

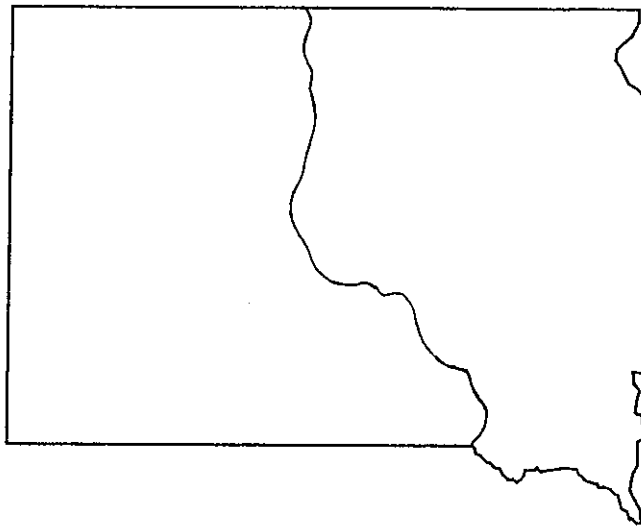
South Dakota

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999



MANAGED BY THE BOARD OF STATE TREASURERS
CLARENCE B. T. BOND, COMMISSIONER

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1999**



WILLIAM J. JANKLOW, GOVERNOR

CAROLE K. HILLARD, LT. GOVERNOR

**CURTIS A. EVERSON, COMMISSIONER
BUREAU OF FINANCE AND MANAGEMENT**

ACKNOWLEDGEMENTS

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

**Curtis A. Everson, Commissioner
Cynthia J. Raysor, Administrative Assistant
Ronald D. Wire, Director of Financial Compliance
Terry L. Miller, Senior Accountant
Roxanne C. Gaer, Senior Accountant
James A. Schaefer, Accounting Systems Operations Manager
Terry J. Laqua, Accounting Systems Operations Assistant**

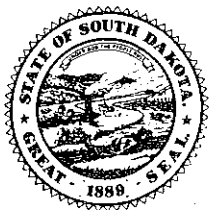


SPECIAL THANKS TO:

**South Dakota Department of Legislative Audit, Pierre
Jason C. Dilges, Economist, 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.

175 Copies of this document were printed by the Bureau of Finance and Management at a cost of \$9.36 per copy on recycled paper, using soy ink. Additional copies of this document can be obtained from the Bureau of Finance and Management, 500 East Capitol Avenue, Pierre, South Dakota 57501, (605) 773-3411, or it can also be viewed on the web at www.state.sd.us/bfm/index.htm.



STATE OF SOUTH DAKOTA
WILLIAM J. JANKLOW, GOVERNOR



**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, 1999. This is our thirteenth *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 363,800 workers during the twelve-month period. Leading the way during this period of time were the finance, insurance, real estate, and construction sectors. 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

EXECUTIVE OFFICE
STATE CAPITOL
500 EAST CAPITOL
PIERRE, SOUTH DAKOTA
57501-5070
605-773-3212

South Dakota



GREAT FACES. GREAT PLACES. ©

TABLE OF CONTENTS

Title Page

Acknowledgements

Governor's Letter

INTRODUCTORY SECTION:

Letter of Transmittal	1
Bureau of Finance and Management	5
Principal State Officials	6
Functions of State Government.....	7
State Organizational Chart.....	8

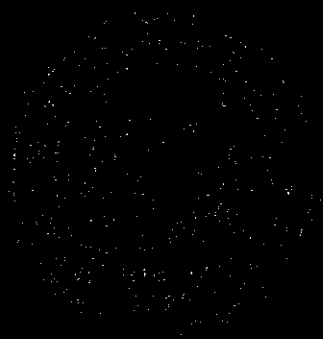
FINANCIAL SECTION:

Independent Auditor's Report	9
General Purpose Financial Statements	11
Combined Balance Sheet -- All Fund Types and Account Groups	12
Combined Statement of Revenues, Expenditures and Changes in Fund Balances -- All Governmental Fund Types and Expendable Trust Funds	15
Combined Statement of Expenditures -- Budget and Actual (Budgetary Basis) -- All Budgeted Fund Types	16
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balances -- All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units.....	23
Combined Statement of Cash Flows -- All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units	24
Statement of Changes in Plan Net Assets -- Pension Trust Fund and Discretely Presented Component Units	27
Higher Education -- Combined Statement of Changes in Fund Balance	28
Higher Education -- Combined Statement of Current Funds Revenues, Expenditures, and Other Changes.....	30
Notes to the Financial Statements.....	32
Combining Financial Statements	67
Special Revenue Funds -- Combining Balance Sheet	70
Special Revenue Funds -- Combining Statement of Revenues, Expenditures and Changes in Fund Balances	74
Debt Service Funds -- Combining Balance Sheet.....	80
Debt Service Funds -- Combining Statement of Revenues, Expenditures and Changes in Fund Balances	81
Capital Projects Funds -- Combining Balance Sheet	84
Capital Projects Funds -- Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
Enterprise Funds -- Combining Balance Sheet	88
Enterprise Funds -- Combining Statement of Revenues, Expenses and Changes in Retained Earnings	89
Enterprise Funds -- Combining Statement of Cash Flows	90
Internal Service Funds -- Combining Balance Sheet	92
Internal Service Funds -- Combining Statement of Revenues, Expenses and Changes in Retained Earnings	94
Internal Service Funds -- Combining Statement of Cash Flows	96
Trust and Agency Funds -- Combining Balance Sheet	101

Expendable Trust Funds -- Combining Balance Sheet	102
Expendable Trust Funds -- Combining Statement of Revenue, Expenditures and Changes in Fund Balances	104
Nonexpendable Trust Funds -- Combining Balance Sheet	106
Nonexpendable Trust Funds -- Combining Statement of Revenues, Expenses and Changes in Fund Balances	107
Nonexpendable Trust Funds -- Combining Statement of Cash Flows	108
Pension Trust Fund -- Statement of Plan Net Assets	109
All Agency Funds -- Combining Statement of Changes in Assets and Liabilities	110
Component Units -- Combining Balance Sheet	114
Component Unit Enterprise Funds -- Combining Statement of Revenues, Expenses and Changes in Retained Earnings	117
Component Unit Enterprise Funds -- Combining Statement of Cash Flows	118
Higher Education -- Combining Balance Sheet	122

STATISTICAL SECTION:

South Dakota Miscellaneous Information	125
South Dakota Miscellaneous Characteristics	126
General Census Information	127
Historical Census Counts and Largest Ten Employers in South Dakota	128
Public School Statistics	129
Elementary and Secondary Education and 1998 Civilian Labor Force	130
State Universities Historical Fall Headcount Enrollments and Postsecondary Vocational Technical Institutes	131
1998 Sources of Income Percent of Total and Per Capita Personal Income	132
Population and Total Personal Income	133
Property Tax Information and Taxes Per Capita and Per \$1,000 Personal Income, United States, South Dakota, and Surrounding States	134
Unemployment Rate and Nonfarm Wage and Salary Employment by Industry	135
Expanded and New Industries and Gross Sales by State Sales Tax Licensees	136
Gross State Product Percent Change and Gross State Product (1987 - 1997)	137
Banking	138
Farm Statistics	139
1998 Ranking for Crop and Livestock Production	140



THE UNIVERSITY OF CHICAGO PRESS, 5 EAST ASHLAND AVENUE, CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS, 5 EAST ASHLAND AVENUE, CHICAGO, ILLINOIS 60607

THE UNIVERSITY OF CHICAGO PRESS, 5 EAST ASHLAND AVENUE, CHICAGO, ILLINOIS 60607



DEPARTMENT OF EXECUTIVE MANAGEMENT

BUREAU OF FINANCE AND MANAGEMENT

500 East Capitol, Pierre, SD 57501

(605) 773-3411

FAX: (605) 773-4711

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, 1999.*

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 1999.

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).

for total retirement assets. For the past 15 years, the equity portfolio ranks in the top 7th percentile and the fixed income in the top 3rd 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 \$5.536 billion at June 30, 1999.

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 23 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 eleven 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, 1999, \$662.4 million has been generated to fund many public programs and projects. Lottery revenues for FY1999 totaled \$97.0 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. 55.1% 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)

	AMOUNT	PERCENT
Taxes	\$581,730	78.6
Use of Money/Property	18,632	2.5
Sales and Services	4,623	0.6
Licenses/Permits/Fees	4,753	0.7
Administering Programs	2,157	0.3
Fines/Forfeits/Penalties	506	0.1
Other	652	0.1
TOTAL REVENUE	\$613,053	82.9

Transfer From Property Tax Reduction Fund	\$ 87,300	11.8
Transfer From Component Units	12,137	1.6
Transfer From Other Agencies	27,292	3.7
TOTAL GENERAL FUND	\$739,782	100.0

TAXES BY SOURCE (Thousands)

	AMOUNT	PERCENT
Sales and Use Tax	\$407,967	70.1
Inheritance Tax	23,759	4.1
Insurance Company Tax	34,976	6.0
Liquor Tax	8,240	1.4
Cigarette Tax	19,374	3.3
Bank Franchise Tax	39,813	6.9
Contractor's Excise Tax	43,399	7.5
Severance Tax	3,131	.5
Other Tobacco Tax	1,071	.2
TOTAL	\$581,730	100.0

GENERAL FUND EXPENDITURES BY OBJECT/TRANSFERS (Thousands)

	AMOUNT	PERCENT
Salaries/Wages/Benefits	\$109,866	14.9
Travel	3,914	0.5
Contractual	40,242	5.5
Supplies/Materials	9,217	1.3
Grants/Subsidies	417,308	56.6
Capital Outlay	8,023	1.1
Other	1,120	0.1
TOTAL EXPENDITURES	\$589,690	80.0
Transfer to Universities	\$113,014	15.4
Other Transfers Out	33,991	4.6
TOTAL GENERAL FUND	\$736,695	100.0

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

	<u>AMOUNT</u>	<u>PERCENT</u>
General Government	\$ 44,410	6.0
Human Resources	222,626	30.2
Natural Resources	11,117	1.5
Protection of Public	6,883	0.9
Transportation	310	0.1
Education and Research	302,374	41.0
Economic Resources	<u>1,970</u>	<u>0.3</u>
TOTAL EXPENDITURES	<u>\$589,690</u>	<u>80.0</u>
Transfer to Universities	\$113,014	15.4
Other Transfers Out	<u>33,991</u>	<u>4.6</u>
TOTAL GENERAL FUND	<u>\$736,695</u>	<u>100.0</u>

**ECONOMIC REVIEW FOR
FISCAL YEAR 1999**

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 FY1999 was the growth in South Dakota's labor force. During FY1999, the South Dakota labor force grew to an all-time high, with the finance; and, insurance, real estate, and construction sectors leading the way, with growth rates of 6.8% and 3.8%, respectively. At the same time, South Dakota enjoyed one of the lowest unemployment rates in the nation at 2.5%, far below the national unemployment rate.

During FY1999, nonfarm employment grew by 4,365 jobs, an increase of 2.2%. Nationally, nonfarm employment grew 2.4% during the same period. Most sectors in South Dakota realized a growth in jobs. Building permits issued during this 12-month period were up 13.2%; the value of building permits issued increased by 18.9%. Finally, total personal income in South Dakota grew 5.9%, compared to the national growth rate of 5.6%. South Dakota's 21.1% increase in farm income was part of the reason South Dakota exceeded the U.S. in personal income growth. Nonfarm income grew at a healthy rate of 5.1%.

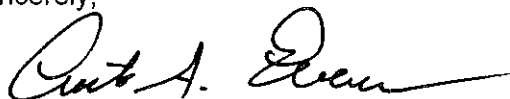
ECONOMIC OUTLOOK

After speeding through the final half of FY1999 at an even higher pace than existed during the beginning of FY1999, South Dakota's economy is expected to grow above the historical average during FY2000. Contributing to the faster pace of growth is a stable national economy, a tight but growing labor market, and healthy increases in wages. After growing 2.2% during FY1999, nonfarm employment is expected to grow 1.6% during FY2000, with the finance; insurance, real estate, and construction sectors leading the way. The housing sector is expected to plateau. Finally, personal income is expected to grow 5.7%. Farm income is predicted to remain strong, barring a drought. Nonfarm income is expected to grow 5.7% during FY2000.

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 FY1999 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

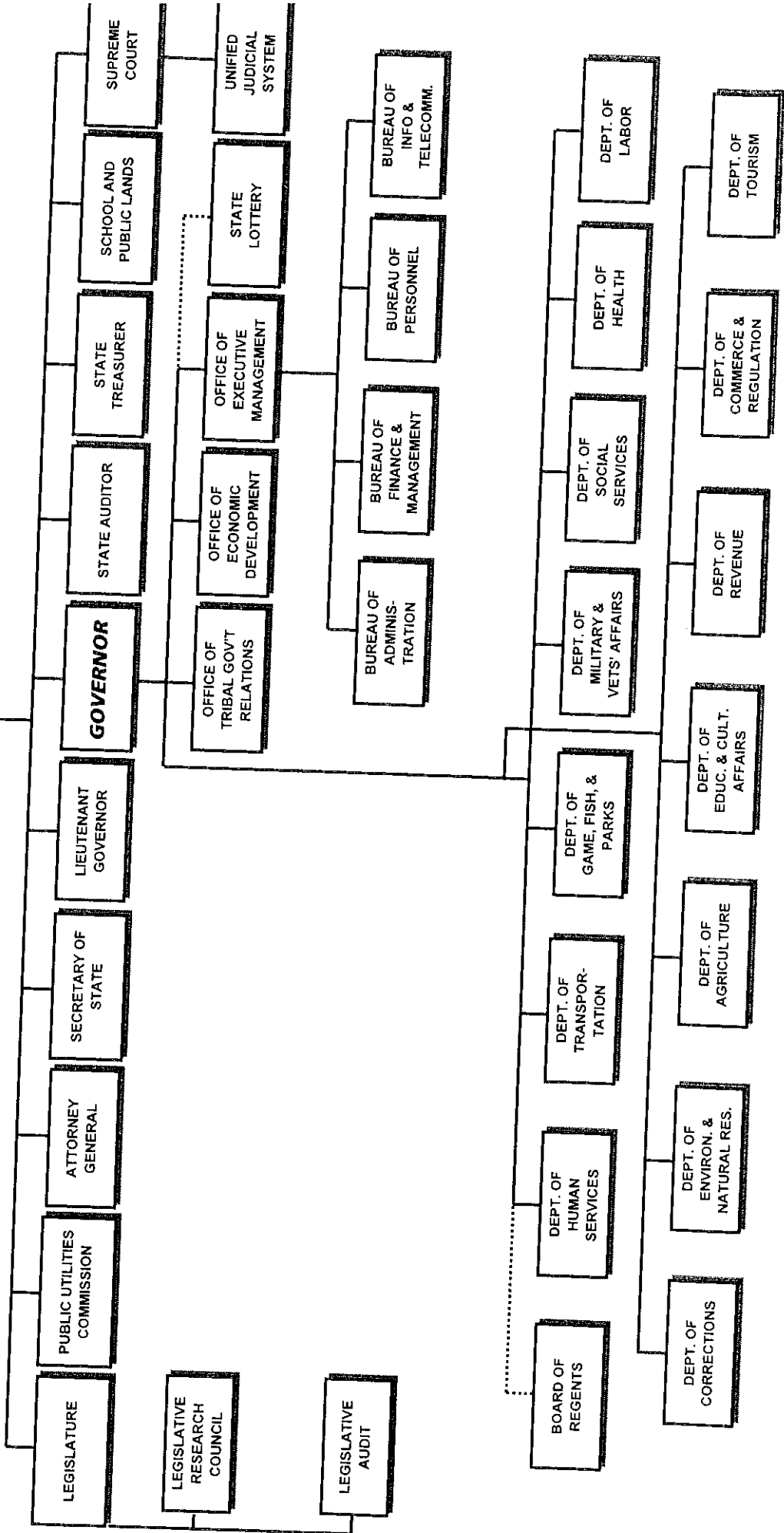
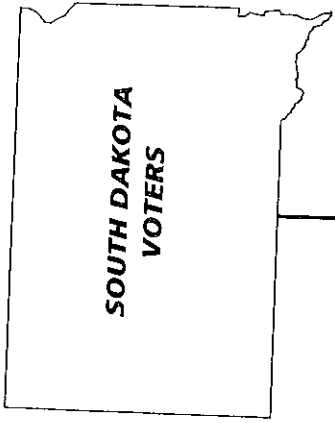
Transportation

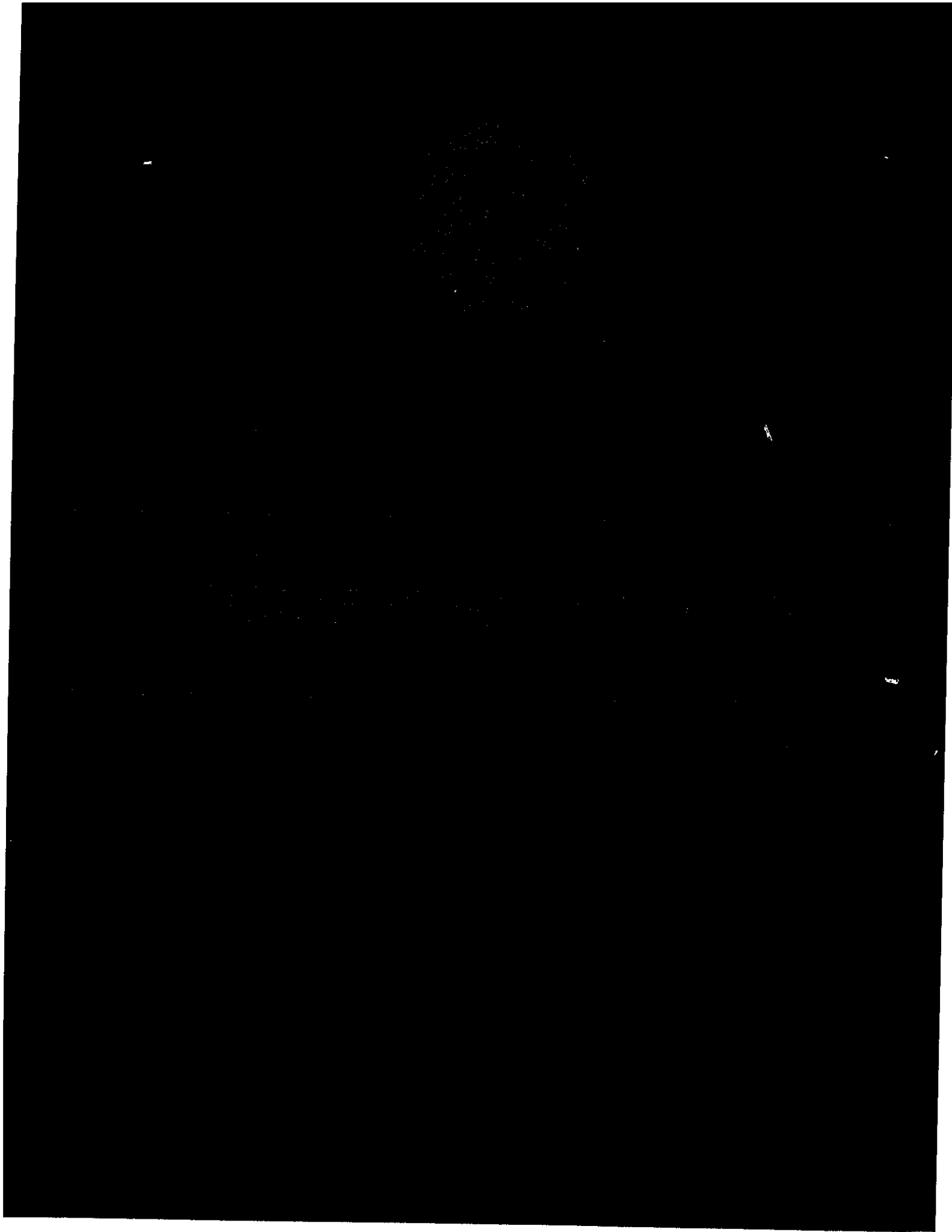
EDUCATION AND RESEARCH

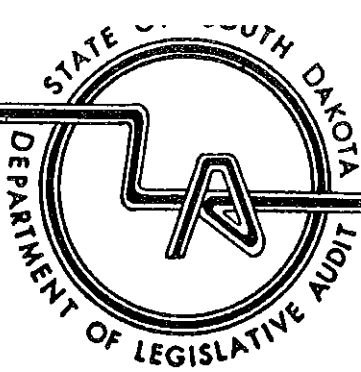
Education and Cultural Affairs
Higher Education

ECONOMIC RESOURCES

Economic Development
Tourism







427 SOUTH CHAPELLE
C/O 500 EAST CAPITOL
PIERRE SD 57501-5070
(605) 773-3595
FAX (605) 773-6454

MARTIN L. GUINDON, CPA
INTERIM ADMINISTRATOR

INDEPENDENT AUDITOR'S REPORT

The Honorable William J. Janklow
Governor of South Dakota

and

Members of the Legislature
State of South Dakota

We have audited the accompanying general-purpose financial statements of the State of South Dakota as of and for the fiscal year ended June 30, 1999, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of the state's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the South Dakota Retirement System, which represents 91% of the assets of the trust and agency funds and 100% of the additions in net assets of the pension trust funds; and, the Deferred Compensation Fund, which represents 48% and 25%, respectively, of the assets and revenues of the expendable trust funds. Those financial statements were audited by other auditors whose reports have been furnished to us; and our opinion, insofar as it relates to the amounts included for those funds, is based on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of South Dakota as of June 30, 1999 and the results of its operations and

the cash flows of its proprietary fund types and nonexpendable trust funds for the fiscal year then ended in conformity with generally accepted accounting principles.

