Eliminate Colleges and Universities	(116,544)	(46,543)	(115,303)		
To Reclassify Expenditures into Financial Statement Fund Types	(531,456)	(225,884)	688,637	1,324	
To Record Nonbudgeted Expenditures/Expenses	<u>13,845</u>			<u>369,896</u>	<u>31,181</u>
Expenditures/Expenses (GAAP Basis)	<u>\$614,279</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,120,107</u>	<u>\$24,340</u>

	<u>NON- EXPENDABLE TRUST</u>	<u>PENSION TRUST</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Expenditures, Budget Basis				
Adjustments:				
To Adjust Expenditures for Accruals	\$ 202	\$ (554)	\$ 469	\$ 3,172
Reclassification and Other Adjustments:				
To Reclassify Expenditures into Financial Statement Fund Types	386	2,285	5,797	58,911
To Record Nonbudgeted Expenditures	<u>8,655</u>	<u>195,636</u>	<u>25,936</u>	<u>61,149</u>
Expenditures (GAAP Basis)	<u>\$ 9,243</u>	<u>\$197,367</u>	<u>\$ 32,202</u>	<u>\$123,232</u>

G. Cash and Cash Equivalents and Investments

For reporting purposes, cash includes cash on hand, cash in local banks, and cash in the State Treasury. Cash equivalents are reported at fair value. Cash equivalents include short-term investments with original maturities of three months or less. Cash balances of most state funds are pooled and invested by the State Investment Officer. Investment income is allocated to participating funds at year-end.

Investments, as reported on the balance sheet, represent all long-term investments not considered cash equivalents. Investments include corporate stocks, bonds, convertible debt, U.S. government bonds, repurchase agreements, annuity contracts, investment contracts, international funds, and real estate. Investments are reported at fair value.

H. Inventories

Inventories reported in the governmental fund types are reported at cost using the moving average cost method. Proprietary fund type inventories are valued at the lower of cost or market, using the moving average cost method. Inventories reported in the higher education discrete presentation are reported at cost, using the FIFO method, except for livestock inventories that are reported at June 30, 2000 market price. Inventories are expensed using the consumption method for governmental funds, proprietary funds, and the higher education discrete presentation.

Food stamps on hand are reported at their face value and commodities are reported at the fair values established by the federal government when received. Food stamps and commodities are reported in special revenue funds as revenue and expenditures when distributed. Inventories on hand at year-end are offset with deferred revenue. At June 30, 2000, food stamps

and commodity inventories were reported in the amounts of \$3,168,273 and \$363,988, respectively.

I. Deferred Fiscal Charges and Other Assets

Deferred charges are the amortization of bond and note issuance costs, using the bonds outstanding method, over the life of the bonds.

J. Property, Plant, and Equipment

Property, plant, and equipment acquired through purchase, capital leases, or construction with a unit cost of \$5,000 or more that are tangible in nature and have a useful life of one year or more, are capitalized. Major plant additions for higher education are capitalized, if the addition increases the cost of the asset by the lesser of two percent, or \$2,500. Property, plant, and equipment are capitalized at cost, or estimated historical cost, if original cost records are not available. Property, plant, and equipment acquired through capital leases are capitalized at fair market value at the inception of the lease. Donated property, plant, and equipment are valued at fair market value at the date of donation.

Governmental funds and expendable trust fund capital expenditures are recorded in the purchasing fund and the related assets are recorded in the general fixed asset account group. Depreciation is not recorded for assets in the general fixed asset account group. Public domain (infrastructure) general fixed assets such as highways, curbs, bridges, railroad tracks, right-of-ways, and lighting systems are not capitalized.

Proprietary, pension trust, and nonexpendable trust fund purchases of property, plant, and equipment are capitalized in the fund in which they are utilized and depreciated on the straight line basis over the estimated useful life of each asset.

Higher education, a component unit, records its property, plant, and equipment in the plant fund. Depreciation is not recorded for plant fund assets.

K. Deficit Fund Equity

The following individual funds had deficit fund equity at June 30, 2000 (expressed in thousands).

<u>FUND TYPE/FUND</u>	<u>DEFICIT</u>
Special Revenue:	
Fire Shop Equipment	\$ 40
Fire Suppression	128
Internal Service:	
State Worker's Compensation	8,406
Investment Council	43

The Fire Shop Equipment Fund's deficit is the result of losses that had accumulated on the resale of inventory. The state moved the activity to a correctional facility and is recovering the prior years' losses through the cost savings.

The Fire Suppression Fund's deficit is the result of costs incurred while fighting fires, which are not reimbursable from other sources. Historically, appropriations from the state's general fund have been made to replenish this fund after all efforts to collect for costs incurred have been exhausted.

The deficit in the state Worker's Compensation Fund represents an actuarial estimate of the unfunded portion of claims incurred prior to June 30, 2000 that will be paid in the future.

The deficit in the Investment Council Fund is primarily the result of the restriction placed on their billing methodology. By law, the fund can only recover the fiscal year's budgeted expenses less cash on hand at the beginning of the year.

L. Restricted Assets

The 1991 South Dakota Legislature established a budget reserve fund in the amount of \$20,000,000. Each year, the unobligated cash balance of the state general fund is to be transferred to the budget reserve fund. The maximum balance of the budget reserve fund is five percent of the prior year's state general fund appropriations. The balance in the budget reserve fund at June 30, 2000 is \$38,226,604. The budget reserve is reported under restricted assets and unreserved designated accounts in the state general fund.

The Finance Authority, a component unit enterprise fund, reported restricted cash and investments of \$7,178,089, representing \$3,000,000 to fund debt service payments in the event of deficiencies in the fund's operations, and \$4,178,089 held in an escrow account authorized to be disbursed to a preferred development project.

M. Compensated Absences

All full-time and permanent part-time employees earn annual leave and sick leave. Employees earn fifteen days annual leave per year that can be accumulated to thirty days, except for employees with more than fifteen years of employment, who earn twenty days annual leave per year that can be accumulated to forty days. Upon termination, employees receive payment for their accumulated annual leave. Employees earn fourteen days sick leave per year. Unless dismissed for cause, employees who terminate after seven years of continuous employment, receive payment for one-

fourth of their accumulated sick leave balance, not to exceed four hundred eighty hours.

Liabilities for compensated absences were recorded in accordance with GASB. The liabilities are reported in governmental fund types and similar fiduciary fund types, where a liability is due and payable at June 30, with the long-term portion reported in the General Long-Term Debt Account Group. Proprietary fund types and higher education funds accrue compensated absences in the period they are earned.

N. Lottery Security Deposits

State law requires video lottery operators to furnish security to the lottery. Security may be in the form of a surety bond, deposit in cash, an irrevocable letter of credit, or a certificate of deposit issued by a South Dakota financial institution, with the lottery endorsed on it as a payee. As of June 30, 2000, the amount of certificates of deposit being held by the lottery was \$641,503 and is included in cash and cash equivalents on the balance sheet. The amount of \$4,916,000 was in the form of surety bonds or irrevocable letters of credit and is not reported on the balance sheet.

2. RESTATEMENTS, RECLASSIFICATIONS, AND OTHER CHANGES

FUND REPORTING CHANGES

The Transportation Fund and Transportation Federal Fund, both special revenue funds, were combined for reporting purposes in FY 2000. In the prior year, these funds were reported separately.

RESTATEMENTS

Restatements are made to fund balance/retained earnings account balances due to reclassifications, adjustments, and the implementation of new accounting standards.

In FY 2000, the state instituted a change in its equipment capitalization policy. In the past, items with an acquisition cost of \$1,000 or greater were reported as fixed assets. In FY 2000, only those items with an acquisition cost of \$5,000 or greater are reported as fixed assets. For governmental fund types, this change is reflected in Note 5 as "Change in Equipment Inventory Policy". In all other fund types, this change is reflected as a fund equity adjustment.

SPECIAL REVENUE

Beginning fund balance was decreased by \$348,000 for the restatement of receivables reported in the Education Federal Fund. Beginning fund balance was

decreased by \$1,039,000 in the Revenue Fund and increased by the same amount in the Property Tax Reduction Fund for the restatement of interfund receivables and payables. Beginning fund balance was increased by \$764,000 in the Labor Federal Fund for the restatement of assets reported. Beginning fund balance was decreased by \$1,023,000 in the Local Government Transportation Technical Transfer Fund for the restatement of deferred revenue. Beginning fund balance was increased by \$1,215,000 in the Railroad Trust Fund for the restatement of receivables reported.

ENTERPRISE

Beginning retained earnings for various enterprise funds was decreased by \$154,000 for the change in the state's capitalization policy from \$1,000 to \$5,000. Beginning retained earnings was increased by \$183,000 for the restatement of liabilities in the Federal Surplus Property Fund

INTERNAL SERVICE

Beginning retained earnings for various internal service funds was decreased by \$1,530,000 for the change in the state's capitalization policy from \$1,000 to \$5,000. Beginning retained earnings was increased in the Health Lab Fund by \$50,000 and decreased in the \$7,000 in the Workers Compensation Fund for the restatement of assets and liabilities.

COMPONENT UNITS - ENTERPRISE

Beginning retained earnings was decreased by \$249,000 in the Finance Authority Fund for restatement of assets reported. Beginning retained earnings was decreased \$212,000 in the State Fair Fund for the change in the state's capitalization policy from \$1,000 to \$5,000.

COMPONENT UNITS - HIGHER EDUCATION

The higher education fund balances were increased \$11,000 in the Restricted Fund, increased \$120,000 in the Unexpended Plant Fund, increased \$30,000 in the Renewals and Replacement Fund, increased \$949,000 in the Investment in Plant Fund, and decreased \$17,000 in the Unrestricted Fund for various restatements to assets and liabilities reported in the prior year.

The following table summarizes the above restatements and reclassifications (expressed in thousands):

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL		PROPRIETARY	UNITS
	SPECIAL REVENUE	ENTERPRISE	INTERNAL SERVICE	ENTERPRISE
Fund Balance/Retained Earnings, June 30, 1999 as Previously Reported	\$ 330,457	\$115,324	\$ 14,917	\$345,730
Restatements and Reclassifications	<u>608</u>	<u>29</u>	<u>(1,487)</u>	<u>(461)</u>
Fund Balance/Retained Earnings July 1, 1999	<u>\$ 331,065</u>	<u>\$115,353</u>	<u>\$ 13,430</u>	<u>\$345,269</u>

	COMPONENT UNITS - HIGHER EDUCATION				
	UNRESTRICTED	RESTRICTED	UNEXPENDED PLANT FUND	RENEWALS & REPLACEMENTS	INVESTMENT IN PLANT
Fund Balance/Retained Earnings, June 30, 1999 as Previously Reported	\$ 14,917	\$ 2,691	\$ 869	\$ 15,336	\$389,932
Restatements	<u>(17)</u>	<u>11</u>	<u>120</u>	<u>30</u>	<u>949</u>
Fund Balance/Retained Earnings July 1, 1999 as Restated	<u>\$ 14,900</u>	<u>\$ 2,702</u>	<u>\$ 989</u>	<u>\$ 15,366</u>	<u>\$390,881</u>

3. CASH, DEPOSITS, AND INVESTMENTS

South Dakota Codified Laws (SDCL) and administrative rules authorize the types of deposits and investments. Certain funds and component units have statutory authority to make deposits and investments in specific types of securities, which may be more or less restrictive than the general authority. Additionally, bond provisions may require restrictions on types of investments. Except as otherwise indicated, the state was in compliance with legal requirements governing deposit and investing activities.

State public funds are deposited and invested using the pooled deposit and investment concept. This concept allows for the deposit and investment of aggregate idle fund monies, while preserving the integrity of fund cash balances of each state fund. The cash and cash equivalents balance in the State General Fund was reduced by \$7,442,620 for deficit cash balances that existed in various state funds at June 30, 2000. Interfund receivables and payables were established between the State General Fund and the funds with deficit cash balances in the amount of the deficits.

DEPOSITS

1. Primary Government

As of June 30, 2000, the carrying amount of deposits was \$144,121,620, and the bank balance was \$144,121,620. Of the bank balance, \$38,671,750 was

fully insured or collateralized, with securities held by the primary government or its agent in the primary government's name (Category 1), \$28,036,965 was collateralized, with securities held by the pledging financial institution's trust department or its agent in the primary government's name (Category 2), and \$77,412,905, although meeting legal collateralization requirements, was categorized as uninsured and uncollateralized (Category 3).

2. Component Units

As of June 30, 2000, the carrying amount of deposits was \$8,377,128, and the bank balance was \$8,681,867. Of the bank balance, \$5,518,773 was fully insured or collateralized, with securities held by the respective component units or their agents in the component unit's name (Category 1) and \$3,163,094, although meeting legal collateralization requirements, was categorized as uninsured and uncollateralized (Category 3).

INVESTMENTS

Authorized investments generally include obligations consisting of securities guaranteed either directly or indirectly by the United States of America, or the state of South Dakota; notes or bonds issued and guaranteed by political subdivisions of the state; notes, bonds, or debentures of solvent corporations, provided they are rated in the four highest classifications established by at least two rating services.

State (permanent) school and endowment funds (also known as School and Public Lands funds) are authorized to be invested, additionally, in loans made by the Veteran's Administration, Farmer's Home Administration, Federal Housing Administration, and Small Business Administration, as well as loans made under the Federal Higher Education Act of 1965, as amended.

Housing Development Authority funds can also be invested in obligations issued by Government National Mortgage Association, Federal National Mortgage Association, Federal Land Bank, Federal Home Loan Bank, Bank for Cooperatives, and Federal Farm Credit Banks.

Public employee pension funds are authorized to be invested, additionally, in corporate equity securities,

and other types of investments, consistent with the "prudent man concept", considering the probable safety of capital, as well as the probable income.

The state's investments are categorized to give an indication of the level of risk assumed by the entity. Category A are those that are insured or registered, or held by the state or its agent in the state's name. Category B are those that are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the state's name. Category C are those that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the state's name.

At June 30, 2000, the state's investments consisted of the following (expressed in thousands):

Primary Government:

	<u>CATEGORY A</u>	<u>CATEGORY B</u>	<u>CATEGORY C</u>	<u>FAIR VALUE</u>
Short-Term Investments	\$ 428,598	\$	\$	\$ 428,598
US Government-Backed Securities	750,471	19,222		769,693
US Government-Backed Loans	14,824			14,824
Corporate Notes and Bonds	686,882	100,514		787,396
Corporate Equity Securities	2,040,381	333,093		2,373,474
State of South Dakota Bonds	170			170
International Funds	<u>636,258</u>	<u>9,740</u>	<u></u>	<u>645,998</u>
TOTAL	<u>\$4,557,584</u>	<u>\$ 462,569</u>	<u>\$ 0</u>	5,020,153

Unclassified:

Mutual Funds				405,221
Guaranteed Investment Contracts				44,515
Annuity Contract				96,454
Real Estate				333,195
International Funds				133,276
Private Equity				218,184
Deferred Compensation				66,332
Unemployment Compensation Funds				
Funds Pooled with US Treasury				49,666
Investments Held by Brokers-Dealers				
Under Securities Lending Program				
US Government Securities				152,516
Corporate Notes				7,308
Short-Term Collateral				367,823
Component Units in Primary				
Government's Investment Pool				(131,677)
TOTAL INVESTMENTS				<u>\$6,762,966</u>

Component Units:

	<u>CATEGORY A</u>	<u>CATEGORY B</u>	<u>CATEGORY C</u>	<u>FAIR VALUE</u>
Short-Term Investments	\$ 1,110	\$	\$	\$ 1,110
Repurchase Agreements	141,494			141,494
US Government-Backed Securities	409,454	79	10,902	420,435
US Government-Backed Loans	26,160			26,160
Corporate Notes and Bonds	3,181		427	3,608
Corporate Equity Securities	14,062			14,062
State of South Dakota Bonds	<u>11,548</u>			<u>11,548</u>
TOTAL	<u>\$ 607,009</u>	<u>\$ 79</u>	<u>\$ 11,329</u>	618,417

	<u>CATEGORY A</u>	<u>CATEGORY B</u>	<u>CATEGORY C</u>	<u>FAIR VALUE</u>
Unclassified:				
Mutual Investment Funds				181,743
Real Estate				2,250
Security Lending Short-Term Collateral				1,126
Investments in Primary Government's Investment Pool				<u>142,115</u>
TOTAL INVESTMENTS				<u>\$ 945,651</u>
TOTAL REPORTING ENTITY	<u>\$5,164,593</u>	<u>\$ 462,648</u>	<u>\$ 11,329</u>	<u>\$7,708,617</u>

Short-term investments consist primarily of commercial paper rated as required by statute. The Cement Plant, Higher Education, and State Fair are component units with investments in the primary government's investment pool. The investment in primary government's investment pool reported by component units is \$10,438,000 higher than the component unit investment in the investment pool reported under the primary government. The difference is due to the Cement Plant reporting on a December 31 year-end.

The pension fund investment portfolio includes futures contracts due September 14 through September 29, 2000 that will increase the market exposure for domestic fixed income investments by \$219,767,235 and short-term investments by \$36,606,015 and decrease domestic equity securities by \$256,373,250.

CASH, DEPOSITS AND INVESTMENT RECONCILIATION

Deposits and investments per above schedules (expressed in thousands):

Deposits - Bank Balance	\$ 152,804
Investments	<u>7,708,617</u>
TOTAL	<u>7,861,421</u>
Outstanding Warrants	(21,339)
Purchased Interest	1,761
Other Adjustments	<u>1,288</u>
TOTAL CASH, DEPOSITS AND INVESTMENTS	<u>\$7,843,131</u>

SECURITIES LENDING TRANSACTIONS

State statutes and the South Dakota Investment Council (SDIC) policies permit the use of investments for securities lending transactions. These transactions involve the lending of securities to broker-dealers and other entities for collateral in the form of cash or securities with the simultaneous agreement to return the collateral for the same securities in the future. The securities custodian is an agent in lending the domestic and international securities for 100% cash collateral, 102% U.S. government-backed securities and short-term money markets, 105% asset-backed

securities and 110% corporate securities of the loaned securities' fair value. The cash collateral is reinvested by the lending agent in accordance with contractual investment guidelines that are designed to ensure the safety of principal and obtain a moderate rate of return. The investment guidelines include very high credit quality standards and also allow for a portion of the collateral investments to be invested with short-term securities. The earnings generated from the collateral investments, less the amount of rebates paid to the dealers, result in gross earnings from lending activities, which is then split on a percentage basis with the lending agent.

Securities on loan at June 30, 2000 (December 31, 1999 for Cement Plant operations and Cement Plant retirement) are presented as unclassified in the preceding schedule of custodial risk. At year-end, no credit risk exposure to borrowers existed because the amounts owed the borrowers exceeded the amounts the borrowers owed. The contract with the lending agent requires them to indemnify, if the borrowers fail to return the loaned securities (and the collateral is inadequate to replace the securities lent).

Either the SDIC or the borrower can terminate the securities loans on demand, although the average term of the loans is one business day. The term to maturity of the securities loans is matched with the term to maturity of the investments of the cash collateral by investing in a variety of short-term investments.

The ability to pledge or sell collateral securities can be made without borrower default. In addition, no restrictions on the amount of the loans exist or can be made.

DERIVATIVE FINANCIAL INSTRUMENTS IN PENSION TRUST FUNDS

South Dakota Retirement System: Derivatives are generally defined as contracts whose value depends on, or derives from the value of an underlying asset, reference rate or index. The South Dakota Retirement System (SDRS) is exposed to a variety of derivative products through the investment management of the SDIC and their outside managers.

The SDIC purchases and sells financial and interest rate futures as a means of adjusting the SDRS portfolio mix and as a lower transaction cost substitute for transactions that would otherwise occur in the underlying portfolios. Futures contracts outstanding at June 30, 2000 were as follows (expressed in thousands):

	<u>Open</u> <u>Positions</u>	<u>Contracts</u>	<u>Fair Value</u>
S&P 500 Index due September 14, 2000	Short	(705)	(\$256,373)
U.S. Treasury Note due September 29, 2000	Long	1,328	\$137,595
U.S. Treasury Bond due September 29, 2000	Long	499	\$ 82,172

A futures contract is a contract to buy or sell units of an index or financial instrument at a specified future date at a price agreed upon when the contract is originated. Upon entering into such a contract, SDRS pledges cash or U.S. government securities equal to the minimum "initial margin" requirement of the futures exchange to the broker. Additionally, SDRS receives or pays a daily fluctuation in value of the contract. The use of futures contracts is subject to various market risks. The maximum amount at risk from the purchase (long position) of a futures contract is the contract value. The amount at risk from the sale (short position) of a futures contract depends upon the amount that the contract rises in value. Although short positions have theoretically no maximum risk, the SDRS short positions are hedged against the underlying portfolio to limit the exposure. Each S&P 500 contract is defined as 500 times the price of the S&P 500 index. Each note and bond contract is defined as \$100,000 par value of an 8% U.S. Treasury security adjusted for duration.

The hedging guidelines of the SDRS arbitrage portfolios managed by the SDIC provide that stock and other noncash considerations to be received may be hedged through the use of options, short sales, or when-and-if issued sales. The two arbitrage portfolios had short sales valued at \$251,223,992 as of June 30, 2000. A short sale involves the sale of securities not yet owned, but borrowed through a broker to be later repurchased to cover the loan. The arbitrage portfolios use the short sales to hedge the disparities between the existing price of a security and the present value of considerations to be received as a result of restructuring or merger activity.

The SDIC also enters into foreign exchange forward contracts to hedge foreign currency transactions. These contracts are purchased to reduce the impact of foreign currency fluctuations. The SDIC does not engage in foreign currency speculation. The contracts do not subject SDRS to risk due to exchange rate movements as gains and losses on the contracts offset gains and losses on the transactions being hedged. SDRS' theoretical risk in these transactions is the cost

of replacing, at current market rates, these contracts in the event of default by the other party. Management believes the risk of incurring such losses is remote as the contracts are entered into with major financial institutions.

In addition to the derivatives listed above, the SDRS fixed income portfolio also held mortgage-backed securities in the form of GNMMAs, FHLMMCs, and FNMMAs. The fair value of these securities as of June 30, 2000 was \$250,474,160. The SDIC is using this investment to enhance fixed returns.

As of June 30, 2000, SDRS had in place various equity swap agreements with notional amounts totaling approximately \$14,818,000. These swaps were put in place to provide hedges for stock expected to be received as merger payment for related long positions. As a result of the swap agreements, SDRS pays to the counterparty the notional amount multiplied by the percentage change of the increase, if any, in the price of the stock underlying the swap. The counterparty, in turn, pays SDRS the notional amount multiplied by the percentage change of the decrease, if any, in the price of the stock underlying the swap, plus the notional amount multiplied by the United States Interbank Offered Rate (LIBOR) minus 60 to 90 basis points. SDRS does not anticipate additional significant market risk from the swap arrangements.

Cement Plant Retirement Fund: The South Dakota Cement Plant Retirement Fund is reported as a component unit pension trust fund that reports on a calendar year basis. Investment portfolio management is the statutory responsibility of the SDIC. The SDIC purchases and sells financial and **Loans and Notes Receivable:** Loans and notes

interest rate futures as a means of adjusting the plan's portfolio mix. Futures contracts outstanding at December 31, 1999 were as follows (expressed in thousands):

	<u>Open Positions</u>	<u>Contracts</u>	<u>Fair Value</u>
S&P 500 Index due March 2000	Short	3	(\$ 1,102)
U.S. Treasury Note due March 2000	Long	7	\$ 789
U.S. Treasury Bond due March 2000	Long	2	\$ 320

In addition to the derivatives listed above, the Cement Plant Retirement Fund also held mortgage-backed securities in the form of GNMMAs, GHLMMCs, and FNMMAs. The fair value of these securities as of December 31, 1999 was \$1,731,537. The SDIC is using this investment to enhance fixed returns.

4. TAXES, NOTES, AND LOANS RECEIVABLE

Taxes Receivable: Taxes receivable at June 30, 2000 are shown net of the allowance for doubtful accounts of \$3,999,453. The allowance represents \$2,917,681 in taxes ultimately due to the general fund and \$1,081,772 due to other governmental entities.

receivable at June 30, 2000 consisted of the following

	<u>SPECIAL REVENUE</u>	<u>ENTERPRISE</u>	<u>NONEX-PENDABLE TRUST</u>	<u>COMPONENT UNITS</u>	<u>TOTAL</u>
Economic Development Loans	\$	\$ 27,078	\$	\$ 34,021	\$ 61,099
Housing Loans				1,037,428	1,037,428
School Loans				30,882	30,882
Water District Loans	13,420				13,420
Waste Water Construction Loans		59,914			59,914
Drinking Water Construction		15,870			15,870
Agriculture Loans	7,370			7,018	14,388
Land Sale Notes	59		290		349
Energy Loans	442				442
Railroad Authority Loans	4,419				4,419
Other Loans and Notes	<u>282</u>				<u>282</u>
	25,992	102,862	290	1,109,349	1,238,493
Less: Allowance for Doubtful Accounts	<u>294</u>	<u>1,162</u>		<u>122</u>	<u>1,578</u>
Loans and Notes Receivable, Net	<u>\$ 25,698</u>	<u>\$101,700</u>	<u>\$ 290</u>	<u>\$1,109,227</u>	<u>\$1,236,915</u>

5. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment at June 30, 2000 consisted of the following (expressed in thousands):

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TRUST AND AGENCY</u>	<u>GENERAL FIXED ASSETS</u>	<u>COMPONENT UNITS</u>
Land and Improvements	\$ 260	\$	\$ 8,969	\$ 42,127	\$ 20,849
Less: Accumulated Depreciation					(6,086)
Buildings	1,034	414	36	258,013	321,572
Less: Accumulated Depreciation	(367)	(268)			(21,802)
Equipment	1,982	53,056	68	129,860	200,954
Less: Accumulated Depreciation	(1,678)	(34,428)	(30)		(44,423)
Construction in Progress	<u> </u>	<u>771</u>	<u> </u>	<u>815</u>	<u>27,255</u>
TOTAL PROPERTY, PLANT, AND EQUIPMENT (NET)	<u>\$ 1,231</u>	<u>\$19,545</u>	<u>\$ 9,043</u>	<u>\$430,815</u>	<u>\$498,319</u>

Changes in general fixed assets for the year ended June 30, 2000 (expressed in thousands) were:

	<u>BALANCE JULY 1, 1999</u>	<u>NET ADDITIONS (DEDUCTIONS)</u>	<u>CHANGE IN EQUIPMENT INVENTORY POLICY</u>	<u>BALANCE JUNE 30, 2000</u>
Land and Improvements	\$ 40,799	\$ 1,328	\$	\$ 42,127
Buildings	234,457	23,556		258,013
Equipment	171,863	10,374	(52,377)	129,860
Construction in Progress	<u>12,053</u>	<u>(11,238)</u>	<u> </u>	<u>815</u>
TOTAL GENERAL FIXED ASSETS	<u>\$459,172</u>	<u>\$ 24,020</u>	<u>\$(52,377)</u>	<u>\$430,815</u>

Construction in progress at June 30, 2000 is as follows:

General Fixed Assets:

Department of Corrections	
Womens Prison - New Housing.....	\$ 208,927
Department of Transportation	
Other Construction Under \$100,000.....	<u>606,265</u>

TOTAL GENERAL FIXED ASSETS..... **\$ 815,192**

Component Units:

Higher Education:

Black Hills State University	
Energy Saving Project	30,000
Northern State University	
Student Union.....	4,257,387
McWaldt-Jensen Hall	136,083
Industrial Technologies Building.....	346,082
Other Construction under \$100,000.....	10,951
Dakota State University	
Madison Community Center.....	5,893,566
University of South Dakota	
Beebe Hall Renovation.....	296,075
Softball Complex.....	641,418
Slagel Hall	534,433
Center for Fine Arts.....	131,839
Dakota Hall	201,545
Brookman Hall	560,114
Burgess Hall	142,968
Other Construction Under \$100,000.....	338,661
South Dakota State University	
Animal Resource Wing.....	344,925
Central Heating Plant - Boiler.....	1,885,351
CEH Addition & Remodeling.....	155,916
Masonry Repairs Brown/Mathews, Pierson.....	479,368
NFA Phase III Asbestos.....	754,834
NFH Asbestos Phase II/3 rd Floor	224,610
NFH Phase IV	105,614
PEC Track Replacement.....	136,770
Performing Arts Center.....	211,487
Printing/Journalism Addition.....	1,339,495
Printing/Journalism Asbestos/AGH A&B	195,835
P.J. Central Mail Renovation.....	116,735
Roof Repair/Replace FY99.....	151,914
SD Art Museum Addition/Remodel.....	1,568,980
Shepard Lab & Office Study.....	774,310
Water Main Replacement.....	116,642
Other Construction Under \$100,000.....	<u>594,584</u>
Total Higher Education.....	<u>22,678,492</u>

Other Component Units:

Cement Plant

Plant Automation Phase II.....	531,480
Electrical Upgrade Phase III.....	1,077,826
Lab Automation & X-ray Replacement.....	153,000
Colorado Mega-Storage Facility.....	208,437
Raw Mill Feeders.....	101,712
Hudson Land.....	137,149
Moorcroft Storage Expansion.....	2,258,648
Other Construction Under \$100,000.....	<u>108,158</u>
Total Other Component Units.....	<u>4,576,410</u>

TOTAL COMPONENT UNITS..... **\$27,254,902**

Internal Service Funds:

Bureau of Finance & Management

Payroll System.....	<u>770,944</u>
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TOTAL INTERNAL SERVICE FUNDS **\$ 770,944**

6. RETIREMENT PLANS

South Dakota Retirement System, Plan

Description: The South Dakota Retirement System (SDRS) is a cost-sharing, multiple-employer, public employee retirement system established to provide retirement, disability, and survivor benefits for employees of the state and its political subdivisions. 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, footnote disclosures and required supplementary information. The SDRS is considered part of the state of South Dakota financial reporting entity and is included in the state's financial report as a pension trust fund. Copies of the separately issued financial report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

As of June 30, 2000, the number of participating governmental employers was:

School Districts	189
State of South Dakota	1
Board of Regents	1
Municipalities	130
Counties	61
Boards and Commissions	<u>62</u>
Total Employers	<u>444</u>

The SDRS financial statements are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles applicable to governmental accounting for a pension trust fund. Revenue is recorded when earned and expenses recorded when incurred. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits are recorded when payable by law and refunds are paid and recorded upon receipt of an approved application.