In accordance with government auditing standards, we have also issued our reports dated March 5, 2000 on our consideration of the State of South Dakota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining financial statements as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the examination of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.



Martin L. Guindon, CPA
Interim Administrator

March 5, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

The "General Purpose Financial Statements" are displayed to give the reader an overview of the state's financial position, results of operations, and its cash flows. The following statements are included:

Combined Balance Sheet - All Fund Types and Account Groups

Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds

Combined Statement of Expenditures, Budget and Actual (Budgetary Basis) – All Budgeted Fund Types

Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balances – All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units

Combined Statement of Cash Flows – All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units

Statement of Changes in Plan Net Assets – Pension Trust Fund and Discretely Presented Component Units

Higher Education Combined Statement of Changes in Fund Balance

Higher Education Combined Statement of Current Funds Revenues, Expenditures, and Other Changes

Notes to the Financial Statements

**STATE OF SOUTH DAKOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS**

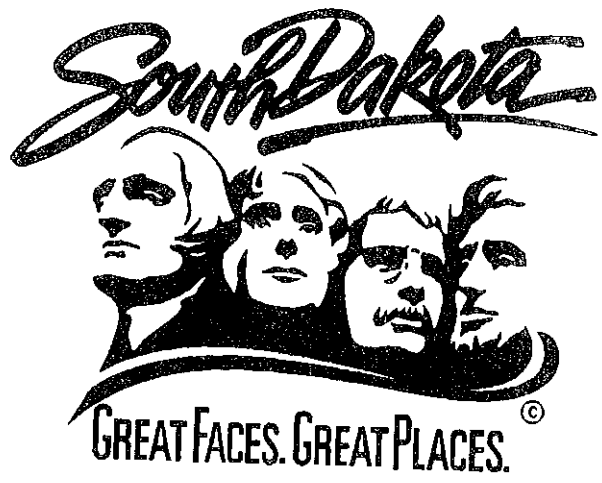
June 30, 1999

(Expressed in Thousands)

Assets and Other Debits	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Cash and Cash Equivalents	\$ 22,536	\$ 276,433	\$ 2,773	\$ 2,234	\$ 45,444	\$ 40,392
Investments		335	104,201	630	41,481	
Securities Lending Collateral	11,869	45,968		269	6,769	6,828
Accounts Receivable	1,045	2,232			4,562	354
Taxes Receivable (Net)	8,966	323				
Interest, Dividends & Penalties Receivable	3,946	182	20	13	1,407	
Loans and Notes Receivable (Net)		20,039			87,647	
Due From Other Funds	79,375	76,416	4,042	79	3,813	9,784
Due From Primary Government						
Due From Component Units		22			2,715	706
Due From Other Governments	504	72,505	77			82
Inventory	1,377	15,278			233	
Advances To Other Funds	45	1,531			1,379	1,196
Restricted Assets:						496
Cash and Cash Equivalents	36,551					
Investments						
Deferred Fiscal Charges and Other Assets	522	1,250			1,031	1,845
Property, Plant and Equipment (Net)					1,666	19,487
Amount to be Provided						
Amount Available in Debt Service						
Total Assets	\$ 166,736	\$ 512,514	\$ 111,113	\$ 3,225	\$ 198,147	\$ 81,170
Liabilities, Equity and Other Credits						
Liabilities:						
Accounts Payable	\$ 14,469	\$ 59,022	\$	\$ 4	\$ 1,749	\$ 2,123
Accrued Liabilities	5,622	7,602	3,250		672	1,121
Compensated Absences Payable	86	363			411	3,855
Due To Other Funds	24,182	26,404		72	3,940	1,496
Due To Primary Government						
Due To Component Units		100				
Due To Other Governments	1,053	8,664				14
Deferred Revenue	68	33,121			435	3,131
Escrow Payable					42	
Amounts Held in Custody for Others						
Advances From Other Funds	2,446	813				
Policy Claim Liabilities						496
Securities Lending Collateral Liability	11,869	45,968		269	6,769	24,101
Bonds and Notes Payable (Net)					24,399	6,828
Certificates of Participation Payable						282
Trust Certificates Payable						
Capital Lease Obligations					76	5,904
Other Liabilities					672	
Total Liabilities	59,795	182,057	3,250	345	39,165	49,351
Equity and Other Credits:						
Contributions						
Investment in Fixed Assets					43,658	16,902
Retained Earnings:						
Reserved						
Unreserved						
Fund Balance					115,324	14,917
Reserved	16,113	62,526	107,863			
Unreserved:						
Designated	36,551					
Undesignated	54,277	267,931		2,880		
Total Fund Equity	106,941	330,457	107,863	2,880	158,982	31,819
Total Liabilities and Fund Equity	\$ 166,736	\$ 512,514	\$ 111,113	\$ 3,225	\$ 198,147	\$ 81,170

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

Fiduciary Fund Type Trust And Agency	Account Groups		Component Units
	General Fixed Assets	General Long-Term Debt	
\$ 181,311	\$	\$	\$ 368,014
4,992,733			452,621
391,015			18,273
100,109			8,896
95,622			
8,593			11,392
429			1,035,452
10,201			
			2,923
23			3,389
8,273			4,165
			21,090
1,728			
			537
			7,395
488			21,704
8,646	459,172		509,893
		125,696	
		107,863	
<u>\$ 5,799,169</u>	<u>\$ 459,172</u>	<u>\$ 233,559</u>	<u>\$ 2,465,744</u>
\$ 212,221	\$	\$	\$ 7,798
2,647			17,853
193		36,045	25,426
127,616			
			3,466
6,191			3,389
56,878			3,474
			3,312
78			25,058
8,795			625
45			
9,197			
391,015			18,273
		148,195	1,489,325
		164	171
		48,591	10,219
		564	414
			441
<u>814,876</u>	<u>0</u>	<u>233,559</u>	<u>1,609,244</u>
	459,172		5,873
			389,932
			234,689
			111,061
4,984,293			79,109
			35,856
<u>4,984,293</u>	<u>459,172</u>	<u>0</u>	<u>856,500</u>
<u>\$ 5,799,169</u>	<u>\$ 459,172</u>	<u>\$ 233,559</u>	<u>\$ 2,465,744</u>



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, 1999
(Expressed in Thousands)

	Governmental Fund Types			Fiduciary	Component
	General	Special Revenue	Debt Service	Expendable Trust	Unit Housing Authority
Revenue:					
Taxes	\$ 581,730	\$ 120,606	\$	\$ 21,800	\$
Licenses, Permits and Fees	4,753	148,093	1,251	208	
Fines, Forfeits and Penalties	506	5,201			
Use of Money and Property	18,632	16,402	151	9,221	26
Sales and Services	4,623	14,905		332	
Administering Programs	2,157	764,382		120	16,855
Deferred Compensation				5,453	
Other Revenue	652	9,297	554	6,400	
Total Revenue	<u>613,053</u>	<u>1,078,886</u>	<u>1,956</u>	<u>43,534</u>	<u>16,881</u>
Expenditures:					
Current:					
Education and Research	302,374	79,635	30	12	
Economic Resources	1,970	39,862			14,294
General Government	44,410	31,802		1,329	
Human Resources	222,626	451,737		22,417	
Natural Resources	11,117	58,050		2	
Protection of Domain	6,883	62,207		9,353	
Transportation	310	294,739			
Capital Outlay				1,862	
Debt Service:					
Principal			12,242		
Interest			11,682		
Total Expenditures	<u>589,690</u>	<u>1,018,032</u>	<u>23,954</u>	<u>33,113</u>	<u>14,294</u>
Excess of Revenues Over (Under) Expenditures	23,363	60,854	(21,998)	(1,656)	2,587
Other Financing Sources (Uses):					
Proceeds of Refunding Bonds			2,135		
Payments on Advance Refundings			(1,514)		
Operating Transfers In	114,592	122,906	14,770	317	
Operating Transfers From Component Units	12,137		51		
Operating Transfers Out	(33,991)	(119,221)	(624)	(668)	(1,269)
Operating Transfers To Component Units	(113,014)	(10)			
Net Other Financing Sources (Uses)	<u>(20,276)</u>	<u>3,675</u>	<u>14,818</u>	<u>(952)</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,087	64,529	(7,180)	(1,703)	2,587
Fund Balance at Beginning of Year, restated	<u>103,854</u>	<u>265,928</u>	<u>115,043</u>	<u>107,432</u>	<u>14,273</u>
Fund Balance at End Of Year	<u>\$ 106,941</u>	<u>\$ 330,457</u>	<u>\$ 107,863</u>	<u>\$ 116,901</u>	<u>\$ 16,860</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, 1999
(Expressed in Thousands)

Department	GENERAL			FEDERAL		
	Budgeted	Actual	Variance	Budgeted	Actual	Variance
EXECUTIVE MANAGEMENT						
Personal Services	\$ 4,678	\$ 4,677	\$ 1	\$ 533	\$ 385	\$ 148
Operating Expenses	21,937	21,925	12	10,809	3,183	7,626
Total	<u>26,615</u>	<u>26,602</u>	<u>13</u>	<u>11,342</u>	<u>3,568</u>	<u>7,774</u>
REVENUE						
Personal Services	518	510	8			
Operating Expenses	1,233	1,098	135	101	83	0
Total	<u>1,751</u>	<u>1,608</u>	<u>143</u>	<u>101</u>	<u>83</u>	<u>18</u>
AGRICULTURE						
Personal Services	2,449	2,371	78	1,173	946	227
Operating Expenses	1,129	1,126	3	982	705	277
Total	<u>3,578</u>	<u>3,497</u>	<u>81</u>	<u>2,155</u>	<u>1,651</u>	<u>504</u>
TOURISM						
Personal Services			0			
Operating Expenses			0			0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
GAME, FISH AND PARKS						
Personal Services	2,031	2,031	0	257	254	3
Operating Expenses	5,438	5,133	305	1,395	1,121	274
Total	<u>7,469</u>	<u>7,164</u>	<u>305</u>	<u>1,652</u>	<u>1,375</u>	<u>277</u>
SOUTH DAKOTA LOTTERY						
Personal Services			0			
Operating Expenses			0			0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SOCIAL SERVICES						
Personal Services	9,748	9,718	30	18,995	18,515	480
Operating Expenses	107,361	107,267	94	260,508	257,782	2,726
Total	<u>117,109</u>	<u>116,985</u>	<u>124</u>	<u>279,503</u>	<u>276,297</u>	<u>3,206</u>
HEALTH						
Personal Services	2,658	2,658	0	6,123	5,993	130
Operating Expenses	3,357	3,357	0	8,397	8,266	131
Total	<u>6,015</u>	<u>6,015</u>	<u>0</u>	<u>14,520</u>	<u>14,259</u>	<u>261</u>
LABOR						
Personal Services	334	320	14	11,611	10,956	655
Operating Expenses	63	52	11	13,806	12,420	1,386
Total	<u>397</u>	<u>372</u>	<u>25</u>	<u>25,417</u>	<u>23,376</u>	<u>2,041</u>
TRANSPORTATION						
Personal Services	187	187	0	3,523	3,523	0
Operating Expenses	254	254	0	5,342	5,342	0
Total	<u>441</u>	<u>441</u>	<u>0</u>	<u>8,865</u>	<u>8,865</u>	<u>0</u>

OTHER		
Budgeted	Actual	Variance
\$ 19,963	\$ 18,747	\$ 1,216
49,823	42,541	7,282
<u>69,786</u>	<u>61,288</u>	<u>8,498</u>
5,863	5,692	171
5,090	5,023	67
<u>10,953</u>	<u>10,715</u>	<u>238</u>
908	832	76
2,819	1,335	1,484
<u>3,727</u>	<u>2,167</u>	<u>1,560</u>
813	760	53
4,423	4,170	253
<u>5,236</u>	<u>4,930</u>	<u>306</u>
4,207	4,199	8
6,415	5,797	618
<u>10,622</u>	<u>9,996</u>	<u>626</u>
403	398	5
1,156	825	331
<u>1,559</u>	<u>1,223</u>	<u>336</u>
182	152	30
5,880	4,007	1,873
<u>6,062</u>	<u>4,159</u>	<u>1,903</u>
1,825	1,576	249
3,188	2,747	441
<u>5,013</u>	<u>4,323</u>	<u>690</u>
1,184	1,147	37
1,439	1,355	84
<u>2,623</u>	<u>2,502</u>	<u>121</u>
35,830	33,570	2,260
50,573	43,370	7,203
<u>86,403</u>	<u>76,940</u>	<u>9,463</u>

Continued on next page

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, 1999
(Expressed in Thousands)

Department	GENERAL			FEDERAL		
	Budgeted	Actual	Variance	Budgeted	Actual	Variance
EDUCATION AND CULTURAL AFFAIRS						
Personal Services	3,085	3,070	15	2,429	2,012	417
Operating Expenses	303,758	303,758	0	76,819	75,325	1,494
Total	306,843	306,828	15	79,248	77,337	1,911
COMMERCE AND REGULATION						
Personal Services	962	955	7	293	200	93
Operating Expenses	1,811	1,810	1	1,487	1,265	222
Total	2,773	2,765	8	1,780	1,465	315
HIGHER EDUCATION						
Personal Services	99,150	99,150	0	19,382	17,807	1,575
Operating Expenses	17,834	17,713	121	28,078	26,338	1,740
Total	116,984	116,863	121	47,460	44,145	3,315
MILITARY AND VETERANS' AFFAIRS						
Personal Services	2,340	2,315	25	461	438	23
Operating Expenses	1,934	1,823	111	902	899	3
Total	4,274	4,138	136	1,363	1,337	26
CORRECTIONS						
Personal Services	24,119	24,110	9	1,395	1,233	162
Operating Expenses	17,141	17,137	4	2,494	2,347	147
Total	41,260	41,247	13	3,889	3,580	309
HUMAN SERVICES						
Personal Services	21,521	21,521	0	16,313	16,284	29
Operating Expenses	38,169	38,169	0	58,136	57,225	911
Total	59,690	59,690	0	74,449	73,509	940
ENVIRONMENT AND NATURAL RESOURCES						
Personal Services	3,792	3,656	136	2,552	2,119	433
Operating Expenses	1,854	1,854	0	5,262	5,183	79
Total	5,646	5,510	136	7,814	7,302	512
UNIFIED JUDICIAL SYSTEM						
Personal Services	17,416	17,388	28			
Operating Expenses	2,368	2,368	0	357	338	19
Total	19,784	19,756	28	357	338	19
LEGISLATIVE						
Personal Services	1,731	1,609	122			
Operating Expenses	393	363	30			
L.R.C. Appropriation	3,993	3,981	12			
Total	6,117	5,953	164	0	0	0

OTHER		
Budgeted	Actual	Variance
389	306	83
<u>1,669</u>	<u>861</u>	<u>808</u>
<u>2,058</u>	<u>1,167</u>	<u>891</u>
14,517	13,961	556
<u>6,123</u>	<u>5,750</u>	<u>373</u>
<u>20,640</u>	<u>19,711</u>	<u>929</u>
40,040	37,537	2,503
<u>104,409</u>	<u>66,695</u>	<u>37,714</u>
<u>144,449</u>	<u>104,232</u>	<u>40,217</u>
1,232	1,138	94
<u>1,014</u>	<u>1,010</u>	<u>4</u>
<u>2,246</u>	<u>2,148</u>	<u>98</u>
1,225	1,162	63
<u>4,272</u>	<u>3,924</u>	<u>348</u>
<u>5,497</u>	<u>5,086</u>	<u>411</u>
239	231	8
<u>2,767</u>	<u>2,539</u>	<u>228</u>
<u>3,006</u>	<u>2,770</u>	<u>236</u>
1,573	1,547	26
<u>8,326</u>	<u>951</u>	<u>7,375</u>
<u>9,899</u>	<u>2,498</u>	<u>7,401</u>
46	46	0
<u>1,716</u>	<u>1,652</u>	<u>64</u>
<u>1,762</u>	<u>1,698</u>	<u>64</u>
		0
		0
<u>90</u>	<u>37</u>	<u>53</u>
<u>90</u>	<u>37</u>	<u>53</u>

Continued on next page

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, 1999
(Expressed in Thousands)