Investments are carried at fair value to properly reflect the asset values of the fund at June 30, 2000. Fair values were determined based on closing market prices at June 30, 2000 for those securities traded on national and international stock exchanges and at the average of bid-and-asked quotations for those securities traded in the over-the-counter market. The value of foreign securities in foreign currency amounts is expressed in U.S. dollars at the closing daily rate of exchange. Real estate is valued at market based upon annual appraisals. Net appreciation in the fair value of investments held at or traded during the twelve months prior to June 30, 2000 are determined using an average cost basis. Purchases and sales are recorded as of the trade date.

The equity securities include common stocks, preferred stocks, convertible debentures, arbitrage securities and equity international funds. The fixed income securities include U.S. government and government-backed bonds and corporate bonds.

Foreign exchange rate gains and losses are included with the net appreciation in fair value in investments. Futures contracts are marked to market based on quoted futures prices with changes in fair value reflected in the current period.

Interest and dividends are accrued in the period they are earned.

Contributions: Covered employees are required by state law to contribute a percentage of their salary to SDRS as follows:

- Class A members - 5%
- Class B Judicial members - 9%
- Class B Public Safety members - 8%

All participating employers are required to contribute an amount equal to the member's contributions. Members may make an additional contribution of 8/10 of 1% of compensation for optional spouse coverage.

Contributions during FY 2000 totaling \$111,130,584 (\$58,508,147 employee and \$52,622,437 employer) were made in accordance with statutory rates. These contributions represent 11.6% of current year covered payroll for all participating units. The employee contributions exceed the employer contributions because of optional spouse coverage contributions and employee service purchase payments. The employer contributions for fiscal years 1999 and 1998 were \$50,069,614 and \$47,145,364, respectively.

SDRS is funded by fixed member and employer contributions at a rate established by state law. On an annual basis, an independent actuarial valuation of SDRS is made to determine the adequacy of the fixed contractually-required contributions to pay the normal cost, expenses, and amortize the frozen unfunded actuarial accrued liability. The June 30, 2000 actuarial valuation of the plan determined that the contractually-required employer contributions equal the requirements for the annual required contribution of the employers under GASB Statement No. 25.

SDRS allows participating entities to pay their deferred contributions for funding of accrued benefits over periods of up to 20 years and members to pay for the purchase of certain prior service over periods of up to 10 years. Interest is charged at rates of 3.5% to 8%. Future payments will be received as follows:

<u>JUNE 30</u>	<u>EMPLOYERS</u>	<u>EMPLOYEES</u>
2001	\$ 66,845	\$1,457,877
2002	62,244	625,155
2003	28,524	405,742
2004	28,524	229,213
2005	20,544	143,328
Later	<u>19,486</u>	<u>188,089</u>
	226,167	3,049,404
Less interest	<u>27,395</u>	<u>425,647</u>
Deferred contributions receivable at June 30, 2000	<u>\$ 198,772</u>	<u>\$2,623,757</u>

South Dakota Cement Plant Retirement Plans:

The South Dakota Cement Plant (SDCP) retirement plans consist of four plans that are noncontributory, single-employer, public employee retirement plans. The plans are actuarially funded using the entry age normal cost method. The plans' funding policies provide for employer contributions to equal the unfunded actuarial accrued liability. The latest actuarial information for these plans is as of January 1, 1998.

All employees of the SDCP are eligible to participate in the retirement plans at the inception of employment. Employees are vested after attaining five years of credited service. The normal retirement age is 65 and early retirement is at age 62, with required credited service. The plans provide disability benefits to qualified employees upon becoming totally and permanently disabled. Upon retirement, an employee may select the joint and survivor option benefit. Plan contributions are established by Administrative Rules of South Dakota.

Copies of a separately issued financial report on the plans may be obtained by writing to the South Dakota Cement Plant, P.O. Box 360, Rapid City, South Dakota 57709-0360, or by calling (605) 394-5200.

The plans' financial statements are prepared on the accrual basis of accounting. Contributions are recognized as revenue in the period in which employee services are performed. Benefits are recorded when payable by Administrative Rule.

Investments are carried at fair value that is based on the quoted market price of each of the plans' investments. Interest and dividends are accrued in the period they are earned. The unrealized appreciation or depreciation in the current value of the investments held at December 31, 1999 and the realized gain or loss on sales of investments during the period then ended are determined using the average cost of the investments. Investments representing 5% or more of the net assets available for benefits were: an Internal International Mutual Fund, which had a market value of \$5,249,041; and, a Merger Mutual Fund, which had a market value of \$3,040,981.

At December 31, 1999, the fair value of net assets available for benefits was \$36,607,881.

Assets Held by Insurance Company: The Board of Regents of the state of South Dakota joined the SDRS in July 1975. Prior to this time, the Board of Regents had a separate retirement plan through an insurance company under which their members contributed a percentage of their salary to the plan, with a matching amount contributed by the Board of Regents. Upon entering the SDRS, employees were given the option of keeping their contributions with the insurance company or moving their assets to SDRS.

Upon retirement, members who contributed to the insurance company plan may apply for and receive benefits from the insurance company. In addition, they will receive benefits from the SDRS, with the member's calculated normal benefits from the SDRS being reduced accordingly by the amount they would have received had the funds held by the insurance company been held for the full period by the SDRS. The benefits that will be received from the insurance company will be in the form of an annuity contract between the employee and the company. The state of South Dakota will not be responsible for any deficiencies that arise from these contracts, and the state will not be entitled to any excess funds remaining after the contracts have been fulfilled.

Presidents' Retirement Plan: South Dakota university presidents who began service prior to November 1980 were covered under a Presidents' Perpetuity Fund Retirement Plan, in addition to the SDRS. This plan was funded completely by the Board of Regents.

The Plan was liquidated on July 1, 1999. An annuity was purchased to provide complete funding for the members of the Plan.

Department of Labor Employment Security Retirement Plan: Employees of the Department of Labor hired prior to July 1, 1980 had the option to become a member of the SDRS or maintain membership in the Employment Security Retirement Plan. The Employment Security Retirement Plan is a defined benefit single employer plan administered through a private insurance carrier.

In March 1987, the plan was separated into two plans, based on participant status at January 1, 1987; the active life plan representing active and vested terminated participants; and, the retired life plan representing all covered retired participants. Effective April 1, 1987, the retired life plan was terminated. Annuities were purchased to cover the monthly benefit amounts for participants in the retired life plan. Financial statements are not available from the

insurance company. The latest actuarial information available is as of July 1, 1999. The following actuarial information covers all employees of the active life plan, plus any cost-of-living increases granted to retired life plan participants after January 1, 1987.

For the fiscal year ended June 30, 1999 (most recent actuarial valuation date), the payroll and contributions for employees covered by the plan was \$3,386,017 and \$212,769, respectively. On June 30, 1999, participants in the plan consisted of the following:

Active Participants	106
Vested Terminated Participants	6
Retired Participants and Beneficiaries	197

Investments are carried at fair value to properly reflect asset values at June 30, 1999. Contributions are made by active life plan participants at 5% of their salaries. The Department of Labor has not contributed to the plan since 1994 and no future employer contributions are expected to be required, based on the actuarial assumptions used.

Fiscal Year Ended June 30	Actuarially Net Assets Available For Benefits	Entry Age Normal Assets in Accrued Liability (AAL)	Percent Funded (1) - (2)	Annual Excess of AAL (1) - (2)	Annual Covered Payroll	Assets in Excess of AAL as a Percent of Covered Payroll (4) - (5)
1997	\$48,934,863	\$39,746,449	123.1%	\$ 9,188,414	\$3,513,334	261.5%
1998	54,376,531	41,296,646	131.7	13,079,885	3,386,017	386.3
1999	57,210,946	42,559,280	134.4	14,651,666	3,264,009	448.9

7. DEFERRED COMPENSATION PLAN

The state of South Dakota maintains a deferred compensation plan for the benefit of its employees created in accordance with Internal Revenue Code Section 457. The plan is available to all employees of the state and its political subdivisions. The plan permits participants to defer a portion of their salary until future years, thereby deferring taxation on the portion deferred. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable financial emergency.

All amounts of compensation deferred under the plan, all property and rights held by the fund, at all times until made available to a participant or the participant's beneficiary, shall be held in trust for the exclusive benefit of the participants.

The state has no liability for losses under the plan.

8. COMMITMENTS

Construction and Other Commitments: At June 30, 2000, the Department of Transportation had contractual construction commitments of \$256,956,026 for various highway projects and maintenance commitments of \$5,076,822. Financing for these future expenditures will be primarily from approved federal grants and highway use taxes.

The Department of Environment and Natural Resources had construction and other contractual commitments of \$41,490,044 for various water development projects. Financing for these future expenditures will be from approved federal grants,

legislative appropriations, and a bond issue. The following funds/programs make up the \$41,490,044 of commitments:

- 1) The Clean Water State Revolving Fund has \$14,138,715 in commitments.
- 2) The Drinking Water State Revolving Fund has \$4,110,828 in commitments.
- 3) The Water and Environment Fund Program has \$16,975,071 in commitments.
- 4) Federal grants have subgrant commitments of \$6,265,430.

The Building Authority has construction contracts and other construction commitments of \$5,590,925.

The South Dakota Housing Development Authority had commitments to purchase home-ownership mortgage loans aggregating approximately \$40,975,048. Financing for these future expenditures will be from home-ownership mortgage bonds.

The Office of the Governor had construction and other contractual commitments of \$31,270,752. Financing for these future expenditures will be from approved federal grants, from a previous 1% sales tax, and an employer's investment in South Dakota's future fee. The following funds/programs make up the \$31,270,752 of commitments:

- 1) The REDI Fund has \$7,100,287 in commitments.
 - a) \$10,200 in the RECD Intermediary Relending Program.

- b) \$100,087 in the Value-Added Agriculture Subfund grants/loans approved, but not disbursed as of June 30, 2000.
 - c) \$6,990,000 of Revolving Economic Development Initiative Fund loans approved, but not disbursed as of June 30, 2000.
- 2) The Economic Development Finance Authority's RECD Intermediary Relending Program has \$750,000 in commitments.
 - 3) The Community Development Block Grant (CDBG) has \$20,388,146 (includes all grants with a balance of \$100,000 or more) in commitments.
 - 4) The South Dakota Future Fund Program has \$2,907,319 in commitments.
 - 5) The South Dakota Energy Program has \$125,000 in commitments.

The Petroleum Release Fund has \$7,000,000 in commitments.

The South Dakota Lottery has \$2,133,000 in commitments.

9. SELF-INSURANCE

A. Workers' Compensation Benefits and Unemployment Insurance

Various funds accumulate assets to cover risks that the state incurs in its normal operations. The state itself (rather than an insurance carrier) assumes substantially all risks associated with claims of state employees for unemployment compensation benefits accounted for in the Unemployment Insurance Expendable Trust Fund. "Premiums" charged to state funds and agencies to cover the costs of claims servicing and claims payments are based on a percentage of wages paid to state employees.

The state is self-insured for workers' compensation through the creation of reserves derived from a percentage of wages paid to state employees. This activity is accounted for in an internal service fund and is being financed as claims are paid. As a result, there is an unfunded liability of \$8,406,000 at June 30, 2000. Claims payable for workers' compensation is reported using an actuarial estimate based on historical experience that includes actual claims submitted as well as claims incurred, but not reported. Allocated claim adjustment expenses (those relating to a specific claim) are included in the determination of claims payable. Unallocated claim adjustment expenses are not included. Estimated recoveries on unsettled and/or settled claims reduce claims liability and are considered in the actuarial estimate. Changes in the balances of claims liabilities during fiscal years 2000 and 1999 for the workers' compensation fund were as follows:

	TOTAL CLAIMS LIABILITIES	
	WORKERS' COMPENSATION	
	<u>FY2000</u>	<u>FY1999</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year:	<u>\$11,597,579</u>	<u>\$13,328,581</u>
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	2,879,908	2,177,346
Changes in provision for insured events of prior fiscal years	<u>946,285</u>	<u>(1,531,429)</u>
Total incurred claims and claim adjustment expenses	<u>3,826,193</u>	<u>645,917</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	743,596	590,411
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>2,161,459</u>	<u>1,786,508</u>
Total payments	<u>2,905,055</u>	<u>2,376,919</u>
Unpaid claims and claim adjustment expenses at end of fiscal year:	<u>\$12,518,717</u>	<u>\$11,597,579</u>

B. Health and Life Insurance

The state itself (rather than an insurance carrier) assumes substantially all risks associated with claims of covered public employees for health insurance and life insurance benefits (an insurance carrier, however, provides claims administration services for health insurance). The health and life insurance programs are accounted for in the Self-Insurance Internal Service Fund. "Premiums" are charged to state funds and agencies for all covered employees. Varying levels of health and/or life coverage may be purchased by employees for their spouses and/or dependents. Claims payable for health insurance is reported using an actuarial estimate based on historical experience that includes actual claims

submitted as well as claims incurred, but not reported. Allocated claim adjustment expenses are included in the determination of claims payable. Unallocated claim adjustment expenses are not included. Estimated recoveries on unsettled and/or settled claims reduce claims liability and are considered in the actuarial estimate. Claims expenses and liabilities for life insurance are reported using a case-by-case review of claims. Allocated claim adjustment expenses are uncommon and immaterial. Unallocated claim adjustment expenses are not included. At the end of FY 2000, \$725,000 of the retained earnings balance in the Self-Insurance Fund was designated for future catastrophic losses relating to life insurance.

TOTAL CLAIMS LIABILITIES

	<u>HEALTH INSURANCE</u>		<u>LIFE INSURANCE</u>	
	<u>FY2000</u>	<u>FY1999</u>	<u>FY2000</u>	<u>FY1999</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year:	\$ 5,167,926	\$ 4,734,208	\$ 50,000	\$ 185,000
Incurred claims and claim adjustment expenses:	<u>41,191,348</u>	<u>34,709,065</u>	<u>939,000</u>	<u>1,018,000</u>
Payments:				
Claims and claim adjustment expenses attributable to insured events of current fiscal year	35,165,609	29,541,140	831,000	968,000
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>5,167,926</u>	<u>4,734,208</u>	<u>50,000</u>	<u>185,000</u>
Total payments	<u>40,333,535</u>	<u>34,275,348</u>	<u>881,000</u>	<u>1,153,000</u>
Unpaid claims and claim adjustment expenses at end of fiscal year:	<u>\$ 6,025,739</u>	<u>\$ 5,167,926</u>	<u>\$ 108,000</u>	<u>\$ 50,000</u>

C. Public Entity Pool for Liability

The state is self insured through the Public Entity Pool for Liability (PEPL), reported in an internal service fund, to cover risks associated with tort liability (including vehicle liability, general liability, public officials' errors and omissions liability, medical malpractice liability, law enforcement liability, and products liability).

All agencies of the state participate in the PEPL fund. The PEPL fund allocates the cost of providing claims servicing and claims payment by charging a required contribution to each agency based on the number of automobiles titled to each agency (for automobile liability) or approved full-time employees (for general tort liability). The PEPL fund's liability coverage limits are \$1,000,000 per occurrence. Reinsurance coverage was purchased to cover the layer of claims costs per occurrence between \$100,000 and \$1,000,000.

Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported, based on historical experience. Allocated claim adjustment expenses are included in the determination of claims payable. Unallocated claim adjustment expenses are not included. Estimated recoveries on unsettled and/or settled claims reduce claims liability and are considered in the actuarial estimate. At the end of FY 2000, \$7,391,468 of the retained earnings balance in the PEPL fund was designated for future losses.

TOTAL CLAIMS LIABILITIES

	<u>FY2000</u>	<u>FY1999</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year:	<u>\$6,298,262</u>	<u>\$5,718,028</u>
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	1,095,350	244,537
Changes in provision for insured events of prior fiscal years	<u>(818,366)</u>	<u>1,269,928</u>
Total incurred claims and claim adjustment expenses	<u>276,984</u>	<u>1,514,465</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	458,754	382,353
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>167,735</u>	<u>551,877</u>
Total payments	<u>626,489</u>	<u>934,230</u>
Unpaid claims and claim adjustment expenses at end of fiscal year:	<u>\$5,948,757</u>	<u>\$6,298,263</u>

D. Risk Management

The state is insured for boiler insurance, aircraft, and performance bonds through outside insurance companies. Entities participating in these insurance coverages are only billed for premiums applicable to their coverage needs.

The state is uninsured for property losses, with the exception of bonded and revenue-producing buildings that are covered through outside insurance companies.

10. CAPITAL LEASES

The state has entered into various agreements to lease equipment. FASB Statement No. 13, "Accounting For Leases", requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee be

accounted for as the acquisition of a fixed asset and the incurrence of an obligation by the lessee (a capital lease).

Capital lease obligations for the governmental funds are reported in the General Long-Term Debt Account Group and the related assets are reported in the general fixed assets account group. Capital leases for the proprietary funds are reported in those funds, along with the related assets. Capital leases for higher education are reported as an obligation in the Investment in Plant Funds, along with the related assets.

The following schedule is a summary of the future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2000 (expressed in thousands):

<u>FISCAL YEAR</u> <u>ENDING JUNE 30,</u>	<u>GENERAL</u> <u>LONG-TERM</u> <u>DEBT</u>	<u>PROPRIETARY</u> <u>FUNDS</u>	<u>COMPONENT</u> <u>UNITS</u>
2001	\$ 204	\$ 3,467	\$ 291
2002	119	2,412	282
2003	200	1,542	204
2004	81	1,019	154
2005	81	0	154
Thereafter	<u>539</u>	<u>0</u>	<u>816</u>
Total Minimum Lease Payments	1,224	8,440	1,901
Less:			
Amount Representing Interest	<u>374</u>	<u>813</u>	<u>459</u>
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$ 850</u>	<u>\$ 7,627</u>	<u>\$1,442</u>

11. OPERATING LEASES

The state of South Dakota has entered into numerous agreements to lease land, buildings, and equipment. Most operating leases contain a provision that the state may renew leases on a year-to-year basis. In most cases, management expects the leases will be renewed or replaced by other leases of a similar nature.

The following schedule is a summary of future minimum rental payments by years required under operating leases with lease terms in excess of one year as of June 30, 2000 (expressed in thousands):

<u>FISCAL YEAR</u> <u>ENDING JUNE 30.</u>	<u>PRIMARY</u> <u>GOVERNMENT</u>	<u>COMPONENT</u> <u>UNITS</u>
2001	\$ 3,976	\$ 471
2002	3,491	396
2003	2,696	103
2004	1,621	41
2005	745	31
Thereafter	<u>4,600</u>	<u>59</u>
Total Minimum Payments	<u>\$17,129</u>	<u>\$1,101</u>

The total rental expenses for all operating leases for the fiscal year ended June 30, 2000 was \$7,296,583 for the primary government and \$246,995 for component units.

12. LONG-TERM DEBT

Long-term debt in the form of bonds, notes, certificates of participation, and other obligations are issued by the Building Authority, Housing Development Authority, Health and Educational Facilities Authority, Finance Authority, and by Higher Education.

A. Component Units

The following are the changes in bonds, notes, and other obligations payable (expressed in thousands):

	<u>BALANCE</u> <u>JULY 1,</u> <u>1999</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30,</u> <u>2000</u>
Enterprise Funds:				
Revenue Bonds Payable from User Charges:				
Housing Development Authority	\$1,376,161	\$ 498,279	\$ 339,951	\$1,534,489
Building Authority	9,565		2,192	7,373
Finance Authority	<u>35,303</u>		<u>1,716</u>	<u>33,587</u>
Total Revenue Bonds	<u>1,421,029</u>	<u>498,279</u>	<u>343,859</u>	<u>1,575,449</u>
Accrued Employee Benefits	1,213	54		1,267
Capital Leases	<u>111</u>		<u>4</u>	<u>107</u>
Total Enterprise Funds	<u>1,422,353</u>	<u>498,333</u>	<u>343,863</u>	<u>1,576,823</u>
Higher Education:				
Revenue Bonds Payable from User Charges:				
Higher Education Facilities Fund	32,566		1,134	31,432
Building Authority	<u>35,730</u>		<u>1,268</u>	<u>34,462</u>
Total Bonds Payable	68,296	0	2,402	65,894
Certificates of Participation:				
Building Authority	171		84	87
Revenue Trust Certificates:				
Building Authority	10,219		969	9,250
Accrued Employee Benefits	23,569	1,238		24,807
Capital Leases	<u>303</u>	<u>1,032</u>		<u>1,335</u>
Total Higher Education	<u>102,558</u>	<u>2,270</u>	<u>3,455</u>	<u>101,373</u>
Total Component Units	<u>\$1,524,911</u>	<u>\$ 500,603</u>	<u>\$ 347,318</u>	<u>\$1,678,196</u>

1. Housing Development Authority

The Housing Development Authority provides mortgage financing for construction, rehabilitation, and purchase of residential housing and assists in coordinating with federal, state, regional, and local public and private efforts with statewide housing planning. The authority issues negotiable notes and bonds in amounts authorized by the Governor of South Dakota. Notes and bonds of the authority do not constitute a debt or liability of the state of South

Dakota, or a pledge of the faith and credit of the state. These notes and bonds are payable solely from the revenues or assets of the authority.

Bonds Payable

Following is a schedule of bonds, consolidated by category, outstanding at June 30, 2000 (expressed in thousands):

HOUSING DEVELOPMENT AUTHORITY

	<u>MATURITY DATES</u>	<u>INTEREST RATES</u>	<u>AMOUNT</u>
Home-Ownership			
Mortgage Program	2001 - 2031	3.20%-8.50%	
Serial Bonds			\$ 260,020
Term Bonds			1,181,215
Less Unamortized Premium (Discount)			<u>266</u>
Total Home-Ownership Mortgage Program			<u>1,441,501</u>
Multifamily Housing			
Trust Bonds:	2001 - 2022	6.00%-8.375%	
Serial Bonds			3,470
Term Bonds			<u>53,385</u>
Total Multifamily Housing Trust Bonds			<u>56,855</u>
Multifamily Housing			
Revenue Bonds:	2001 - 2026	6.75%-7.50%	
Serial Bonds			470
Term Bonds			<u>6,025</u>
Total Multifamily Housing Revenue Bonds			<u>6,495</u>
Multifamily Mortgage			
Pass-Through Fund Bonds	2010 - 2015	Variable	<u>16,348</u>
Housing Development			
Revenue Bonds:			
Term Bonds	2004	5.55%	<u>10,055</u>
Multifamily Risk			
Sharing Bonds:			
Term Bonds	2009 - 2040	5.4 - 5.8%	<u>3,235</u>
Total Bonds Payable			<u>\$1,534,489</u>

At June 30, 2000, commitments to purchase home-ownership mortgage loans from lending institutions were approximately \$40,975.048.

As of June 30, 2000, debt service requirements for principal and interest for the Housing Development Authority were as follows (expressed in thousands):

<u>YEAR ENDING</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2001	\$ 225,397	\$ 82,674	\$ 308,071
2002	36,379	76,231	112,610
2003	33,273	74,260	107,533
2004	34,644	72,517	107,161
2005	46,231	70,444	116,675
Thereafter	<u>1,158,565</u>	<u>893,526</u>	<u>2,052,091</u>
Total	<u>\$ 1,534,489</u>	<u>\$1,269,652</u>	<u>\$2,804,141</u>

2. Building Authority

The authority issues taxable revenue bonds for the Conservation Reserve Enhancement Program (CREP). The CREP involves making loans to certain individuals who have CREP contracts with the Commodity Credit Corporation (CCC) of the U.S. Department of Agriculture. Under this program, certain individuals enter into ten-year contracts with the CCC and receive annual payments for performing specified conservation practices.

Annual CREP payments made to the authority will be used by the trustee to make the debt service payments on the bonds. Bonds of the authority do not constitute a debt or liability of the state of South Dakota, or a pledge of the faith and credit of the state. These bonds are payable solely from the revenues or assets of the authority.

The following is a schedule of bonds outstanding as of June 30, 2000 (expressed on thousands):

<u>SERIES NUMBER</u>	<u>MATURITY</u> <u>DATE</u>	<u>INTEREST</u> <u>RATES</u>	<u>OBLIGATION</u>
Third Series	2002	8.08% - 8.94%	\$ 363
Series 1998A	2009	5.80% - 6.50%	<u>7,010</u>
Total			<u>\$ 7,373</u>

As of June 30, 2000, debt service requirements for principal and interest for the Building Authority (CREP Program) were as follows (expressed in thousands):

<u>YEAR ENDING</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2001	\$ 781	\$ 437	\$ 1,218
2002	831	388	1,219
2003	891	335	1,226
2004	805	283	1,088
2005	860	231	1,091
Thereafter	<u>3,205</u>	<u>353</u>	<u>3,558</u>
Total	<u>\$ 7,373</u>	<u>\$ 2,027</u>	<u>\$ 9,400</u>

3. South Dakota Economic Development Finance Authority

Tax-exempt bonds are issued in the name of the South Dakota Economic Development Finance Authority and administered by a trustee bank. The bond proceeds are used to provide capital in the form of economic development loans to private businesses. A separate series of bonds is issued to finance each loan. The total outstanding amount of bonds issued cannot exceed \$300,000,000. Bonds of the authority do not constitute a debt or liability of the state of South Dakota or any political subdivision thereof, and neither the faith nor credit, or the taxing power of the state or any political subdivision thereof is pledged for payments relating to these bonds. The authority has no obligation relating to these bonds except from the revenues and assets specifically pledged as security for these bonds. The authority has no taxing power.

The following is a schedule of outstanding bonds as of June 30, 2000 (expressed in thousands):

SOUTH DAKOTA ECONOMIC DEVELOPMENT FINANCE AUTHORITY

<u>SERIES NUMBER</u>	<u>MATURITY DATE</u>	<u>INTEREST RATES</u>	<u>OBLIGATION</u>
Series 1987A	2001 and 2007	6.00%-9.00%	\$ 185
Series 1989	2019	10.25%	4,775
Series 1992	2000	7.63%	55
Series 1994 A&B	2004 and 2014	6.00%-7.20%	1,305
Series 1996	2016	Variable	8,410
Series 1996 A&B (TCF Lomar)	2008 and 2016	Variable	1,900
Series 1996A (APA Optics)	2009 and 2016	5.00%-6.75%	1,695
Series 1996B (Tech. Ord.)	2007	5.75%	1,230
Series 1996C	2006 and 2007	4.50%-5.85%	620
Series 1996D	2007	4.50%-5.90%	700
Series 1997A	2016	Variable	2,550
Series 1997B	2007	6.35%	2,202
Series 1998 (FIMCO)	2018	Variable	4,600
Series 1998 A&B (Midstates)	2009 and 2018	5.50%-7.00%	1,030
Series 1999	2009, 2010 & 2019	4.95%-5.50%	2,330
Total			<u>\$ 33,587</u>

Reserves: The bond indentures provide that certain reserve accounts be established. The balances as of June 30, 2000 are as follows (expressed in thousands):

	<u>REQUIRED BALANCE</u>	<u>ACTUAL BALANCE</u>	<u>EXCESS</u>
Capital Reserve Account	\$ 2,500	\$ 2,572	\$ 72
Special Reserve Account	500	509	9
Total	<u>\$ 3,000</u>	<u>\$ 3,081</u>	<u>\$ 81</u>

The pooled bond issues require amounts to be deposited into the Capital Reserve Account. The monies on deposit in the Capital Reserve Account are irrevocably pledged to the payment of all outstanding bonds and interest only when and to the extent that other monies are not available. The amount on deposit in the Capital Reserve Account must be equal to 12½% of the related bond principal outstanding. Amounts in excess of the reserve requirements may be transferred to any state fund to be used for other purposes.

The 1996B (Technical Ordinance) Series bond issue required a Special Reserve Account of at least \$500,000. The amount in excess of \$500,000 may be transferred to the Capital Reserve Account on April 1 of each year, if the loan is not in default.

As of June 30, 2000, debt service requirements for principal and interest for the South Dakota Economic Development Finance Authority were as follows (expressed in thousands):

<u>YEAR ENDING JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2001	\$ 1,746	\$ 2,034	\$ 3,780
2002	1,831	1,928	3,759
2003	1,776	1,824	3,600
2004	1,831	1,716	3,547
2005	1,876	1,605	3,481
Thereafter	<u>24,527</u>	<u>12,650</u>	<u>37,177</u>
Total	<u>\$ 33,587</u>	<u>\$ 21,757</u>	<u>\$ 55,344</u>

The 1994B, 1996 and 1996A&B (TCF Lomar), 1997A and 1998 FIMCO bond issues carry variable interest rates and interest on these bonds has been projected using the June 2000 interest rates.

4. Higher Education

a. Higher Education Facilities

Revenue bonds were issued for the purpose of constructing buildings. The bonds are payable only from income and revenues pledged and assigned and do not constitute a legal or moral debt of the state of South Dakota.

Following are revenue bonds outstanding at June 30, 2000 (expressed in thousands):

HIGHER EDUCATION FACILITIES

<u>ISSUE</u>	<u>AMOUNT</u>
School of Mines and Technology:	
1973 Series C	\$ 380
1973 Series D	120
University of South Dakota:	
1974 Revenue Refunding	965
South Dakota State University:	
1967 Series	70
1971 Series	170
1972 Revenue Refunding	1,587
1994A Series	13,135
Northern State University:	
1984 Series G	360
1998 Series	2,785
Dakota State University:	
1984 Revenue Refunding	1,011
1995 Series	2,610
Black Hills State University:	
1961 Series B	52
1965 Series C	112
1968 Series D	90
1993 Series	4,265
1995 Series	<u>3,720</u>
Total	<u>\$31,432</u>

As of June 30, 2000, debt service requirements for principal and interest for the Higher Education Facilities were as follows (expressed in thousands):

<u>YEAR ENDING</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2001	\$ 1,182	\$ 1,550	\$ 2,732
2002	1,047	1,498	2,545
2003	939	1,457	2,396
2004	976	1,416	2,392
2005	1,028	1,374	2,402
Thereafter	<u>26,260</u>	<u>14,274</u>	<u>40,534</u>
Total	<u>\$ 31,432</u>	<u>\$ 21,569</u>	<u>\$ 53,001</u>

b. Building Authority

The Building Authority issues bonds to finance the cost to acquire, construct, remodel, maintain, and equip buildings and other facilities for higher education institutions. Lease payments are made from tuition and fees paid by students. The obligations incurred or created by the Building Authority may not be a lien, charge, or liability against the state of South Dakota. The bonds and all related financial transactions used to finance buildings and related projects of higher education are reported in the component units column.

Following is a schedule of bonds and notes outstanding at June 30, 2000 (expressed in thousands):

BUILDING AUTHORITY

<u>ISSUE</u>	<u>MATURITY</u> <u>DATES</u>	<u>INTEREST RATES</u>	<u>AMOUNT</u>
Bonds:			
Series 1993A	2001 - 2012	4.600% - 6.500%	\$ 5,320
Series 1993B	2001 - 2013	4.875% - 5.450%	4,417
Series 1995A	2001 - 2015	4.850% - 6.250%	9,960
Series 1996C	2001 - 2014	4.100% - 5.300%	4,107
Series 1997	2001 - 2021	5.500%	2,308
Series 1999	2001 - 2020	4.500% - 6.500%	8,350
Certificates of Participation:			
Series 1990	2001 - 2002	3.000%	87
Trust Certificates:			
Series 1991B	2001 - 2016	4.700% - 6.750%	1,950
Series 1993B	2001 - 2018	6.300% - 8.300%	<u>7,300</u>
Total			<u>\$43,799</u>

As of June 30, 2000, debt service requirements for principal and interest for the Building Authority (higher education portion) were as follows (expressed in thousands):

YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2001	\$ 2,653	\$ 2,435	\$ 5,088
2002	2,957	2,259	5,216
2003	3,177	2,064	5,241
2004	3,380	1,858	5,238
2005	3,606	1,640	5,246
Thereafter	<u>28,026</u>	<u>8,359</u>	<u>36,385</u>
Total	<u>\$ 43,799</u>	<u>\$ 18,615</u>	<u>\$ 62,414</u>

B. General Long-Term Debt

The following are the changes in bonds, certificates of participation, and other obligations payable (expressed in thousands):

	BALANCE JULY 1, 1999	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2000
Bonds Payable from Taxes and License Fees:				
Building Authority Bonds	\$ 124,400	\$	\$ 9,382	\$115,018
Health and Educational Facilities Authority	23,795	7,135	810	30,120
Certificates of Participation:				
Building Authority	164		81	83
Trust Certificates:				
Building Authority	48,591		2,061	46,530
Accrued Employee Benefits	36,045	1,872		37,917
Capital Leases	<u>564</u>	<u>389</u>	<u>104</u>	<u>849</u>
Total General Long-Term Debt	<u>\$233,559</u>	<u>\$ 9,396</u>	<u>\$ 12,438</u>	<u>\$230,517</u>

1. Building Authority

The Building Authority issues bonds or certificates of participation to finance the cost to acquire, construct, remodel, maintain, and equip buildings and other facilities of state departments and institutions. Bonds and certificates of participation are payable from revenues generated through lease agreements between the Building Authority and state departments and institutions. Lease payments for bonds and certificates of participation reported in the General Long-Term Debt Account Group are paid from the state general fund and other state dedicated fees of state departments, boards, and commissions, and an annuity.

The Building Authority sold trust certificates to a trustee bank and assigned the right to receive lease rental payments over to the trustee bank. The lease payments were previously assigned to the payment of bonds and certificates of participation issued by the authority. The revenue from the trust certificates will be utilized to defease several bond issues and

certificates of participation. The principal and interest payments on the certificates are payable solely from amounts payable by the state under the leases. The certificates are not an indebtedness of the authority within the meaning of any constitution or statutory debt limit, nor may the certificates be a claim against the property of the authority.

The indebtedness, bonds, or obligations incurred or created by the Building Authority may not be or become a lien, charge, or liability against the state of South Dakota. The bonds and all related financial transactions used to finance buildings of state departments and institutions, other than state universities, are reported in the capital projects and debt service funds and the General Long-Term Debt Account Group. This financial presentation does not change the legal liability of the bonds.

Following are Building Authority bonds, certificates of participation, and trust certificates outstanding at June 30, 2000 (expressed in thousands):

BUILDING AUTHORITY

<u>ISSUE</u>	<u>MATURITY DATES</u>	<u>INTEREST RATES</u>	<u>AMOUNT</u>
Bonds:			
Series 1991A	2001 - 2001	7.650% - 9.150%	\$ 335
Series 1993B	2001 - 2013	4.875% - 5.450%	163
Series 1996A	2001 - 2016	4.400% - 5.950%	102,372
Series 1996C	2001 - 2014	4.100% - 5.300%	8,393
Series 1996D	2001 - 2011	5.200% - 6.000%	2,150
Series 1999	2001 - 2020	4.500% - 6.500%	1,605
Certificates of Participation:			
1990 Series	2001 - 2000	3.000%	83
Trust Certificates:			
Series 1991 A&B	2001 - 2016	4.700% - 6.750%	16,355
Series 1993 A&B	2001 - 2017	6.300% - 8.300%	<u>30,175</u>
Total			<u>\$161,631</u>

As of June 30, 2000, debt service requirements for principal and interest for the Building Authority were as follows (expressed in thousands):

<u>YEAR ENDING JUNE 30.</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2001	\$ 11,687	\$ 8,336	\$ 20,023
2002	11,428	7,743	19,171
2003	11,288	7,154	18,442
2004	11,250	6,574	17,824
2005	11,200	5,996	17,196
Thereafter	<u>104,778</u>	<u>40,773</u>	<u>145,551</u>
Total	<u>\$ 161,631</u>	<u>\$ 76,576</u>	<u>\$238,207</u>

2. Health and Educational Facilities Authority

The Health and Educational Facilities Authority issued bonds to finance the cost of acquisition and improvement of postsecondary educational facilities. Bonds are payable from student fees, program fees, state general fund appropriations, and federal funds. The bonds are limited obligations of the authority, payable solely from dedicated revenue sources. The authority has no taxing power. The bonds do not constitute general obligations, debt, or bonded indebtedness, or a pledge of the faith and credit of the state of South Dakota.

Following are Health and Educational Facilities Authority bonds outstanding at June 30, 2000 (expressed in thousands):

HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

<u>ISSUE</u>	<u>MATURITY DATES</u>	<u>INTEREST RATES</u>	<u>AMOUNT</u>
Series 1992	2000-2002	5.40% - 5.75%	\$ 525
Series 1993A	2000-2013	4.60% - 5.60%	5,605
Series 1993B	2000-2023	4.60% - 5.70%	2,545
Series 1997	2000-2022	4.20% - 5.50%	10,145
Series 1998A	2000-2013	4.50% - 5.40%	4,165
Series 1999	2000-2024	4.05% - 5.35%	<u>7,135</u>
Total			<u>\$ 30,120</u>

As of June 30, 2000, debt service requirements for principal and interest for the Health and Educational Facilities Authority were as follows (expressed in thousands):

<u>YEAR ENDING JUNE 30.</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2001	\$ 1,005	\$ 1,556	\$ 2,561
2002	1,050	1,509	2,559
2003	1,090	1,458	2,548
2004	1,155	1,405	2,560
2005	1,200	1,349	2,549
Thereafter	<u>24,620</u>	<u>12,190</u>	<u>36,810</u>
Total	<u>\$ 30,120</u>	<u>\$ 19,467</u>	<u>\$ 49,587</u>

C. Proprietary Funds

The following are the changes in bonds and other obligations payable (expressed in thousands):

	<u>BALANCE JULY 1, 1999</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE JUNE 30, 2000</u>
Enterprise Funds:				
Bonds and Notes Payable:				
Clean Water State Revolving Fund	\$ 18,975	\$	\$ 820	\$ 18,155
Drinking Water State Revolving Fund	6,450			6,450
Accrued Employee Benefits	411	37		448
Capital Leases	76		60	16
Total Enterprise Funds	<u>25,912</u>	<u>37</u>	<u>880</u>	<u>25,069</u>
Internal Service Funds:				
Bonds and Notes Payable	282		75	207
Accrued Employee Benefits	3,855	122		3,977
Capital Leases	5,904	4,250	2,544	7,610
Total Internal Service Funds	<u>10,041</u>	<u>4,372</u>	<u>2,619</u>	<u>11,794</u>
Total Proprietary Funds	<u>\$ 35,953</u>	<u>\$ 4,409</u>	<u>\$ 3,499</u>	<u>\$ 36,863</u>

Department of Environment and Natural Resources

The South Dakota Conservancy District issued tax-exempt revenue bonds for the Clean Water State Revolving Fund (CWSRF) and for the Drinking Water State Revolving Fund (DWSRF). The SRF's provide low interest loans or other types of financial assistance to political units for the construction of publicly-owned wastewater treatment facilities, implementation of nonpoint source management programs, development and implementation of plans under the new Estuary Protection Program, and construction and maintenance of drinking water facilities, respectively. To date, the program has been used to make loans and refinance existing debt with a maximum of twenty years for repayment. Loans for the DWSRF can be made for 30 years if the funds are for a disadvantaged community.

Interest paid on the loan principal and interest earned from the bond proceeds will be used to make debt service payments on the bond. The South Dakota Conservancy District bonds do not constitute a debt or liability of the state of South Dakota, or a pledge of the faith and credit of the state. The bonds are paid solely from the interest earned on the loan repayments and bond proceeds and, if necessary, a legislative appropriation of \$1,200,000 for the Clean Water State Revolving Fund only.

The following is a schedule of outstanding bonds as of June 30, 2000 (expressed in thousands):

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

<u>ISSUE</u>	<u>MATURITY DATES</u>	<u>INTEREST RATE</u>	<u>AMOUNT</u>
Clean Water State Revolving Fund			
Series 1994	2001-2012	3.10% - 5.30%	\$ 8,290
Series 1995	2001-2015	5.00% - 6.20%	7,185
Series 1996	2001-2017	4.40% - 5.63%	2,680
			<u>18,155</u>
Drinking Water State Revolving Fund			
Series 1998	2001-2012	3.90% - 4.90%	3,490
Term 1998	2019	5.00%	2,960
			<u>6,450</u>
Total			<u>\$ 24,605</u>

As of June 30, 2000, debt service requirements for principal and interest for the Department of Environment and Natural Resources were as follows (expressed in thousands):

<u>YEAR ENDING JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
Clean Water State Revolving Fund			
2001	\$ 860	\$ 960	\$ 1,820
2002	900	918	1,818
2003	945	874	1,819
2004	985	826	1,811
2005	1,035	775	1,810
Thereafter	<u>13,430</u>	<u>4,222</u>	<u>17,652</u>
Total	<u>\$ 18,155</u>	<u>\$ 8,575</u>	<u>\$ 26,730</u>

YEAR ENDING			
JUNE 30,	PRINCIPAL	INTEREST	TOTAL
Drinking Water State Revolving Fund			
2001	\$ 205	\$ 300	\$ 505
2002	215	292	507
2003	225	283	508
2004	230	273	503
2005	240	263	503
Thereafter	5,335	2,205	7,540
Total	\$ 6,450	\$ 3,616	\$ 10,066

Bureau of Administration

The city of Pierre installed an electrical upgrade to the capitol complex. The state entered into a long-term contract with the city of Pierre to pay for the costs of the upgrade.

As of June 30, 2000, debt service requirements for principal and interest for the Internal Service Fund were as follows (expressed in thousands):

YEAR ENDING			
JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2001	\$ 79	\$ 10	\$ 89
2002	84	6	90
2003	44	1	45
Total	\$ 207	\$ 17	\$ 224

D. Conduit Debt Obligations

Conduit debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by state government for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. The state has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued and the debt is not included in the accompanying financial statements.

1. South Dakota Railroad Authority

State law established the South Dakota Railroad Authority in 1980 for the purpose of improving rail service in the state. The authority is authorized to acquire property and construct, maintain, and equip railroad facilities pursuant to legislative declarations. The authority is also authorized to issue revenue bonds and participating interests in mortgage notes in amounts authorized by the state legislature. In 1996, the authority purchased rail facilities through the sale of \$20,000,000 of revenue bonds. Dakota, Minnesota and Eastern Railroad received \$14,500,000 of the bond proceeds. Additionally, a \$10,000,000 loan agreement was entered into between Dakota, Minnesota and Eastern Railroad Corporation and First National Bank of Brookings. The proceeds for the loan consisted of \$5,500,000 from the bond proceeds,

\$4,000,000 from an institutional investor, and \$500,000 from the First National Bank. The bonds will be paid off with proceeds from a lease agreement with Dakota, Minnesota and Eastern Railroad Corporation with principal payments of \$14,500,000 and bank loan payments of \$5,500,000. Dakota, Minnesota and Eastern Railroad Corporation will be responsible for paying the two institutional investors \$4,500,000 on the loan. As of June 30, 2000, \$16,260,000 in revenue bonds and \$3,658,500 in a bank loan was outstanding.

2. South Dakota Value Added Finance Authority

State law established the South Dakota Value Added Finance Authority in 1986 for the purpose of assisting beginning farmers in the state of South Dakota to acquire agricultural property at lower interest rates. The authority is authorized to issue federal tax-exempt bonds. The bond proceeds are lent to qualifying beginning farmers. The beginning farmer assumes the bond payment obligation to the bond purchaser in the form of a loan with the third party bond purchaser.

As of June 30, 2000, there were one hundred and eighty one series of revenue bonds outstanding. The aggregate principal amount payable on June 30, 2000 could not be determined; however, their original issue amount totaled \$17,227,648.

E. Refunded Bonds

1. Health and Educational Facilities Authority

In prior years, the HEFA defeased certain refunding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability of the defeased bonds are not included in the accompanying financial statements. At June 30, 2000, \$985,000 of the Health and Educational Facilities Authority bonds outstanding are considered defeased.

2. Building Authority

In prior years, the Building Authority defeased certain refunding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. At June 30, 2000, \$80,425,000 of the Building Authority bonds outstanding are considered defeased.

3. Higher Education

In prior years, Black Hills State University and South Dakota State University defeased certain refunding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. At June 30, 2000, \$13,990,000 of university bonds outstanding are considered defeased.

4. South Dakota Conservancy District

In prior years, the South Dakota Conservancy District defeased certain refunding bonds by placing the

proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. At June 30, 2000, \$7,380,000 of the South Dakota Conservancy District bonds outstanding are considered defeased. As a result of these advanced refundings, the difference between the reacquisition price and the net carrying amount of the old debt is being amortized over the life of the new bonds. At June 30, 2000, bonds payable is reported net of unamortized charges of \$930,639.

13. INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

The following represents interfund receivable and payable balances between all funds at June 30, 2000. Amounts to be paid or received within one year are reported as due to or from other funds, due to or from component units, and due to or from primary government (expressed in thousands).

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
	<u>\$ 81, 316</u>	<u>\$ 16, 500</u>
General Fund		
Special Revenue Funds:		
Transportation Fund	33, 919	1, 704
Social Services Federal Fund	44	4, 484
Education Federal Fund		573
Human Services Federal Fund	928	2, 550
Labor Federal Fund	199	290
Health Federal Fund	30	179
Military Affairs Federal Fund		1, 101
Natural Resources Federal Fund		494
Game, Fish, and Parks Federal Fund	103	912
Game and Fish Fund	1, 862	802
Parks and Recreation Fund	1, 750	273
Securities and Insurance Fund	337	49
Motor Vehicle Fund	1, 313	3, 227
Revenue Fund	459	1, 852
Employer's Investment in SD Fund	1, 067	
Property Tax Reduction Fund	15, 111	
Petroleum Release Compensation Fund	2, 160	10
Maintenance and Repair Fund	531	61
Water and Environment Fund	2, 157	
Rural Rehabilitation Fund	283	14
Energy Conservation Fund	485	1
Attorney General Federal Fund	49	818
Corrections Federal Funds	347	6
Game, Fish and Parks Federal Fund	70	338
Bureau of Administration Federal Fund	348	1
Tourism Revolving Fund	255	37
Law Enforcement Revolving Fund	244	31
Corrections Local and Endowment Fund	179	127
Aeronautics Fund	401	18
Public Transit Fund	1, 873	
Railroad Trust Fund	286	242
Corn Utilization Council Fund	185	2
Agriculture Revolving Fund	277	7
Environment and Natural Resources Fund	562	42
Energy Impact Fund	624	326

Social Services Other Fund	876	40
Game, Fish and Parks Administration Fund	362	138
	INTERFUND	INTERFUND
	RECEIVABLES	PAYABLES
Game, Fish and Parks Land Acquisition Fund	174	2
Snowmobile Trails Fund	380	6
Custer State Park Fund	202	98
Other	<u>2,095</u>	<u>1,109</u>
Total Special Revenue Funds	<u>72,527</u>	<u>21,964</u>
Debt Service Funds:		
Building Authority Fund	3,681	
Vocational Education Facilities Fund	<u>81</u>	<u>0</u>
Total Debt Service Funds	<u>3,762</u>	<u>0</u>
Capital Projects Funds:		
Building Authority Fund	<u>44</u>	<u>38</u>
Total Capital Projects Funds	<u>44</u>	<u>38</u>
Enterprise Funds:		
Lottery Fund	566	4,415
Economic Development Loan Fund	3,013	3
Pheasantland Industries Fund	573	37
Other	<u>45</u>	<u>30</u>
Total Enterprise Funds	<u>4,197</u>	<u>4,485</u>
Internal Service Funds:		
Self-Insurance Fund	1,035	21
Information Services Fund	1,427	138
Telecommunications Fund	1,347	181
Accounting and Payroll Fund	995	134
Buildings and Grounds Fund	872	35
Central Mail Services Fund	320	6
Public Entity Pool For Liability Fund	795	6
Fleet and Travel Management Fund	1,413	332
Personnel Fund	429	61
State Workers Compensation Fund	269	3
Commerce Inspection Fund	97	13
Central Supply Fund	122	13
Central Duplicating Fund	203	39
Purchasing and Printing Fund	133	16
State Engineer Fund	106	14
Health Lab Fund	134	53
State Collections Services Fund	14	202
Other	<u>227</u>	<u>92</u>
Total Internal Service Funds	<u>9,938</u>	<u>1,359</u>
Component Units:		
Housing Authority Special Revenue Fund		45
Housing Authority Enterprise Fund	45	64
Finance Authority		585
Cement Plant Fund	269	3
State Fair Fund	39	68
Cement Plant Retirement Fund	3	269
Higher Education	<u>8,573</u>	<u>5,782</u>
Total Component Units	<u>8,929</u>	<u>6,816</u>
Agency and Trust Funds:		
Agency Funds:		
Department of Revenue	3,173	92,212
Investment Council	675	46,359
Other	<u>3,275</u>	<u>4,243</u>
Total Agency Funds	<u>7,123</u>	<u>142,814</u>
Expendable Trust Funds:		
Unemployment Insurance Fund	36	21
Vocational Education Facilities Fund	102	81
Second Injury Fund	84	
Corrections Trust Fund	184	19

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
Redfield Resident Investment Fund	38	
Community-Based Education Fund	74	
Other	<u>95</u>	<u>17</u>
Total Expendable Trust Funds	<u>613</u>	<u>138</u>
Nonexpendable Trust Funds:		
Youth at Risk	643	21
People's Trust and Interest Fund	716	
School and Public Lands Permanent Fund	<u> </u>	<u>7</u>
Total Nonexpendable Trust Funds	<u>1,359</u>	<u>28</u>
Pension Trust Funds:		
South Dakota Retirement Fund	<u>683</u>	<u>30</u>
Total Trust and Agency Funds	<u>9,778</u>	<u>143,010</u>
TOTAL INTERFUND RECEIVABLES AND PAYABLES	<u>\$190,491</u>	<u>\$194,172</u>

The variance of \$3,681,000 between interagency receivables and payables is a result of the Cement Plant being reported as of December 31, 1999, instead of June 30, 2000.

Advances to/from other funds represent long-term loans existing between funds. The funds and amounts advanced at June 30, 2000 were as follows (expressed in thousands):

	<u>ADVANCES TO OTHER FUNDS</u>	<u>ADVANCES FROM OTHER FUNDS</u>
General Fund	<u>\$ 48</u>	<u>\$3,286</u>
Special Revenue Funds:		
Aeronautics Fund	<u>967</u>	<u> </u>
Internal Service Funds:		
Information Services Fund	496	
Rural Development Communications Network Fund	<u> </u>	<u>496</u>
Total Internal Service Funds	<u>496</u>	<u>496</u>
Expendable Trust Funds:		
Unclaimed Property Fund	1,734	
Redfield Resident Investment Fund	<u> </u>	<u>48</u>
Total Expendable Trust Funds	<u>1,734</u>	<u>48</u>
Nonexpendable Trust Funds:		
Youth at Risk Fund	<u>585</u>	<u> </u>
TOTAL ADVANCE TO/FROM OTHER FUNDS	<u>\$3,830</u>	<u>\$3,830</u>

14. RESIDUAL EQUITY TRANSFERS AND CHANGES IN CONTRIBUTED CAPITAL

Residual Equity Transfers:

Two residual equity transfers were made during the fiscal year. Between internal service funds, the Information Services Fund transferred \$1,003,026 of unobligated cash to the Telecommunications Fund. The transaction is reported as residual equity transfers out and increases to contributed capital in the funds. The Perpetuity Fund, reported as a component unit pension trust fund, transferred \$1,229,484 to the Permanent Fund, a nonexpendable trust fund.

Changes in Contributed Capital

The following represents the changes in contributed capital (expressed in thousands):

	BEGINNING BALANCE 7/1/99	ASSETS CONTRIBUTED BY PRIMARY GOVERNMENT	DEPRECIATION ON ASSETS ACQUIRED WITH CONTRIBUTED CAPITAL	ENDING BALANCE 6/30/00
Enterprise Funds:				
Pheasantland Industries	\$ 327	\$	\$ 27	\$ 300
Internal Service Funds:				
Information Services	2,875	1		2,876
Telecommunications	1,541	1,036		2,577
Fleet and Travel Management	4,998	35		5,033
Component Unit Enterprise Funds:				
State Fair	2,873	558		3,431

15. FUND EQUITY - RESERVATIONS AND DESIGNATIONS

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following is a summary of the reservations and designations at June 30, 2000 (expressed in thousands).