Department	GENERAL			FEDERAL		
	Budgeted	Actual	Variance	Budgeted	Actual	Variance
ATTORNEY GENERAL						
Personal Services	4,434	4,412	22	1,266	1,253	13
Operating Expenses	1,140	1,138	2	2,971	2,358	613
Total	<u>5,574</u>	<u>5,550</u>	<u>24</u>	<u>4,237</u>	<u>3,611</u>	<u>626</u>
SCHOOL AND PUBLIC LANDS						
Personal Services	306	306	0			
Operating Expenses	114	114	0			
Total	<u>420</u>	<u>420</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SECRETARY OF STATE						
Personal Services	529	529	0			
Operating Expenses	149	149	0			
Total	<u>678</u>	<u>678</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
STATE TREASURER						
Personal Services	225	225	0			
Operating Expenses	129	129	0			
Total	<u>354</u>	<u>354</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
STATE AUDITOR						
Personal Services	622	612	10			
Operating Expenses	111	111	0			
Total	<u>733</u>	<u>723</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>
STATE OF SOUTH DAKOTA						
Personal Services	202,835	202,330	505	86,306	81,918	4,388
Operating Expenses	527,677	526,848	829	477,846	460,180	17,666
L.R.C. Appropriation	3,993	3,981	12	0	0	0
Total	<u>\$ 734,505</u>	<u>\$ 733,159</u>	<u>\$ 1,346</u>	<u>\$ 564,152</u>	<u>\$ 542,098</u>	<u>\$ 22,054</u>

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

OTHER		
Budgeted	Actual	Variance
1,278	1,207	71
1,785	1,625	160
<u>3,063</u>	<u>2,832</u>	<u>231</u>
		0
271	258	13
<u>271</u>	<u>258</u>	<u>13</u>
5	5	0
138	136	2
<u>143</u>	<u>141</u>	<u>2</u>
2,093	1,810	283
1,027	832	195
<u>3,120</u>	<u>2,642</u>	<u>478</u>
		0
		0
<u>0</u>	<u>0</u>	<u>0</u>
133,815	126,023	7,792
264,323	197,403	66,920
90	37	53
<u>\$ 398,228</u>	<u>\$ 323,463</u>	<u>\$ 74,765</u>



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, 1999
(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary	Component
	Enterprise	Internal Service	Fund Type Nonexpendable Trust	Units Enterprise
Operating Revenue:				
Licenses, Permits, and Fees	\$ 1,161	\$	\$	\$ 2,974
Use of Money and Property	4,915	15	7,539	96,454
Sales and Services	127,021	116,274		57,569
Administering Programs	9,037			
Other Revenue	305	114		3
Total Operating Revenue	142,439	116,403	7,539	157,000
Operating Expenses:				
Personal Services and Benefits	2,669	22,195		12,857
Travel	201	569		336
Contractual Services	7,278	27,974	291	15,818
Supplies and Materials	5,531	11,483		9,133
Grants			10,284	2,802
Other	5		48	476
Interest	1,432	242		79,289
Bad Debts	599	9		34
Depreciation/Amortization	396	6,137		5,810
Lottery Prizes	14,689			
Insurance Claims		44,140		
Total Operating Expenses	32,800	112,749	10,623	126,555
Operating Income (Loss)	109,639	3,654	(3,084)	30,445
Nonoperating Revenue (Expenses):				
Gain on Disposal of Assets			47	
Loss on Disposal of Assets	(2)	(276)		(16)
Interest Income	2,600	2,089		2,912
Other Expense	(347)	(241)		(12)
Grant and Other Income	95	8		343
Loss on Extinguishment of Debt				(1,264)
Total Nonoperating Revenue (Expenses)	2,346	1,580	47	1,963
Net Income (Loss) Before Operating Transfers	111,985	5,234	(3,037)	32,408
Operating Transfers:				
Operating Transfers In	60	837		
Operating Transfers Out	(97,600)	(289)	(441)	
Operating Transfers To Primary Government				(12,000)
Operating Transfers To Component Units			(1,565)	
Net Operating Transfers	(97,540)	548	(2,006)	(12,000)
Net Income (Loss)	14,445	5,782	(5,043)	20,408
Retained Earnings/Fund Balance at				
Beginning of Year, restated	100,852	9,389	155,284	325,322
Decrease in Contributed Capital	27			
Residual Equity Transfers Out		(254)		
Retained Earnings/Fund Balance at End of Year	\$ 115,324	\$ 14,917	\$ 150,241	\$ 345,730

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, 1999

(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary	Component
	Enterprise	Internal Service	Nonexpendable Trust	Unit
				Enterprise
Cash Flows from Operating Activities:				
Operating Income/(Loss) Before Transfers	\$ 109,639	\$ 3,654	\$ (3,084)	\$ 30,445
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation/Amortization Expense	396	6,137		5,796
Bad Debt Expense	599			18
Unamortized Charges Expensed	95			
Investment Income	(2,748)		(4,279)	(31,826)
Interest Expense	1,430	241		79,287
Miscellaneous Nonoperating Items	53	36		343
Decrease/(Increase) in Assets:				
Accounts Receivable	(209)	(54)	2	(783)
Interest, Dividends & Penalties Receivable	(173)		8	(460)
Loans and Notes Receivable	(10,121)		239	(126,180)
Due From Other Funds	(149)	(317)	(36)	
Due From Primary Government				1
Due From Component Units	168	(43)		(481)
Due From Other Governments	(6)	(26)		
Inventory	(41)	(94)		(3,092)
Deferred Fiscal Charges and Other Assets	(153)	(579)		(344)
Land and Buildings			(42)	
Increase/(Decrease) in Liabilities:				
Accounts Payable	713	393	36	300
Accrued Liabilities	15	158		(39)
Compensated Absences Payable	81	270		103
Due To Other Funds	304	71	(47)	
Due To Primary Government				(9)
Due To Component Units		(6)	(119)	96
Deferred Revenue	255	490		9
Escrow Payable	(6)			113
Advances From Other Funds		(399)		
Policy Claim Liabilities		(582)		
Other Liabilities	(20)			
Total Adjustments	(9,517)	5,696	(4,238)	(77,022)
Net Cash Provided (Used) by Operating Activities	100,122	9,350	(7,322)	(46,577)
Cash Flows From Capital and Related Financing Activities:				
Purchases of Capital Assets	(230)	(3,549)		(6,503)
Sales of Capital Assets	1	361	47	186
Payments on Notes		(89)		
Payments on Capital Lease Obligations	(65)	(1,975)		(36)
Capital Contributed		75		
Net Cash Provided (Used) by Capital and Related Financing Activities	(294)	(5,177)	47	(6,353)

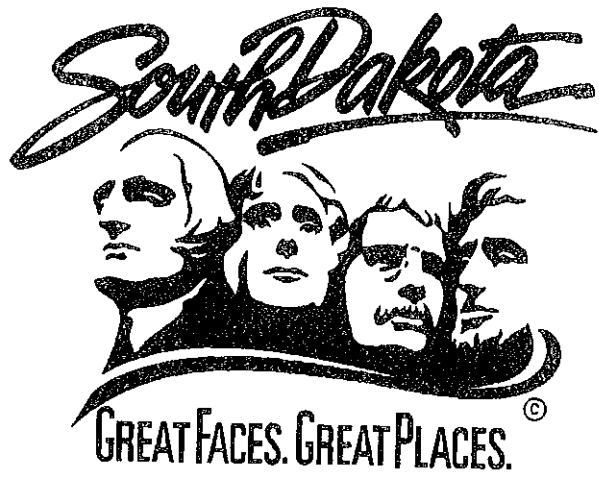
Continued on next page

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, 1999
(Expressed in Thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Component Unit
	Enterprise	Internal Service	Nonexpendable Trust	Enterprise
Cash Flows From Noncapital Financing Activities:				
Operating Transfers In	60	837		
Operating Transfers Out	(97,600)	(289)	(441)	
Operating Transfers To Component Units			(1,565)	
Operating Transfers To Primary Government				(12,000)
Residual Equity Transfers In		250		
Residual Equity Transfers Out		(250)		
Issuance of Bonds				381,795
Payments on Bonds and Notes	(700)			(307,036)
Payments on Loans				(209)
Bond Issuance Costs				(2,630)
Interest Payments on Bonds and Notes	(1,331)			(78,601)
Net Cash Provided(Used) From Noncapital Financing Activities	(99,571)	548	(2,006)	(18,681)
Cash Flows From Investing Activities:				
Investment Income	4,946	1,668	9,608	38,966
Purchase of Investment Securities	(17,185)		(32,701)	(474,704)
Proceeds From Sales and Maturities of Investment Securities	4,268		38,470	602,686
Security Lending Rebate Fees	(305)	(232)	(48)	
Net Cash Provided by Investing Activities	(8,276)	1,436	15,329	166,948
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year				
	(8,019)	6,157	6,048	95,337
Cash and Cash Equivalents at Beginning of Year				
	53,463	34,235	14,602	190,506
Cash and Cash Equivalents at End of Year				
	\$ 45,444	\$ 40,392	\$ 20,650	\$ 285,843
Noncash Investing, Capital and Financing Activities:				
Loss/(Gain) on Disposal of Fixed Assets	2	252		16
Donation of Fixed Assets		130		
Capital Lease Obligations Entered Into		4,587		
Residual Equity Transfers Out		4		
Extinguishment of Debt				1,264
Reconciliation of Cash and Cash Equivalents to the Combined Balance Sheet:				
		Trust and Agency	Component Units	
Nonexpendable Trust		\$ 20,650	\$	
Proprietary Component Units			285,843	
Other Trust and Agency		160,661		
Other Component Units			82,708	
Total Cash and Cash Equivalents per Combined Balance Sheet		\$ 181,311	\$	368,551

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, 1999
(Expressed in Thousands)

	South Dakota Retirement System	Component Units	
		Cement Plant Retirement System	Perpetuity Fund
Additions			
Contributions:			
Employee	\$ 55,001	\$ 29	\$
Employer	50,070		
Total Contributions	<u>105,071</u>	<u>29</u>	<u>0</u>
Investment Income:			
From Investing Activities			
Net Increase (Decrease) in Fair Value of Investments	461,043	3,463	(59)
Interest	81,919	510	138
Dividends	40,172	225	
Real Estate	13,936	155	
Investment Activity Income	<u>597,070</u>	<u>4,353</u>	<u>79</u>
Less Investment Activity Expenses	(7,488)		
Net Investment Activity Income	<u>589,582</u>	<u>4,353</u>	<u>79</u>
From Security Lending Activities			
Security Lending Income	20,197		
Security Lending Expenses	(18,880)		
Net Security Lending Activity Income	<u>1,317</u>	<u>0</u>	<u>0</u>
Total Investment Income	<u>590,899</u>	<u>4,353</u>	<u>79</u>
Total Additions	<u>695,970</u>	<u>4,382</u>	<u>79</u>
Deductions			
Benefits	113,705	924	134
Refunds of Contributions	34,431		
Administrative Expenses	<u>2,537</u>	<u>97</u>	<u>2</u>
Total Deductions	<u>150,673</u>	<u>1,021</u>	<u>136</u>
Net Increase	545,297	3,361	(57)
Net Assets Held In Trust For Pension Benefits			
Beginning of Year	<u>4,171,854</u>	<u>26,448</u>	<u>2,441</u>
End of Year	<u>\$ 4,717,151</u>	<u>\$ 29,809</u>	<u>\$ 2,384</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, 1999
(Expressed in Thousands)

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Revenues and Other Additions:			
Tuition and Fees			
Federal Appropriations	\$ 79,499	\$	\$
Federal Grants and Contracts	55	6,046	
State Grants and Contracts		39,907	989
Private Gifts, Grants and Contracts		2,686	
Auxiliary Enterprise Revenue	259	10,397	
Retirement of Indebtedness	31,291		
Indirect Cost Recovery			
Investment Income	2,350		
Expended for Plant Facilities	949	4	687
Transfer of Bonds to Investment in Plant			
Sales and Services	18,925		
Other Sources	765		74
Total Revenue and Other Additions	<u>134,093</u>	<u>59,050</u>	<u>1,750</u>
Expenditures and Other Deductions:			
Education and General			
Auxiliary Enterprise	207,955	56,997	
Expended for Plant Facilities	28,504	144	
Retirement of Indebtedness			
Interest on Indebtedness			
Indirect Costs Recovered			
Disposal of Plant		2,308	42
Loan Cancellations and Write-Offs			
Administrative and Collection Costs			447
Transfer of Bonds From Unexpended Plant Funds			512
Loss on Refunding Bonds			
Other			
Total Expenditures and Other Deductions	<u>236,464</u>	<u>59,449</u>	<u>1,001</u>
Transfers Among Funds - Additions (Deductions):			
Non-Mandatory:			
Net Interfund Transfers	(9,470)	432	(73)
Operating Transfers To Primary Government	(137)		
Operating Transfers From Primary Government	114,589		
Mandatory:			
Principal and Interest	(7,018)		
Renewals and Replacements	(935)		
Loan Fund Matching	(188)		
Net Transfers In (Out)	<u>96,841</u>	<u>432</u>	<u>188</u>
Net Increase (Decrease) for Year	(5,530)	33	864
Fund Balance at Beginning of Year, restated	<u>20,447</u>	<u>2,658</u>	<u>30,820</u>
Fund Balance at End of Year	<u>\$ 14,917</u>	<u>\$ 2,691</u>	<u>\$ 31,684</u>

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

Plant Funds

Unexpended Plant Funds	Renewals & Replacements	Retirement of Indebtedness	Investment in Plant	Total
	\$ 697			\$ 80,196
				6,046
				40,951
				2,696
			361	11,017
				31,291
			3,294	3,294
				2,350
27	767	227		2,661
			24,699	24,699
3,354				3,354
				18,925
167		84		1,090
<u>3,548</u>	<u>1,464</u>	<u>311</u>	<u>28,354</u>	<u>228,570</u>
				264,952
				28,648
5,208	7,051			12,259
		3,294		3,294
91		3,949		4,040
				2,350
			6,657	6,657
				447
				512
			3,354	3,354
16				16
55	74	57		191
<u>5,370</u>	<u>7,125</u>	<u>7,300</u>	<u>10,011</u>	<u>326,720</u>
				264,952
				28,648
				12,259
				3,294
				4,040
				2,350
				6,657
				447
				512
				3,354
				16
				191
				326,720
				114,589
1,143	7,876	92		0
(51)				(188)
				114,589
		7,018		0
	935			0
				0
<u>1,092</u>	<u>8,811</u>	<u>7,110</u>	<u>0</u>	<u>114,401</u>
				114,589
(730)	3,150	121	18,343	16,251
<u>1,599</u>	<u>12,186</u>	<u>294</u>	<u>371,589</u>	<u>439,593</u>
<u>\$ 869</u>	<u>\$ 15,336</u>	<u>\$ 415</u>	<u>\$ 389,932</u>	<u>\$ 455,844</u>

**STATE OF SOUTH DAKOTA
HIGHER EDUCATION
COMBINED STATEMENT OF CURRENT FUNDS REVENUES,
EXPENDITURES, AND OTHER CHANGES**

For the Fiscal Year Ended June 30, 1999
(Expressed in Thousands)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Current Funds</u>
Revenues:			
Tuition and Fees	\$ 79,499	\$	\$ 79,499
Federal Appropriations		6,088	6,088
Federal Grants and Contracts	55	37,718	37,773
State Grants and Contracts		2,265	2,265
Private Gifts, Grants and Contracts	259	11,066	11,325
Auxiliary Enterprise Revenue	31,291		31,291
Investment Income	949	4	953
Sales and Services	22,040		22,040
Total Revenue	<u>134,093</u>	<u>57,141</u>	<u>191,234</u>
Expenditures and Mandatory Transfers:			
Education and General:			
Instruction	96,993	4,875	101,868
Research	12,385	16,130	28,515
Public Service	14,923	12,238	27,161
Academic Support	28,374	737	29,111
Student Services	17,859	1,163	19,022
Institutional Support	22,955	662	23,617
Operation and Maintenance of Plant	13,729	31	13,760
Scholarships and Fellowships	737	21,161	21,898
Education and General Expenditures	<u>207,955</u>	<u>56,997</u>	<u>264,952</u>
Auxiliary Enterprises:			
Expenditures	<u>28,504</u>	<u>144</u>	<u>28,648</u>
Mandatory Transfers:			
For Principal and Interest	7,018		7,018
For Renewals and Replacements	935		935
For Loan Fund Matching	188		188
Total Mandatory Transfers	<u>8,141</u>	<u>0</u>	<u>8,141</u>
Total Expenditures and Mandatory Transfers	<u>244,600</u>	<u>57,141</u>	<u>301,741</u>
Other Transfers and Additions (Deductions):			
Operating Transfers To Primary Government	(137)		(137)
Operating Transfers From Primary Government	114,589		114,589
Net Transfers In (Out)	(9,470)	432	(9,038)
Other Fund Balance Changes	(5)		(5)
Excess of Restricted Receipts Over (Under)			
Transfers to Revenue		(399)	(399)
Total Other Transfers and Additions (Deductions)	<u>104,977</u>	<u>33</u>	<u>105,010</u>
Net Increase/(Decrease) in Fund Balance	<u>\$ (5,530)</u>	<u>\$ 33</u>	<u>\$ (5,497)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	32
	A. Basis of Presentation	32
	B. Reporting Entity	32
	C. Fund Accounting	32
	D. Basis of Accounting	33
	E. Budgetary Accounting	34
	F. Budgetary - GAAP Reporting Reconciliation	34
	G. Cash and Cash Equivalents and Investments	35
	H. Inventories	35
	I. Deferred Fiscal Charges and Other Assets	36
	J. Property, Plant, and Equipment	36
	K. Deficit Fund Balance	36
	L. Restricted Assets	36
	M. Compensated Absences	36
	N. Lottery Security Deposits	36
2.	RESTATEMENTS, RECLASSIFICATIONS, AND OTHER CHANGES	37
3.	CASH, DEPOSITS, AND INVESTMENTS	38
4.	TAXES, NOTES, AND LOANS RECEIVABLE	41
5.	PROPERTY, PLANT, AND EQUIPMENT.....	42
6.	RETIREMENT PLANS	43
7.	DEFERRED COMPENSATION PLAN.....	45
8.	COMMITMENTS	46
9.	SELF-INSURANCE	46
10.	CAPITAL LEASES	48
11.	OPERATING LEASES	49
12.	LONG-TERM DEBT	49
13.	INTERFUND TRANSACTIONS	58
14.	RESIDUAL EQUITY TRANSFERS AND CHANGES IN CONTRIBUTED CAPITAL	61
15.	FUND EQUITY - RESERVATIONS AND DESIGNATIONS	61
16.	CONTINGENCIES AND LITIGATION	62
17.	SEGMENT INFORMATION.....	63
18.	TOBACCO SETTLEMENT	64
19.	SUBSEQUENT EVENTS	64

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

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 statutory 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, 1998 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 are 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 fiscal year 1999, interim appropriations of \$11,669,353 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, 1999 totaled \$65,195,884. The total includes \$32,312,492 encumbered in the Governor's Office federal fund for disaster assistance monies awarded under the Community Development Block Grant that will be disbursed to local governments.