General Fund		Nonexpendable Trust	
Reserved for Encumbrances	\$ 36,187	Reserved for Public Schools	\$ 132,133
Reserved for Noncurrent Assets	<u>48</u>	Reserved for Specific Purposes	<u>49,672</u>
Total Reservations	<u>\$ 36,235</u>	Total Reservations	<u>\$ 181,805</u>
Designated for Budget Reserve	<u>\$ 38,227</u>	Pension Trust	
		Reserved for Pension Benefits	<u>\$5,156,295</u>
Special Revenue		Component Unit - Special Revenue	
Reserved for Encumbrances	\$ 22,255	Reserved for Specific Purposes	<u>\$ 18,859</u>
Reserved for Noncurrent Assets	21,331		
Reserved for Loan Guarantee	<u>607</u>	Component Unit - Enterprise	
Total Reservations	<u>\$ 44,193</u>	Reserved for Debt Service	\$ 228,901
Debt Service		Reserved for Loan Escrow	4,259
Reserve for Debt Service	<u>\$101,162</u>	Reserved for Contingencies	<u>16,431</u>
		Total Reservations	<u>\$ 249,591</u>
Enterprise		Component Unit - Pension Trust	
Reserve for Debt Service	\$ 2,612	Reserved for Pension Benefits	<u>\$ 36,444</u>
Reserved for Specific Purposes	<u>3,161</u>		
Total Reservations	<u>\$ 5,773</u>	Component Unit - Higher Education	
Expendable Trust		Reserved for Encumbrances	\$ 4,389
Reserved for Unemployment		Reserved for Noncurrent Assets	<u>26,438</u>
Benefit Payments	\$ 50,096	Total Reservations	<u>\$ 30,827</u>
Reserved for Deferred			
Compensation	66,413		
Reserved for Specific Purposes	<u>9,082</u>		
Total Reservations	<u>\$125,591</u>		

16. CONTINGENCIES AND LITIGATION

The state of South Dakota participates in a number of federally assisted grant programs. These programs are subject to audits by the grantors or their representatives. Any disallowance as a result of these audits may become a liability of the state.

The state of South Dakota is party to numerous legal proceedings, many of which occur in the normal course of governmental operation. Adverse judgment of these lawsuits could result in liabilities to the state. Based on prior experience, it is unlikely that the outcome of these claims will materially affect the financial position of the state.

The contingent liabilities at June 30, 2000 are as follows:

WORKERS' COMPENSATION FUND

	<u>NUMBER OF CLAIMANTS</u>	<u>WEEKLY BENEFITS</u>	<u>PAYMENTS REMAINING</u>
Permanent Partial Disability - Benefits are paid weekly up to a predetermined amount	9	\$ 2,551	\$ 42,677
Temporary Total and Temporary Partial Disability - Benefits are paid weekly for an unspecified period of time	18	4,323	Unknown
Permanent Total Disability - Benefits are paid weekly for the life of the client	25	2,858	Unknown
Vocational Rehabilitation Disability - Benefits are paid weekly up to completion of approved retraining	1	75	Unknown
Spouse (Fatality) Disability - Benefits are paid for life or upon remarriage spouse would receive a lump sum equal to two years of weekly benefits	11	2,121	Unknown
Child Disability - Benefits paid at rate of \$50.00 per month until 18 years of age	<u>7</u>	<u>81</u>	\$ 20,919
TOTAL	<u>71</u>	<u>\$ 12,009</u>	

The Petroleum Release Compensation Fund (PRCF) provides reimbursement for remediation of sites where a petroleum release has occurred. As of June 30, 2000, PRCF was currently involved with 468 active cases, 389 active/monitoring cases, and 225 pending cases (spill report not yet filed), for a total of 1,082 cases. Contingent liabilities for the PRCF are \$29,000,000 for sites that haven't received any payments.

Jandrain v. Hough. This matter is a personal injury action against employees of the South Dakota Department of Transportation. The plaintiff was rendered a quadriplegic in a truck rollover accident in Pennington County. His suit claims that employees of the South Dakota Department of Transportation were negligent in the manner in which they applied a certain surface to a state highway. Any judgment in excess of \$1,000,000 will not be covered by the PEPL fund and therefore an accrual has not been made for any amount exceeding \$1,000,000.

United States v. South Dakota. This is an action brought by the United States Government in federal district court to recover six years worth of motor vehicle excise taxes paid to the State of South Dakota by tribal members residing in Indian Country. The United States District Court for the District of South Dakota has ruled that South Dakota must refund excise taxes that have been collected from tribal members. Refunds will be made based upon taxes improperly paid with interest at 1.25% per month. Tribal members are required to send applications to the Department of Revenue for the amounts they are claiming as their refund. Tribal Members have until July 13, 2001, to apply for their refunds. The total amount that will be refunded can not be estimated at this time. As of 2/12/01, the department has issued \$3,304,000 in refunds of which \$2,318,000 was issued in FY2001.

Farm Credit Service of the Midlands v. Department of Revenue. Farm Credit Service has applied with the Department of Revenue for a refund of bank franchise taxes amounting to \$1,470,562 in

tax and interest. After applying for the refund, Farm Credit Service and the Department of Revenue reached an agreement to hold the refund request in abeyance until litigation regarding the taxability of farm credit banks in other states was resolved. Other states have come to differing decisions on the matter. Currently the United States Supreme Court is hearing a case regarding similar statutory exemption language which may affect the disposition of this case. At this time the probability of a favorable or unfavorable outcome for the state cannot be determined.

Northern Telecom, Inc. v. Department of Revenue. Northern Telecom, Inc. has brought a sales tax refund action contesting the payment of taxes accruing from 1986 to the present currently in the amount of \$1,041,748 plus interest, which would be payable at 1.25% per month on any refunded amount. The case is at the administrative hearing level and counsel is currently awaiting a decision from the Office of Hearing Examiners. The Department of Revenue is vigorously defending the action.

Loren Pourier, d/b/a Muddy Creek Oil and Gas Inc. and Muddy Creek Oil and Gas Inc. v. Department of Revenue. Pourier has brought a motor fuel tax refund action contesting the payment of taxes accruing from July 1995 through January 13, 2000. The amount at issue is \$937,820 plus interest, which would accrue at the rate of 1.25 percent per month. The refund action is premised on the fact that Pourier is an enrolled tribal member and is selling fuel within Indian Country. The matter is currently before the Office of Hearing Examiners for hearing following remand from the circuit court. The Department of Revenue is vigorously defending the action. Due to the nature of the procedural and substantive defenses, however, counsel is not in a position to give any opinion at this time as to the risk of an unfavorable outcome regarding this case and if so the amount of money that would be at issue.

Breck v. Governor William Janklow, et al. This is an action for declaratory judgment and injunctive relief filed by Breck involving the sale of the State Cement Plant assets and legislation that was passed during the Special Session that occurred on December 28 and 29, 2000. Plaintiff Breck has asserted that the pending sale of the State Cement Plant Assets and actions of the Legislature during this Special Session were unconstitutional and in violation of statute. The matter is currently on appeal to the South Dakota Supreme Court following the circuit courts judgment in favor of the State on all issues. If the Supreme Court on appeal reverses the circuit court, it could stop the sale which is for a sales price of \$252.3 million plus an assumption of an obligation of up to \$12 million. The state is vigorously defending the action.

SDDS Inc. v. State of South Dakota. This is an inverse condemnation action filed in state court, brought by a South Dakota corporation concerning the operation of a solid waste facility. The case is currently on appeal to the South Dakota Supreme Court from the circuit court's vacation of a judgment entered against the State following a jury trial. The vacated judgment is in the amount of approximately \$10.1 million with \$4 million of interest as of the judgment's date. If the South Dakota Supreme Court rules this was error, it could potentially rule that the vacated judgment be reinstated. The attorneys working on this case are unable to express any opinion regarding the likelihood of success on appeal or the risk of an unfavorable outcome.

Homestake v. Subsequent Injury Fund. This is an action brought by Homestake involving the repeal of the Subsequent Injury Fund. In March of 1999 the legislature repealed the Subsequent Injury Fund and gave employers until June 30, 1999, to file any additional claims against the fund. The action contends that the law repealing the Subsequent Injury Fund is unconstitutional because of violations of due process and impairment of contracts. The matter will be appealed to the South Dakota Supreme Court following the circuit court's judgment in favor of Homestake. If the Supreme Court on appeal upholds the circuit court, it could stop the fund from being repealed. Under the repeal statute that now exists, any remaining balance in the fund after all obligations of the fund have been satisfied is to be deposited into the general fund. As of June 30, 2000, the Subsequent Injury Fund remaining cash balance of \$1,851,000 was reported in an expendable trust fund. A bill is before this session of the Legislature to amend the repeal statute (62-4-34.7) to address constitutional concerns of the circuit court. If it passes, which it appears may be the case, the suit by Homestake may be dropped. However, there are other claimants out there who are considering challenging the current statute or the amended one on the same grounds.

17. SEGMENT INFORMATION

The state has three major enterprise funds that provide for operating the state lottery, low interest economic development loans, and water development loans. The state has five component unit enterprise funds that provide for low-interest housing loans, economic loans, cement production and sales, crop reduction payments, and operating the state fair. The state has one component unit special revenue fund that provides for low-interest housing loans. The state has two component unit pension trust funds that provide for retirement benefits for employees of the cement plant and higher education.

Selected financial information by segment is as follows (expressed in thousands):

ENTERPRISE FUNDS:

	<u>STATE LOTTERY</u>	<u>REVOLVING ECONOMIC DEVELOPMENT INITIATIVE</u>	<u>WATER POLLUTION CONTROL REVOLVING</u>	<u>DRINKING WATER REVOLVING</u>	<u>OTHER</u>	<u>TOTAL</u>
Operating Revenues	\$ 121,701	\$ 1,112	\$ 14,277	\$ 5,613	\$ 7,940	\$ 150,643
Depreciation, Depletion and Amortization	13		36	15	153	217
Operating Income (Loss)	100,589	397	12,907	5,046	211	119,150
Operating Transfers:						
In					139	139
Out	101,022		22	17	78	101,139
Net Income (Loss)	(2)	2,480	12,885	5,029	215	20,607
Plant, Property and Equipment:						
Additions					46	46
Deletions and Change in Capitalization Policy	524				1,513	2,037
Net Increase (Decrease) in Cash and Cash Equivalents	136	4,197	514	(85)	228	4,990
Total Assets	13,564	76,047	103,962	21,548	6,848	221,969
Total Equity	5,715	67,276	86,280	14,904	5,443	179,618

COMPONENT UNIT ENTERPRISE FUNDS:

	<u>HOUSING AUTHORITY</u>	<u>FINANCE AUTHORITY</u>	<u>CEMENT PLANT</u>	<u>CROP REDUCTION ENHANCEMENT PROGRAM</u>	<u>STATE FAIR</u>	<u>TOTAL</u>
Operating Revenues	\$ 106,932	\$ 2,522	\$ 59,320	\$ 696	\$1,664	\$ 171,134
Depreciation, Depletion and Amortization	1,736		4,019	41	181	5,977
Operating Income (Loss)	15,879	(907)	20,681	7	(689)	34,971
Operating Transfers:						
Out			12,000			12,000
Net Income (Loss)	14,439	(1,257)	10,473	7	(685)	22,977
Plant, Property and Equipment:						
Additions	1,200		6,239		94	7,533
Deletions and Changes in Capitalization Policy	289		752		688	1,729
Net Increase (Decrease) in Cash and Cash Equivalents	25,711	(1,430)	9,278	(132)	(114)	33,313
Total Assets	1,803,186	48,207	146,224	8,384	3,192	2,009,193
Total Equity	228,901	9,900	132,432	924	2,520	374,677

COMPONENT UNIT - SPECIAL REVENUE AND PENSION TRUST FUNDS:

	<u>SPECIAL REVENUE HOUSING AUTHORITY</u>	<u>PENSION TRUST</u>		<u>TOTAL</u>
	<u>HOUSING AUTHORITY</u>	<u>CEMENT PLANT</u>	<u>PERPETUITY FUND</u>	<u>TOTAL</u>
Operating Revenues	\$ 16,385	\$	\$	\$ 16,385
Excess of Revenues Over (Under) Expenditures	1,999			1,999
Total Additions		7,715		7,715
Total Deductions		1,080	2,384	3,464
Total Assets	21,561	37,847		59,408
Total Equity	18,859	36,444		55,303

COMPONENT UNIT - HIGHER EDUCATION:

	<u>ASSETS</u>		<u>LIABILITIES</u>		<u>TOTAL ASSETS</u>	<u>TOTAL LIABILITIES</u>	<u>FUND BALANCE</u>
	<u>PROPERTY, PLANT, AND EQUIPMENT</u>	<u>DUE TO PRIMARY GOVERNMENT</u>	<u>BONDS, NOTES, COPS AND TRUST CERTIFICATES</u>				
Current Funds:							
Unrestricted	\$	\$ 663	\$		\$ 57,895	\$ 42,747	\$ 15,148
Restricted		110			8,512	6,609	1,903
Loan Funds				3	32,890	183	32,707
Plant Funds:							
Unexpended				5,368	8,923	7,901	1,022
Renewal and Replacement		10			16,291	3,075	13,216
Retirement of Indebtedness				4,614	6,584	5,929	655
Investment in Plant	437,532			65,246	438,754	66,961	371,793
Agency Funds				1	509	509	
Higher Education Totals	\$ 437,532	\$ 784	\$ 75,231		\$570,358	\$ 133,914	\$436,444

18. TOBACCO SETTLEMENT

South Dakota joined many other states in agreeing to settlement terms with U.S. tobacco companies. Per the master settlement agreement, South Dakota will receive annual payments over 25 years. For FY 2000, the state received approximately \$28.7 million. Future payments from tobacco companies will be adjusted for volume, market share, and price changes. The 2000 legislature created the Peoples Trust Fund, where payments from the master settlement agreement will be deposited. Expenditure of the interest proceeds deposited to the trust fund must be appropriated by the legislature.

19. SUBSEQUENT EVENTS

South Dakota Cement Plant

On December 29, 2000, the South Dakota Legislature approved the sale of the South Dakota Cement Plant and substantially all of its assets, interests and properties, and certain specified liabilities of the business known as the South Dakota Cement Plant and Dacotah Cement and the agreements, leases contracts, and transactions related thereto. The sale, as agreed to by the State Cement Plant Commission, was made to GCC Dacotah, Inc. for \$252 million.

Housing Authority

On November 9, 2000, the Authority issued \$65,810,000 of Homeownership Mortgage Bond Series 2000 H and I. The Bonds will mature on May 1, 2002, through May 1, 2031, and are at interest rates from 4.55% to 5.95%.

On November 9, 2000, The Authority issued \$45,810,000 of Homeownership Mortgage Bond Series 2000 J and K. The bonds will mature on November 8, 2001 and are at interest rates from 4.375% to 4.4%.

Building Authority

The Authority issued \$6,505,000 South Dakota Building Authority Revenue Bonds Series 2000, dated August 1, 2000 and are at interest rates from 4.5% to 6.5%.

On July 3, 2000, the South Dakota Building Authority transferred \$520,000 to the South Dakota Health and Educational Facilities Authority to be spent for Technical Institutes of the state of South Dakota pursuant to an Act of the Legislature of the state of South Dakota.

The South Dakota Building Authority received \$111,469 from Banc One Capital Markets on August 18, 2000. This payment was from an industry-wide settlement regarding sales of open market treasury securities to municipal issuers in connections with advance refunding escrows.

Score v. Bloomberg, et al

The state of South Dakota was a defendant in a civil rights action regarding the death of a juvenile at the State Training School. The suit went to trial in the fall of 2000 and was settled in February 2001. The settlement amount to be paid by the state of South Dakota will be paid from the PEPL fund, or, for amounts in excess of \$100,000 and less than \$1,000,000, from commercial excess of loss reinsurance.

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2000
(Expressed in Thousands)**

Assets	Transportation	Social Services Federal	Education Federal	Human Services Federal	Labor Federal
Cash and Cash Equivalents	\$ 76,798	\$	\$ 357	\$	\$ 1,068
Investments					
Securities Lending Collateral	17,583		81		242
Accounts Receivable	550	1,262			
Taxes Receivable (Net)					
Interest, Dividends & Penalties Receivable					
Loans and Notes Receivable (Net)	24			10	
Due From Other Funds	33,915	44		928	199
Due From Component Units	4				
Due From Other Governments	17,694	26,973	10,446	8,210	1,178
Inventory	10,953	3,168	364	248	150
Advances To Other Funds					
Deferred Fiscal Charges and Other Assets		128	57		35
Total Assets	\$ 157,521	\$ 31,575	\$ 11,305	\$ 9,396	\$ 2,872
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable	\$ 33,538	\$ 22,012	\$ 1,136	\$ 4,765	\$ 497
Accrued Liabilities	3,116	1,145	148	1,153	661
Compensated Absences Payable	259				
Due To Other Funds	1,690	4,426	332	2,550	290
Due To Component Units	14	58	241		
Due To Other Governments			8,601		
Deferred Revenue		3,713	556		
Securities Lending Collateral Liability	17,583		81		242
Total Liabilities	56,200	31,354	11,095	8,468	1,690
Fund Equity:					
Fund Balance:					
Reserved	9,324	530	20	105	
Unreserved:					
Undesignated	91,997	(309)	190	823	1,182
Total Fund Equity	101,321	221	210	928	1,182
Total Liabilities and Fund Equity	\$ 157,521	\$ 31,575	\$ 11,305	\$ 9,396	\$ 2,872

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2000
(Expressed in Thousands)**

	<u>Health Federal</u>	<u>Governor's Office Federal</u>	<u>Military Affairs Federal</u>	<u>Natural Resources Federal</u>	<u>Game, Fish and Parks Federal</u>
Assets					
Cash and Cash Equivalents	\$ 553	\$	\$ 22	\$	\$
Investments					
Securities Lending Collateral	125				
Accounts Receivable	1				
Taxes Receivable (Net)					
Interest, Dividends & Penalties Receivable					
Loans and Notes Receivable (Net)					
Due From Other Funds	30				103
Due From Component Units					
Due From Other Governments	1,253	5,763	3,217	917	1,315
Inventory	257				
Advances To Other Funds					
Deferred Fiscal Charges and Other Assets		3			
Total Assets	\$ 2,219	\$ 5,766	\$ 3,239	\$ 917	\$ 1,418
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable	\$ 742	\$ 2	\$ 1,932	\$ 263	\$ 207
Accrued Liabilities	345	17	154	125	206
Compensated Absences Payable					
Due To Other Funds	179	18	1,101	494	912
Due To Component Units					
Due To Other Governments		5,724	37		93
Deferred Revenue					
Securities Lending Collateral Liability	125				
Total Liabilities	1,391	5,761	3,224	882	1,418
Fund Equity:					
Fund Balance:					
Reserved	1,131	4,422	41	3,382	241
Unreserved:					
Undesignated	(303)	(4,417)	(26)	(3,347)	(241)
Total Fund Equity	828	5	15	35	0
Total Liabilities and Fund Equity	\$ 2,219	\$ 5,766	\$ 3,239	\$ 917	\$ 1,418

Continued on next page

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2000
(Expressed in Thousands)**

Assets	Game and Fish	Parks and Recreation	Securities and Insurance	Health	Gaming Commission
Cash and Cash Equivalents	\$ 18,027	\$ 1,159	\$ 1,187	\$ 1,708	\$ 4,881
Investments					
Securities Lending Collateral	3,864	208	281	366	126
Accounts Receivable	146			116	
Taxes Receivable (Net)					391
Interest, Dividends & Penalties Receivable					
Loans and Notes Receivable (Net)					
Due From Other Funds	1,862	1,750	337	11	86
Due From Component Units					
Due From Other Governments				14	
Inventory				166	
Advances To Other Funds					
Deferred Fiscal Charges and Other Assets			10	4	
Total Assets	\$ 23,899	\$ 3,117	\$ 1,815	\$ 2,385	\$ 5,484
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable	\$ 975	\$ 167	\$ 50	\$ 138	\$ 11
Accrued Liabilities	357	18	91	36	34
Compensated Absences Payable					
Due To Other Funds	802	273	49	27	167
Due To Component Units					
Due To Other Governments					120
Deferred Revenue					4,367
Securities Lending Collateral Liability	3,864	208	281	366	126
Total Liabilities	5,998	666	471	567	4,825
Fund Equity:					
Fund Balance:					
Reserved	940	107		100	2
Unreserved:					
Undesignated	16,961	2,344	1,344	1,718	657
Total Fund Equity	17,901	2,451	1,344	1,818	659
Total Liabilities and Fund Equity	\$ 23,899	\$ 3,117	\$ 1,815	\$ 2,385	\$ 5,484

Continued on next page

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2000
(Expressed in Thousands)**

Assets	Motor Vehicle	Revenue	Employer's Investment	Property Tax Reduction	Petroleum Release Compensation	Maintenance and Repair
Cash and Cash Equivalents	\$ 3,618	\$ 2,052	\$ 17,235	\$ 52,051	\$ 14,532	\$ 5,188
Investments						
Securities Lending Collateral	817	472	3,940	11,790	3,321	1,188
Accounts Receivable	24					3
Taxes Receivable (Net)						
Interest, Dividends & Penalties Receivable						
Loans and Notes Receivable (Net)						59
Due From Other Funds	1,313	459	1,067	15,111	2,160	531
Due From Component Units						
Due From Other Governments						
Inventory						
Advances To Other Funds						
Deferred Fiscal Charges and Other Assets	5					
Total Assets	\$ 5,777	\$ 2,983	\$ 22,242	\$ 78,952	\$ 20,013	\$ 6,969
Liabilities and Fund Equity						
Liabilities:						
Accounts Payable	\$ 265	\$ 201	\$ 157	\$	\$ 617	\$ 512
Accrued Liabilities	222	241			29	
Compensated Absences Payable						
Due To Other Funds	3,227	1,852			10	61
Due To Component Units						
Due To Other Governments						
Deferred Revenue						53
Securities Lending Collateral Liability	817	472	3,940	11,790	3,321	1,188
Total Liabilities	4,531	2,766	4,097	11,790	3,977	1,814
Fund Equity:						
Fund Balance:						
Reserved	69	132			3	53
Unreserved:						
Undesignated	1,177	85	18,145	67,162	16,033	5,102
Total Fund Equity	1,246	217	18,145	67,162	16,036	5,155
Total Liabilities and Fund Equity	\$ 5,777	\$ 2,983	\$ 22,242	\$ 78,952	\$ 20,013	\$ 6,969

Continued on next page

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2000
(Expressed in Thousands)**

Assets	Water and Environment	Rural Rehabilitation	Energy Conservation	Other	Total
Cash and Cash Equivalents	\$ 12,806	\$ 3,210	\$ 6,827	\$ 97,930	\$ 321,209
Investments			170		170
Securities Lending Collateral	2,927	737	1,562	21,678	71,308
Accounts Receivable				4,628	6,730
Taxes Receivable (Net)					391
Interest, Dividends & Penalties Receivable	40	101	5	107	253
Loans and Notes Receivable (Net)	13,420	6,805	391	4,989	25,698
Due From Other Funds	2,157	283	485	9,585	72,416
Due From Component Units				107	111
Due From Other Governments				3,277	80,257
Inventory				57	15,363
Advances To Other Funds				967	967
Deferred Fiscal Charges and Other Assets				533	775
Total Assets	\$ 31,350	\$ 11,136	\$ 9,440	\$ 143,858	\$ 595,648
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable	\$ 1,775	\$ 5	\$ 1	\$ 2,941	\$ 72,909
Accrued Liabilities		12		1,203	9,313
Compensated Absences Payable					259
Due To Other Funds		14	1	3,057	21,532
Due To Component Units				119	432
Due To Other Governments	285			280	15,140
Deferred Revenue				32,706	41,395
Securities Lending Collateral Liability	2,927	737	1,562	21,678	71,308
Total Liabilities	4,987	768	1,564	61,984	232,288
Fund Equity:					
Fund Balance:					
Reserved	10,936	5,843	180	6,632	44,193
Unreserved:					
Undesignated	15,427	4,525	7,696	75,242	319,167
Total Fund Equity	26,363	10,368	7,876	81,874	363,360
Total Liabilities and Fund Equity	\$ 31,350	\$ 11,136	\$ 9,440	\$ 143,858	\$ 595,648

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN
FUND BALANCES
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Transportation</u>	<u>Social Services Federal</u>	<u>Education Federal</u>	<u>Human Services Federal</u>	<u>Labor Federal</u>
Revenue:					
Taxes	\$ 120,038	\$	\$	\$	\$
Licenses, Permits and Fees	52,040				
Fines, Forfeits and Penalties					
Use of Money and Property	5,999	18			
Sales and Services	847			99	
Administering Programs	188,825	327,971	91,324	81,647	24,063
Other Revenue	1,625	2,459	54	20	
Total Revenue	<u>369,374</u>	<u>330,448</u>	<u>91,378</u>	<u>81,766</u>	<u>24,063</u>
Expenditures:					
Education and Research			91,590		
Economic Resources					
General Government	2,851				
Human Resources		328,910		80,867	24,672
Natural Resources					
Protection of Domain	13,026				
Transportation	365,787				
Total Expenditures	<u>381,664</u>	<u>328,910</u>	<u>91,590</u>	<u>80,867</u>	<u>24,672</u>
Excess of Revenue Over (Under)					
Expenditures	(12,290)	1,538	(212)	899	(609)
Other Financing Sources (Uses):					
Operating Transfers In	771		56	378	1,027
Operating Transfers From Component Units					
Operating Transfers Out	(3,318)	(1,881)		(932)	
Net Other Financing Sources (Uses)	<u>(2,547)</u>	<u>(1,881)</u>	<u>56</u>	<u>(554)</u>	<u>1,027</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(14,837)	(343)	(156)	345	418
Fund Balance at Beginning of Year, Restated	<u>116,158</u>	<u>564</u>	<u>366</u>	<u>583</u>	<u>764</u>
Fund Balance at End of Year	<u>\$ 101,321</u>	<u>\$ 221</u>	<u>\$ 210</u>	<u>\$ 928</u>	<u>\$ 1,182</u>

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**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN
FUND BALANCES
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Health Federal</u>	<u>Governor's Office Federal</u>	<u>Military Affairs Federal</u>	<u>Natural Resources Federal</u>	<u>Game, Fish and Parks Federal</u>
Revenue:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Fees	102				
Fines, Forfeits and Penalties					
Use of Money and Property			72		
Sales and Services					
Administering Programs	19,979	21,632	13,632	5,751	6,880
Other Revenue			49		
Total Revenue	<u>20,081</u>	<u>21,632</u>	<u>13,753</u>	<u>5,751</u>	<u>6,880</u>
Expenditures:					
Education and Research					
Economic Resources		21,635			
General Government					
Human Resources	20,431				
Natural Resources				5,541	6,227
Protection of Domain			13,534		
Transportation					
Total Expenditures	<u>20,431</u>	<u>21,635</u>	<u>13,534</u>	<u>5,541</u>	<u>6,227</u>
Excess of Revenue Over (Under)					
Expenditures	(350)	(3)	219	210	653
Other Financing Sources (Uses):					
Operating Transfers In		2			
Operating Transfers From Component Units					
Operating Transfers Out			(272)	(210)	(667)
Net Other Financing Sources (Uses)	<u>0</u>	<u>2</u>	<u>(272)</u>	<u>(210)</u>	<u>(667)</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(350)	(1)	(53)		(14)
Fund Balance at Beginning of Year, Restated	<u>1,178</u>	<u>6</u>	<u>68</u>	<u>35</u>	<u>14</u>
Fund Balance at End of Year	<u>\$ 828</u>	<u>\$ 5</u>	<u>\$ 15</u>	<u>\$ 35</u>	<u>\$ 0</u>

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**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN
FUND BALANCES
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	Game and Fish	Parks and Recreation	Securities and Insurance	Health	Gaming Commission
Revenue:					
Taxes	\$	\$ 1,407	\$	\$	\$ 4,488
Licenses, Permits and Fees	20,323	3,943	25,161	5,107	4,781
Fines, Forfeits and Penalties	672				7
Use of Money and Property	1,110	252	321		81
Sales and Services	408	65	1		
Administering Programs	243	3		205	
Other Revenue	205	16	1	1	
Total Revenue	<u>22,961</u>	<u>5,686</u>	<u>25,484</u>	<u>5,313</u>	<u>9,357</u>
Expenditures:					
Education and Research					
Economic Resources					
General Government					
Human Resources				4,371	
Natural Resources	15,148	4,786			
Protection of Domain			2,634		7,234
Transportation					
Total Expenditures	<u>15,148</u>	<u>4,786</u>	<u>2,634</u>	<u>4,371</u>	<u>7,234</u>
Excess of Revenue Over (Under)					
Expenditures	7,813	900	22,850	942	2,123
Other Financing Sources (Uses):					
Operating Transfers In	401		429		
Operating Transfers From Component Units					
Operating Transfers Out	(2,552)	(411)	(22,935)	(384)	(1,765)
Net Other Financing Sources (Uses)	<u>(2,151)</u>	<u>(411)</u>	<u>(22,506)</u>	<u>(384)</u>	<u>(1,765)</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	5,662	489	344	558	358
Fund Balance at Beginning of Year, Restated	<u>12,239</u>	<u>1,962</u>	<u>1,000</u>	<u>1,260</u>	<u>301</u>
Fund Balance at End of Year	<u>\$ 17,901</u>	<u>\$ 2,451</u>	<u>\$ 1,344</u>	<u>\$ 1,818</u>	<u>\$ 659</u>

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**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN
FUND BALANCES
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Motor Vehicle</u>	<u>Revenue</u>	<u>Employer's Investment</u>	<u>Property Tax Reduction</u>	<u>Petroleum Release Compensation</u>
Revenue:					
Taxes	\$ 2,600	\$ 2,789	\$	\$	\$
Licenses, Permits and Fees	3,039	642	6,793		7,511
Fines, Forfeits and Penalties					
Use of Money and Property	208	201	997		870
Sales and Services	1,312	3,546	203		
Administering Programs					
Other Revenue	5	3	55		7
Total Revenue	<u>7,164</u>	<u>7,181</u>	<u>8,048</u>	<u>0</u>	<u>8,388</u>
Expenditures:					
Education and Research					
Economic Resources			6,681		
General Government	5,224	7,681			
Human Resources					
Natural Resources					
Protection of Domain	3,073				4,092
Transportation					
Total Expenditures	<u>8,297</u>	<u>7,681</u>	<u>6,681</u>	<u>0</u>	<u>4,092</u>
Excess of Revenue Over (Under)					
Expenditures	(1,133)	(500)	1,367	0	4,296
Other Financing Sources (Uses):					
Operating Transfers In	1,033		6	106,168	
Operating Transfers From Component Units					
Operating Transfers Out	(363)	(354)		(87,300)	(41)
Net Other Financing Sources (Uses)	<u>670</u>	<u>(354)</u>	<u>6</u>	<u>18,868</u>	<u>(41)</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(463)	(854)	1,373	18,868	4,255
Fund Balance at Beginning of Year, Restated	<u>1,709</u>	<u>1,071</u>	<u>16,772</u>	<u>48,294</u>	<u>11,781</u>
Fund Balance at End of Year	<u>\$ 1,246</u>	<u>\$ 217</u>	<u>\$ 18,145</u>	<u>\$ 67,162</u>	<u>\$ 16,036</u>

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**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN
FUND BALANCES
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	Maintenance and Repair	Water and Environment	Rural Rehabilitation	Energy Conservation	Other
Revenue:					
Taxes	\$	\$ 362	\$	\$	\$ 6,879
Licenses, Permits and Fees		6,463	71		21,749
Fines, Forfeits and Penalties		2			12,186
Use of Money and Property	347	884	580	444	8,251
Sales and Services	652		5		8,269
Administering Programs	210			71	17,790
Other Revenue	1		24		6,980
Total Revenue	<u>1,210</u>	<u>7,711</u>	<u>680</u>	<u>515</u>	<u>82,104</u>
Expenditures:					
Education and Research					2,101
Economic Resources				412	5,440
General Government	2,778				14,999
Human Resources					14,027
Natural Resources		5,159	610		25,282
Protection of Domain					11,290
Transportation					2,014
Total Expenditures	<u>2,778</u>	<u>5,159</u>	<u>610</u>	<u>412</u>	<u>75,153</u>
Excess of Revenue Over (Under)					
Expenditures	(1,568)	2,552	70	103	6,951
Other Financing Sources (Uses):					
Operating Transfers In		758			12,239
Operating Transfers From Component Units					41
Operating Transfers Out	(223)	(400)	(6)		(3,821)
Net Other Financing Sources (Uses)	<u>(223)</u>	<u>358</u>	<u>(6)</u>	<u>0</u>	<u>8,459</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
	(1,791)	2,910	64	103	15,410
Fund Balance at Beginning of Year, Restated	<u>6,946</u>	<u>23,453</u>	<u>10,304</u>	<u>7,773</u>	<u>66,464</u>
Fund Balance at End of Year	<u>\$ 5,155</u>	<u>\$ 26,363</u>	<u>\$ 10,368</u>	<u>\$ 7,876</u>	<u>\$ 81,874</u>

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN
FUND BALANCES
SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Total</u>
Revenue:	
Taxes	\$ 138,563
Licenses, Permits and Fees	157,725
Fines, Forfeits and Penalties	12,867
Use of Money and Property	20,635
Sales and Services	15,407
Administering Programs	800,226
Other Revenue	<u>11,505</u>
Total Revenue	<u>1,156,928</u>
Expenditures:	
Education and Research	93,691
Economic Resources	34,168
General Government	33,533
Human Resources	473,278
Natural Resources	62,753
Protection of Domain	54,883
Transportation	<u>367,801</u>
Total Expenditures	<u>1,120,107</u>
Excess of Revenue Over (Under) Expenditures	<u>36,821</u>
Other Financing Sources (Uses):	
Operating Transfers In	123,268
Operating Transfers From Component Units	41
Operating Transfers Out	<u>(127,835)</u>
Net Other Financing Sources (Uses)	<u>(4,526)</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>32,295</u>
Fund Balance at Beginning of Year, Restated	<u>331,065</u>
Fund Balance at End of Year	<u><u>\$ 363,360</u></u>

**STATE OF SOUTH DAKOTA
 COMBINING BALANCE SHEET
 DEBT SERVICE FUNDS
 June 30, 2000
 (Expressed in Thousands)**

<u>Assets</u>	<u>Building Authority</u>	<u>Vocational Education Facilities</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 80	\$ 2,024	\$ 2,104
Investments	96,454	2,493	98,947
Interest, Dividends & Penalties Receivable		62	62
Due From Other Funds	3,681	81	3,762
Due From Other Governments		40	40
Total Assets	<u>\$ 100,215</u>	<u>\$ 4,700</u>	<u>\$ 104,915</u>
 Liabilities and Fund Equity			
Liabilities:			
Accrued Liabilities	<u>\$ 3,095</u>	<u>\$ 658</u>	<u>\$ 3,753</u>
Total Liabilities	<u>3,095</u>	<u>658</u>	<u>3,753</u>
Fund Equity:			
Fund Balance:			
Reserved	<u>97,120</u>	<u>4,042</u>	<u>101,162</u>
Total Liabilities and Fund Equity	<u>\$ 100,215</u>	<u>\$ 4,700</u>	<u>\$ 104,915</u>

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Building Authority</u>	<u>Vocational Education Facilities</u>	<u>Total</u>
Revenue:			
Licenses, Permits and Fees	\$	\$ 1,327	\$ 1,327
Use of Money and Property		208	208
Other Revenue		249	249
Total Revenue	<u>0</u>	<u>1,784</u>	<u>1,784</u>
Expenditures:			
Current:			
Education and Research		39	39
Debt Service:			
Principal	11,523	810	12,333
Interest	9,302	1,831	11,133
Total Expenditures	<u>20,825</u>	<u>2,680</u>	<u>23,505</u>
Excess of Revenue Over (Under) Expenditures	(20,825)	(896)	(21,721)
Other Financing Sources (Uses):			
Operating Transfers In	13,249	1,713	14,962
Operating Transfers From Component Units	58		58
Net Other Financing Sources (Uses)	<u>13,307</u>	<u>1,713</u>	<u>15,020</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,518)	817	(6,701)
Fund Balance at Beginning of Year	<u>104,638</u>	<u>3,225</u>	<u>107,863</u>
Fund Balance at End of Year	<u>\$ 97,120</u>	<u>\$ 4,042</u>	<u>\$ 101,162</u>

**STATE OF SOUTH DAKOTA
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 June 30, 2000
 (Expressed in Thousands)**

	Building Authority	Vocational Education Facilities	Public Buildings	Total
Assets				
Cash and Cash Equivalents	\$ 984	\$ 4,609	\$	\$ 5,593
Investments			696	696
Securities Lending Collateral	377			377
Interest, Dividends & Penalties Receivable		27	9	36
Due From Other Funds	44			44
Total Assets	\$ 1,405	\$ 4,636	\$ 705	\$ 6,746
Liabilities and Fund Equity				
Liabilities:				
Accounts Payable	\$ 152	\$	\$	\$ 152
Due To Other Funds	38			38
Securities Lending Collateral Liability	377			377
Total Liabilities	567	0	0	567
Fund Equity:				
Fund Balance:				
Unreserved:				
Undesignated	838	4,636	705	6,179
Total Fund Equity	838	4,636	705	6,179
Total Liabilities and Fund Equity	\$ 1,405	\$ 4,636	\$ 705	\$ 6,746

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	Building Authority	Vocational Education Facilities	Public Buildings	Total
Revenue:				
Use of Money and Property	\$ 54	\$ 325	\$ 68	\$ 447
Total Revenue	<u>54</u>	<u>325</u>	<u>68</u>	<u>447</u>
Expenditures:				
Current:				
Education and Research		404		404
General Government	266			266
Capital Outlay		2,694		2,694
Total Expenditures	<u>266</u>	<u>3,098</u>	<u>0</u>	<u>3,364</u>
Excess of Revenue Over (Under) Expenditures	(212)	(2,773)	68	(2,917)
Other Financing Sources (Uses):				
Bond Proceeds		7,067		7,067
Operating Transfers Out	(41)	(810)		(851)
Net Other Financing Sources (Uses)	<u>(41)</u>	<u>6,257</u>	<u>0</u>	<u>6,216</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(253)	3,484	68	3,299
Fund Balance at Beginning of Year	<u>1,091</u>	<u>1,152</u>	<u>637</u>	<u>2,880</u>
Fund Balance at End of Year	<u>\$ 838</u>	<u>\$ 4,636</u>	<u>\$ 705</u>	<u>\$ 6,179</u>

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
June 30, 2000
(Expressed in Thousands)**

<u>Assets</u>	<u>Lottery</u>	<u>Revolving Economic Development & Initiative</u>	<u>Water Pollution Control Revolving</u>	<u>Drinking Water Revolving</u>	<u>Other</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 7,032	\$ 38,372	\$ 2,134	\$ 226	\$ 2,670	\$ 50,434
Investments			39,895	4,620		44,515
Securities Lending Collateral	1,465	8,710			580	10,755
Accounts Receivable	4,484				234	4,718
Interest, Dividends & Penalties Receivable		36	1,336	343		1,715
Loans and Notes Receivable (Net)		25,916	59,914	15,870		101,700
Due From Other Funds	566	2,428			557	3,551
Due From Component Units		585			61	646
Due From Other Governments			169	219		388
Inventory					1,492	1,492
Deferred Fiscal Charges and Other Assets	11		514	270	29	824
Property, Plant and Equipment (Net)	6				1,225	1,231
Total Assets	\$ 13,564	\$ 76,047	\$ 103,962	\$ 21,548	\$ 6,848	\$ 221,969
Liabilities and Fund Equity						
Liabilities:						
Accounts Payable	\$ 908	\$ 11	\$ 14	\$ 30	\$ 472	\$ 1,435
Accrued Liabilities	79	15	416	133	46	689
Compensated Absences Payable	176	32	25	26	189	448
Due To Other Funds	4,415	3	3	5	59	4,485
Deferred Revenue	133				43	176
Escrow Payable	29					29
Securities Lending Collateral Liability	1,465	8,710			580	10,755
Bonds and Notes Payable (Net)			17,224	6,450		23,674
Capital Lease Obligations					16	16
Other Liabilities	644					644
Total Liabilities	7,849	8,771	17,682	6,644	1,405	42,351
Fund Equity:						
Contributions		40,450	1,200	1,424	557	43,631
Retained Earnings:						
Reserved		3,161	2,052	560		5,773
Unreserved	5,715	23,665	83,028	12,920	4,886	130,214
Total Fund Equity	5,715	67,276	86,280	14,904	5,443	179,618
Total Liabilities and Fund Equity	\$ 13,564	\$ 76,047	\$ 103,962	\$ 21,548	\$ 6,848	\$ 221,969

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Lottery</u>	<u>Revolving Economic Development & Initiative</u>	<u>Water Pollution Control Revolving</u>	<u>Drinking Water Revolving</u>	<u>Other</u>	<u>Total</u>
Operating Revenue:						
Licenses, Permits and Fees	\$ 1,140	\$	\$ 4,179	\$ 813	\$ 47	\$ 1,140
Use of Money and Property		1,112	4,179	813	47	6,151
Sales and Services	120,561		618	143	7,888	129,210
Administering Programs			9,480	4,657		14,137
Other Revenue					5	5
Total Operating Revenue	<u>121,701</u>	<u>1,112</u>	<u>14,277</u>	<u>5,613</u>	<u>7,940</u>	<u>150,643</u>
Operating Expenses:						
Personal Services and Benefits	1,235	249	146	115	1,051	2,796
Travel	116	17	8	6	45	192
Contractual Services	5,833	136	96	121	1,570	7,756
Supplies and Materials	782	8	6	6	4,902	5,704
Other		55			4	59
Interest			1,078	304	4	1,386
Bad Debts		250				250
Depreciation/Amortization	13		36	15	153	217
Lottery Prizes	13,133					13,133
Total Operating Expenses	<u>21,112</u>	<u>715</u>	<u>1,370</u>	<u>567</u>	<u>7,729</u>	<u>31,493</u>
Operating Income (Loss)	<u>100,589</u>	<u>397</u>	<u>12,907</u>	<u>5,046</u>	<u>211</u>	<u>119,150</u>
Nonoperating Revenue (Expenses):						
Loss on Disposal of Assets	(1)				(161)	(162)
Interest Income	529	2,268			126	2,923
Other Expense	(124)	(401)			(22)	(547)
Grant and Other Income	27	216				243
Total Nonoperating Revenue (Expenses)	<u>431</u>	<u>2,083</u>	<u>0</u>	<u>0</u>	<u>(57)</u>	<u>2,457</u>
Net Income (Loss) Before Operating Transfers	101,020	2,480	12,907	5,046	154	121,607
Operating Transfers:						
Operating Transfers In					139	139
Operating Transfers Out	(101,022)		(22)	(17)	(78)	(101,139)
Net Operating Transfers	<u>(101,022)</u>	<u>0</u>	<u>(22)</u>	<u>(17)</u>	<u>61</u>	<u>(101,000)</u>
Net Income (Loss)	(2)	2,480	12,885	5,029	215	20,607
Retained Earnings At Beginning of Year, restated	5,717	24,346	72,195	8,451	4,644	115,353
Decrease in Contributed Capital					27	27
Retained Earnings at End of Year	<u>\$ 5,715</u>	<u>\$ 26,826</u>	<u>\$ 85,080</u>	<u>\$ 13,480</u>	<u>\$ 4,886</u>	<u>\$ 135,987</u>

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Lottery</u>	<u>Revolving Economic Development & Initiative</u>	<u>Water Pollution Control Revolving</u>	<u>Drinking Water Revolving</u>	<u>Other</u>	<u>Totals</u>
Cash Flows from Operating Activities:						
Operating Income (Loss)	\$ 100,589	\$ 397	\$ 12,907	\$ 5,046	\$ 211	\$ 119,150
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation/Amortization Expense	13		36	15	153	217
Bad Debt Expense		250				250
Unamortized Charges Expensed			95			95
Investment Income			(2,424)	(223)		(2,647)
Interest Expense			1,078	304	4	1,386
Miscellaneous Nonoperating Items	(3)	216				213
Decrease/(Increase) in Assets:						
Accounts Receivable	(152)				(2)	(154)
Interest, Dividends & Penalties Receivable		19	(122)	(161)		(264)
Loans and Notes Receivable		(863)	(6,292)	(6,982)		(14,137)
Due From Other Funds		(12)			(46)	(58)
Due From Component Units		2,095			(26)	2,069
Due From Other Governments			(74)	(81)		(155)
Inventory					70	70
Deferred Fiscal Charges and Other Assets					(8)	(8)
Increase/(Decrease) in Liabilities:						
Accounts Payable	(359)	4	(30)	10	61	(314)
Accrued Liabilities	20	3	2	1	7	33
Compensated Absences Payable	4	7		6	20	37
Due To Other Funds	530	(4)	3	5	11	545
Deferred Revenue	30				(289)	(259)
Escrow Payable	(13)					(13)
Other Liabilities	(28)					(28)
Total Adjustments	<u>42</u>	<u>1,715</u>	<u>(7,728)</u>	<u>(7,106)</u>	<u>(45)</u>	<u>(13,122)</u>
Net Cash Provided (Used) by Operating Activities	<u>100,631</u>	<u>2,112</u>	<u>5,179</u>	<u>(2,060)</u>	<u>166</u>	<u>106,028</u>
Cash Flows From Capital and Related Financing Activities:						
Purchases of Capital Assets					(48)	(48)
Payments on Capital Lease Obligations					(65)	(65)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(113)</u>	<u>(113)</u>
Cash Flows From Noncapital Financing Activities:						
Operating Transfers In					139	139
Operating Transfers Out	(101,022)		(22)	(17)	(78)	(101,139)
Payments on Bonds and Notes			(820)			(820)
Interest Payments on Bonds and Notes			(1,094)	(304)		(1,398)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(101,022)</u>	<u>0</u>	<u>(1,936)</u>	<u>(321)</u>	<u>61</u>	<u>(103,218)</u>
Cash Flows From Investing Activities:						
Investment Income	621	2,486	2,298	304	136	5,845
Purchase of Investment Securities			(8,371)	(981)		(9,352)
Proceeds From Sales and Maturities of Investment Securities			3,344	2,973		6,317
Security Lending Rebate Fees	(94)	(401)			(22)	(517)
Net Cash Provided (Used) by Investing Activities	<u>527</u>	<u>2,085</u>	<u>(2,729)</u>	<u>2,296</u>	<u>114</u>	<u>2,293</u>
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	136	4,197	514	(85)	228	4,990
Cash and Cash Equivalents at Beginning of Year	<u>6,896</u>	<u>34,175</u>	<u>1,620</u>	<u>311</u>	<u>2,442</u>	<u>45,444</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,032</u>	<u>\$ 38,372</u>	<u>\$ 2,134</u>	<u>\$ 226</u>	<u>\$ 2,670</u>	<u>\$ 50,434</u>
Noncash Investing, Capital and Financing Activities:						
Loss/(Gain) on Disposal of Fixed Assets	1				3	4
Write-off of Assets for Change in Capitalization Policy	40				114	154

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
June 30, 2000
(Expressed in Thousands)**

	Self- Insurance	Information Services	Tele- Communi- cations	Accounting and Payroll	Buildings and Grounds	Central Mail
Assets						
Cash and Cash Equivalents	\$ 14,586	\$ 2,119	\$ 1,953	\$ 1,671	\$ 367	\$ 354
Securities Lending Collateral	888	484	443	381	84	80
Accounts Receivable		5	94	4	3	2
Due From Other Funds	1,035	1,401	1,072	949	872	319
Due From Component Units		26	275	46		1
Due From Other Governments						
Inventory		27	703		61	370
Advances To Other Funds		496				
Deferred Fiscal Charges and Other Assets	467	309	98	142	7	26
Property, Plant and Equipment (Net)	7	954	1,620	2,959	463	131
Total Assets	\$ 16,983	\$ 5,821	\$ 6,258	\$ 6,152	\$ 1,857	\$ 1,283
Liabilities and Fund Equity						
Liabilities:						
Accounts Payable	\$ 446	\$ 301	\$ 942	\$ 65	\$ 79	\$ 7
Accrued Liabilities	13	456	217	27	124	16
Compensated Absences Payable	42	1,434	555	120	255	43
Due To Other Funds	21	138	181	134	35	6
Due To Component Units						
Deferred Revenue	3,325					
Advances From Other Funds						
Policy Claims Liabilities	6,519					
Securities Lending Collateral Liability	888	484	443	381	84	80
Bonds and Notes Payable (Net)					207	
Capital Lease Obligations			580			
Total Liabilities	11,254	2,813	2,918	727	784	152
Fund Equity:						
Contributions	520	2,876	2,577	13	456	682
Retained Earnings:						
Unreserved	5,209	132	763	5,412	617	449
Total Fund Equity	5,729	3,008	3,340	5,425	1,073	1,131
Total Liabilities and Fund Equity	\$ 16,983	\$ 5,821	\$ 6,258	\$ 6,152	\$ 1,857	\$ 1,283

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
June 30, 2000
(Expressed in Thousands)**

Assets	Rural Development Telecommunica- tions Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation
Cash and Cash Equivalents	\$ 375	\$ 12,307	\$ 932	\$ 171	\$ 3,881
Securities Lending Collateral	86	2,814	214	39	3,339
Accounts Receivable	26		20	5	
Due From Other Funds	30	795	1,177	428	269
Due From Component Units	23		236	1	
Due From Other Governments					
Inventory					
Advances To Other Funds					
Deferred Fiscal Charges and Other Assets		320			
Property, Plant and Equipment (Net)	113	6	11,923	18	
Total Assets	\$ 653	\$ 16,242	\$ 14,502	\$ 662	\$ 7,489
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable	\$ 4	\$ 25	\$ 486	\$ 37	\$ 15
Accrued Liabilities	10	8	21	136	6
Compensated Absences Payable	24	25	25	405	13
Due To Other Funds	19	6	268	61	3
Due To Component Units			64		
Deferred Revenue			1		
Advances From Other Funds	496				
Policy Claims Liabilities		5,949			12,519
Securities Lending Collateral Liability	86	2,814	214	39	3,339
Bonds and Notes Payable (Net)					
Capital Lease Obligations			6,235		
Total Liabilities	639	8,827	7,314	678	15,895
Fund Equity:					
Contributions	4,025		5,033	107	
Retained Earnings:					
Unreserved	(4,011)	7,415	2,155	(123)	(8,406)
Total Fund Equity	14	7,415	7,188	(16)	(8,406)
Total Liabilities and Fund Equity	\$ 653	\$ 16,242	\$ 14,502	\$ 662	\$ 7,489

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
June 30, 2000
(Expressed in Thousands)**

Assets	Investment Council	Other	Total
Cash and Cash Equivalents	\$ 433	\$ 2,954	\$ 42,103
Securities Lending Collateral	98	675	9,625
Accounts Receivable		222	381
Due From Other Funds		899	9,246
Due From Component Units		84	692
Due From Other Governments		69	69
Inventory		370	1,531
Advances To Other Funds			496
Deferred Fiscal Charges and Other Assets	19	18	1,406
Property, Plant and Equipment (Net)	10	1,341	19,545
Total Assets	\$ 560	\$ 6,632	\$ 85,094
Liabilities and Fund Equity			
Liabilities:			
Accounts Payable	\$ 62	\$ 350	\$ 2,819
Accrued Liabilities	97	231	1,362
Compensated Absences Payable	340	696	3,977
Due To Other Funds	6	417	1,295
Due To Component Units			64
Deferred Revenue		44	3,370
Advances From Other Funds			496
Policy Claims Liabilities			24,987
Securities Lending Collateral Liability	98	675	9,625
Bonds and Notes Payable (Net)			207
Capital Lease Obligations		795	7,610
Total Liabilities	603	3,208	55,812
Fund Equity:			
Contributions		1,685	17,974
Retained Earnings:			
Unreserved	(43)	1,739	11,308
Total Fund Equity	(43)	3,424	29,282
Total Liabilities and Fund Equity	\$ 560	\$ 6,632	\$ 85,094

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN
RETAINED EARNINGS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Self- Insurance</u>	<u>Information Services</u>	<u>Tele- Communi- cations</u>	<u>Accounting and Payroll</u>	<u>Buildings and Grounds</u>	<u>Central Mail</u>
Operating Revenue:						
Use of Money and Property	\$	\$	\$	\$	\$ 17	\$
Sales and Services	48,764	13,945	13,868	3,335	3,375	3,317
Other Revenue					38	
Total Operating Revenue:	<u>48,764</u>	<u>13,945</u>	<u>13,868</u>	<u>3,335</u>	<u>3,430</u>	<u>3,317</u>
Operating Expenses:						
Personal Services and Benefits	242	7,578	3,885	428	2,106	283
Travel	12	78	111	7	4	1
Contractual Services	3,842	4,398	7,837	1,796	902	152
Supplies and Materials	67	648	1,619	87	423	2,836
Interest			39		15	
Depreciation/Amortization	1	774	755	1,104	67	36
Insurance Claims	47,731					
Total Operating Expenses	<u>51,895</u>	<u>13,476</u>	<u>14,246</u>	<u>3,422</u>	<u>3,517</u>	<u>3,308</u>
Operating Income (Loss)	<u>(3,131)</u>	<u>469</u>	<u>(378)</u>	<u>(87)</u>	<u>(87)</u>	<u>9</u>
Nonoperating Revenue (Expenses):						
Gain on Disposal of Assets		13				31
Loss on Disposal of Assets			(44)	(70)		
Interest Income	969	121	27	63	21	7
Other Expense	(172)	(20)	(5)	(11)	(4)	(1)
Total Nonoperating Revenue (Expenses)	<u>797</u>	<u>114</u>	<u>(22)</u>	<u>(18)</u>	<u>17</u>	<u>37</u>
Net Income (Loss) Before Operating Transfers	(2,334)	583	(400)	(105)	(70)	46
Operating Transfers:						
Operating Transfers In		217	143	962		124
Operating Transfers Out						
Net Operating Transfers	<u>0</u>	<u>217</u>	<u>143</u>	<u>962</u>	<u>0</u>	<u>124</u>
Net Income (Loss)	<u>(2,334)</u>	<u>800</u>	<u>(257)</u>	<u>857</u>	<u>(70)</u>	<u>170</u>
Retained Earnings At Beginning of Year, restated	7,543	335	1,020	4,555	687	279
Residual Equity Transfers Out		(1,003)				
Retained Earnings at End of Year	<u>\$ 5,209</u>	<u>\$ 132</u>	<u>\$ 763</u>	<u>\$ 5,412</u>	<u>\$ 617</u>	<u>\$ 449</u>