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, 1999 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	\$733,159	\$542,098	\$323,463	\$	\$
Adjustments:					
To Adjust for Encumbrances	(14,618)	(5,017)	(8,470)		
To Adjust Expenditures/Expenses for Accruals	(22,941)				
To Adjust for Budgeted Transfers	(921)	(368)	(255)	38,198	5,174
Reclassification and Other Adjustments:					
To Eliminate Colleges and Universities	(113,014)	(44,041)	(103,905)		
To Reclassify Expenditures into Financial Statement Fund Types		(492,672)	(210,833)	638,401	1,283
To Record Nonbudgeted Expenditures/Expenses	<u>8,025</u>			<u>341,433</u>	<u>26,656</u>
Expenditures/Expenses (GAAP Basis)	<u>\$589,690</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,018,032</u>	<u>\$33,113</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	\$ 85	\$ (1,069)	\$ 1,541	\$ 1,887
Reclassification and Other Adjustments:				
To Reclassify Expenditures into Financial Statement Fund Types	254	2,161	4,837	56,569
To Record Nonbudgeted Expenditures	<u>10,284</u>	<u>175,949</u>	<u>26,771</u>	<u>54,810</u>
Expenditures (GAAP Basis)	<u>\$ 10,623</u>	<u>\$177,041</u>	<u>\$33,149</u>	<u>\$113,266</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, 1999 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, 1999, food stamps and commodity inventories were reported in the amounts of \$3,236,542 and \$347,619, 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 \$1,000 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 Balance

The following individual funds had deficit fund balances at June 30, 1999 (expressed in thousands).

<u>FUND TYPE/FUND</u>	<u>DEFICIT</u>
Special Revenue:	
Fire Shop Equipment	\$ 105
Internal Service:	
State Worker's Compensation	7,419

The Fire Shop Equipment Fund's deficit is the result of losses that have accumulated on the resale of inventory. The state has moved the activity to a correctional facility and anticipates the cost savings will recover prior years' losses.

The deficit in the State Worker's Compensation Fund represents an actuarial estimate of the unfunded portion of claims incurred prior to June 30, 1999 that will be paid in the future.

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, 1999 is \$36,550,922. 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 \$7,932,146, representing \$3,000,000 to fund debt service payments in the event of deficiencies in the fund's operations, and \$4,932,146 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 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, 1999, the amount of certificate of deposits being held by the lottery was \$669,503 and is included in cash and cash equivalents on the balance sheet. The amount of \$4,867,400 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

RESTATEMENTS

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

SPECIAL REVENUE

Beginning fund balance was decreased by \$1,000,000 for the restatement of assets reported in Water and Environment Fund. Beginning fund balance was increased by \$261,000 for the restatement of assets in the Emergency Management Fund.

DEBT SERVICE

The beginning fund balance for the Vocational Education Facilities Fund was decreased by \$1,220,000 for the restatement of assets.

CAPITAL PROJECTS

The beginning fund balance for the Vocational Education Facilities Fund was increased by \$1,220,000 for the restatement of assets.

ENTERPRISE

Beginning retained earnings for the Water Pollution State Revolving Fund was increased by \$122,000 for the restatement of assets.

INTERNAL SERVICE

Beginning retained earnings for the Personnel Fund was increased by \$36,000 for the restatement of liabilities.

COMPONENT UNITS - HIGHER EDUCATION

The higher education fund balances were increased \$115,000 in the Unrestricted Fund, increased \$5,000 in the Loan Fund, increased \$82,000 in the Unexpended Plant Fund, decreased \$10,000 in the Renewals and Replacement Fund, and decreased \$2,805,000 in the Investment in Plant 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				
	GOVERNMENTAL			PROPRIETARY	
	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
Fund Balance/Retained Earnings, June 30, 1998 as Previously Reported	\$266,667	\$116,263	\$ 3,363	\$100,730	\$ 9,353
Restatements and Reclassifications	(739)	(1,220)	1,220	122	36
Fund Balance/Retained Earnings July 1, 1998 as Restated	<u>\$265,928</u>	<u>\$115,043</u>	<u>\$ 4,583</u>	<u>\$100,852</u>	<u>\$ 9,389</u>
	COMPONENT UNITS - HIGHER EDUCATION				
	UNRESTRICTED	LOAN FUNDS	UNEXPENDED PLANT FUNDS	RENEWALS & REPLACEMENTS	INVESTMENT IN PLANT
Fund Balance/Retained Earnings, June 30, 1998 as Previously Reported	\$ 20,332	\$30,815	\$ 1,517	\$ 12,196	\$374,394
Restatements	115	5	82	(10)	(2,805)
Fund Balance/Retained Earnings July 1, 1998 as Restated	<u>\$ 20,447</u>	<u>\$30,820</u>	<u>\$ 1,599</u>	<u>\$ 12,186</u>	<u>\$371,589</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 \$10,539,041 for deficit cash balances that existed in various state funds at June 30, 1999. 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, 1999, the carrying amount of deposits was (in thousands) \$119,175, and the bank balance was \$119,171. Of the bank balance, \$18,664 was fully insured or collateralized with securities held by the primary government or its agent in the primary government's name (Category 1), \$26,725 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 \$73,782, although meeting legal collateralization requirements, was categorized as uninsured and uncollateralized (Category 3).

2. Component Units

As of June 30, 1999, the carrying amount of deposits was (in thousands) \$8,031, and the bank balance was \$8,345. Of the bank balance, \$7,064 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 \$1,281, 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, 1999, the state's investments consisted of the following (expressed in thousands):

Primary Government:

	CATEGORY A	CATEGORY B	CATEGORY C	FAIR VALUE
Short-Term Investments	\$ 427,960		\$	\$ 427,960
US Government-Backed Securities	657,416	16,309		673,725
US Government-Backed Loans	13,205			13,205
Corporate Notes and Bonds	644,556	78,716		723,272
Corporate Equity Securities	1,955,069	198,214		2,153,283
Annuity Contract			103,418	103,418
State of South Dakota Bonds	335			335
International Funds	551,072			551,072
TOTAL	\$4,249,613	\$ 293,239	\$ 103,418	4,646,270

Unclassified:

Mutual Funds				445,581
Guaranteed Investment Contracts				41,480
Real Estate				341,699
International Funds				111,233
Private Equity				68,457
Deferred Compensation				61,903
Unemployment Compensation Funds				47,154
Funds Pooled with US Treasury				
Investments Held by Brokers-Dealers				
Under Securities Lending Program:				
US Government Securities				86,340
Corporate Notes				21,162
Short-Term Collateral				371,675
Component Units in Primary				
Government's Investment Pool				(121,761)
TOTAL INVESTMENTS				\$6,121,193

Component Units:

	CATEGORY A	CATEGORY B	CATEGORY C	FAIR VALUE
Short-Term Investments	\$ 641		\$	\$ 641
Repurchase Agreements	128,158			128,158
US Government-Backed Securities	378,623	79	10,897	389,599
US Government-Backed Loans	17,570			17,570
Corporate Notes and Bonds	2,816		230	3,046
Corporate Equity Securities	12,156			12,156
State of South Dakota Bonds	11,074			11,074
TOTAL	\$ 551,038	\$ 79	\$ 11,127	562,244

Unclassified:

Mutual Investment Funds				138,375
Real Estate				2,338
Security Lending Short-Term Collateral				641
Investments in Primary Government's				
Investment Pool				135,211
TOTAL INVESTMENTS				\$ 838,809

TOTAL REPORTING ENTITY	\$4,800,651	\$ 293,318	\$ 114,545	\$6,960,002
-------------------------------	--------------------	-------------------	-------------------	--------------------

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 \$13,450,000 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 17 through September 30, 1999 that will increase the market exposure for domestic fixed income investments by \$165,064,380

and short-term investments by \$66,580,433 and decrease domestic equity securities by \$231,644,813.

CASH AND INVESTMENT RECONCILIATION

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

Deposits	\$ 127,206
Investments	<u>6,960,002</u>
TOTAL	<u>7,087,208</u>
Outstanding Warrants	(32,361)
Purchased Interest	1,000
Other Adjustments	<u>765</u>
TOTAL CASH AND INVESTMENTS	<u>\$7,056,612</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, 1999 (December 31, 1998 for Cement Plant operations and Cement Plant retirement) are presented 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

1. 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, 1999 were as follows (expressed in thousands):

	Open Positions	Contracts	Fair Value
S&P 500 Index due September 16, 1999	Short	(675)	(\$231,645)
U.S. Treasury Note due September 30, 1999	Long	945	\$104,865
U.S. Treasury Bond due September 30, 1999	Long	339	\$ 60,200

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 to the broker cash or U.S. government securities equal to the minimum "initial margin" requirement of the futures exchange. 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 \$139,006,116 as of June 30, 1999. 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 GNMA's, FHLMC's, and FNMA's. The fair value of these securities as of June 30, 1999 was \$151,359,334. The SDIC is using this investment to enhance fixed returns.

2. 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 interest rate futures as a means of adjusting the plan's portfolio mix. Futures contracts outstanding at December 31, 1998 were as follows (expressed in thousands):

	SPECIAL REVENUE	ENTER- PRISE	NONEX- PENDABLE TRUST	COMPONENT UNITS	TOTAL
Economic Development Loans	\$	\$ 26,683	\$	\$ 36,337	\$ 63,020
Housing Loans				960,229	960,229
School Loans				30,111	30,111
Water District Loans	11,908				11,908
Waste Water Construction Loans		53,621			53,621
Drinking Water Construction		8,888			8,888
Agriculture Loans	4,886			8,954	13,840
Land Sale Notes	65		429		494
Energy Loans	605				605
Railroad Authority Loans	2,579				2,579
Other Loans and Notes	306				306
	20,349	89,192	429	1,035,631	1,145,601
Less: Allowance for Doubtful Accounts	310	1,545		179	2,034
Loans and Notes Receivable, Net	<u>\$ 20,039</u>	<u>\$ 87,647</u>	<u>\$ 429</u>	<u>\$ 1,035,452</u>	<u>\$ 1,143,567</u>

	Open Positions	Contracts	Fair Value
S&P 500 Index due March 1999	Short	3	(\$ 922)
U.S. Treasury Note due March 1998	Long	7	\$ 872
U.S. Treasury Bond due March 1998	Long	1	\$ 210

In addition to the derivatives listed above, the Cement Plant Retirement Fund also held mortgage-backed securities in the form of GNMA's, GHLMC's, and FNMA's. The fair value of these securities as of December 31, 1998 was \$1,365,579. The SDIC is using this investment to enhance fixed returns.

4. TAXES, NOTES, AND LOANS RECEIVABLE

TAXES RECEIVABLE

Taxes receivable at June 30, 1999 are shown net of the allowance for doubtful accounts of \$3,261,828. The allowance represents \$2,411,290 in taxes ultimately due to the general fund and \$850,538 due to other governmental entities.

NOTES AND LOANS RECEIVABLE

Notes and loans receivable at June 30, 1999 consisted of the following (expressed in thousands):

5. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment at June 30, 1999 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	\$	\$ 8,492	\$ 40,799	\$ 20,524
Less: Accumulated Depreciation					(5,718)
Buildings	1,396	414	36	234,457	309,841
Less: Accumulated Depreciation	(530)	(196)			(21,302)
Equipment	3,086	53,075	230	171,863	236,255
Less: Accumulated Depreciation	(2,546)	(35,303)	(112)		(42,066)
Construction in Progress		1,497		12,053	12,359
TOTAL PROPERTY, PLANT, AND EQUIPMENT (NET)	<u>\$ 1,666</u>	<u>\$19,487</u>	<u>\$ 8,646</u>	<u>\$459,172</u>	<u>\$509,893</u>

Changes in general fixed assets for the year ended June 30, 1999 (expressed in thousands) were:

	<u>BALANCE JULY 1, 1998 (RESTATED)</u>	<u>NET ADDITIONS (DEDUCTIONS)</u>	<u>BALANCE JUNE 30, 1999</u>
Land and Improvements	\$ 38,763	\$ 2,036	\$ 40,799
Buildings	225,677	8,780	234,457
Equipment	169,971	1,892	171,863
Construction in Progress	19,082	(7,029)	12,053
TOTAL GENERAL FIXED ASSETS	<u>\$453,493</u>	<u>\$ 5,679</u>	<u>\$459,172</u>

The July 1, 1998 balance of Construction in Progress has been decreased by \$30,006,000 due to one building previously being included in both the Buildings balance and the Construction in Progress balance.

Construction in progress at June 30, 1999 is as follows:

General Fixed Assets:

Department of Corrections	
Womens Prison	\$ 8,115,853
Juvenile Prison	3,714,111
Department of Transportation	
Other Construction Under \$100,000	223,520
TOTAL GENERAL FIXED ASSETS	<u>\$12,053,484</u>

Component Units:

Higher Education:	
Northern State University	
Student Union	\$ 2,978,000
University of South Dakota	
Beede Hall Renovation	267,896
Softball Complex	530,533
W.O. Farber Center	199,951
Other Construction Under \$100,000	87,520
South Dakota State University	
Animal Resource Wing	344,456
Central Heating Plant - Boiler	404,012
Larson Commons North Servery	111,623
Masonry Repairs Brown/Mathews, Pierson	479,368
Nursing/Home Economics - Asbestos Phase II	224,610
NFA Phase II Asbestos	744,139
Printing/Journalism Asbestos/AGH A&B	195,835

P.I. Central Mail Renovation	116,735
PRH/WEC Roof Repairs	197,298
PSB Emergency Electric Repair	113,805
SD Art Museum Addition/Remodel	125,403
Shepard Lab & Office Study	161,588
University Student Union Seryery	428,087
West Hall Windows	143,795
Other Construction Under \$100,000	679,234
Total Higher Education	<u>8,533,888</u>

Other Component Units:

Cement Plant	
Electrical Upgrade Phase III	404,957
Lab Automation & X-ray Replacement	1,164,014
Laboratory Addition	211,912
Moorcroft Storage Expansion	118,147
Rail Silo Loadout	1,653,697
Other Construction Under \$100,000	141,214
State Fair	
Other Construction Under \$100,000	131,664
Total Other Component Units	<u>3,825,605</u>

TOTAL COMPONENT UNITS \$12,359,493

Internal Service Funds:

Bureau of Information & Telecommunications	
Imaging System	\$ 83,477
Billing System Upgrade	131,647
Super Servers	710,471
Bureau of Finance & Management	
Accounting System	570,914
TOTAL INTERNAL SERVICE FUNDS	<u>\$ 1,496,509</u>

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, 1999, the number of participating governmental employers was:

School Districts	189
State of South Dakota	1
Board of Regents	1
Municipalities	125
Counties	60
Boards and Commissions	55
Total Employers	<u>431</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 (market value) to properly reflect the asset values of the fund at June 30, 1999. Fair values were determined based on closing market prices at June 30, 1999 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, 1999 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 fiscal year 1999 totaling \$105,070,878 (\$50,069,614 employer and \$55,001,264 employee) 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 1998 and 1997 were \$47,145,364 and \$47,664,275, 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, 1999 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>
2000	\$ 73,829	\$1,184,856
2001	62,382	526,133
2002	61,644	307,036
2003	27,924	195,805
2004	27,924	125,371
Later	<u>53,625</u>	<u>207,158</u>
	307,328	2,546,359
Less interest	<u>51,502</u>	<u>347,793</u>

Deferred contributions receivable at June 30, 1999	<u>\$255,826</u>	<u>\$2,198,566</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 South Dakota Cement Plant's retirement system is fully funded based on the current actuarial study. The plans' funding policies provide for employer contributions to equal the unfunded actuarial accrued liability. A voluntary contribution by SDCP of \$500,000 was paid in December 1998. This contribution represents 6% of covered payroll. 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 (market 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, 1998 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 \$3,582,298; and, the Provident Temp Mutual Fund, which had a market value of \$2,950,105.

At December 31, 1998, the fair value of net assets available for benefits was \$30,308,405.

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, 1998. 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, 1998 (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, 1998, participants in the plan consisted of the following:

Active Participants	112
Vested Terminated Participants	7
Retired Participants and Beneficiaries	197

Investments are carried at fair value (market value) to properly reflect asset values at June 30, 1998. Contributions are made by active life plan participants at 7% 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.

DEPARTMENT OF LABOR

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)
1996	\$42,842,926	\$37,817,765	113.3%	\$ 5,025,161	\$3,482,709	144.3%
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

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, property, or 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.

The Petroleum Release Fund has commitments of \$6,500,000.

8. COMMITMENTS

At June 30, 1999 construction and other commitments consisted of the following:

The Department of Transportation had contractual construction commitments of \$153,734,289 for various highway projects and maintenance commitments of \$10,532,406. 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 \$46,535,624 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 \$46,535,624 of commitments:

- 1) The Water and Environment Fund Program has \$13,932,901 in commitments.
- 2) The Drinking Water State Revolving Fund has \$9,931,690 in commitments.
- 3) The Clean Water State Revolving Fund has \$18,365,454 in commitments.
- 4) Federal grants have subgrant commitments of \$4,305,579.

The Building Authority has construction contracts and other construction commitments of \$12,684,666.

The South Dakota Housing Development Authority had commitments to purchase home-ownership mortgage loans aggregating approximately \$35,011,541. Financing for these future expenditures will be from home-ownership mortgage bonds.

The Office of the Governor had construction and other contractual commitments of \$29,411,951. 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 \$29,411,951 of commitments:

- 1) The REDI Fund has \$4,752,725 in commitments.
 - a) \$200,000 of Venture Capitol Investment Fund loans approved, but not disbursed as of June 30, 1999.
 - b) \$10,200 in the RECD Intermediary Relending Program.
 - c) \$4,542,525 of REDI loans approved, but not disbursed as of June 30, 1999.
- 2) The Community Development Block Grant (CDBG) has \$21,314,364 (includes all grants with a balance of \$100,000 or more) in commitments.
- 3) The South Dakota Future Fund Program has \$3,344,862 in commitments.

9. SELF-INSURANCE

WORKERS' COMPENSATION BENEFITS AND UNEMPLOYMENT INSURANCE

Various funds accumulate assets to cover risks that the state incurs in its normal operations. The state (rather than an insurance carrier) assumes substantially all risk associated with claims of state employees for unemployment compensation benefits. "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. Related transactions are accounted for in the Unemployment Insurance Expendable Trust Fund.

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 \$7,419,000 at June 30, 1999. 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 1999 and 1998 for the workers' compensation fund were as follows:

TOTAL CLAIMS LIABILITIES

	<u>WORKERS' COMPENSATION</u>	
	<u>FY1999</u>	<u>FY1998</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year:	<u>\$13,328,581</u>	<u>\$12,254,774</u>
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	2,177,346	2,546,156
Changes in provision for insured events of prior fiscal years	(1,531,429)	962,562
Total incurred claims and claim adjustment expenses	<u>645,917</u>	<u>3,508,718</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	590,411	589,525
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>1,786,508</u>	<u>1,845,386</u>
Total payments	<u>2,376,919</u>	<u>2,434,911</u>
Unpaid claims and claim adjustment expenses at end of fiscal year:	<u>\$11,597,579</u>	<u>\$13,328,581</u>

HEALTH AND LIFE INSURANCE

The state (rather than an insurance carrier) assumes substantially all risk 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. Employees may purchase varying levels of health and/or life coverage 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 FY1999, \$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>FY1999</u>	<u>FY1998</u>	<u>FY1999</u>	<u>FY1998</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year:	<u>\$ 4,734,208</u>	<u>\$ 4,660,452</u>	<u>\$ 185,000</u>	<u>\$ 25,000</u>
Incurred claims and claim adjustment expenses:	<u>34,709,065</u>	<u>30,944,102</u>	<u>1,018,000</u>	<u>1,373,500</u>
Payments:				
Claims and claim adjustment expenses attributable to insured events of current fiscal year	29,541,139	26,209,894	968,000	1,188,500
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>4,734,208</u>	<u>4,660,452</u>	<u>185,000</u>	<u>25,000</u>
Total payments	<u>34,275,347</u>	<u>30,870,346</u>	<u>1,153,000</u>	<u>1,213,500</u>
Unpaid claims and claim adjustment expenses at end of fiscal year:	<u>\$ 5,167,926</u>	<u>\$ 4,734,208</u>	<u>\$ 50,000</u>	<u>\$ 185,000</u>

PUBLIC ENTITY POOL FOR LIABILITY

On March 1, 1987, the state created a Public Entity Pool for Liability (PEPL), reported in an internal service fund, to cover risks associated with automobile liability and general tort liability (including public officials' errors and omissions liability, medical malpractice liability, law enforcement liability, and products liability).