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN
RETAINED EARNINGS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Rural Development Telecommunica- tions Network</u>	<u>Public Entity Pool for Liability</u>	<u>Fleet and Travel Management</u>	<u>Personnel</u>	<u>Workers Compensation</u>
Operating Revenue:					
Use of Money and Property	\$	\$	\$	\$	\$
Sales and Services	490	2,027	9,598	3,194	2,963
Other Revenue		117			
Total Operating Revenue:	<u>490</u>	<u>2,144</u>	<u>9,598</u>	<u>3,194</u>	<u>2,963</u>
Operating Expenses:					
Personal Services and Benefits	177	131	323	2,260	108
Travel	6	16	10	73	2
Contractual Services	250	1,335	2,123	673	208
Supplies and Materials	6	70	4,017	246	9
Interest			245		
Depreciation/Amortization	77	7	2,878	6	
Insurance Claims		277			3,826
Total Operating Expenses	<u>516</u>	<u>1,836</u>	<u>9,596</u>	<u>3,258</u>	<u>4,153</u>
Operating Income (Loss)	<u>(26)</u>	<u>308</u>	<u>2</u>	<u>(64)</u>	<u>(1,190)</u>
Nonoperating Revenue (Expenses):					
Gain on Disposal of Assets					
Loss on Disposal of Assets			(209)		
Interest Income	18	735	78	8	255
Other Expense	(3)	(129)	(14)	(1)	(45)
Total Nonoperating Revenue (Expenses)	<u>15</u>	<u>606</u>	<u>(145)</u>	<u>7</u>	<u>210</u>
Net Income (Loss) Before Operating Transfers	(11)	914	(143)	(57)	(980)
Operating Transfers:					
Operating Transfers In	44		83	139	
Operating Transfers Out					
Net Operating Transfers	<u>44</u>	<u>0</u>	<u>83</u>	<u>139</u>	<u>0</u>
Net Income (Loss)	33	914	(60)	82	(980)
Retained Earnings At Beginning of Year, restated	(4,044)	6,501	2,215	(205)	(7,426)
Residual Equity Transfers Out					
Retained Earnings at End of Year	<u>\$ (4,011)</u>	<u>\$ 7,415</u>	<u>\$ 2,155</u>	<u>\$ (123)</u>	<u>\$ (8,406)</u>

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES
EXPENSES, AND CHANGES IN
RETAINED EARNINGS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Investment Council</u>	<u>Other</u>	<u>Total</u>
Operating Revenue:			
Use of Money and Property	\$	\$	\$ 17
Sales and Services	2,826	9,951	117,653
Other Revenue		65	220
Total Operating Revenue:	<u>2,826</u>	<u>10,016</u>	<u>117,890</u>
Operating Expenses:			
Personal Services and Benefits	1,979	4,032	23,532
Travel	46	180	546
Contractual Services	806	2,314	26,636
Supplies and Materials	57	3,180	13,265
Interest		64	363
Depreciation/Amortization	3	395	6,103
Insurance Claims		189	52,023
Total Operating Expenses	<u>2,891</u>	<u>10,354</u>	<u>122,468</u>
Operating Income (Loss)	<u>(65)</u>	<u>(338)</u>	<u>(4,578)</u>
Nonoperating Revenue (Expenses):			
Gain on Disposal of Assets			44
Loss on Disposal of Assets	(2)	(3)	(328)
Interest Income		179	2,481
Other Expense		(31)	(436)
Total Nonoperating Revenue (Expenses)	<u>(2)</u>	<u>145</u>	<u>1,761</u>
Net Income (Loss) Before Operating Transfers	(67)	(193)	(2,817)
Operating Transfers:			
Operating Transfers In		252	1,964
Operating Transfers Out		(266)	(266)
Net Operating Transfers	<u>0</u>	<u>(14)</u>	<u>1,698</u>
Net Income (Loss)	<u>(67)</u>	<u>(207)</u>	<u>(1,119)</u>
Retained Earnings At Beginning of Year, restated	24	1,946	13,430
Residual Equity Transfers Out			(1,003)
Retained Earnings at End of Year	<u>\$ (43)</u>	<u>\$ 1,739</u>	<u>\$ 11,308</u>

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Self- Insurance</u>	<u>Information Services</u>	<u>Tele- communi- cations</u>	<u>Accounting and Payroll</u>	<u>Buildings and Grounds</u>	<u>Central Mail</u>
Cash Flows from Operating Activities:						
Operating Income (Loss)	\$ (3,131)	\$ 469	\$ (378)	\$ (87)	\$ (87)	\$ 9
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation/Amortization Expense	1	774	755	1,104	67	36
Interest Expense			39		15	
Miscellaneous Nonoperating Items						
Decrease/(Increase) in Assets:						
Accounts Receivable		9	(26)		1	2
Due From Other Funds		263	22	(130)	(35)	59
Due From Component Units		5	107	(17)		
Due From Other Governments						
Inventory		(4)	(87)		8	(181)
Deferred Fiscal Charges and Other Assets	(18)	(19)	167	(37)	(2)	(20)
Increase/(Decrease) in Liabilities:						
Accounts Payable	202	(23)	155	36	(7)	2
Accrued Liabilities	2	78	27	7	26	4
Compensated Absences Payable	6	(27)	51	24	27	4
Due To Other Funds	(14)	(37)	(149)	9	4	(2)
Due To Component Units						
Deferred Revenue	296	(2)	(1)			
Policy Claim Liabilities	314					
Total Adjustments	<u>789</u>	<u>1,017</u>	<u>1,060</u>	<u>996</u>	<u>104</u>	<u>(96)</u>
Net Cash Provided (Used) by Operating Activities	<u>(2,342)</u>	<u>1,486</u>	<u>682</u>	<u>909</u>	<u>17</u>	<u>(87)</u>
Cash Flows From Capital and Related Financing Activities:						
Purchases of Capital Assets		(677)	(560)	(106)		(65)
Sales of Capital Assets		38				31
Payments on Notes					(90)	
Payments on Capital Lease Obligations			(235)			
Capital Contributed			36			
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>0</u>	<u>(639)</u>	<u>(759)</u>	<u>(106)</u>	<u>(90)</u>	<u>(34)</u>
Cash Flows From Noncapital Financing Activities:						
Operating Transfers In		217	143	224		124
Operating Transfers Out						
Residual Equity Transfers In			1,000			
Residual Equity Transfers Out		(1,000)				
Net Cash Provided(Used) From Noncapital Financing Activities	<u>0</u>	<u>(783)</u>	<u>1,143</u>	<u>224</u>	<u>0</u>	<u>124</u>
Cash Flows From Investing Activities						
Investment Income (Expense)	1,120	64	27	32	21	(4)
Security Lending Rebate Fees	(172)	(20)	(5)	(11)	(4)	(1)
Net Cash Provided (Used) by Investing Activities	<u>948</u>	<u>44</u>	<u>22</u>	<u>21</u>	<u>17</u>	<u>(5)</u>
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	(1,394)	108	1,088	1,048	(56)	(2)
Cash and Cash Equivalents at Beginning of Year	15,980	2,011	865	623	423	356
Cash and Cash Equivalents at End of Year	<u>\$ 14,586</u>	<u>\$ 2,119</u>	<u>\$ 1,953</u>	<u>\$ 1,671</u>	<u>\$ 367</u>	<u>\$ 354</u>
Noncash Investing, Capital and Financing Activities:						
Loss/(Gain) on Disposal of Fixed Assets		(13)	44	70		(31)
Donation of Fixed Assets		1		738		
Capital Lease Obligations Entered Into						
Residual Equity Transfers (In)/Out		3				
Write-off of Assets for Change in Capitalization Policy	2	211	631	7	59	1

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Rural Development Telecommunica- tions Network</u>	<u>Public Entity Pool for Liability</u>	<u>Fleet and Travel Management</u>	<u>Personnel</u>	<u>Workers Compensation</u>
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ (26)	\$ 308	\$ 2	\$ (64)	\$ (1,190)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation/Amortization Expense	77	7	2,878	6	
Interest Expense			245		
Miscellaneous Nonoperating Items					(6)
Decrease/(Increase) in Assets:					
Accounts Receivable	20		(7)		
Due From Other Funds	16	(19)	308	(94)	
Due From Component Units	13		(92)		
Due From Other Governments					
Inventory					
Deferred Fiscal Charges and Other Assets		359			
Increase/(Decrease) in Liabilities:					
Accounts Payable	(17)	14	104	(19)	2
Accrued Liabilities	2	2	10	22	1
Compensated Absences Payable	(1)	3	7	(6)	1
Due To Other Funds	(30)	3	44	12	(2)
Due To Component Units			51	(1)	
Deferred Revenue			1		
Policy Claim Liabilities		(349)			921
Total Adjustments	<u>80</u>	<u>20</u>	<u>3,549</u>	<u>(80)</u>	<u>917</u>
Net Cash Provided (Used) by Operating Activities	<u>54</u>	<u>328</u>	<u>3,551</u>	<u>(144)</u>	<u>(273)</u>
Cash Flows From Capital and Related Financing Activities:					
Purchases of Capital Assets			(2,120)		
Sales of Capital Assets			418		
Payments on Notes					
Payments on Capital Lease Obligations			(2,169)		
Capital Contributed					
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>0</u>	<u>0</u>	<u>(3,871)</u>	<u>0</u>	<u>0</u>
Cash Flows From Noncapital Financing Activities:					
Operating Transfers In	44		83	139	
Operating Transfers Out					
Residual Equity Transfers In					
Residual Equity Transfers Out					
Net Cash Provided(Used) From Noncapital Financing Activities	<u>44</u>	<u>0</u>	<u>83</u>	<u>139</u>	<u>0</u>
Cash Flows From Investing Activities					
Investment Income (Expense)	14	717	68	13	234
Security Lending Rebate Fees	(3)	(129)	(14)	(1)	(45)
Net Cash Provided (Used) by Investing Activities	<u>11</u>	<u>588</u>	<u>54</u>	<u>12</u>	<u>189</u>
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	109	916	(183)	7	(84)
Cash and Cash Equivalents at Beginning of Year	266	11,391	1,115	164	3,965
Cash and Cash Equivalents at End of Year	<u>\$ 375</u>	<u>\$ 12,307</u>	<u>\$ 932</u>	<u>\$ 171</u>	<u>\$ 3,881</u>
Noncash Investing, Capital and Financing Activities:					
Loss/(Gain) on Disposal of Fixed Assets			209		
Donation of Fixed Assets			35		
Capital Lease Obligations Entered Into			3,752		
Residual Equity Transfers (In)/Out					
Write-off of Assets for Change in Capitalization					
Policy	50	10	225	167	1

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Investment Council</u>	<u>Other</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ (65)	\$ (338)	\$ (4,578)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation/Amortization Expense	3	395	6,103
Interest Expense		64	363
Miscellaneous Nonoperating Items			(6)
Decrease/(Increase) in Assets:			
Accounts Receivable		(25)	(26)
Due From Other Funds		123	513
Due From Component Units		2	18
Due From Other Governments		13	13
Inventory		(71)	(335)
Deferred Fiscal Charges and Other Assets	(10)	17	437
Increase/(Decrease) in Liabilities:			
Accounts Payable	32	215	696
Accrued Liabilities	27	32	240
Compensated Absences Payable	19	14	122
Due To Other Funds	(2)	(32)	(196)
Due To Component Units			50
Deferred Revenue	(49)	(6)	239
Policy Claim Liabilities			886
Total Adjustments	<u>20</u>	<u>741</u>	<u>9,117</u>
Net Cash Provided (Used) by Operating Activities	<u>(45)</u>	<u>403</u>	<u>4,539</u>
Cash Flows From Capital and Related Financing Activities:			
Purchases of Capital Assets		(99)	(3,627)
Sales of Capital Assets		16	503
Payments on Notes			(90)
Payments on Capital Lease Obligations		(260)	(2,664)
Capital Contributed			36
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>0</u>	<u>(343)</u>	<u>(5,842)</u>
Cash Flows From Noncapital Financing Activities:			
Operating Transfers In		252	1,226
Operating Transfers Out		(266)	(266)
Residual Equity Transfers In			1,000
Residual Equity Transfers Out			(1,000)
Net Cash Provided(Used) From Noncapital Financing Activities	<u>0</u>	<u>(14)</u>	<u>960</u>
Cash Flows From Investing Activities			
Investment Income (Expense)		184	2,490
Security Lending Rebate Fees		(31)	(436)
Net Cash Provided (Used) by Investing Activities	<u>0</u>	<u>153</u>	<u>2,054</u>
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	(45)	199	1,711
Cash and Cash Equivalents at Beginning of Year	478	2,755	40,392
Cash and Cash Equivalents at End of Year	<u>\$ 433</u>	<u>\$ 2,954</u>	<u>\$ 42,103</u>
Noncash Investing, Capital and Financing Activities:			
Loss/(Gain) on Disposal of Fixed Assets		3	282
Donation of Fixed Assets			774
Capital Lease Obligations Entered Into		498	4,250
Residual Equity Transfers (In)/Out			3
Write-off of Assets for Change in Capitalization Policy			
	82	84	1,530

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS
June 30, 2000
(Expressed in Thousands)**

<u>Assets</u>	<u>Expendable Trust</u>	<u>Nonexpendable Trust</u>	<u>Pension Trust</u>	<u>Agency</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 57,589	\$ 50,962	\$ 28,915	\$ 95,931	\$ 233,397
Investments	66,631	118,035	5,319,888		5,504,554
Securities Lending Collateral	1,495	8,201	370,132	21,285	401,113
Accounts Receivable	898		144,101	150	145,149
Taxes Receivable (Net)				92,687	92,687
Interest, Dividends, & Penalties Receivable	4	1,618		9,301	10,923
Loans and Notes Receivable (Net)		290			290
Due From Other Funds	613	1,359	683	7,099	9,754
Due From Component Units				24	24
Due From Other Governments	132			6,812	6,944
Advances To Other Funds	1,734	585			2,319
Deferred Fiscal Charges and Other Assets	474		16		490
Property, Plant and Equipment (Net)		9,005	38		9,043
Total Assets	\$ 129,570	\$ 190,055	\$ 5,863,773	\$ 233,289	\$ 6,416,687
<u>Liabilities and Fund Equity</u>					
Liabilities:					
Accounts Payable	\$ 423	\$ 21	\$ 337,049	\$ 425	\$ 337,918
Accrued Liabilities	1,754		66	1,351	3,171
Compensated Absences Payable			201		201
Due To Other Funds	138	28	30	136,013	136,209
Due To Component Units				6,801	6,801
Due To Other Governments	13			59,774	59,787
Escrow Payable				90	90
Amounts Held in Custody for Others				7,550	7,550
Advances From Other Funds	48				48
Policy Claim Liabilities	108				108
Securities Lending Collateral Liability	1,495	8,201	370,132	21,285	401,113
Total Liabilities	3,979	8,250	707,478	233,289	952,996
Fund Equity:					
Fund Balance:					
Reserved	125,591	181,805	5,156,295		5,463,691
Total Fund Equity	125,591	181,805	5,156,295	0	5,463,691
Total Liabilities and Fund Equity	\$ 129,570	\$ 190,055	\$ 5,863,773	\$ 233,289	\$ 6,416,687

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
June 30, 2000
(Expressed in Thousands)**

Assets	Unemployment Insurance	Deferred Compensation	Vocational Education Facilities	Second Injury
Cash and Cash Equivalents	\$ 49,409	\$ 333	\$ 1,484	\$ 1,839
Investments		66,332		
Securities Lending Collateral			340	419
Accounts Receivable	540	84		
Interest, Dividends, & Penalties Receivable				
Due From Other Funds	36	11	102	84
Due From Other Governments	132			
Advances To Other Funds				
Deferred Fiscal Charges and Other Assets				
Total Assets	\$ 50,117	\$ 66,760	\$ 1,926	\$ 2,342
Liabilities and Fund Equity				
Liabilities:				
Accounts Payable	\$	\$ 347	\$	\$
Accrued Liabilities				2
Due To Other Funds	21		81	
Due To Other Governments				
Advances From Other Funds				
Policy Claim Liabilities				108
Securities Lending Collateral Liability			340	419
Total Liabilities	21	347	421	529
Fund Equity:				
Fund Balance:				
Reserved	50,096	66,413	1,505	1,813
Total Fund Equity	50,096	66,413	1,505	1,813
Total Liabilities and Fund Equity	\$ 50,117	\$ 66,760	\$ 1,926	\$ 2,342

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
June 30, 2000
(Expressed in Thousands)**

Assets	Corrections Trust	Childs Own	Unclaimed Property	Other
Cash and Cash Equivalents	\$ 818	\$ 192	\$ 50	\$ 3,464
Investments				299
Securities Lending Collateral	24	35	11	666
Accounts Receivable		149	125	
Interest, Dividends, & Penalties Receivable				4
Due From Other Funds	184	10		186
Due From Other Governments				
Advances To Other Funds			1,734	
Deferred Fiscal Charges and Other Assets				474
Total Assets	\$ 1,026	\$ 386	\$ 1,920	\$ 5,093
Liabilities and Fund Equity				
Liabilities:				
Accounts Payable	\$ 23	\$ 28	\$ 20	\$ 5
Accrued Liabilities			1,745	7
Due To Other Funds	19		2	15
Due To Other Governments	10			3
Advances From Other Funds				48
Policy Claim Liabilities				
Securities Lending Collateral Liability	24	35	11	666
Total Liabilities	76	63	1,778	744
Fund Equity:				
Fund Balance:				
Reserved	950	323	142	4,349
Total Fund Equity	950	323	142	4,349
Total Liabilities and Fund Equity	\$ 1,026	\$ 386	\$ 1,920	\$ 5,093

**STATE OF SOUTH DAKOTA
 COMBINING BALANCE SHEET
 EXPENDABLE TRUST FUNDS
 June 30, 2000
 (Expressed in Thousands)**

<u>Assets</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 57,589
Investments	66,631
Securities Lending Collateral	1,495
Accounts Receivable	898
Interest, Dividends, & Penalties Receivable	4
Due From Other Funds	613
Due From Other Governments	132
Advances To Other Funds	1,734
Deferred Fiscal Charges and Other Assets	474
Total Assets	\$ 129,570
<u>Liabilities and Fund Equity</u>	
Liabilities:	
Accounts Payable	\$ 423
Accrued Liabilities	1,754
Due To Other Funds	138
Due To Other Governments	13
Advances From Other Funds	48
Policy Claim Liabilities	108
Securities Lending Collateral Liability	1,495
Total Liabilities	3,979
Fund Equity:	
Fund Balance:	
Reserved	125,591
Total Fund Equity	125,591
Total Liabilities and Fund Equity	\$ 129,570

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Unemployment Insurance</u>	<u>Deferred Compensation</u>	<u>Vocational Education Facilities</u>	<u>Second Injury</u>
Revenue:				
Taxes	\$ 13,395	\$	\$	\$ 2,317
Licenses, Permits and Fees				
Use of Money and Property	3,375	841	96	78
Sales and Services				
Administering Programs				
Deferred Compensation		5,759		
Other Revenue				
Total Revenue	<u>16,770</u>	<u>6,600</u>	<u>96</u>	<u>2,395</u>
Expenditures:				
Education and Research			17	
General Government				
Human Resources	14,241	2,121		
Natural Resources				
Protection of Domain				883
Total Expenditures	<u>14,241</u>	<u>2,121</u>	<u>17</u>	<u>883</u>
Excess of Revenue Over (Under) Expenditures	2,529	4,479	79	1,512
Other Financing Sources (Uses):				
Operating Transfers In				
Operating Transfers Out	(175)		(79)	
Net Other Financing Sources (Uses)	<u>(175)</u>	<u>0</u>	<u>(79)</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,354	4,479	0	1,512
Fund Balance at Beginning of Year	<u>47,742</u>	<u>61,934</u>	<u>1,505</u>	<u>301</u>
Fund Balance at End of Year	<u>\$ 50,096</u>	<u>\$ 66,413</u>	<u>\$ 1,505</u>	<u>\$ 1,813</u>

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES
EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Corrections Trust</u>	<u>Childs Own</u>	<u>Unclaimed Property</u>	<u>Other</u>
Revenue:				
Taxes	\$	\$	\$	\$
Licenses, Permits and Fees				259
Use of Money and Property	8	10		249
Sales and Services				931
Administering Programs				120
Deferred Compensation				
Other Revenue	2,903	882	1,889	217
Total Revenue	<u>2,911</u>	<u>892</u>	<u>1,889</u>	<u>1,776</u>
Expenditures:				
Education and Research				3
General Government			1,699	72
Human Resources	2,841	793		1,450
Natural Resources				4
Protection of Domain				216
Total Expenditures	<u>2,841</u>	<u>793</u>	<u>1,699</u>	<u>1,745</u>
Excess of Revenue Over (Under) Expenditures	70	99	190	31
Other Financing Sources (Uses):				
Operating Transfers In				263
Operating Transfers Out			(162)	(146)
Net Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(162)</u>	<u>117</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	70	99	28	148
Fund Balance at Beginning of Year	<u>880</u>	<u>224</u>	<u>114</u>	<u>4,201</u>
Fund Balance at End of Year	<u>\$ 950</u>	<u>\$ 323</u>	<u>\$ 142</u>	<u>\$ 4,349</u>

**STATE OF SOUTH DAKOTA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN
 FUND BALANCES
 EXPENDABLE TRUST FUNDS
 For the Fiscal Year Ended June 30, 2000
 (Expressed in Thousands)**

	<u>Total</u>
Revenue:	
Taxes	\$ 15,712
Licenses, Permits and Fees	259
Use of Money and Property	4,657
Sales and Services	931
Administering Programs	120
Deferred Compensation	5,759
Other Revenue	5,891
Total Revenue	<u>33,329</u>
Expenditures:	
Education and Research	20
General Government	1,771
Human Resources	21,446
Natural Resources	4
Protection of Domain	1,099
Total Expenditures	<u>24,340</u>
Excess of Revenue Over (Under) Expenditures	8,989
Other Financing Sources (Uses):	
Operating Transfers In	263
Operating Transfers Out	(562)
Net Other Financing Sources (Uses)	<u>(299)</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	8,690
Fund Balance at Beginning of Year	<u>116,901</u>
Fund Balance at End of Year	<u>\$ 125,591</u>

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONEXPENDABLE TRUST FUNDS
June 30, 2000
(Expressed in Thousands)**

<u>Assets</u>	<u>Youth-at-Risk</u>	<u>School and Public Lands</u>	<u>People's Trust and Interest</u>	<u>Other</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 7,409	\$ 14,940	\$ 28,609	\$ 4	\$ 50,962
Investments		118,035			118,035
Securities Lending Collateral	1,695		6,505	1	8,201
Interest, Dividends, & Penalties Receivable		1,618			1,618
Loans and Notes Receivable (Net)		290			290
Due From Other Funds	643		716		1,359
Advances To Other Funds	585				585
Property, Plant and Equipment		9,005			9,005
Total Assets	\$ 10,332	\$ 143,888	\$ 35,830	\$ 5	\$ 190,055
<u>Liabilities and Fund Equity</u>					
Liabilities:					
Accounts Payable	\$ 21	\$ 7	\$ 6,505	\$ 1	\$ 21
Due To Other Funds	21	7			28
Securities Lending Collateral Liability	1,695		6,505	1	8,201
Total Liabilities	1,737	7	6,505	1	8,250
Fund Equity:					
Fund Balance:					
Reserved	8,595	143,881	29,325	4	181,805
Total Fund Equity	8,595	143,881	29,325	4	181,805
Total Liabilities and Fund Equity	\$ 10,332	\$ 143,888	\$ 35,830	\$ 5	\$ 190,055

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN
FUND BALANCES
NONEXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

	<u>Youth-at-Risk</u>	<u>School and Public Lands</u>	<u>People's Trust and Interest</u>	<u>Other</u>	<u>Total</u>
Operating Revenue:					
Use of Money and Property	\$ 498	\$ 11,180	\$ 726	\$	\$ 12,404
Tobacco Settlement			28,718		28,718
Total Operating Revenue	<u>498</u>	<u>11,180</u>	<u>29,444</u>	<u>0</u>	<u>41,122</u>
Operating Expenses:					
Contractual Services	386				386
Grants		8,655			8,655
Other	83		119		202
Total Operating Expenses	<u>469</u>	<u>8,655</u>	<u>119</u>	<u>0</u>	<u>9,243</u>
Operating Income	<u>29</u>	<u>2,525</u>	<u>29,325</u>	<u>0</u>	<u>31,879</u>
Nonoperating Revenue:					
Gain on Disposal of Assets		603			603
Total Nonoperating Revenue	<u>0</u>	<u>603</u>	<u>0</u>	<u>0</u>	<u>603</u>
Income Before Operating Transfers	29	3,128	29,325	0	32,482
Operating Transfers:					
Operating Transfers Out		(432)			(432)
Operating Transfers To Component Units		(1,715)			(1,715)
Net Operating Transfers	<u>0</u>	<u>(2,147)</u>	<u>0</u>	<u>0</u>	<u>(2,147)</u>
Net Income	<u>29</u>	<u>981</u>	<u>29,325</u>		<u>30,335</u>
Fund Balance at Beginning of Year	8,566	141,671		4	150,241
Residual Equity Transfer In		1,229			1,229
Fund Balance at End of Year	<u>\$ 8,595</u>	<u>\$ 143,881</u>	<u>\$ 29,325</u>	<u>\$ 4</u>	<u>\$ 181,805</u>

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONEXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Youth at Risk</u>	<u>School and Public Lands</u>	<u>People's Trust and Interest</u>	<u>Other</u>	<u>Totals</u>
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 29	\$ 2,525	\$ 29,325	\$	\$ 31,879
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Investment Income	(385)	(7,701)	(607)		(8,693)
Decrease/(Increase) in Assets:					
Accounts Receivable		1			1
Interest, Dividends & Penalties Receivable		5			5
Loans and Notes Receivable		142			142
Due From Other Funds	(30)				(30)
Increase/(Decrease) in Liabilities:					
Accounts Payable	(15)				(15)
Due To Other Funds	21	(15)			6
Due To Component Units		(43)			(43)
Total Adjustments	<u>(409)</u>	<u>(7,611)</u>	<u>(607)</u>	<u>0</u>	<u>(8,627)</u>
Net Cash Provided (Used) by Operating Activities	<u>(380)</u>	<u>(5,086)</u>	<u>28,718</u>	<u>0</u>	<u>23,252</u>
Cash Flows From Capital and Related Financing Activities:					
Sales of Capital Assets		123			123
Net Cash Provided (Used) by Capital and Related Financial Activities	<u>0</u>	<u>123</u>	<u>0</u>	<u>0</u>	<u>123</u>
Cash Flows From Noncapital Financing Activities:					
Operating Transfers Out		(432)			(432)
Operating Transfers To Component Units		(1,715)			(1,715)
Residual Equity Transfers In		1,229			1,229
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>(918)</u>	<u>0</u>	<u>0</u>	<u>(918)</u>
Cash Flows From Investing Activities:					
Investment Income	517	8,496	10		9,023
Purchase of Investment Securities		(7,513)			(7,513)
Proceeds From Sales and Maturities of Investment Securities		6,547			6,547
Security Lending Rebate Fees	(83)		(119)		(202)
Net Cash Provided by Investing Activities	<u>434</u>	<u>7,530</u>	<u>(109)</u>	<u>0</u>	<u>7,855</u>
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	54	1,649	28,609	0	30,312
Cash and Cash Equivalents at Beginning of Year	<u>7,355</u>	<u>13,291</u>	<u></u>	<u>4</u>	<u>20,650</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,409</u>	<u>\$ 14,940</u>	<u>\$ 28,609</u>	<u>\$ 4</u>	<u>\$ 50,962</u>
Noncash Investing, Capital, and Financing Activities:					
Gain on Exchange of Land		477			477