All funds and 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 "premium" to each fund and 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 initially limited claims to \$1,000,000 per occurrence, subject to limitations set forth in SDCL 3-22. The state claimed sovereign immunity for all other tort liabilities. A state Supreme Court opinion now allows noneconomic damages against employees of the state while they are

performing ministerial acts; therefore, beginning in FY1996, the PEPL fund coverage document was amended to provide liability coverage for noneconomic damages that are the result of these acts and commercial reinsurance was purchased. Excess of loss reinsurance was purchased for claims costs 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 FY1999, \$4,560,941 of the retained earnings balance in the PEPL fund was designated for future catastrophic losses.

TOTAL CLAIMS LIABILITIES

	<u>FY1999</u>	<u>FY1998</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year:	<u>\$5,718,028</u>	<u>\$6,319,541</u>
Prior period adjustment for claims and claim adjustment expenses relating to prior fiscal years	<u>0</u>	<u>(3,901,136)</u>
Incurred claims and claim adjustment expenses:		
Provision for insured events of current fiscal year	244,537	564,264
Changes in provision for insured events of prior fiscal years	<u>1,269,928</u>	<u>3,328,663</u>
Total incurred claims and claim adjustment expenses	<u>1,514,465</u>	<u>3,892,927</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	382,353	140,411
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	<u>551,877</u>	<u>452,893</u>
Total payments	<u>934,230</u>	<u>593,304</u>
Unpaid claims and claim adjustment expenses at end of fiscal year:	<u>\$6,298,263</u>	<u>\$5,718,028</u>

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, 1999 (expressed in thousands):

FISCAL YEAR ENDING JUNE 30,	GENERAL LONG-TERM DEBT	PROPRIETARY FUNDS	COMPONENT UNITS
2000	\$ 159	\$ 2,587	\$ 76
2001	157	2,366	76
2002	71	1,229	69
2003	153	304	41
2004	34	21	41
Thereafter	<u>136</u>	<u>0</u>	<u>318</u>
Total Minimum Lease Payments	710	6,507	621
Less:			
Amount Representing Interest	<u>146</u>	<u>527</u>	<u>207</u>
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$ 564</u>	<u>\$ 5,980</u>	<u>\$ 414</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, 1999 (expressed in thousands):

FISCAL YEAR ENDING JUNE 30,	PRIMARY GOVERNMENT	COMPONENT UNITS
2000	\$ 3,742	\$ 247
2001	3,725	200
2002	3,150	35
2003	2,326	20
2004	1,296	10
Thereafter	<u>5,174</u>	<u>22</u>
Total Minimum Payments	<u>\$19,413</u>	<u>\$ 534</u>

The total rental expenses for all operating leases for the fiscal year ended June 30, 1999 was \$6,992,414 for the primary government and \$198,777 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.

COMPONENT UNITS

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

	BALANCE JULY 1, 1998	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1999
Enterprise Funds:				
Revenue Bonds Payable from User Charges:				
Housing Development Authority	\$1,305,163	\$ 373,368	\$ 302,370	\$1,376,161
Building Authority	12,877		3,312	9,565
Finance Authority	<u>28,219</u>	<u>8,320</u>	<u>1,236</u>	<u>35,303</u>
Total Revenue Bonds	1,346,259	381,688	306,918	1,421,029
Accrued Employee Benefits	1,110	103		1,213
Capital Leases	<u>147</u>		<u>36</u>	<u>111</u>
Total Enterprise Funds	<u>1,347,516</u>	<u>381,791</u>	<u>306,954</u>	<u>1,422,353</u>

	BALANCE JULY 1, 1998	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1999
Higher Education:				
Revenue Bonds Payable from User Charges:				
Higher Education Facilities Fund	30,749	2,880	1,063	32,566
Building Authority	<u>28,801</u>	<u>8,350</u>	<u>1,421</u>	<u>35,730</u>
Total Bonds Payable	59,550	11,230	2,484	68,296
Certificates of Participation:				
Building Authority	252		81	171
Revenue Trust Certificates:				
Building Authority	11,118		899	10,219
Accrued Employee Benefits	21,608	1,961		23,569
Capital Leases	<u>410</u>		<u>107</u>	<u>303</u>
Total Higher Education	<u>92,938</u>	<u>13,191</u>	<u>3,571</u>	<u>102,558</u>
Total Component Units	<u>\$1,440,454</u>	<u>\$ 394,982</u>	<u>\$ 310,525</u>	<u>\$1,524,911</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.

Following is a schedule of bonds, consolidated by category, outstanding at June 30, 1999 (expressed in thousands):

HOUSING DEVELOPMENT AUTHORITY

	MATURITY DATES	INTEREST RATES	AMOUNT
Home-Ownership			
Mortgage Program:	2000 - 2030	3.20%-8.50%	
Serial Bonds			\$ 293,615
Term Bonds			1,002,650
Less Unamortized Discounts			(202)
Total Home-Ownership Mortgage Program			<u>1,296,063</u>
Multifamily Housing			
Trust Bonds:	2000 - 2022	6.00%-8.375%	
Serial Bonds			4,045
Term Bonds			<u>54,220</u>
Total Multifamily Housing Trust Bonds			<u>58,265</u>
Multifamily Housing			
Revenue Bonds:	2000 - 2026	6.60%-7.50%	
Serial Bonds			545
Term Bonds			<u>6,025</u>
Total Multifamily Housing Revenue Bonds			<u>6,570</u>
Multifamily Mortgage			
Pass-Through Fund Bonds	2010 - 2012	Variable	<u>10,813</u>
Housing Development			
Revenue Bonds:			
Term Bonds	2003	3.50%	<u>4,450</u>
Total Bonds Payable			<u>\$1,376,161</u>

At June 30, 1999, commitments to purchase home-ownership mortgage loans from lending institutions were approximately \$35,011,541.

As of June 30, 1999, debt service requirements for principal and interest for the Housing Development Authority were as follows (expressed in thousands):

YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2000	\$ 230,146	\$ 72,707	\$ 302,853
2001	70,087	65,608	135,695
2002	33,400	63,144	96,544
2003	30,339	61,315	91,654
2004	35,905	59,579	95,484
Thereafter	976,284	737,444	1,713,728
Total	<u>\$ 1,376,161</u>	<u>\$1,059,797</u>	<u>\$2,435,958</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, 1999 (expressed on thousands):

BUILDING AUTHORITY

SERIES NUMBER	MATURITY DATE	INTEREST RATES	OBLIGATION
Second Series	2000	8.44% - 9.41%	\$ 646
Third Series	2002	8.08% - 8.94%	1,279
Series 1998A	2009	5.80% - 6.50%	7,640
TOTAL			<u>\$ 9,565</u>

As of June 30, 1999, debt service requirements for principal and interest for the Building Authority (CREP Program) were as follows (expressed in thousands):

YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2000	\$ 2,192	\$ 546	\$ 2,738
2001	781	437	1,218
2002	831	388	1,219
2003	891	335	1,226
2004	805	283	1,088
Thereafter	4,065	584	4,649
Total	<u>\$ 9,565</u>	<u>\$ 2,573</u>	<u>\$ 12,138</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, 1999 (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%	\$ 205
Series 1989	2019	10.25%	4,855
Series 1992	2000	7.625%	105
Series 1994 A&B	2004 and 2014	6.00%-7.20%	1,360
Series 1996	2016	Variable	8,410
Series 1996 A&B (TCF Lomar)	2008 and 2016	Variable	2,200
Series 1996A (APA Optics)	2009 and 2016	5.00%-6.75%	1,780
Series 1996B (Tech. Ord.)	2007	5.75%	1,370
Series 1996C	2002 and 2006	4.50%-5.85%	705
Series 1996D	2006 and 2007	4.50%-5.90%	780
Series 1997A	2016	Variable	2,650
Series 1997B	2007	6.35%	2,583
Series 1998 (FIMCO)	2018	Variable	4,840
Series 1998 A&B (Midstates)	2009 and 2018	5.50%-7.00%	1,060
Series 1999	2009, 2010 & 2019	4.95%-5.50%	2,400
Total			<u>\$ 35,303</u>

Reserves: The bond indentures provide that certain reserve accounts be established. The balances as of June 30, 1999 are as follows (expressed in thousands):

	<u>REQUIRED BALANCE</u>	<u>ACTUAL BALANCE</u>	<u>EXCESS</u>
Capital Reserve Account	\$ 2,500	\$ 2,539	\$ 39
Special Reserve Account	500	507	7
Total	<u>\$ 3,000</u>	<u>\$ 3,046</u>	<u>\$ 46</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, 1999, 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>
2000	\$ 1,698	\$ 1,881	\$ 3,579
2001	1,748	1,788	3,536
2002	1,833	1,691	3,524
2003	1,778	1,594	3,372
2004	1,823	1,495	3,318
Thereafter	<u>26,423</u>	<u>12,133</u>	<u>38,556</u>
Total	<u>\$ 35,303</u>	<u>\$ 20,582</u>	<u>\$ 55,885</u>

The 1994B, 1996 and 1996A&B (TCF Lomar) bond issues carry variable interest rates and interest on these bonds has been projected using the June 1999 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, 1999 (expressed in thousands):

HIGHER EDUCATION FACILITIES

<u>ISSUE</u>	<u>AMOUNT</u>
School of Mines and Technology:	
1973 Series C	\$ 396
1973 Series D	175
University of South Dakota:	
1974 Revenue Refunding	1,060
South Dakota State University:	
1967 Series	105
1971 Series	330
1972 Revenue Refunding	1,783
1994A Series	13,315
Northern State University:	
1984 Series G	415
1998 Series	2,880
Dakota State University:	
1984 Revenue Refunding	1,078
1995 Series	2,620
Black Hills State University:	
1961 Series B	84
1965 Series C	130
1968 Series D	100
1993 Series	4,310
1995 Series	3,785
Total	<u>\$32,566</u>

As of June 30, 1999, 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>
2000	\$ 1,134	\$ 1,600	\$ 2,734
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
Thereafter	<u>27,288</u>	<u>15,648</u>	<u>42,936</u>
Total	<u>\$ 32,566</u>	<u>\$ 23,169</u>	<u>\$ 55,735</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, 1999 (expressed in thousands):

BUILDING AUTHORITY

<u>ISSUE</u>	<u>MATURITY</u> <u>DATES</u>	<u>INTEREST RATES</u>	<u>AMOUNT</u>
Bonds:			
Series 1993A	2000-2012	4.600% - 6.500%	\$ 5,595
Series 1993B	2000-2013	4.875% - 5.450%	4,629
Series 1995A	2000-2015	4.850% - 6.250%	10,500
Series 1996C	2000-2014	4.100% - 5.300%	4,293
Series 1997	2000-2021	5.500%	2,363
Series 1999	2000-2020	4.500% - 6.500%	8,350
Certificates of Participation:			
Series 1990	2000-2002	3.000%	171
Trust Certificates:			
Series 1991	2000-2016	4.700% - 6.750%	2,110
Series 1993	2000-2018	6.300% - 8.300%	<u>8,109</u>
Total			<u>\$46,120</u>

As of June 30, 1999, debt service requirements for principal and interest for the Building Authority (higher education portion) were as follows (expressed in thousands):

<u>YEAR ENDING</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2000	\$ 2,322	\$ 2,518	\$ 4,840
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
Thereafter	<u>31,631</u>	<u>9,998</u>	<u>41,629</u>
Total	<u>\$ 46,120</u>	<u>\$ 21,132</u>	<u>\$ 67,252</u>

GENERAL LONG-TERM DEBT

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

	<u>BALANCE JULY 1, 1998</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE JUNE 30, 1999</u>
Bonds Payable from Taxes and License Fees:				
Building Authority Bonds	\$133,553	\$ 1,605	\$ 10,758	\$124,400
Health and Educational Facilities Authority	24,640		845	23,795
Certificates of Participation:				
Building Authority	243		79	164
Trust Certificates:				
Building Authority	50,547		1,956	48,591
Accrued Employee Benefits	34,696	1,349		36,045
Capital Leases	<u>437</u>	<u>201</u>	<u>74</u>	<u>564</u>
Total General Long-Term Debt	<u>\$244,116</u>	<u>\$ 3,155</u>	<u>\$ 13,712</u>	<u>\$233,559</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, 1999 (expressed in thousands):

BUILDING AUTHORITY

<u>ISSUE</u>	<u>MATURITY DATES</u>	<u>INTEREST RATES</u>	<u>AMOUNT</u>
Bonds:			
Series 1991A	2000 - 2001	7.650% - 9.150%	\$ 480
Series 1993B	2000 - 2013	4.875% - 5.450%	171
Series 1996A	2000 - 2016	4.400% - 5.950%	111,097
Series 1996C	2000 - 2014	4.100% - 5.300%	8,772
Series 1996D	2000 - 2011	5.200% - 6.000%	2,275
Series 1999	2000 - 2020	4.500% - 6.500%	<u>1,605</u>
Certificates of Participation:			<u>124,400</u>
1990 Series	2000 - 2000	3.000%	<u>164</u>
Trust Certificates:			
Series 1991	2000 - 2016	4.700% - 6.750%	17,460
Series 1993	2000 - 2017	6.300% - 8.300%	<u>31,131</u>
			<u>48,591</u>
Total			<u>\$173,155</u>

As of June 30, 1999, 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>
2000	\$ 11,523	\$ 8,934	\$ 20,457
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
Thereafter	<u>115,979</u>	<u>46,768</u>	<u>162,747</u>
Total	<u>\$ 173,155</u>	<u>\$ 85,509</u>	<u>\$258,664</u>

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%	\$ 680
Series 1993A	2000-2013	4.60% - 5.60%	5,855
Series 1993B	2000-2023	4.60% - 5.70%	2,595
Series 1997	2000-2022	4.10% - 5.50%	10,230
Series 1998A	2000-2013	4.50% - 5.40%	<u>4,435</u>
Total			<u>\$ 23,795</u>

As of June 30, 1999, 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>
2000	\$ 810	\$ 1,239	\$ 2,049
2001	850	1,200	2,050
2002	890	1,159	2,049
2003	925	1,115	2,040
2004	980	1,068	2,048
Thereafter	<u>19,340</u>	<u>9,371</u>	<u>28,711</u>
Total	<u>\$ 23,795</u>	<u>\$ 15,152</u>	<u>\$ 38,947</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, 1999 (expressed in thousands):

PROPRIETARY FUNDS

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

	BALANCE JULY 1, 1998	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1999
Enterprise Funds:				
Bonds and Notes Payable:				
Clean Water State Revolving Fund	\$ 19,675	\$	\$ 700	\$ 18,975
Drinking Water State Revolving Fund	6,450			6,450
Accrued Employee Benefits	330	81		411
Capital Leases	131		55	76
Total Enterprise Funds	<u>26,586</u>	<u>81</u>	<u>755</u>	<u>25,912</u>
Internal Service Funds:				
Bonds and Notes Payable	354		72	282
Accrued Employee Benefits	3,582	273		3,855
Capital Leases	3,071	2,833		5,904
Total Internal Service Funds	<u>7,007</u>	<u>3,106</u>	<u>72</u>	<u>10,041</u>
Total Proprietary Funds	<u>\$ 33,593</u>	<u>\$ 3,187</u>	<u>\$ 827</u>	<u>\$ 35,953</u>

1. Department of Environment and Natural Resources

The following is a schedule of outstanding bonds as of June 30, 1999 (expressed in thousands):

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 thirty years if the funds are for a disadvantaged community.

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

ISSUE	MATURITY DATES	INTEREST RATE	AMOUNT
Clean Water State Revolving Fund			
Series 1994	2000-2012	3.80% - 5.30%	\$ 8,745
Series 1995	2000-2015	5.00% - 6.25%	7,460
Series 1996	2000-2017	4.40% - 5.63%	2,770
			<u>18,975</u>
Drinking Water State Revolving Fund			
Series 1998	2000-2014	3.90% - 4.90%	3,490
Term 1998	2019	5.00%	2,960
			<u>6,450</u>
Total			<u>\$ 25,425</u>

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.

As of June 30, 1999, debt service requirements for principal and interest for the Department of Environment and Natural Resources were as follows (expressed in thousands):

YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
Clean Water State Revolving Fund			
2000	\$ 820	\$ 999	\$ 1,819
2001	860	960	1,820
2002	900	918	1,818
2003	945	874	1,819
2004	985	826	1,811
Thereafter	14,465	4,998	19,463
Total	<u>\$ 18,975</u>	<u>\$ 9,575</u>	<u>\$ 28,550</u>

Drinking Water State Revolving Fund			
2000	\$ 0	\$ 304	\$ 304
2001	205	300	505
2002	215	292	507
2003	225	283	508
2004	230	273	503
Thereafter	5,575	2,469	8,044
Total	\$ 6,450	\$ 3,921	\$ 10,371

2. 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, 1999, 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
2000	\$ 75	\$ 15	\$ 90
2001	79	10	89
2002	84	6	90
2003	44	1	45
Total	\$ 282	\$ 32	\$ 314

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, 1999, \$17,060,000 in revenue bonds and \$3,838,500 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, 1999, there were one hundred and forty one series of revenue bonds outstanding. The aggregate principal amount payable on June 30, 1999 could not be determined; however, their original issue amount totaled \$13,054,321.

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, 1999, \$1,035,000 of the Health and Educational Facilities Authority bonds outstanding are considered defeased.

2. Building Authority

On May 20, 1999 the authority issued Series 1999 revenue bonds in the amount of 1,845,000 with interest rates from 4.5% to 6.5%. The bonds were issued to advance refund \$1,610,000 of outstanding Series 1992 revenue bonds with interest rates from 6.3% to 8.3%. The proceeds of the refunding issue has been placed in an irrevocable escrow account and invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for future payments of interest and principal on the refunded issue. Refunded bonds and the related assets held in the trust are not included in the accompanying financial statements since the authority has satisfied its obligations with respect thereto through consummation of the refunding transactions.

As a result of the advance refunding, the authority reduced its total debt service requirements by \$6,850, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$5,011.

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, 1999, \$84,800,000 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, 1999, \$14,090,000 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, 1999, \$7,810,000 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, 1999, bonds payable is reported net of unamortized charges of \$1,025,606.29.

13. INTERFUND TRANSACTIONS

INTERFUND RECEIVABLES AND PAYABLES

The following represents interfund receivable and payable balances between all funds at June 30, 1999. 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>
General Fund	<u>\$ 79,375</u>	<u>\$ 24,182</u>
Special Revenue Funds:		
Transportation Highway Fund	32,998	2,008
Transportation Federal Fund	1,015	1,035
Social Services Federal Fund	537	6,288
Education Federal Fund		438
Human Services Federal Fund	2,347	2,637
Labor Federal Fund	161	268
Health Federal Fund	29	187
Military Affairs Federal Fund		2,783
Natural Resources Federal Fund		1,353
Game, Fish, and Parks Federal Fund	43	1,170
Game and Fish Fund	2,100	858
Parks and Recreation Fund	1,299	200
Continuing Education Fund	303	53
Motor Vehicle Fund	1,310	3,411
Revenue Fund	489	1,410
Employer's Investment in SD Fund	1,158	1
Property Tax Reduction Fund	20,482	
Petroleum Release Compensation Fund	1,847	12
Maintenance and Repair Fund	781	74
Water and Environment Fund	1,578	
Rural Rehabilitation Fund	415	14
Energy Conservation Fund	507	1
Attorney General Federal Fund		412
Corrections Federal Funds	234	2
Game, Fish and Parks Federal Fund		337
Tourism Revolving Fund	231	39
Law Enforcement Revolving Fund	225	38
Aeronautics Fund	387	21
Public Transit Fund	1,094	44
Railroad Trust Fund	280	
Corn Utilization Council Fund	205	
Agriculture Revolving Fund	271	7
Environment and Natural Resources Fund	337	32
Energy Impact Fund	256	

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
Social Service Other Fund	310	39
Game, Fish and Parks Administration Fund	219	180
Predator Animal Control Fund	207	203
Snowmobile Trails Fund	320	7
Custer State Park Fund	223	128
Other	<u>2,240</u>	<u>814</u>
Total Special Revenue Funds	<u>76,438</u>	<u>26,504</u>
Debt Service Funds:		
Building Authority Fund	3,946	
Vocational Education Facilities Fund	<u>96</u>	
Total Debt Service Funds	<u>4,042</u>	<u>0</u>
Capital Projects Funds:		
Building Authority Fund	<u>79</u>	<u>72</u>
Total Capital Projects Funds	<u>79</u>	<u>72</u>
Enterprise Funds:		
Lottery Fund	659	3,885
Economic Development Loan Fund	5,313	7
Pheasantland Industries Fund	449	35
Other	<u>107</u>	<u>13</u>
Total Enterprise Funds	<u>6,528</u>	<u>3,940</u>
Internal Service Funds:		
Self-Insurance Fund	1,187	35
Information Services Fund	1,637	175
Telecommunications Fund	1,476	330
Accounting and Payroll Fund	817	125
Buildings and Grounds Fund	838	31
Central Mail Services Fund	372	13
Public Entity Pool For Liability Fund	760	3
Fleet and Travel Management Fund	1,619	237
Personnel Fund	340	50
State Workers Compensation Fund	248	5
Commerce Inspection Fund	104	14
Central Supply Fund	122	19
Central Duplicating Fund	201	42
Purchasing and Printing Fund	151	10
Health Lab Fund	199	48
State Collections Services Fund	17	234
Other	<u>402</u>	<u>139</u>
Total Internal Service Funds	<u>10,490</u>	<u>1,510</u>
Component Units:		
Housing Authority Special Revenue Fund	95	
Housing Authority Enterprise Fund		148
Finance Authority		2,680
Cement Plant Fund	742	3
State Fair Fund		15
Cement Plant Retirement Fund	3	742
Higher Education	<u>5,472</u>	<u>3,267</u>
Total Component Units	<u>6,312</u>	<u>6,855</u>
Agency and Trust Funds:		
Agency Funds:		
Department of Revenue	4,456	86,232
Investment Council	1,072	44,274
State Auditor		10
Other	<u>2,802</u>	<u>3,039</u>
Total Agency Funds	<u>8,330</u>	<u>133,555</u>

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
Expendable Trust Funds:		
Unemployment Insurance Fund	32	17
Vocational Education Facilities Fund	112	96
Second Injury Fund	90	1
Corrections Trust Fund	31	14
Redfield Resident Investment Fund	38	
Community-Based Education Fund	76	
Other	<u>106</u>	<u>31</u>
Total Expendable Trust Funds	<u>485</u>	<u>159</u>
Nonexpendable Trust Funds:		
Youth at Risk	662	
School and Public Lands Permanent Fund		<u>65</u>
Total Nonexpendable Trust Funds	<u>662</u>	<u>65</u>
Pension Trust Funds:		
South Dakota Retirement Fund	<u>747</u>	<u>28</u>
Total Trust and Agency Funds	<u>10,224</u>	<u>133,807</u>
TOTAL INTERFUND RECEIVABLES AND PAYABLES	<u>\$193,488</u>	<u>\$196,870</u>

The variance of \$3,382,000 between interagency receivables and payables is a result of the Cement Plant being reported as of December 31, 1998, instead of June 30, 1999.

ADVANCES TO/FROM OTHER FUNDS

Advances to/from other funds represent long-term loans existing between funds. The funds and amounts advanced at June 30, 1999 were as follows (expressed in thousands):

	<u>ADVANCES TO OTHER FUNDS</u>	<u>ADVANCES FROM OTHER FUNDS</u>
General Fund	<u>\$ 45</u>	<u>\$2,446</u>
Special Revenue Funds:		
Transportation Highway Fund		813
Transportation Federal Fund	813	
Aeronautics Fund	<u>718</u>	
Total Special Revenue Funds	<u>1,531</u>	<u>813</u>
Internal Service Funds:		
Information Services Fund	496	
Rural Development Communications Network Fund		<u>496</u>
Total Internal Service Funds	<u>496</u>	<u>496</u>
Expendable Trust Funds:		
Unclaimed Property Fund	1,143	
Redfield Resident Investment Fund		<u>45</u>
Total Expendable Trust Funds	<u>1,143</u>	<u>45</u>
Nonexpendable Trust Funds:		
Youth at Risk Fund	<u>585</u>	
TOTAL ADVANCE TO/FROM OTHER FUNDS	<u>\$3,800</u>	<u>\$3,800</u>

14. RESIDUAL EQUITY TRANSFERS AND CHANGES IN CONTRIBUTED CAPITAL

RESIDUAL EQUITY TRANSFERS

Various residual equity transfers occurred between internal service funds due to and management's movement of unobligated assets between funds. The transactions are reported as residual equity transfers out and increases to contributed capital in the internal service funds.

CHANGES IN CONTRIBUTED CAPITAL

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

	BEGINNING BALANCE <u>7/1/98</u>	ASSETS CONTRIBUTED BY PRIMARY GOVERNMENT	DEPRECIATION ON ASSETS ACQUIRED WITH CONTRIBUTED CAPITAL	ENDING BALANCE <u>6/30/99</u>
Enterprise Funds:				
Pheasantland Industries	\$ 354	\$	\$ 27	\$ 327
Internal Service Funds:				
Information Services	2,870	5		2,875
Telecommunications	1,378	163		1,541
Buildings and Grounds	454	2		456
Central Mail	432	250		682
Fleet and Travel Management	4,994	4		4,998
Central Duplicating	120	4		124
BOA Support Services	9	1		10

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, 1999 (expressed in thousands).

<u>General Fund</u>		<u>Nonexpendable Trust</u>	
Reserved for Encumbrances	\$ 16,068	Reserved for Public Schools	\$ 130,835
Reserved for Noncurrent Assets	45	Reserved for Specific Purposes	19,406
Total Reservations	16,113	Total Reservations	150,241
Designated for Budget Reserve	36,551	<u>Pension Trust</u>	
<u>Special Revenue</u>		Reserved for Pension Benefits	4,717,151
Reserved for Encumbrances	44,773	<u>Component Unit - Special Revenue</u>	
Reserved for Noncurrent Assets	17,186	Reserved for Specific Purposes	16,860
Reserved for Loan Guarantee	567	<u>Component Unit - Enterprise</u>	
Total Reservations	62,526	Reserved for Debt Service	214,462
<u>Debt Service</u>		Reserved for Contingencies	15,229
Reserve for Debt Service	107,863	Reserved for Loan Escrow	4,978
<u>Expendable Trust</u>		Total Reservations	234,669
Reserved for Unemployment		<u>Component Unit - Pension Trust</u>	
Benefit Payments	47,742	Reserved for Pension Benefits	32,193
Reserved for Deferred		<u>Component Unit - Higher Education</u>	
Compensation	61,934	Reserved for Encumbrances	4,355
Reserved for Specific Purposes	7,225	Reserved for Noncurrent Assets	25,701
Total Reservations	116,901	Total Reservations	30,056

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, 1999 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	8	\$ 2,129	\$ 42,261
Temporary Total and Temporary Partial Disability - Benefits are paid weekly for an unspecified period of time	13	2,666	Unknown
Permanent Total Disability - Benefits are paid weekly for the life of the client	27	2,868	Unknown
Vocational Rehabilitation Disability - Benefits are paid weekly up to completion of approved retraining	1	179	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	2,111	Unknown
Child Disability - Benefits paid at rate of \$50.00 per month until 18 years of age	<u>8</u>	<u>92</u>	25,159
TOTAL	<u>68</u>	<u>\$ 10,045</u>	

The Petroleum Release Compensation Fund (PRCF) provides reimbursement for remediation of sites where a petroleum release has occurred. As of June 30, 1999, PRCF was currently involved with 558 active cases, 353 active/monitoring cases, and 124 pending cases (spill report not yet filed), for a total of 1,035 cases. Contingent liabilities for the PRCF are \$27,500,000 for sites that haven't received any payments.

Score v. Bloomberg, et al. This is a civil rights action regarding the death of a juvenile at the State Training School in Plankinton, South Dakota. The suit is expected to go to trial in the fall of 2000. An unfavorable outcome to the state is likely, but at this point the amount of damages that may be awarded cannot be estimated. It is possible that damages awarded could have a material impact on the PEPL fund.

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. If the plaintiff is ultimately successful, the state will be required to pay damages that would have a material impact on the PEPL Fund.

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, but the Department of Revenue is currently considering appeal of the decision. If ultimately awarded, refunds would be made based upon taxes improperly paid with interest at 1.25% per month. The amount of refunds that could be awarded cannot be estimated at this time, but could be material to the state's highway fund.

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 \$1,347,048.85 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. Court decisions in other states have differed on this matter. South Dakota, along with several other states, is trying to get the United States Supreme Court to hear one of these cases, involving the State of Arkansas. At this time the probability of a favorable or unfavorable outcome for the department cannot be determined, but if the department is required to refund the amount in question, it could have a material impact on the state's general fund.

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 the scheduling of a

hearing date. The Department of Revenue is vigorously defending the action. While potential damages awarded cannot be estimated, it is possible damages awarded could have a material impact on the state's general fund.

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:

	STATE LOTTERY	REVOLVING ECONOMIC DEVELOPMENT INITIATIVE	WATER POLLUTION CONTROL REVOLVING	DRINKING WATER REVOLVING	OTHER	TOTAL
Operating Revenues	\$ 119,994	\$ 959	\$ 10,176	\$ 3,767	\$ 7,543	\$ 142,439
Depreciation, Depletion and Amortization	180		45	15	156	396
Operating Income (Loss)	97,824	17	8,738	3,154	(94)	109,639
Operating Transfers:						
In					60	60
Out	97,556		22	18	4	97,600
Net Income (Loss)	722	1,759	8,716	3,136	112	14,445
Plant, Property and Equipment:						
Additions	34				196	230
Deletions	59				18	77
Net Increase (Decrease) in Cash and Cash Equivalents	1,283	174	230	(10,146)	440	(8,019)
Total Assets	13,012	70,169	91,843	16,497	6,626	198,147
Total Equity	5,757	64,796	73,395	9,875	5,159	158,982

COMPONENT UNIT ENTERPRISE FUNDS:

	HOUSING AUTHORITY	FINANCE AUTHORITY	CEMENT PLANT	CROP REDUCTION ENHANCEMENT PROGRAM	STATE FAIR	TOTAL
Operating Revenues	\$ 98,567	\$ 2,441	\$ 53,589	\$ 925	\$ 1,478	\$ 157,000
Depreciation, Depletion and Amortization	1,758		3,825	54	173	5,810
Operating Income (Loss)	11,639	(570)	19,946	(6)	(564)	30,445
Operating Transfers:						
Out			12,000			12,000
Net Income (Loss)	10,375	(390)	10,960	(6)	(531)	20,408
Plant, Property and Equipment:						
Additions	223		6,112		168	6,503
Deletions	54		735			789
Net Increase (Decrease) in Cash and Cash Equivalents	93,860	280	4,309	(2,783)	(329)	95,337
Total Assets	1,627,780	54,000	132,933	10,634	3,531	1,828,878
Total Equity	214,462	11,406	121,959	917	2,859	351,603

COMPONENT UNIT - SPECIAL REVENUE AND PENSION TRUST FUNDS:

	<u>SPECIAL REVENUE</u>	<u>PENSION TRUST</u>		<u>TOTAL</u>
	<u>HOUSING AUTHORITY</u>	<u>CEMENT PLANT</u>	<u>PERPETUITY FUND</u>	
Operating Revenues	\$ 16,881			\$ 16,881
Excess of Revenues Over (Under) Expenditures	2,587			2,587
Total Additions		4,382	79	4,461
Total Deductions		1,021	136	1,157
Total Assets	18,244	31,209	2,384	51,837
Total Equity	16,860	29,809	2,384	49,053

COMPONENT UNIT - HIGHER EDUCATION:

	<u>ASSETS</u>	<u>LIABILITIES</u>			<u>TOTAL FUND BALANCE</u>	
	<u>PROPERTY, PLANT, AND EQUIPMENT</u>	<u>DUE TO PRIMARY GOVERNMENT</u>	<u>BONDS, NOTES, COPs AND TRUST CERTIFICATES</u>	<u>TOTAL ASSETS</u>		<u>TOTAL LIABILITIES</u>
Current Funds:						
Unrestricted	\$	\$ 637	\$	\$ 53,022	\$ 38,105	\$ 14,917
Restricted		66		7,402	4,711	2,691
Loan Funds			1	31,861	177	31,684
Plant Funds:						
Unexpended		4	12,615	15,102	14,233	869
Renewal and Replacement		8		17,434	2,098	15,336
Retirement of Indebtedness			4,614	5,973	5,558	415
Investment in Plant	451,714		61,456	453,813	63,881	389,932
Agency Funds		3		422	422	
Higher Education Totals	<u>\$ 451,714</u>	<u>\$ 718</u>	<u>\$ 78,686</u>	<u>\$585,029</u>	<u>\$ 129,185</u>	<u>\$455,844</u>

18. TOBACCO SETTLEMENT

South Dakota joined many other states in agreeing to settlement terms with US tobacco companies. Per the master settlement agreement, South Dakota will receive annual payments over a span of 25 years for reimbursement of tobacco related health care costs incurred by the states. The state will receive approximately \$24 million to \$31 million annually, adjusted for volume, market share, and price changes over that time period. In fiscal year 2000, the state will receive approximately \$28 million. 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.

The bonds mature on July 7, 2000, and are at interest rates from 3.4% to 3.45%.

In September of 1999, the authority issued \$50,000,000 of Homeownership Mortgage Bonds 1999 Series G. The bonds mature on May 1, 2001, through May 1, 2031, and are at interest rates from 4.5% to 6.05%.

In September of 1999, the authority issued \$44,400,000 of Homeownership Mortgage Bonds 1999 Series H, I and J. The bonds mature on September 28, 2000, and are at interest rates from 3.75% to 3.85%.

In December of 1999, the authority issued \$10,055,000 of Housing Development Revenue Bonds Series 1999. The bonds mature on December 1, 2004, and are at a variable weekly interest rate starting at 4.0%.

19. SUBSEQUENT EVENTS

HOUSING AUTHORITY

In July of 1999, the authority issued \$3,235,000 of Multifamily Housing Revenue Bonds Series 1999. The bonds mature on July 1, 2009, through July 1, 2040, and are at interest rates from 5.4% to 5.8%.

In July of 1999, the authority issued \$60,000,000 of Homeownership Mortgage Bonds 1999 Series D. The bonds mature on May 1, 2001, through May 1, 2030, and are at interest rates from 4% to 5.55%.

In July of 1999, the authority issued \$60,000,000 of Homeownership Mortgage Bonds 1999 Series E and F.

In February of 2000, the authority issued \$50,000,000 of Homeownership Mortgage Bonds 2000 Series A and B. The bonds mature on May 1, 2002, through May 1, 2031, and are at interest rates from 4.9% to 6.42%.

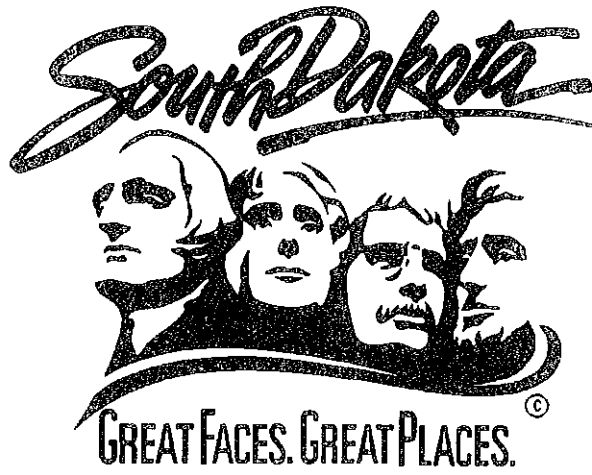
In February of 2000, the authority issued \$50,000,000 of Homeownership Mortgage Bonds 2000 Series C and D. The bonds mature on February 1, 2001, and are at interest rates from 4.1% to 4.2%.

VOCATIONAL EDUCATION

On July 1, 1999, the Vocational Education Program issued \$7,135,000 of Bonds Series 1999. The bonds mature on August 1, 2024, and are at interest rates from 4.05% to 5.55%.

**REVOLVING ECONOMIC DEVELOPMENT
INITIATIVE FUND (REDI) FUND**

On August 17, 1999, the Board of Economic Development approved the write-off of two REDI Fund loans totaling \$618,566.



COMBINING FINANCIAL STATEMENTS

The "Combining Financial Statements" are displayed to provide the reader a detailed financial analysis of the units of state government according to their fund type.