**STATE OF SOUTH DAKOTA
STATEMENT OF PLAN NET ASSETS
PENSION TRUST FUND
June 30, 2000
(Expressed in Thousands)**

Assets	South Dakota Retirement System
Cash and Cash Equivalents	\$ 28,915
Receivables:	
Employer	2,113
Employee	4,578
Benefits	48
Unsettled Investment Sales	118,342
Investment Income	19,020
Due From Other Funds	683
Total Receivables	144,784
Investments, at Fair Value:	
Fixed Income	1,615,761
Equities	3,152,748
Real Estate	333,195
Private Equity	218,184
Total Investments	5,319,888
Securities Lending Collateral	370,132
Properties, at Cost	68
Accumulated Depreciation	(30)
Other Assets	16
Total Assets	5,863,773
Liabilities	
Payables:	
Accounts Payable	490
Accrued Liabilities	66
Compensated Absences Payable	201
Due To Other Funds	30
Securities Sold, But Not Yet Purchased, at Fair Value	251,224
Unsettled Investment Purchases	83,647
Due to Brokers - Futures Transactions	1,688
Securities Lending Collateral Liability	370,132
Total Liabilities	707,478
Net Assets Held In Trust For Pension Benefits	\$ 5,156,295

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)**

Department of Revenue - Tax Collections	Balance July 1, 1999	Additions	Deductions	Balance June 30, 2000
Assets:				
Cash and Cash Equivalents	\$ 49,458	\$ 950,672	\$ 949,738	\$ 50,392
Securities Lending Collateral	8,335	11,446	8,335	11,446
Accounts Receivable	100	120	100	120
Taxes Receivable (Net)	86,422	92,686	86,421	92,687
Due From Other Funds	4,456	3,173	4,456	3,173
Due From Other Governments	8,078	6,770	8,078	6,770
Total Assets	\$ 156,849	\$ 1,064,867	\$ 1,057,128	\$ 164,588
Liabilities:				
Accounts Payable	\$ 57	\$ 117	\$ 166	\$ 8
Accrued Liabilities	1,352	2,257	2,324	1,285
Due To Other Funds	86,232	786,050	780,070	92,212
Due To Other Governments	55,738	264,054	264,406	55,386
Amounts Held in Custody for Others	5,135	1,509	2,393	4,251
Securities Lending Collateral Liability	8,335	11,446	8,335	11,446
Total Liabilities	\$ 156,849	\$ 1,065,433	\$ 1,057,694	\$ 164,588
Investment Council - Pooled Interest Fund				
Assets:				
Cash and Cash Equivalents	\$ 36,048	\$ 36,383	\$ 36,048	\$ 36,383
Securities Lending Collateral	6,057	8,241	6,057	8,241
Interest, Dividends & Penalties Receivable	7,154	9,301	7,154	9,301
Due From Other Funds	1,060	651	1,060	651
Due From Component Units	12	24	12	24
Total Assets	\$ 50,331	\$ 54,600	\$ 50,331	\$ 54,600
Liabilities:				
Due To Other Funds	\$ 38,151	\$ 39,610	\$ 38,151	\$ 39,610
Due To Component Units	6,123	6,749	6,123	6,749
Securities Lending Collateral Liability	6,057	8,241	6,057	8,241
Total Liabilities	\$ 50,331	\$ 54,600	\$ 50,331	\$ 54,600
State Auditor - Payroll Withholding				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 117,639	\$ 114,446	\$ 3,193
Securities Lending Collateral	0	723		723
Due From Other Governments	51		51	0
Total Assets	\$ 51	\$ 118,362	\$ 114,497	\$ 3,916
Liabilities:				
Due To Other Funds	\$ 10	\$	\$ 10	\$ 0
Due To Other Governments	41	117,639	114,487	3,193
Securities Lending Collateral Liability	0	723		723
Total Liabilities	\$ 51	\$ 118,362	\$ 114,497	\$ 3,916

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (Continued)
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

<u>Other Agency Funds</u>	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2000</u>
Assets:				
Cash and Cash Equivalents	\$ 6,442	\$ 111,971	\$ 112,450	\$ 5,963
Securities Lending Collateral	675	875	675	875
Accounts Receivable	23	30	23	30
Due From Other Funds	2,791	3,275	2,791	3,275
Due From Component Units	11		11	0
Due From Other Governments	76	297	331	42
Total Assets	<u>\$ 10,018</u>	<u>\$ 116,448</u>	<u>\$ 116,281</u>	<u>\$ 10,185</u>
Liabilities:				
Accounts Payable	\$ 1,424	\$ 3,394	\$ 4,401	\$ 417
Accrued Liabilities	46	90	70	66
Due To Other Funds	3,014	35,465	34,288	4,191
Due To Component Units	25	52	25	52
Due To Other Governments	1,096	1,588	1,489	1,195
Escrow Payable	78	2,453	2,441	90
Amounts Held in Custody for Others	3,660	72,372	72,733	3,299
Securities Lending Collateral Liability	675	875	675	875
Total Liabilities	<u>\$ 10,018</u>	<u>\$ 116,289</u>	<u>\$ 116,122</u>	<u>\$ 10,185</u>
Total All Agency Funds				
Assets:				
Cash and Cash Equivalents	\$ 91,948	\$ 1,216,665	\$ 1,212,682	\$ 95,931
Securities Lending Collateral	15,067	21,285	15,067	21,285
Accounts Receivable	123	150	123	150
Taxes Receivable (Net)	86,422	92,686	86,421	92,687
Interest, Dividends & Penalties Receivable	7,154	9,301	7,154	9,301
Due From Other Funds	8,307	7,099	8,307	7,099
Due From Component Units	23	24	23	24
Due From Other Governments	8,205	7,067	8,460	6,812
Total Assets	<u>\$ 217,249</u>	<u>\$ 1,354,277</u>	<u>\$ 1,338,237</u>	<u>\$ 233,289</u>
Liabilities:				
Accounts Payable	\$ 1,481	\$ 3,511	\$ 4,567	\$ 425
Accrued Liabilities	1,398	2,347	2,394	1,351
Due To Other Funds	127,407	861,125	852,519	136,013
Due To Component Units	6,148	6,801	6,148	6,801
Due To Other Governments	56,875	383,281	380,382	59,774
Escrow Payable	78	2,453	2,441	90
Amounts Held in Custody for Others	8,795	73,881	75,126	7,550
Securities Lending Collateral Liability	15,067	21,285	15,067	21,285
Total Liabilities	<u>\$ 217,249</u>	<u>\$ 1,354,684</u>	<u>\$ 1,338,644</u>	<u>\$ 233,289</u>

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
COMPONENT UNITS
June 30, 2000
(Expressed in Thousands)**

	Special	Enterprise			
	Revenue	Housing	Finance	Cement	CREP
	Housing	Authority	Authority	Plant	Program
Authority					
Assets					
Cash and Cash Equivalents	\$ 2,994	\$ 253,417	\$ 2,147	\$ 62,181	\$ 824
Investments		498,456	4,739		
Securities Lending Collateral				9,314	
Accounts Receivable				3,899	2
Interest, Dividends, & Penalties Receivable		11,673	244		372
Loans and Notes Receivable (Net)	18,403	1,019,025	33,899		7,018
Due From Primary Government					
Due From Component Units		45		269	
Due From Other Governments	164				
Inventory		2,383		14,407	
Restricted Assets:					
Cash and Cash Equivalents			587		
Investments			6,591		
Deferred Fiscal Charges and Other Assets		16,475		187	168
Property, Plant and Equipment (Net)		1,712		55,967	
Total Assets	\$ 21,561	\$ 1,803,186	\$ 48,207	\$ 146,224	\$ 8,384
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable	\$	\$ 1,615	\$ 8	\$ 2,573	\$ 1
Accrued Liabilities		14,683	469	681	84
Compensated Absences Payable		129		1,114	
Due To Primary Government		64	585		
Due To Component Units	45			3	
Due To Other Governments	2,657		2,003		
Deferred Revenue			33		2
Escrow Payable		23,305	1,614		
Amounts Held in Custody for Others					
Securities Lending Collateral Liability				9,314	
Bonds and Notes Payable (Net)		1,534,489	33,587		7,373
Certificates of Participation Payable					
Trust Certificates Payable					
Capital Lease Obligations				107	
Other Liabilities			8		
Total Liabilities	2,702	1,574,285	38,307	13,792	7,460
Fund Equity:					
Contributions			3,000		
Investment in Fixed Assets					
Retained Earnings:					
Reserved		228,901	4,259	16,431	
Unreserved			2,641	116,001	924
Fund Balance:					
Reserved	18,859				
Unreserved:					
Undesignated					
Total Fund Equity	18,859	228,901	9,900	132,432	924
Total Liabilities and Fund Equity	\$ 21,561	\$ 1,803,186	\$ 48,207	\$ 146,224	\$ 8,384

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
COMPONENT UNITS
June 30, 2000
(Expressed in Thousands)**

	<u>Enterprise</u>	<u>Pension Trust</u>		<u>Higher</u>	<u>Total</u>
	<u>State</u>	<u>Cement</u>	<u>Perpetuity</u>		
<u>Assets</u>	<u>Fair</u>	<u>Plant</u>	<u>Fund</u>		
Cash and Cash Equivalents	\$	\$ 12,059	\$	\$ 61,694	\$ 395,316
Investments		24,549		135	527,879
Securities Lending Collateral		1,126		13,244	23,684
Accounts Receivable	51			5,644	9,596
Interest, Dividends, & Penalties Receivable		110		122	12,521
Loans and Notes Receivable (Net)				30,882	1,109,227
Due From Primary Government	39			3,575	3,614
Due From Component Units		3		4,998	5,315
Due From Other Governments				4,394	4,558
Inventory				5,924	22,714
Restricted Assets:					
Cash and Cash Equivalents					587
Investments					6,591
Deferred Fiscal Charges and Other Assets	24			2,184	19,038
Property, Plant and Equipment (Net)	<u>3,078</u>			<u>437,562</u>	<u>498,319</u>
Total Assets	<u>\$ 3,192</u>	<u>\$ 37,847</u>	<u>\$ 0</u>	<u>\$ 570,358</u>	<u>\$ 2,638,959</u>
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable	\$ 89	\$ 5	\$	\$ 6,517	\$ 10,808
Accrued Liabilities	27	3		3,625	19,572
Compensated Absences Payable	24			25,528	26,795
Due To Primary Government	68			784	1,501
Due To Component Units		269		4,998	5,315
Due To Other Governments				23	4,683
Deferred Revenue	464			2,067	2,566
Escrow Payable					24,919
Amounts Held in Custody for Others				562	562
Securities Lending Collateral Liability		1,126		13,244	23,684
Bonds and Notes Payable (Net)				65,894	1,641,343
Certificates of Participation Payable				87	87
Trust Certificates Payable				9,250	9,250
Capital Lease Obligations				1,335	1,442
Other Liabilities					8
Total Liabilities	<u>672</u>	<u>1,403</u>	<u>0</u>	<u>133,914</u>	<u>1,772,535</u>
Fund Equity:					
Contributions	3,431				6,431
Investment in Fixed Assets				371,793	371,793
Retained Earnings:					
Reserved					249,591
Unreserved	(911)				118,655
Fund Balance:					
Reserved		36,444		30,827	86,130
Unreserved:					
Undesignated				33,824	33,824
Total Fund Equity	<u>2,520</u>	<u>36,444</u>	<u>0</u>	<u>436,444</u>	<u>866,424</u>
Total Liabilities and Fund Equity	<u>\$ 3,192</u>	<u>\$ 37,847</u>	<u>\$ 0</u>	<u>\$ 570,358</u>	<u>\$ 2,638,959</u>

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
COMPONENT UNIT ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Housing Authority</u>	<u>Finance Authority</u>	<u>Cement Plant</u>	<u>CREP Program</u>	<u>State Fair</u>	<u>Total</u>
Operating Revenue:						
Licenses, Permits and Fees	\$ 2,869	\$	\$	\$	\$	\$ 2,869
Use of Money and Property	100,568	2,522		695		103,785
Sales and Services	3,495		59,320		1,664	64,479
Other Revenue				1		1
Total Operating Revenue:	<u>106,932</u>	<u>2,522</u>	<u>59,320</u>	<u>696</u>	<u>1,664</u>	<u>171,134</u>
Operating Expenses:						
Personal Services and Benefits	1,575		13,431	31	600	15,637
Travel	174		211		27	412
Contractual Services	5,419	146	10,207	99	1,080	16,951
Supplies and Materials	72		10,707	1	365	11,145
Grants	2,422	1,000			96	3,518
Other	150		29			179
Interest	79,490	2,283		517	4	82,294
Bad Debts	15		35			50
Depreciation/Amortization	1,736		4,019	41	181	5,977
Total Operating Expenses	<u>91,053</u>	<u>3,429</u>	<u>38,639</u>	<u>689</u>	<u>2,353</u>	<u>136,163</u>
Operating Income (Loss)	<u>15,879</u>	<u>(907)</u>	<u>20,681</u>	<u>7</u>	<u>(689)</u>	<u>34,971</u>
Nonoperating Revenue (Expenses):						
Loss on Disposal of Assets		(350)	(174)			(524)
Interest Income			1,798		2	1,800
Other Expense					(23)	(23)
Grant and Other Income			168		25	193
Loss on Extinguishment of Debt	(1,440)					(1,440)
Total Nonoperating Revenue (Expenses)	<u>(1,440)</u>	<u>(350)</u>	<u>1,792</u>	<u>0</u>	<u>4</u>	<u>6</u>
Net Income (Loss) Before Operating Transfers	14,439	(1,257)	22,473	7	(685)	34,977
Operating Transfers:						
Operating Transfers To Primary Government			(12,000)			(12,000)
Net Operating Transfers	<u>0</u>	<u>0</u>	<u>(12,000)</u>	<u>0</u>	<u>0</u>	<u>(12,000)</u>
Net Income (Loss)	14,439	(1,257)	10,473	7	(685)	22,977
Retained Earnings At Beginning of Year, restated	214,462	8,157	121,959	917	(226)	345,269
Retained Earnings at End of Year	<u>\$ 228,901</u>	<u>\$ 6,900</u>	<u>\$ 132,432</u>	<u>\$ 924</u>	<u>\$ (911)</u>	<u>\$ 368,246</u>

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
COMPONENT UNIT ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Housing Authority</u>	<u>Finance Authority</u>	<u>Cement Plant</u>	<u>CREP Program</u>	<u>State Fair</u>	<u>Totals</u>
Cash Flows from Operating Activities:						
Operating Income/(Loss) Before Transfers	\$ 15,879	\$ (907)	\$ 20,681	\$ 7	\$ (689)	\$ 34,971
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation/Amortization Expense	1,730		4,040	41	181	5,992
Bad Debt Expense	15		35			50
Investment Income	(35,217)	(635)		(50)		(35,902)
Interest Expense	79,490	2,283		517		82,290
Miscellaneous Nonoperating Items			168		25	193
Decrease/(Increase) in Assets:						
Accounts Receivable			211	(1)	(32)	178
Interest, Dividends & Penalties Receivable	(829)	(3)		141		(691)
Loans and Notes Receivable	(75,325)	2,010		1,936		(71,379)
Due From Primary Government					(39)	(39)
Due From Component Units	(45)		473			428
Inventory	(1,057)		(61)			(1,118)
Deferred Fiscal Charges and Other Assets			(14)		(23)	(37)
Increase/(Decrease) in Liabilities:						
Accounts Payable	838	(1)	461	1	(98)	1,201
Accrued Liabilities			(287)		4	(283)
Compensated Absences Payable	30		15		9	54
Due To Primary Government	11				42	53
Due To Component Units	(95)					(95)
Deferred Revenue		33		(38)	32	27
Escrow Payable	(151)	6				(145)
Other Liabilities		(409)				(409)
Total Adjustments	<u>(30,605)</u>	<u>3,284</u>	<u>5,041</u>	<u>2,547</u>	<u>101</u>	<u>(19,632)</u>
Net Cash Provided (Used) by Operating Activities	<u>(14,726)</u>	<u>2,377</u>	<u>25,722</u>	<u>2,554</u>	<u>(588)</u>	<u>15,339</u>
Cash Flows From Capital and Related Financing Activities:						
Purchases of Capital Assets	(1,200)		(6,240)		(74)	(7,514)
Capital Grants					558	558
Sales of Capital Assets			2			2
Payments on Capital Lease Obligations			(4)			(4)
Net Cash Provided (Used) by Capital and Related Financial Activities	<u>(1,200)</u>	<u>0</u>	<u>(6,242)</u>	<u>0</u>	<u>484</u>	<u>(6,958)</u>

Continued on next page

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
COMPONENT UNIT ENTERPRISE FUNDS (Continued)
For the Fiscal Year Ended June 30, 2000
(Expressed in Thousands)

	<u>Housing Authority</u>	<u>Finance Authority</u>	<u>Cement Plant</u>	<u>CREP Program</u>	<u>State Fair</u>	<u>Totals</u>
Cash Flows From Noncapital Financing Activities:						
Operating Transfers To Primary Government			(12,000)			(12,000)
Sale of Assets		2,000				2,000
Issuance of Bonds	498,236					498,236
Payments on Bonds and Notes	(339,921)	(1,716)		(2,192)		(343,829)
Payments on Loans		(2,182)				(2,182)
Bond Issuance Costs	(2,862)					(2,862)
Interest Payments on Bonds and Notes	(77,426)	(2,307)		(546)		(80,279)
Net Cash Provided(Used) Noncapital Financing Activities	<u>78,027</u>	<u>(4,205)</u>	<u>(12,000)</u>	<u>(2,738)</u>	<u>0</u>	<u>59,084</u>
Cash Flows From Investing Activities:						
Investment Income (Expense)	36,916	747	1,798	52	(10)	39,503
Purchase of Investment Securities	(676,976)	(9,069)				(686,045)
Proceeds From Sales and Maturities of Investment Securities	<u>603,670</u>	<u>8,720</u>				<u>612,390</u>
Net Cash Provided by Investing Activities	<u>(36,390)</u>	<u>398</u>	<u>1,798</u>	<u>52</u>	<u>(10)</u>	<u>(34,152)</u>
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	25,711	(1,430)	9,278	(132)	(114)	33,313
Cash and Cash Equivalents at Beginning of Year	<u>227,706</u>	<u>4,164</u>	<u>52,903</u>	<u>956</u>	<u>114</u>	<u>285,843</u>
Cash and Cash Equivalents at End of Year	<u>\$ 253,417</u>	<u>\$ 2,734</u>	<u>\$ 62,181</u>	<u>\$ 824</u>	<u>\$ 0</u>	<u>\$ 319,156</u>
Noncash Investing, Capital and Financing Activities:						
Loss/(Gain) on Disposal of Fixed Assets			174			174
Extinguishment of Debt	1,440					1,440
Write-off of Assets for Change in Capitalization Policy					212	212

**STATE OF SOUTH DAKOTA
HIGHER EDUCATION
COMBINING BALANCE SHEET
June 30, 2000
(Expressed in Thousands)**

<u>Assets</u>	<u>Current Funds</u>		<u>Loan Funds</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
Cash and Cash Equivalents	\$ 33,475	\$ 556	\$ 1,795
Investments	135		
Securities Lending Collateral	8,742	13	
Accounts Receivable	2,451	3,176	
Interest, Dividends & Penalties Receivable	4		108
Loans and Notes Receivable (Net)	1		30,881
Due From Primary Government	1,619	369	
Due From Component Units	4,641	4	106
Due From Other Governments		4,394	
Inventory	5,924		
Deferred Fiscal Charges and Other Assets	903		
Property, Plant and Equipment (Net)			
Total Assets	\$ 57,895	\$ 8,512	\$ 32,890
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Accounts Payable	\$ 4,303	\$ 775	\$
Accrued Liabilities	1,868	501	
Compensated Absences Payable	23,905	1,623	
Due To Primary Government	663	110	
Due To Component Units	1,112	3,564	180
Due to Other Governments		23	
Deferred Revenue	2,050		
Amounts Held in Custody for Others	104		
Securities Lending Collateral Liability	8,742	13	
Bonds and Notes Payable (Net)			3
Certificates of Participation Payable			
Trust Certificates Payable			
Capital Lease Obligations			
Total Liabilities	42,747	6,609	183
Fund Equity:			
Investment in Fixed Assets			
Fund Balance:			
Reserved	3,047	1,078	26,438
Unreserved:			
Undesignated	12,101	825	6,269
Total Fund Equity	15,148	1,903	32,707
Total Liabilities and Fund Equity	\$ 57,895	\$ 8,512	\$ 32,890

**STATE OF SOUTH DAKOTA
HIGHER EDUCATION
COMBINING BALANCE SHEET
June 30, 2000
(Expressed in Thousands)**

Assets	Plant Funds			
	Unexpended Plant Funds	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant
Cash and Cash Equivalents	\$ 8,126	\$ 12,973	\$ 4,294	\$
Investments				
Securities Lending Collateral	2	2,357	908	1,222
Accounts Receivable				
Interest, Dividends & Penalties Receivable			10	
Loans and Notes Receivable (Net)				
Due From Primary Government	664	731	192	
Due From Component Units		230		
Due From Other Governments				
Inventory				
Deferred Fiscal Charges and Other Assets	101		1,180	
Property, Plant and Equipment (Net)	30			437,532
Total Assets	\$ 8,923	\$ 16,291	\$ 6,584	\$ 438,754
Liabilities and Fund Equity				
Liabilities:				
Accounts Payable	\$ 828	\$ 580	\$	\$
Accrued Liabilities	861		390	
Compensated Absences Payable				
Due To Primary Government		10		
Due To Component Units		128		
Due to Other Governments				
Deferred Revenue			17	
Amounts Held in Custody for Others				
Securities Lending Collateral Liability	2	2,357	908	1,222
Bonds and Notes Payable (Net)	5,368		4,614	55,909
Certificates of Participation Payable				87
Trust Certificates Payable				9,250
Capital Lease Obligations	842			493
Total Liabilities	7,901	3,075	5,929	66,961
Fund Equity:				
Investment in Fixed Assets				371,793
Fund Balance:				
Reserved		264		
Unreserved:				
Undesignated	1,022	12,952	655	
Total Fund Equity	1,022	13,216	655	371,793
Total Liabilities and Fund Equity	\$ 8,923	\$ 16,291	\$ 6,584	\$ 438,754

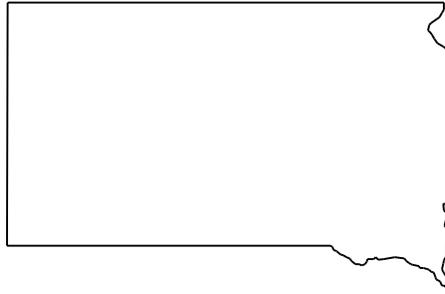
**STATE OF SOUTH DAKOTA
HIGHER EDUCATION
COMBINING BALANCE SHEET
June 30, 2000
(Expressed in Thousands)**

<u>Assets</u>	<u>Agency</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 475	\$ 61,694
Investments		135
Securities Lending Collateral		13,244
Accounts Receivable	17	5,644
Interest, Dividends & Penalties Receivable		122
Loans and Notes Receivable (Net)		30,882
Due From Primary Government		3,575
Due From Component Units	17	4,998
Due From Other Governments		4,394
Inventory		5,924
Deferred Fiscal Charges and Other Assets		2,184
Property, Plant and Equipment (Net)		437,562
Total Assets	\$ 509	\$ 570,358
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Accounts Payable	\$ 31	\$ 6,517
Accrued Liabilities	5	3,625
Compensated Absences Payable		25,528
Due To Primary Government	1	784
Due To Component Units	14	4,998
Due to Other Governments		23
Deferred Revenue		2,067
Amounts Held in Custody for Others	458	562
Securities Lending Collateral Liability		13,244
Bonds and Notes Payable (Net)		65,894
Certificates of Participation Payable		87
Trust Certificates Payable		9,250
Capital Lease Obligations		1,335
Total Liabilities	509	133,914
Fund Equity:		
Investment in Fixed Assets		371,793
Fund Balance:		
Reserved		30,827
Unreserved:		
Undesignated		33,824
Total Fund Equity	0	436,444
 Total Liabilities and Fund Equity	 \$ 509	 \$ 570,358



STATISTICAL SECTION

SOUTH DAKOTA - MISCELLANEOUS



STATE CAPITOL: PIERRE

ADMITTED TO THE UNION: 1889

NICKNAME: THE MOUNT RUSHMORE STATE

MOTTO: UNDER GOD THE PEOPLE RULE

POPULATION ESTIMATE 1999: 733,133

POPULATION CENSUS 2000: 754,844

RANKS 16TH IN AREA AT 75,953 SQUARE MILES -- 1,092 SQUARE MILES OF INLAND WATER

POPULATION PER SQUARE MILE IN 2000: 9.9

DIVIDED INTO 66 COUNTIES

BORDERED BY SIX STATES: MINNESOTA, NORTH DAKOTA, NEBRASKA, MONTANA, IOWA, AND WYOMING

LOWEST ELEVATION POINT: 961 FEET

HIGHEST ELEVATION POINT: 7,242 FEET

STATE TREE: BLACK HILLS SPRUCE

STATE FLOWER: AMERICAN PASQUE

STATE ANIMAL: COYOTE

STATE BIRD: CHINESE RING-NECKED PHEASANT

STATE FISH: WALLEYE

STATE INSECT: HONEY BEE (APIS MELLIFERAL)

STATE GEM STONE: FAIRBURN AGATE

STATE MINERAL: ROSE QUARTZ

STATE DESSERT: KUCHEN

SOUTH DAKOTA

SQUARE MILES OF LAND	75,953
MILES OF HIGHWAY	83,412
STATE PARKS	*12
NATIONAL PARKS/MONUMENTS/MEMORIALS	4
STATE UNIVERSITIES	6
PRIVATE COLLEGES AND UNIVERSITIES	13
VOCATIONAL/TECHNICAL SCHOOLS	4

SOURCES: U.S. Bureau of the Census; SD Board of Regents; SD Game, Fish, and Parks.

Highway Mileage, S.D. Department of Transportation, SD Airport Directory.

Sioux Falls Airport, Rapid City Regional Airport.

* Lake Hidden Wood changed from a State Park to a State Recreational Area.

CLIMATE

South Dakota is a four-season state, with the weather as diverse as the terrain. Throughout the summer and early fall months, the state enjoys a warm, dry climate, with cool summer evenings. The winter climate is ideal for snow activities, with ample snowfall and cool temperatures.

Average January temperature: 10° Fahrenheit in the northeast to 25° Fahrenheit in the southwest.

Average July temperature: 69° Fahrenheit in the Black Hills to 79° Fahrenheit in the south-central part of the state.

Average annual precipitation is 15.75 inches.

HIGHWAYS

Two interstate highways serve South Dakota: I90 runs east-west, and I29 runs north-south. The speed limit on interstate highways is 75 miles per hour, with most other highways at 65 miles per hour.

TWO TIME ZONES

South Dakota observes both Central Standard and Mountain Standard Time, with the dividing line being the Missouri River. Daylight Savings Time is observed from the first Sunday in April through the last Sunday in October.

AIRLINES

South Dakota has good air service, with major airports at Rapid City and Sioux Falls. Denver, Salt Lake City, Minneapolis/St. Paul, Chicago, and St. Louis are primary gateway cities. Sioux Falls is served by Northwest Airlines, United Airlines, Atlantic Coast Airlines, TWA, Mesaba, and various cargo carriers. Rapid City has service from Northwest, United Express, Skywest/Delta Connection, and several cargo carriers. Commercial flights depart the cities of Pierre, Huron, Aberdeen, Mitchell, Yankton, Watertown, and Brookings. Regular taxi and limousine services are available at airports in Sioux Falls, Rapid City, and Pierre.