THE FOLLOWING FUND TYPES ARE DISPLAYED FOR REVIEW:

Special Revenue Funds

Debt Service Funds

Capital Projects Funds

Enterprise Funds

Internal Service Funds

Trust and Agency Funds

Component Units

University Funds



SPECIAL REVENUE FUNDS

“Special Revenue Funds” are used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS**

June 30, 1999

(Expressed in Thousands)

<u>Assets</u>	<u>Transportation</u>	<u>Transportation Federal</u>	<u>Social Services Federal</u>	<u>Education Federal</u>	<u>Human Services Federal</u>
Cash and Cash Equivalents	\$ 74,951	\$ 8,164	\$	\$ 549	\$
Investments					
Securities Lending Collateral	12,879	1,176		92	
Accounts Receivable	75	293	1,141		
Taxes Receivable (Net)					
Interest, Dividends & Penalties Receivable					
Loans and Notes Receivable (Net)	57				10
Due From Other Funds	32,976	1,015	537		2,347
Due From Component Units	22				
Due From Other Governments	1,469	15,536	28,321	6,475	6,451
Inventory	10,750		3,239	348	206
Advances To Other Funds		813			
Deferred Fiscal Charges and Other Assets			547	135	
Total Assets	\$ 133,179	\$ 26,997	\$ 33,785	\$ 7,599	\$ 9,014
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable	\$ 9,182	\$ 14,064	\$ 22,442	\$ 1,218	\$ 4,829
Accrued Liabilities	2,539		929	121	894
Compensated Absences Payable	320				43
Due To Other Funds	2,008	1,022	6,245	438	2,637
Due To Component Units		13	43		
Due To Other Governments				4,512	
Deferred Revenue	2		3,562	504	28
Advances From Other Funds	813				
Securities Lending Collateral Liability	12,879	1,176		92	
Total Liabilities	27,743	16,275	33,221	6,885	8,431
Fund Equity:					
Fund Balance:					
Reserved	5,473	1,347	338	17	197
Unreserved:					
Undesignated	99,963	9,375	226	697	386
Total Fund Equity	105,436	10,722	564	714	583
Total Liabilities and Fund Equity	\$ 133,179	\$ 26,997	\$ 33,785	\$ 7,599	\$ 9,014

Labor Federal	Health Federal	Governor's Office Federal	Military Affairs Federal	Natural Resources Federal	Game, Fish and Parks Federal	Game and Fish	Parks and Recreation
\$ 662	\$ 707	\$ 34	\$ 27	\$	\$	\$ 11,926	\$ 1,048
111	119 3	6				1,962 116	131
161	29				43	2,100	1,299
239	811	2,360	4,295	1,740	1,584		
151	459						
18		5					
<u>\$ 1,342</u>	<u>\$ 2,128</u>	<u>\$ 2,405</u>	<u>\$ 4,322</u>	<u>\$ 1,740</u>	<u>\$ 1,627</u>	<u>\$ 16,104</u>	<u>\$ 2,478</u>
\$ 389	\$ 362	\$ 98	\$ 1,201	\$ 146	\$ 206	\$ 306	\$ 183
574	282	22	125	126	145	324	2
268	187	5	2,783	1,353	1,170	858	200
		2,268	145	80	92	415	
111	119	6				1,962	131
<u>1,342</u>	<u>950</u>	<u>2,399</u>	<u>4,254</u>	<u>1,705</u>	<u>1,613</u>	<u>3,865</u>	<u>516</u>
	583	32,312	12	2,141	496	420	62
	595	(32,306)	56	(2,106)	(482)	11,819	1,900
0	1,178	6	68	35	14	12,239	1,962
<u>\$ 1,342</u>	<u>\$ 2,128</u>	<u>\$ 2,405</u>	<u>\$ 4,322</u>	<u>\$ 1,740</u>	<u>\$ 1,627</u>	<u>\$ 16,104</u>	<u>\$ 2,478</u>

Continued on next page

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (continued)**

June 30, 1999

(Expressed in Thousands)

<u>Assets</u>	Securities and Insurance	Health	Gaming Commission	Motor Vehicle	Revenue	Employer's Investment
Cash and Cash Equivalents	\$ 852	\$ 1,279	\$ 4,678	\$ 4,035	\$ 3,365	\$ 15,866
Investments						
Securities Lending Collateral	148	195	787	676	569	2,684
Accounts Receivable	34	89		27		
Taxes Receivable (Net)			323			
Interest, Dividends & Penalties Receivable						
Loans and Notes Receivable (Net)						
Due From Other Funds	303	6	90	1,310	489	1,158
Due From Component Units						
Due From Other Governments		5				
Inventory		67				
Advances To Other Funds						
Deferred Fiscal Charges and Other Assets	9			4		
Total Assets	\$ 1,346	\$ 1,641	\$ 5,878	\$ 6,052	\$ 4,423	\$ 19,708
Liabilities and Fund Equity						
Liabilities:						
Accounts Payable	\$ 73	\$ 124	\$ 22	\$ 75	\$ 139	\$ 251
Accrued Liabilities	72	41	28	181	195	
Compensated Absences Payable						
Due To Other Funds	53	21	140	3,411	1,410	1
Due To Component Units						
Due To Other Governments			401			
Deferred Revenue			4,199			
Advances From Other Funds						
Securities Lending Collateral Liability	148	195	787	676	569	2,684
Total Liabilities	346	381	5,577	4,343	2,313	2,936
Fund Equity:						
Fund Balance:						
Reserved	1	110	5	299	252	
Unreserved:						
Undesignated	999	1,150	296	1,410	1,858	16,772
Total Fund Equity	1,000	1,260	301	1,709	2,110	16,772
Total Liabilities and Fund Equity	\$ 1,346	\$ 1,641	\$ 5,878	\$ 6,052	\$ 4,423	\$ 19,708

Property Tax Reduction	Petroleum Release Compensation	Maintenance and Repair	Water and Environment	Rural Rehabilitation	Energy Conservation	Other	Total
\$ 26,773	\$ 10,613	\$ 6,681	\$ 10,561	\$ 5,417	\$ 6,412	\$ 81,833	\$ 276,433
4,498	1,793	1,130	1,784	917	335	13,226	335
		3			1,085	451	45,968
			39	63	14	66	323
20,482	1,847	65	11,908	4,449	553	2,997	182
		781	1,578	415	507	6,943	20,039
						3,219	76,416
						58	22
						718	72,505
						532	15,278
							1,531
							1,250
<u>\$ 51,753</u>	<u>\$ 14,253</u>	<u>\$ 8,660</u>	<u>\$ 25,870</u>	<u>\$ 11,261</u>	<u>\$ 8,906</u>	<u>\$ 110,043</u>	<u>\$ 512,514</u>
\$	\$ 641	\$ 451	\$ 227	\$ 15	\$ 20	\$ 2,358	\$ 59,022
	26			11		965	7,602
	12	74		14	1	2,093	363
			406			44	100
		59			27	318	8,664
4,498	1,793	1,130	1,784	917	1,085	24,767	33,121
<u>4,498</u>	<u>2,472</u>	<u>1,714</u>	<u>2,417</u>	<u>957</u>	<u>1,133</u>	<u>43,771</u>	<u>813</u>
							45,968
		724	9,510	4,094	410	3,723	182,057
47,255	11,781	6,222	13,943	6,210	7,363	62,549	267,931
<u>47,255</u>	<u>11,781</u>	<u>6,946</u>	<u>23,453</u>	<u>10,304</u>	<u>7,773</u>	<u>66,272</u>	<u>330,457</u>
<u>\$ 51,753</u>	<u>\$ 14,253</u>	<u>\$ 8,660</u>	<u>\$ 25,870</u>	<u>\$ 11,261</u>	<u>\$ 8,906</u>	<u>\$ 110,043</u>	<u>\$ 512,514</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, 1999
(Expressed in Thousands)

	Transportation	Transportation Federal	Social Services Federal	Education Federal	Human Services Federal
Revenue:					
Taxes	\$ 103,479	\$	\$	\$	\$
Licenses, Permits and Fees	53,294				
Fines, Forfeits and Penalties					
Use of Money and Property	5,770		22		
Sales and Services	838				18
Administering Programs	9,948	164,557	312,598	78,206	74,028
Other Revenue	1,943	78	1,196	20	
Total Revenue	<u>175,272</u>	<u>164,635</u>	<u>313,816</u>	<u>78,226</u>	<u>74,046</u>
Expenditures:					
Education and Research				78,230	
Economic Resources					
General Government	3,322				
Human Resources			313,947		73,973
Natural Resources					
Protection of Domain	12,097				
Transportation	136,457	156,882			
Total Expenditures	<u>151,876</u>	<u>156,882</u>	<u>313,947</u>	<u>78,230</u>	<u>73,973</u>
Excess of Revenue Over (Under)					
Expenditures	23,396	7,753	(131)	(4)	73
Other Financing Sources (Uses):					
Operating Transfers In	11	1,038	68	56	306
Operating Transfers Out	(2,511)				(286)
Transfers to Component Units					
Net Other Financing Sources (Uses)	<u>(2,500)</u>	<u>1,038</u>	<u>68</u>	<u>56</u>	<u>20</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	20,896	8,791	(63)	52	93
Fund Balance at Beginning of Year, Restated	<u>84,540</u>	<u>1,931</u>	<u>627</u>	<u>662</u>	<u>490</u>
Fund Balance at End of Year	<u>\$ 105,436</u>	<u>\$ 10,722</u>	<u>\$ 564</u>	<u>\$ 714</u>	<u>\$ 583</u>

Labor Federal	Health Federal	Governor's Office Federal	Military Affairs Federal	Natural Resources Federal	Game, Fish and Parks Federal	Game and Fish	Parks and Recreation
\$	\$	\$	\$	\$	\$	\$	\$
	131					16,180	1,018
			68			753	250
24,243	19,482	27,739	23,026	5,818	7,386	371	62
	4	1				556	32
<u>24,243</u>	<u>19,617</u>	<u>27,740</u>	<u>23,094</u>	<u>5,818</u>	<u>7,386</u>	<u>179</u>	<u>9</u>
						18,039	4,697
		27,702					
25,829	20,231			5,571	7,228	12,864	4,859
			22,764				
<u>25,829</u>	<u>20,231</u>	<u>27,702</u>	<u>22,764</u>	<u>5,571</u>	<u>7,228</u>	<u>12,864</u>	<u>4,859</u>
(1,586)	(614)	38	330	247	158	5,175	(162)
1,586	(48)	(35)	(282)	(212)	42	865	59
					(186)	(3,065)	(382)
<u>1,586</u>	<u>(48)</u>	<u>(35)</u>	<u>(282)</u>	<u>(212)</u>	<u>(144)</u>	<u>(2,200)</u>	<u>(323)</u>
	(662)	3	48	35	14	2,975	(485)
	1,840	3	20				
						9,264	2,447
<u>\$ 0</u>	<u>\$ 1,178</u>	<u>\$ 6</u>	<u>\$ 68</u>	<u>\$ 35</u>	<u>\$ 14</u>	<u>\$ 12,239</u>	<u>\$ 1,962</u>

Continued on next page

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS (continued)

For the Fiscal Year Ended June 30, 1999
(Expressed in Thousands)

	Securities and Insurance	Health	Gaming Commission	Motor Vehicle	Revenue	Employer's Investment
Revenue:						
Taxes	\$	\$	\$ 3,969	\$ 2,234	\$ 3,028	\$
Licenses, Permits and Fees	21,886	4,913	4,700	2,149	536	6,344
Fines, Forfeits and Penalties			11			
Use of Money and Property	238		64	248	178	886
Sales and Services	12			1,408	3,037	266
Administering Programs		149				
Other Revenue		1				
Total Revenue	<u>22,136</u>	<u>5,063</u>	<u>8,744</u>	<u>6,039</u>	<u>6,779</u>	<u>7,522</u>
Expenditures:						
Education and Research						
Economic Resources						6,045
General Government				4,007	6,918	
Human Resources		4,696				
Natural Resources						
Protection of Domain	2,143		7,223	2,590		
Transportation						
Total Expenditures	<u>2,143</u>	<u>4,696</u>	<u>7,223</u>	<u>6,597</u>	<u>6,918</u>	<u>6,045</u>
Excess of Revenue Over (Under)						
Expenditures	19,993	367	1,521	(558)	(139)	1,477
Other Financing Sources (Uses):						
Operating Transfers In	326	48				5
Operating Transfers Out	(20,006)	(441)	(1,496)	(312)		
Transfers to Component Units						
Net Other Financing Sources (Uses)	<u>(19,680)</u>	<u>(393)</u>	<u>(1,496)</u>	<u>(312)</u>	<u>0</u>	<u>5</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	313	(26)	25	(870)	(139)	1,482
Fund Balance at Beginning of Year, Restated	687	1,286	276	2,579	2,249	15,290
Fund Balance at End of Year	<u>\$ 1,000</u>	<u>\$ 1,260</u>	<u>\$ 301</u>	<u>\$ 1,709</u>	<u>\$ 2,110</u>	<u>\$ 16,772</u>

Property Tax Reduction	Petroleum Release Compensation	Maintenance and Repair	Water and Environment	Rural Rehabilitation	Energy Conservation	Other	Total
\$	\$	\$	\$	\$	\$	\$	\$
	8,355		518			6,360	120,606
			5,923	70		20,286	148,093
	595	300	642	583	1	5,189	5,201
		616		8	348	5,457	16,402
						8,269	14,905
	6	100	120		91	16,523	764,382
<u>0</u>	<u>8,956</u>	<u>1,016</u>	<u>7,203</u>	<u>1</u>		<u>5,613</u>	<u>9,297</u>
				<u>662</u>	<u>440</u>	<u>67,697</u>	<u>1,078,886</u>
						1,405	79,635
		3,777			667	5,448	39,862
						13,778	31,802
			3,263	697		13,061	451,737
	4,593					23,568	58,050
						10,797	62,207
<u>0</u>	<u>4,593</u>	<u>3,777</u>	<u>3,263</u>	<u>697</u>	<u>667</u>	<u>1,400</u>	<u>294,739</u>
						<u>69,457</u>	<u>1,018,032</u>
0	4,363	(2,761)	3,940	(35)	(227)	(1,760)	60,854
108,508		155	1,155				
(87,300)	(48)	(58)	(400)	(5)		8,678	122,906
						(2,148)	(119,221)
<u>21,208</u>	<u>(48)</u>	<u>97</u>	<u>755</u>	<u>(5)</u>	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>
						<u>6,530</u>	<u>3,675</u>
21,208	4,315	(2,664)	4,695	(40)	(237)	4,770	64,529
26,047	7,466	9,610	18,758	10,344	8,010	61,502	265,928
<u>\$ 47,255</u>	<u>\$ 11,781</u>	<u>\$ 6,946</u>	<u>\$ 23,453</u>	<u>\$ 10,304</u>	<u>\$ 7,773</u>	<u>\$ 66,272</u>	<u>\$ 330,457</u>



DEBT SERVICE FUNDS

"Debt Service Funds" are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS**

June 30, 1999

(Expressed in Thousands)

<u>Assets</u>	<u>Building Authority</u>	<u>Vocational Education Facilities</u>	<u>Total</u>
Cash and Cash Equivalents	\$	\$ 2,773	\$ 2,773
Investments	103,418	783	104,201
Interest, Dividends & Penalties Receivable		20	20
Due From Other Funds	3,946	96	4,042
Due From Other Governments		77	77
Total Assets	<u>\$ 107,364</u>	<u>\$ 3,749</u>	<u>\$ 111,113</u>
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Accrued Liabilities	\$ 2,726	\$ 524	\$ 3,250
Total Liabilities	<u>2,726</u>	<u>524</u>	<u>3,250</u>
Fund Equity:			
Fund Balance:			
Reserved	<u>104,638</u>	<u>3,225</u>	<u>107,863</u>
Total Liabilities and Fund Equity	<u>\$ 107,364</u>	<u>\$ 3,749</u>	<u>\$ 111,113</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, 1999
(Expressed in Thousands)

	<u>Building Authority</u>	<u>Vocational Education Facilities</u>	<u>Total</u>
Revenue:			
Licenses, Permits and Fees	\$	\$ 1,251	\$ 1,251
Use of Money and Property		151	151
Other Revenue		554	554
Total Revenue	<u>0</u>	<u>1,956</u>	<u>1,956</u>
Expenditures:			
Current:			
Education and Research		30	30
Debt Service:			
Principal	11,397	845	12,242
Interest	9,924	1,758	11,682
Total Expenditures	<u>21,321</u>	<u>2,633</u>	<u>23,954</u>
Excess of Revenue Over (Under) Expenditures	(21,321)	(677)	(21,998)
Other Financing Sources (Uses):			
Proceeds of Refunding Bonds	2,135		2,135
Payments on Advance Refundings	(1,514)		(1,514)
Operating Transfers In	13,760	1,010	14,770
Operating Transfers From Component Units	51		51
Operating Transfers Out	(621)	(3)	(624)
Net Other Financing Sources (Uses)	<u>13,811</u>	<u>1,007</u>	<u>14,818</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,510)	330	(7,180)
Fund Balance at Beginning of Year, restated	<u>112,148</u>	<u>2,895</u>	<u>115,043</u>
Fund Balance at End of Year	<u>\$ 104,638</u>	<u>\$ 3,225</u>	<u>\$ 107,863</u>



CAPITAL PROJECTS FUNDS

“Capital Projects Funds” are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds) .

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS**

June 30, 1999

(Expressed in Thousands)

<u>Assets</u>	<u>Building Authority</u>	<u>Vocational Education Facilities</u>	<u>Public Buildings</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 1,088	\$ 1,146	\$	\$ 2,234
Investments			630	630
Securities Lending Collateral	269			269
Interest, Dividends & Penalties Receivable		6	7	13
Due From Other Funds	79			79
Total Assets	\$ 1,436	\$ 1,152	\$ 637	\$ 3,225
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts Payable	\$ 4	\$	\$	\$ 4
Due To Other Funds	72			72
Securities Lending Collateral Liability	269			269
Total Liabilities	345	0	0	345
Fund Equity:				
Fund Balance:				
Unreserved:				
Undesignated	1,091	1,152	637	2,880
Total Fund Equity	1,091	1,152	637	2,880
Total Liabilities and Fund Equity	\$ 1,436	\$ 1,152	\$ 637	\$ 3,225

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS

For the Fiscal Year Ended June 30, 1999
(Expressed in Thousands)

	Building Authority	Vocational Education Facilities	Public Buildings	Total
Revenue:				
Use of Money and Property	\$ 42	\$ 126	\$ 51	\$ 219
Total Revenue	<u>42</u>	<u>126</u>	<u>51</u>	<u>219</u>
Expenditures:				
Current:				
General Government	13			13
Capital Outlay	69	1,793		1,862
Total Expenditures	<u>82</u>	<u>1,793</u>	<u>0</u>	<u>1,875</u>
Excess of Revenue Over (Under) Expenditures	(40)	(1,667)	51	(1,656)
Other Financing Sources (Uses):				
Operating Transfers In	621			621
Operating Transfers Out	(554)	(114)		(668)
Net Other Financing Sources (Uses)	<u>67</u>	<u>(114)</u>	<u>0</u>	<u>(47)</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	27	(1,781)	51	(1,703)
Fund Balance at Beginning of Year, restated	<u>1,064</u>	<u>2,933</u>	<u>586</u>	<u>4,583</u>
Fund Balance at End of Year	<u>\$ 1,091</u>	<u>\$ 1,152</u>	<u>\$ 637</u>	<u>\$ 2,880</u>



ENTERPRISE FUNDS

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

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
ENTERPRISE FUNDS**

June 30, 1999

(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	\$ 6,896	\$ 34,175	\$ 1,620	\$ 311	\$ 2,442	\$ 45,444
Investments			34,868	6,613		41,481
Securities Lending Collateral	1,055	5,322				6,377
Accounts Receivable	4,330				392	4,722
Interest, Dividends & Penalties Receivable					232	4,562
Loans and Notes Receivable (Net)		56	1,089	262		1,407
Due From Other Funds	659	25,138	53,621	8,888		87,647
Due From Component Units		2,633			521	3,813
Due From Other Governments		2,680			35	2,715
Inventory			95	138		233
Deferred Fiscal Charges and Other Assets	11	165	550	285	1,379	1,379
Property, Plant and Equipment (Net)	61				20	1,031
					1,605	1,666
Total Assets	\$ 13,012	\$ 70,169	\$ 91,843	\$ 16,497	\$ 6,626	\$ 198,147
Liabilities and Fund Equity						
Liabilities:						
Accounts Payable	\$ 1,267	\$ 7	\$ 44	\$ 20	\$ 411	\$ 1,749
Accrued Liabilities	59	12	430	132	39	672
Compensated Absences Payable	172	25	25	20	169	411
Due To Other Funds	3,885	7				3,940
Deferred Revenue	103				48	435
Escrow Payable	42				332	42
Securities Lending Collateral Liability	1,055	5,322				6,377
Bonds and Notes Payable (Net)			17,949	6,450	392	24,399
Capital Lease Obligations					76	76
Other Liabilities	672					672
Total Liabilities	7,255	5,373	18,448	6,622	1,467	39,165
Fund Equity:						
Contributions		40,450	1,200	1,424	584	43,658
Retained Earnings:						
Unreserved	5,757	24,346	72,195	8,451	4,575	115,324
Total Fund Equity	5,757	64,796	73,395	9,875	5,159	158,982
Total Liabilities and Fund Equity	\$ 13,012	\$ 70,169	\$ 91,843	\$ 16,497	\$ 6,626	\$ 198,147