GENERAL CENSUS INFORMATION

AGE GROUPS (1999)		% OF TOTAL
0- 4	49,786	6.80 %
5-14	110,689	15.10 %
15-17	37,562	5.10 %
18-24	78,159	10.70 %
25-34	85,830	11.70 %
35-44	112,371	15.30 %
45-64	153,294	20.90 %
65- >	105,442	14.40 %
18- >	535,096	73.00 %

RACIAL DISTRIBUTION (1999)		% OF TOTAL
WHITE	662,823	90.41 %
AMERICAN INDIAN	60,335	8.23 %
OTHER	9,975	1.36 %
TOTAL	733,133	100.00 %

POPULATION DISTRIBUTION (1999)		% OF TOTAL
CITIES (25,000 +)	200,007	27.30%
CITIES (2,500 - 25,000)	161,068	22.00%
REMAINING PLACES (<2,500)	372,058	50.70%
TOTAL	733,133	100.00%

NOTE: Above charts compiled by the South Dakota State Data Center, USD Business Research Bureau from U.S. Census Bureau reports.

LARGEST CITIES IN 1999			
SIOUX FALLS.....	116,720	VERMILLION.....	10,066
RAPID CITY	58,268	SPEARFISH	8,332
ABERDEEN.....	25,019	MADISON.....	6,437
WATERTOWN.....	20,063	STURGIS.....	5,449
BROOKINGS.....	17,286	BRANDON.....	5,392
MITCHELL.....	14,232	BELLE FOURCHE	4,924
YANKTON	14,079	HOT SPRINGS	3,891
PIERRE	13,357	MILBANK.....	3,730
HURON	11,742	MOBRIDGE	3,501

SOURCES: U.S. Bureau of the Census, Population Estimates Program. Compiled by the South Dakota State Data Center, USD Business Research Bureau.

HISTORICAL CENSUS COUNTS FOR SOUTH DAKOTA

YEAR	POPULATION
2000	754,844
1990	696,004
1980	690,768
1970	666,257
1960	680,514
1950	652,740
1940	642,961
1930	692,849
1920	636,547
1910	583,888

SOURCE: U.S. Bureau of the Census. Compiled by the South Dakota State Data Center, USD Business Research Bureau.

LARGEST TEN EMPLOYERS IN SOUTH DAKOTA

BUSINESS	EMPLOYEES
Gateway 2000	6,120 ^{2,4}
Sioux Valley Hospital (Sioux Falls)	4,500 ³
Citibank South Dakota NA (Sioux Falls)	3,200 ³
Avera McKennan Hospital (Sioux Falls)	3,060 ³
John Morrell and Company (Sioux Falls)	3,100 ³
Rapid City Regional Hospital (Rapid City)	2,690
Evangelical Lutheran Good Samaritan Society	2,350 ²
Hy-Vee Food Stores (Throughout South Dakota)	1,790 ²
Midwest Coast Transport (Sioux Falls)	1,420 ^{1,3}
Norwest Bank/Operations Center (Sioux Falls)	1,110 ³

SOURCES: Governor's Office of Economic Development, 1999/2000 Survey of Local Development Corporations and area websites. Compiled by South Dakota State Data Center, USD Business Research Bureau.

^{1.} Includes truckers who own their trucks and are leased to Midwest Coast Transport.

^{2.} Communities throughout South Dakota.

^{3.} www.Siouxfalls.org/business/majoremp.html

^{4.} Includes layoffs of 630 as per announcement of January 11, 2001.

NOTE: Excludes federal, state, and local governments.

PUBLIC SCHOOL STATISTICS

SCHOOL YEAR ENDED	SCHOOLS	K-12 FALL ENROLLMENT	* TEACHERS	PUPIL/TEACHER RATIO
2000	749	129,093	9,262	13.9
1999	757	131,117	9,446	13.9
1998	767	132,780	9,269	14.3
1997	766	133,949	9,255	14.5
1996	774	134,972	9,019	15.0
1995	774	134,290	9,234	14.5
1994	771	134,676	9,153	14.7
1993	764	132,970	9,016	14.7
1992	785	131,045	8,832	14.8
1991	786	128,617	8,365	15.4
1990	786	127,115	8,191	15.5

NOTE: Compiled by South Dakota State Data Center, USD Business Research Bureau.

* 1990 through 1996 = FTE. 1997 to present = headcount.

<i>EXPENDITURES ON EDUCATION PER PUPIL IN DAILY ATTENDANCE</i>				<i>PERCENT REVENUE FROM STATE GOVERNMENT</i>		
<i>SCHOOL YEAR</i>	<i>UNITED STATES</i>	<i>SOUTH DAKOTA</i>	<i>SOUTH DAKOTA RANK</i>	<i>UNITED STATES</i>	<i>SOUTH DAKOTA</i>	<i>SOUTH DAKOTA RANK</i>
1999	6,734	5,281	46	46.8	35.9	46
1998	6,638	5,166	44	46.6	31.7	46
1997	6,394	4,990	45	46.1	31.2	46
1996	6,139	5,070	40	47.9	26.1	49
1995	5,957	4,918	41	46.0	27.3	49
1994	5,749	4,733	39	46.3	28.7	49
1993	5,538	4,524	41	46.8	26.1	49
1992	5,466	4,175	43	47.5	27.0	49
1991	5,241	3,967	44	48.2	27.5	48
1990	4,966	3,732	42	48.3	25.4	48

SOURCES: South Dakota Department of Education and Cultural Affairs and National Education Association. Compiled by South Dakota State Data Center, USD Business Research Bureau.

NOTE: U.S. expenditures on education revised for 1990 and 1993-1998.

ELEMENTARY AND SECONDARY EDUCATION

YEAR	K-12 SCHOOL ADM (FISCAL YEAR)	COST PER PUPIL (ADM)
2000	128,114	\$5,277
1999	129,709	4,922
1998	132,024	4,621
1997	133,251	4,358
1996	134,052	4,240
1995	133,795	4,220
1994	133,306	4,045
1993	132,408	3,843
1992	129,910	3,654
1991	127,147	3,473
<i>ADM = Average Daily Membership</i>		

SOURCE: *Education in South Dakota: A Statistical Profile*, DECA 1999-2000.

NOTE: The calculated cost per ADM reported is intended to represent the cost of educating a student in-district, therefore, the following expenditures were not included: Adult programs, community services, preschool, and nonprogrammed charges. Revenues received for contracting services with other school districts also reduced expenditures.

Compiled by the South Dakota State Data Center, USD Business Research Bureau.

1999 CIVILIAN LABOR FORCE

	LABOR FORCE	EMPLOYE D	UNEMPLOYED	UNEMPLOYMENT RATE	SD NON- INSTITU. POP.	PARTICIPATION RATE
Males	210,000	204,000	6,000	2.9%	267,000	78.7%
Females	190,000	185,000	6,000	3.0%	279,000	68.1%
TOTAL	400,000	388,000	12,000	2.9%	546,000	73.3%

SOURCES: U.S. Bureau of Labor Statistics, Labor Market Information Center, and the South Dakota Department of Labor. Compiled by South Dakota State Data Center, USD Business Research Bureau.

NOTE: Items may not add to totals due to rounding.

STATE UNIVERSITIES HISTORICAL FALL HEADCOUNT ENROLLMENTS

YEAR	BHSU	DSU	NSU	SDSMT	SDSU	USD	SYSTEM TOTALS	CHANGE FALL TO FALL
2000	4,068	1,801	3,315	2,308	8,719	7,349	27,560	3.55%
1999	3,747	2,003	3,164	2,275	8,540	6,887	26,616	2.21%
1998	3,639	1,831	2,873	2,265	8,635	7,317	26,560	3.27%
1997	3,445	1,409	2,623	2,260	8,818	7,164	25,719	-2.98%
1996	3,549	1,274	2,832	2,245	9,067	7,541	26,508	-3.36%
1995	3,623	1,360	2,724	2,372	9,323	8,027	27,429	-5.00%
1994	3,915	1,439	3,077	2,472	9,650	8,319	28,872	-0.08%

SOURCE: South Dakota Board of Regents.

NOTE: The above figures have been revised to reflect the new funding framework, whereby revenue is distributed to the universities as base funding, accompanied by targeted investments and incentives for demonstrated improvement. As a result of this change, separating students enrolled in state-supported courses from those enrolled in self-support courses is no longer necessary.

POSTSECONDARY VOCATIONAL TECHNICAL INSTITUTES (Full and Part-Time)

INSTITUTE	FALL 1998 ENROLLMENT	FALL 1999 ENROLLMENT	FALL 2000 ENROLLMENT
Lake Area Vocational Technical Institute	1,170	1,007	1,004
Mitchell Vocational Technical Institute	840	763	905
Southeast Vocational Technical Institute	2,203	2,241	2,283
Western Dakota Vocational Technical Institute	996	844	966
Mike Durfee State Prison *	212	** 180	209

SOURCE: Office of Workforce and Career Preparation, Department of Education and Cultural Affairs, and Mike Durfee State Prison.

NOTE: Compiled by the South Dakota State Data Center, USD Business Research Bureau.

* January-December data revised to include those individuals enrolled in a program during calendar year.

**Enrollment decreased as some programs are no longer operating in 1999.

1999 SOURCES OF INCOME PERCENT OF TOTAL

SOURCE	SOUTH DAKOTA	UNITED STATES
Labor Compensation *	50.20%	59.40%
Proprietor's Income	13.50%	8.50%
<i>Nonfarm</i>	8.70%	8.20%
<i>Farm</i>	4.80%	0.30%
Transfer Payment	13.50%	13.10%
Dividend, Interest, and Rent	22.80%	19.00%

SOURCE: U.S. Department of Commerce, November 2000. Compiled by the South Dakota State Data Center, USD Business Research Bureau.

* Net Earnings by Place of Residence, less Proprietor's Income.

PER CAPITA PERSONAL INCOME

YEAR	UNITED STATES	PERCENT CHANGE	PLAINS*	PERCENT CHANGE	SOUTH DAKOTA	PERCENT CHANGE
1999	\$28,542	4.50%	\$27,350	4.10%	\$25,045	5.20%
1998	27,322	5.60%	26,282	5.70%	23,797	6.80%
1997	25,874	5.00%	24,861	4.40%	22,275	2.50%
1996	24,651	4.60%	23,802	6.40%	21,736	9.50%
1995	23,562	4.30%	22,363	3.70%	19,848	1.20%
1994	22,581	4.00%	21,558	5.70%	19,607	5.60%
1993	21,718	3.00%	20,389	2.30%	18,565	3.30%
1992	21,082	4.90%	19,928	5.80%	17,966	5.90%
1991	20,089	2.60%	18,842	3.40%	16,961	4.50%
1990	19,584		18,217		16,238	

SOURCE: U.S. Department of Commerce, November 2000. Compiled by the South Dakota State Data Center, USD Business Research Bureau.

All data is revised to reflect the revision in NIPA's, changes in methodology, and newly available state and local data.

* The Plains states include Iowa, Kansas, Minnesota, Nebraska, North Dakota, South Dakota, and Missouri.

POPULATION (THOUSANDS)

YEAR	UNITED STATES	PERCENT CHANGE	WEST N. CENTRAL*	PERCENT CHANGE	SOUTH DAKOTA	PERCENT CHANGE
2000	281,422	3.20%	19,238	2.30%	755	3.00%
1999	272,691	0.90%	18,800	0.60%	733	0.30%
1998	270,248	0.90%	18,693	0.50%	731	0.00%
1997	267,784	0.90%	18,593	0.60%	731	0.00%
1996	265,229	0.90%	18,484	0.70%	731	0.30%
1995	262,803	1.00%	18,363	0.70%	728	0.70%
1994	260,327	1.00%	18,230	0.80%	723	0.90%
1993	257,783	1.10%	18,093	0.80%	716	1.10%
1992	255,030	1.10%	17,945	0.80%	709	1.00%
1991	252,153		17,798		701	

SOURCE: U.S. Bureau of the Census, Population Division, released December 2000.

NOTE: Midyear (July 1) population estimates of the U.S. Bureau of the Census for all years except 2000. Data for 1991 – 1998 have been revised from previous reports. Compiled by the State Data Center, USD Business Research Bureau.

* The West North Central states include Iowa, Kansas, Minnesota, Nebraska, North Dakota, South Dakota, and Missouri.

TOTAL PERSONAL INCOME (MILLIONS)

YEAR	UNITED STATES	PERCENT CHANGE	PLAINS*	PERCENT CHANGE	SOUTH DAKOTA	PERCENT CHANGE
1999	7,783,152	5.40%	514,176	4.70%	18,361	5.50%
1998	7,383,687	6.60%	491,292	6.30%	17,391	6.80%
1997	6,928,762	6.00%	462,250	5.10%	16,280	2.50%
1996	6,538,103	5.60%	439,948	7.10%	15,883	9.90%
1995	6,192,235	5.30%	410,645	4.50%	14,454	2.00%
1994	5,878,362	5.00%	393,000	6.50%	14,177	6.60%
1993	5,598,446	4.10%	368,899	3.20%	13,297	4.40%
1992	5,376,622	6.10%	357,609	6.60%	12,732	7.00%
1991	5,065,416	3.70%	335,351	4.10%	11,897	5.20%
1990	4,885,525		322,236		11,312	

SOURCE: U.S. Department of Commerce, September 2000. Compiled by the South Dakota State Data Center, USD Business Research Bureau.

All data is revised to reflect the revision in NIPA's, changes in methodology, and newly available state and local data.

* The Plains states include Iowa, Kansas, Minnesota, Nebraska, North Dakota, South Dakota, and Missouri.

PROPERTY TAX INFORMATION

	2000	1999	1998	1997	1996	1995	1994	1993
Property Taxes *	\$.62	\$.59	\$.58	\$.55	\$.51	\$.58	\$.55	\$.51
Assessed Value *	29.20	31.70	28.60	26.30	24.70	23.80	22.20	20.70
Property Taxes Per \$100 of Assessed Value	2.12	1.86	2.03	2.09	2.06	2.44	2.48	2.46
* Billions of Dollars								

SOURCE: Property Tax Statistical Report, South Dakota Department of Revenue

TAXES PER CAPITA AND PER \$1,000 PERSONAL INCOME UNITED STATES, SOUTH DAKOTA AND SURROUNDING STATES

	1998		1997		1996		1995		1994	
	Amount	Rank								
PER CAPITA (CURRENT DOLLARS)										
U.S.	1,758	-	1,656	-	1,581	-	1,519	-	1,436	-
South Dakota	1,129	49	1,051	49	998	49	944	49	904	49
Iowa	1,678	24	1,642	20	1,557	20	1,550	18	1,460	19
Minnesota	2,434	4	2,394	4	2,159	5	2,025	5	1,894	5
Montana	1,508	41	1,489	34	1,429	32	1,398	28	1,358	13
Nebraska	1,584	33	1,539	28	1,434	31	1,357	35	1,321	31
North Dakota	1,690	23	1,660	19	1,530	23	1,495	22	1,383	14
Wyoming	1,779	20	1,379	43	1,301	43	1,393	29	1,557	12
PER \$1,000 PERSONAL INCOME										
U.S.	64	-	66	-	65	-	66	-	65	-
South Dakota	48	49	49	49	48	49	50	48	49	49
Iowa	68	25	71	21	71	22	76	16	73	19
Minnesota	82	4	91	4	86	5	85	7	83	6
Montana	71	21	76	14	76	14	76	14	77	13
Nebraska	61	34	65	30	63	33	64	33	65	32
North Dakota	74	15	83	8	75	15	82	8	76	14
Wyoming	72	19	61	38	61	37	67	29	78	12

SOURCE: U.S. Bureau of the Census, U.S. Bureau of Economic Analysis, and State Data Center.

Total tax collections used in calculation of taxes per capita are for fiscal year ending in year shown.

UNEMPLOYMENT RATE

YEAR	SOUTH DAKOTA	UNITED STATES
2000	* 2.3%	4.0%
1999	2.9%	4.2%
1998	2.9%	4.5%
1997	3.1%	4.9%
1996	3.2%	5.4%
1995	2.9%	5.6%
1994	3.3%	6.1%
1993	3.6%	6.9%
1992	3.2%	7.5%
1991	3.6%	6.8%

* Preliminary Data.

NOTE: Civilian Labor Force. Data, beginning in 1994, are not directly comparable with data for 1993 and earlier years because of the introduction of a major redesign of the Current Population Survey questionnaire and collection methodology and the introduction of 1990 census-based population controls, adjusted for the estimated undercount. Compiled by the South Dakota State Data Center, USD Business Research Bureau.

NONFARM WAGE AND SALARY EMPLOYMENT BY INDUSTRY (Expressed in Thousands)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Mining	1.2	1.2	1.7	2.2	2.3	2.3	2.4	2.5	2.7	2.5
Construction	17.6	18.0	16.9	16.0	15.5	14.9	14.7	13.9	13.2	12.5
Manufacturing	49.4	50.7	50.0	49.8	48.1	46.7	43.9	39.7	37.3	35.1
Transportation and Public Utilities	16.8	16.9	16.8	16.6	16.5	16.2	15.8	15.1	14.8	14.2
Wholesale and Retail Trade	92.3	93.1	91.8	90.7	90.0	89.8	86.9	83.8	82.5	80.7
Wholesale Trade	20.5	20.5	20.5	20.3	20.0	20.0	19.5	18.9	19.4	19.3
Retail Trade	71.8	72.6	71.3	70.4	70.0	69.8	67.4	64.9	63.1	61.4
Finance, Insurance, and Real Estate	25.7	25.4	23.4	21.8	20.6	19.4	18.5	17.8	17.6	17.1
Services	103.3	108.5	103.8	101.0	98.3	94.4	90.0	87.0	81.6	77.3
Government	72.6	69.4	68.9	68.7	68.9	70.8	72.0	72.2	71.9	70.5
TOTAL	378.9	383.2	373.3	366.8	360.2	354.5	344.2	332.0	321.6	309.9
% Change in Nonfarm Employment	-1.1%	2.7%	1.8%	1.8%	1.6%	3.0%	3.7%	3.2%	3.8%	

NOTE: Numbers may not add due to rounding. Data not seasonally adjusted. 2000 numbers are preliminary.

SOURCE: U.S. Bureau of Labor Statistics, November 2000 for 1991 – 1999 data. Compiled by the South Dakota State Data Center, USD Business Research Bureau.

EXPANDED AND NEW INDUSTRIES (Dollars Expressed in Millions)

	EXPANSIONS		NEW		TOTAL	
	NUMBER	NEW CAPITAL INVESTMENT	NUMBER	NEW CAPITAL INVESTMENT	NUMBER	NEW CAPITAL INVESTMENT
2000	438	\$249.1	16	\$10.6	454	\$259.7
1999	478	261.9	14	23.4	492	285.3
1998	555	208.6	19	21.9	574	230.5
1997	466	236.1	22	7.5	488	243.6
1996	322	210.7	28	24.1	350	234.8
1995	403	236.3	33	92.8	436	329.1
1994	453	133.5	22	4.0	475	137.5
1993	474	161.8	24	17.6	498	179.4
1992	366	61.6	27	16.7	393	78.3
1991	441	113.3	31	13.3	472	126.6

NOTE: Only manufacturing and processing companies are included in the above totals.

SOURCE: Survey, Governor's Office of Economic Development.

GROSS SALES BY INDUSTRY (Sales Expressed in Millions of Dollars)

	2000		1999		1998		1997		1996	
	Sales	% of Total Sales								
Agriculture, Forestry and Fishing	\$ 143.2	0.4	\$ 130.0	0.4	\$ 118.0	0.3	\$ 108.9	0.3	\$ 89.4	0.3
Mining	106.4	0.3	129.1	0.4	145.9	0.4	194.0	0.6	228.0	0.7
Construction	36.6	0.1	38.2	0.1	40.3	0.1	40.7	0.1	39.9	0.1
Manufacturing	3,306.3	10.0	3,510.3	10.7	3,236.1	9.2	3,290.6	9.4	3,240.8	10.4
Transportation, Communication, and Utilities	2,353.0	7.1	2,438.8	7.4	1,888.1	5.4	1,840.5	5.2	1,764.0	5.7
Wholesale Trade	8,092.9	24.4	9,100.3	27.7	8,234.2	23.4	8,888.1	25.3	7,618.8	24.4
Retail Trade	14,509.8	43.8	13,324.8	40.6	17,591.0	50.0	17,263.0	49.1	15,007.0	48.1
Finance, Insurance, and Real Estate	160.5	0.5	157.2	0.6	163.7	0.5	127.4	0.4	108.8	0.4
Services	4,439.1	13.4	3,983.4	12.1	3,700.4	10.7	3,366.1	9.6	3,070.1	9.8
Not coded/Other	2.0	0.0	42.6	0.1	6.0	0.0	13.8	0.0	15.4	0.0
STATE TOTAL	33,149.8	100.0	32,854.7	100.0	35,193.7	100.0	35,133.2	100.0	31,182.2	100.0
% Change From Prior Year	0.9%		-6.6%		0.2%		12.7%		1.0%	

SOURCE: South Dakota Sales and Use Tax Reporting System.

GROSS STATE PRODUCT PERCENT CHANGE

	1997-1998	1996-1997	1995-1996	1994-1995	1993-1994	1992-1993	1991-1992	1990-1991	1989-1990
U.S.	5.1%	5.2%	3.8%	3.2%	4.1%	2.1%	2.4%	-0.2	1.4%
South Dakota	6.0%	2.3%	3.5%	3.5%	4.0%	5.3%	4.1%	5.4%	4.3%
Iowa	3.5%	5.3%	5.3%	2.1%	8.0%	0.2%	3.5%	0.9%	2.6%
Minnesota	4.9%	6.4%	5.7%	2.8%	5.6%	0.5%	5.0%	0.3%	0.7%
Montana	3.5%	3.4%	1.3%	1.2%	2.9%	3.9%	4.6%	2.5%	1.5%
Nebraska	2.9%	3.1%	5.6%	3.0%	6.5%	0.4%	3.2%	3.5%	4.0%
North Dakota	6.3%	0.6%	5.6%	2.2%	5.9%	-1.2%	6.6%	-0.2%	3.7%
Wyoming	1.8%	2.5%	3.0%	4.2%	3.5%	5.5%	-0.5%	1.7%	5.5%

NOTE: The GSP estimates are consistent with the estimate of gross product by industry for the nation (real GSP chained 1996 dollars).

SOURCE: Compiled by State Data Center from U.S. Bureau of Economic Analysis data released September 2000 (earlier data has been revised).

GROSS STATE PRODUCT 1988 - 1998 (Average Annual Percent Change)

	TOTAL	GOODS PRODUCING INDUSTRIES/1	PRIVATE SERVICE-TYPE INDUSTRIES/2	GOVERNMENT
U.S.	3.0%	2.4%	3.6%	1.1%
South Dakota	4.2%	6.0%	3.7%	0.6%
Iowa	3.5%	4.8%	3.2%	1.1%
Minnesota	3.5%	2.3%	4.4%	1.5%
Montana	2.9%	3.7%	3.2%	0.9%
Nebraska	3.5%	3.8%	4.0%	0.9%
North Dakota	3.5%	6.7%	3.2%	0.2%
Wyoming	2.6%	3.4%	2.8%	-0.1%

¹ Goods producing industries consist of agriculture, mining, construction, and manufacturing.

² Private service-type industries consist of trade; the finance, insurance and real estate group; the transportation and public utilities group; and, services.

NOTE: The GSP estimates are consistent with the estimates of gross product by industry for the nation (real GSP chained 1996 dollars).

SOURCE: Compiled by State Data Center from U.S. Bureau of Economic Analysis data released September 2000 (earlier data has been revised).

BANKING

YEAR	BANK DEPOSITS (MILLIONS)	PER CAPITA BANK DEPOSITS
1999	\$11,996	\$16,363
1998	11,660	15,955
1997	11,787	16,128
1996	13,207	18,074
1995	11,866	16,294
1994	11,378	15,736
1993	11,001	15,359
1992	11,164	15,753
1991	11,251	16,040
1990	10,934	15,710

NOTES: Bank deposits are for all commercial banks, insured or otherwise.

Per capita bank deposits are calculated by dividing the bank deposits by the 1990 census population and the estimated population for 1991-1999. Data from 1990 forward has been revised.

SOURCE: U.S. FDIC, *Annual Report: Statistics on Banking*; and, U.S. Bureau of the Census.

FARM STATISTICS

CALENDAR YEAR	NUMBER OF FARMS	VALUE PER OPERATING UNIT	AVERAGE LAND VALUE PER ACRE	FARM NET INCOME (THOUSANDS)	AVERAGE INCOME PER FARM
1999	32,500	\$487,440	\$360	\$1,189,945	\$36,614
1998	32,500	471,192	348	1,232,798	37,932
1997	32,500	440,050	325	1,029,303	31,671
1996	32,500	419,740	310	1,511,801	46,517
1995	33,000	402,566	302	704,663	21,353
1994	34,000	371,800	286	1,218,933	35,851
1993	34,500	349,713	273	991,810	28,748
1992	35,000	361,218	286	1,096,469	31,328
1991	35,000	370,059	293	961,906	27,483
1990	35,000	368,406	291	1,068,840	30,538

NOTE: Net farm income is defined as total cash receipts and other income, less total production expenses, plus the value of inventory change. Cash receipts come from marketing of livestock and products and crops. Other income includes government payments, imputed income, and rent received. Net farm income data from 1990 forward revised based on USDA release of July 2000.

SOURCE: SD Agricultural Statistics Service. Compiled by the South Dakota State Data Center, USD Business Research Bureau.

* 1995 Wet weather prevented wheat and corn from being planted (areas lost from flooding).

GROSS CASH RECEIPTS FROM FARM MARKETING AND GOVERNMENT PAYMENTS (MILLIONS)								
	1999	1998	1997	1996	1995	1994	1993	1992
CROPS	1,709	1,855	2,427	1,878	1,713	1,633	1,222	1,330
LIVESTOCK AND PRODUCTS	1,830	1,549	1,789	1,652	1,715	1,659	1,967	1,767
GOVERNMENT PAYMENTS	746	429	268	230	245	289	432	272
TOTAL	4,285	3,833	4,484	3,760	3,673	3,581	3,621	3,369

The data for this table has been revised to reflect revisions in NIPAs.

SOURCE: Economic Research Service, USDA release of July 2000. Compiled by the South Dakota State Data Center, USD Business Research Bureau.

1999 RANKING FOR CROP AND LIVESTOCK PRODUCTION

CROP	VOLUME	NATIONAL RANK
Corn for Grain	367.3 M Bu.	9 th
Oats	12.8 M Bu.	4 th
All Wheat	120.6 M Bu.	7 th
Winter Wheat	59.2 M Bu.	9 th
Durum Wheat	1.5 M Bu.	5 th
Other Spring Wheat	59.9 M Bu.	4 th
Barley	3.6 M Bu.	15 th
Rye	1.0 M Bu.	4 th
Flax Seed	0.4 M Bu.	2 nd
Sorghum for Grain	4.6 M Bu.	12 th
Soybeans for Beans	146.5 M Bu.	8 th
Sunflower Seed	1,302.3 M Lb.	2 nd
All Hay	9.4 M Tons	2 nd
Alfalfa Hay	6.7 M Tons	2 nd
All Other Hay	2.7 M Tons	7 th

LIVESTOCK	AMOUNT	NATIONAL RANK
Cattle and Calves	3,900 T Head	7 th
Hogs and Pigs	1,260 T Head	11 th
Sheep and Lambs	420 T Head	5 th

SOURCE: SD Agricultural Statistics Service. Compiled by the South Dakota State Data Center, USD Business Research Bureau.