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 1999
(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	\$ 1,161	\$	\$	\$	\$	\$ 1,161
Use of Money and Property		654	3,602	659		4,915
Sales and Services	118,833		589	76	7,543	127,021
Administering Programs			6,005	3,032		9,037
Other Revenue		305				305
Total Operating Revenue	<u>119,994</u>	<u>959</u>	<u>10,176</u>	<u>3,767</u>	<u>7,543</u>	<u>142,439</u>
Operating Expenses:						
Personal Services and Benefits	1,191	198	170	143	967	2,669
Travel	109	14	10	5	63	201
Contractual Services	5,355	132	97	144	1,550	7,278
Supplies and Materials	646	5	1	1	4,878	5,531
Other					5	5
Interest			1,115	305	12	1,432
Bad Debts		593			6	599
Depreciation/Amortization	180		45	15	156	396
Lottery Prizes	14,689					14,689
Total Operating Expenses	<u>22,170</u>	<u>942</u>	<u>1,438</u>	<u>613</u>	<u>7,637</u>	<u>32,800</u>
Operating Income (Loss)	<u>97,824</u>	<u>17</u>	<u>8,738</u>	<u>3,154</u>	<u>(94)</u>	<u>109,639</u>
Nonoperating Revenue (Expenses):						
Loss on Disposal of Assets	(1)				(1)	(2)
Interest Income	511	1,976			113	2,600
Other Expense	(100)	(234)			(13)	(347)
Grant and Other Income	44				51	95
Total Nonoperating Revenue (Expenses)	<u>454</u>	<u>1,742</u>	<u>0</u>	<u>0</u>	<u>150</u>	<u>2,346</u>
Net Income (Loss) Before Operating Transfers	98,278	1,759	8,738	3,154	56	111,985
Operating Transfers:						
Operating Transfers In					60	60
Operating Transfers Out	(97,556)		(22)	(18)	(4)	(97,600)
Net Operating Transfers	<u>(97,556)</u>	<u>0</u>	<u>(22)</u>	<u>(18)</u>	<u>56</u>	<u>(97,540)</u>
Net Income (Loss)	722	1,759	8,716	3,136	112	14,445
Retained Earnings At Beginning of Year, restated	5,035	22,587	63,479	5,315	4,436	100,852
Decrease in Contributed Capital					27	27
Retained Earnings at End of Year	<u>\$ 5,757</u>	<u>\$ 24,346</u>	<u>\$ 72,195</u>	<u>\$ 8,451</u>	<u>\$ 4,575</u>	<u>\$ 115,324</u>

**STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS**

For the Fiscal Year Ended June 30, 1999
(Expressed in Thousands)

	Lottery	Revolving Economic Development & Initiative	Water Pollution Control Revolving	Drinking Water Revolving	Other	Totals
Cash Flows from Operating Activities:						
Operating Income (Loss)	\$ 97,824	\$ 17	\$ 8,738	\$ 3,154	\$ (94)	\$ 109,639
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation/Amortization Expense	180		45	15	156	396
Bad Debt Expense		593			6	599
Unamortized Charges Expensed			95			95
Investment Income			(2,124)	(624)		(2,748)
Interest Expense			1,115	305	10	1,430
Miscellaneous Nonoperating Items	2				51	53
Decrease/(Increase) in Assets:						
Accounts Receivable	(275)				66	(209)
Interest, Dividends & Penalties Receivable		(4)	(104)	(65)		(173)
Loans and Notes Receivable		(2,186)	(1,419)	(6,516)		(10,121)
Due From Other Funds	2				(151)	(149)
Due From Component Units		124			44	168
Due From Other Governments			8	(14)		(6)
Inventory					(41)	(41)
Deferred Fiscal Charges and Other Assets		(165)			12	(153)
Increase/(Decrease) in Liabilities:						
Accounts Payable	474	7	30	20	182	713
Accrued Liabilities	(2)	5	7	5		15
Compensated Absences Payable	3	20	25	20	13	81
Due To Other Funds	288	7			9	304
Deferred Revenue	(38)				293	255
Escrow Payable	(6)					(6)
Other Liabilities	35			(55)		(20)
Total Adjustments	663	(1,599)	(2,322)	(6,909)	650	(9,517)
Net Cash Provided (Used) by Operating Activities	98,487	(1,582)	6,416	(3,755)	556	100,122
Cash Flows From Capital and Related Financing Activities:						
Purchases of Capital Assets	(34)				(196)	(230)
Sales of Capital Assets					1	1
Payments on Capital Lease Obligations					(65)	(65)
Net Cash Provided (Used) by Capital and Related Financing Activities	(34)	0	0	0	(260)	(294)
Cash Flows From Noncapital Financing Activities:						
Operating Transfers In					60	60
Operating Transfers Out	(97,556)		(22)	(18)	(4)	(97,600)
Payments on Bonds and Notes			(700)			(700)
Interest Payments on Bonds and Notes			(1,128)	(203)		(1,331)
Net Cash Provided (Used) by Noncapital Financing Activities	(97,556)	0	(1,850)	(221)	56	(99,571)
Cash Flows From Investing Activities:						
Investment Income	444	1,990	1,969	442	101	4,946
Purchase of Investment Securities			(8,851)	(8,334)		(17,185)
Proceeds From Sales and Maturities of Investment Securities			2,546	1,722		4,268
Security Lending Rebate Fees	(58)	(234)			(13)	(305)
Net Cash Provided (Used) by Investing Activities	386	1,756	(4,336)	(6,170)	88	(8,276)
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	1,283	174	230	(10,146)	440	(8,019)
Cash and Cash Equivalents at Beginning of Year	5,613	34,001	1,390	10,457	2,002	53,463
Cash and Cash Equivalents at End of Year	\$ 6,896	\$ 34,175	\$ 1,620	\$ 311	\$ 2,442	\$ 45,444
Noncash Investing, Capital and Financing Activities:						
Loss/(Gain) on Disposal of Fixed Assets	1				1	2

INTERNAL SERVICE FUNDS

"Internal Service Funds" are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS**

June 30, 1999

(Expressed in Thousands)

Assets	Self- Insurance	Information Services	Tele- Communi- cations	Accounting and Payroll	Buildings and Grounds	Central Mail
Cash and Cash Equivalents	\$ 15,980	\$ 2,011	\$ 865	\$ 623	\$ 423	\$ 356
Securities Lending Collateral	670	339	146	105	71	60
Accounts Receivable		14	68	4	3	4
Due From Other Funds	1,187	1,606	1,094	788	838	371
Due From Component Units		31	382	29		1
Due From Other Governments						
Inventory		23	616		69	189
Advances To Other Funds		496				
Deferred Fiscal Charges and Other Assets	449	291	265	105	5	6
Property, Plant and Equipment (Net)	9	1,288	2,580	3,296	589	104
Total Assets	\$ 18,295	\$ 6,099	\$ 6,016	\$ 4,950	\$ 1,998	\$ 1,091
Liabilities and Fund Equity						
Liabilities:						
Accounts Payable	\$ 244	\$ 324	\$ 787	\$ 29	\$ 86	\$ 5
Accrued Liabilities	11	377	190	20	98	12
Compensated Absences Payable	36	1,461	504	96	228	39
Due To Other Funds	35	175	330	125	31	13
Due to Component Units						
Deferred Revenue	3,029	2	1			
Advances From Other Funds						
Policy Claims Liabilities	6,205					
Securities Lending Collateral Liability	670	339	146	105	71	60
Bonds and Notes Payable (Net)					282	
Capital Lease Obligations			866			
Total Liabilities	10,230	2,678	2,824	375	796	129
Fund Equity:						
Contributions	520	2,875	1,541	13	456	682
Retained Earnings:						
Unreserved	7,545	546	1,651	4,562	746	280
Total Fund Equity	8,065	3,421	3,192	4,575	1,202	962
Total Liabilities and Fund Equity	\$ 18,295	\$ 6,099	\$ 6,016	\$ 4,950	\$ 1,998	\$ 1,091

Rural Development Telecommunications Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation	Investment Council	Other	Total
\$ 266	\$ 11,391	\$ 1,115	\$ 164	\$ 3,965	\$ 478	\$ 2,755	\$ 40,392
45	1,926	188	28	2,704	80	466	6,828
46		13	5			197	354
43	760	1,475	339	248		1,035	9,784
36		144	1			82	706
						82	82
	679					299	1,196
239	22	9,746	191	1	10	35	496
					96	1,326	1,845
<u>\$ 675</u>	<u>\$ 14,778</u>	<u>\$ 12,681</u>	<u>\$ 728</u>	<u>\$ 6,918</u>	<u>\$ 664</u>	<u>\$ 6,277</u>	<u>\$ 81,170</u>

\$ 21	\$ 11	\$ 382	\$ 56	\$ 13	\$ 30	\$ 135	\$ 2,123
8	6	11	114	5	70	199	1,121
25	22	18	411	12	321	682	3,855
49	3	224	49	5	8	449	1,496
		13	1				14
496					49	50	3,131
	6,298			11,598			496
45	1,926	188	28	2,704	80	466	24,101
		4,407					6,828
644	8,266	5,243	659	14,337	558	631	282
						2,612	5,904
							49,351
4,025		4,998	107			1,685	16,902
(3,994)	6,512	2,440	(38)	(7,419)	106	1,980	14,917
31	6,512	7,438	69	(7,419)	106	3,665	31,819
<u>\$ 675</u>	<u>\$ 14,778</u>	<u>\$ 12,681</u>	<u>\$ 728</u>	<u>\$ 6,918</u>	<u>\$ 664</u>	<u>\$ 6,277</u>	<u>\$ 81,170</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, 1999
(Expressed in Thousands)

	Self- Insurance	Information Services	Tele- Communi- cations	Accounting and Payroll	Buildings and Grounds	Central Mail
Operating Revenue:						
Use of Money and Property	\$	\$	\$	\$	\$ 15	\$
Sales and Services	45,077	14,643	14,000	2,824	3,221	3,115
Other Revenue					23	
Total Operating Revenue:	<u>45,077</u>	<u>14,643</u>	<u>14,000</u>	<u>2,824</u>	<u>3,259</u>	<u>3,115</u>
Operating Expenses:						
Personal Services and Benefits	231	7,266	3,460	385	1,837	245
Travel	15	87	102	7	2	1
Contractual Services	3,148	5,214	8,373	1,639	865	167
Supplies and Materials	94	421	1,337	39	429	2,643
Interest		12	10		18	
Bad Debts			9			
Depreciation/Amortization	1	1,632	709	773	83	20
Insurance Claims	41,788					
Total Operating Expenses	<u>45,277</u>	<u>14,632</u>	<u>14,000</u>	<u>2,843</u>	<u>3,234</u>	<u>3,076</u>
Operating Income (Loss)	<u>(200)</u>	<u>11</u>	<u>0</u>	<u>(19)</u>	<u>25</u>	<u>39</u>
Nonoperating Revenue (Expenses):						
Loss on Disposal of Assets		(5)	(26)		(1)	
Interest Income	934	42	27	12	20	
Other Expense	(106)	(6)	(2)	(3)	(2)	(4)
Grant and Other Income						2
Total Nonoperating Revenue (Expenses)	<u>828</u>	<u>31</u>	<u>(1)</u>	<u>9</u>	<u>17</u>	<u>(2)</u>
Net Income (Loss) Before Operating Transfers	<u>628</u>	<u>42</u>	<u>(1)</u>	<u>(10)</u>	<u>42</u>	<u>37</u>
Operating Transfers:						
Operating Transfers In		344	147	199		41
Operating Transfers Out						
Net Operating Transfers	<u>0</u>	<u>344</u>	<u>147</u>	<u>199</u>	<u>0</u>	<u>41</u>
Net Income (Loss)	628	386	146	189	42	78
Retained Earnings At Beginning of Year, restated	6,917	161	1,506	4,373	704	202
Residual Equity Transfers Out		(1)	(1)			
Retained Earnings at End of Year	<u>\$ 7,545</u>	<u>\$ 546</u>	<u>\$ 1,651</u>	<u>\$ 4,562</u>	<u>\$ 746</u>	<u>\$ 280</u>

Rural Development Telecommunica- tions Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation	Investment Council	Other	Total
\$ 685	\$ 3,446	\$ 9,825	\$ 2,982	\$ 4,061	\$ 2,676	\$ 9,719	\$ 15
			1			90	114
685	3,446	9,825	2,983	4,061	2,676	9,809	116,403
168	110	275	2,221	103	1,847	4,047	22,195
6	13	9	65	1	53	208	569
552	1,749	2,670	633	184	729	2,051	27,974
11	17	3,743	169	5	32	2,543	11,483
		152				50	242
							9
191	11	2,236	62		24	395	6,137
	1,514			646		192	44,140
928	3,414	9,085	3,150	939	2,685	9,486	112,749
(243)	32	740	(167)	3,122	(9)	323	3,654
(15)		(212)	(6)	(1)	(4)	(6)	(276)
12	602	69	10	206		155	2,089
(1)	(67)	(6)	(1)	(22)		(21)	(241)
						6	8
(4)	535	(149)	3	183	(4)	134	1,580
(247)	567	591	(164)	3,305	(13)	457	5,234
18		83				5	837
						(289)	(289)
18	0	83	0	0	0	(284)	548
(229)	567	674	(164)	3,305	(13)	173	5,782
(3,765)	5,945	1,766	126	(10,724)	119	2,059	9,389
						(252)	(254)
\$ (3,994)	\$ 6,512	\$ 2,440	\$ (38)	\$ (7,419)	\$ 106	\$ 1,980	\$ 14,917

STATE OF SOUTH DAKOTA

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 1999
(Expressed in Thousands)

	Self- Insurance	Information Services	Tele- communi- cations	Accounting and Payroll	Buildings and Grounds	Central Mail
Cash Flows from Operating Activities:						
Operating Income (Loss)	\$ (200)	\$ 11	\$	\$ (19)	\$ 25	\$ 39
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation/Amortization Expense	1	1,632	709	773	83	20
Interest Expense		12	10		18	
Miscellaneous Nonoperating Items						
Decrease/(Increase) in Assets:						
Accounts Receivable		(9)	14	1		4
Due From Other Funds		(314)	(59)	(222)	(18)	(42)
Due From Component Units	8	72	(78)	(10)		
Due From Other Governments						
Inventory		5	(83)		(3)	(67)
Deferred Fiscal Charges and Other Assets	(38)	(123)	153	24	(5)	(1)
Increase/(Decrease) in Liabilities:						
Accounts Payable	158	14	244	(47)	(11)	(5)
Accrued Liabilities	2	59	44	3	13	2
Compensated Absences Payable	3	105	75	12	(15)	3
Due To Other Funds	8	(128)	161	(13)	9	
Due To Component Units						
Deferred Revenue	710	2	1			
Advances From Other Funds						
Policy Claim Liabilities	569					
Total Adjustments	1,421	1,327	1,191	521	71	(86)
Net Cash Provided (Used) by Operating Activities	1,221	1,338	1,191	502	96	(47)
Cash Flows From Capital and Related Financing Activities:						
Purchases of Capital Assets		(436)	(828)	(857)	(49)	(92)
Sales of Capital Assets					8	4
Payments on Notes					(89)	
Payments on Capital Lease Obligations		(566)	(21)			(2)
Capital Contributed			75			
Net Cash Provided (Used) by Capital and Related Financing Activities	0	(1,002)	(774)	(857)	(130)	(90)
Cash Flows From Noncapital Financing Activities:						
Operating Transfers In		344	147	199		41
Operating Transfers Out						
Residual Equity Transfers In						250
Residual Equity Transfers Out						
Net Cash Provided(Used) From Noncapital Financing Activities	0	344	147	199	0	291
Cash Flows From Investing Activities						
Investment Income (Expense)	759	72		69	7	
Security Lending Rebate Fees	(105)	(6)	(2)	(3)	(2)	
Net Cash Provided (Used) by Investing Activities	654	66	(2)	66	5	0
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	1,875	746	562	(90)	(29)	154
Cash and Cash Equivalents at Beginning of Year	14,105	1,265	303	713	452	202
Cash and Cash Equivalents at End of Year	\$ 15,980	\$ 2,011	\$ 865	\$ 623	\$ 423	\$ 356
Noncash Investing, Capital and Financing Activities:						
Loss/(Gain) on Disposal of Fixed Assets		5	26		1	(3)
Donation of Fixed Assets		5	113		2	
Capital Lease Obligations Entered Into			755			
Residual Equity Transfers (In)/Out		1	1			

Rural Development Telecommunica- tions Network	Public Entity Pool for Liability	Fleet and Travel Management	Personnel	Workers Compensation	Investment Council	Other	Total
\$ (243)	\$ 32	\$ 740	\$ (167)	\$ 3,122	\$ (9)	\$ 323	\$ 3,654
191	11	2,236	62		24	395	6,137
		151	36			50	241
(19)			(3)			(42)	(54)
(13)	154	208	3		54	(68)	(317)
(5)		(26)	1			(5)	(43)
						(26)	(26)
96	(679)					54	(94)
					11	(17)	(579)
14	(22)	70	(19)	(1)	(4)	2	393
	1	(2)	16	1	3	16	158
2	7	2	15	2	33	26	270
21	(1)	(65)	2	4	2	71	71
		(6)					(6)
		(400)	1		(219)	(4)	490
	580			(1,731)			(399)
287	51	2,168	114	(1,725)	(96)	452	(582)
44	83	2,908	(53)	1,397	(105)	775	5,696
							9,350
(24)	(10)	(1,005)	(69)	(1)	(26)	(152)	(3,549)
		296				53	361
		(1,186)				(200)	(89)
							(1,975)
							75
(24)	(10)	(1,895)	(69)	(1)	(26)	(299)	(5,177)
18		83				5	837
						(289)	(289)
							250
						(250)	(250)
18	0	83	0	0	0	(534)	548
12	472	7	12	124		134	1,668
(1)	(67)	(6)	(1)	(22)		(17)	(232)
11	405	1	11	102	0	117	1,436
49	478	1,097	(111)	1,498	(131)	59	6,157
217	10,913	18	275	2,467	609	2,696	34,235
\$ 266	\$ 11,391	\$ 1,115	\$ 164	\$ 3,965	\$ 478	\$ 2,755	\$ 40,392
15		212	(6)	(1)	2	1	252
		4				6	130
		3,380				452	4,587
						2	4



TRUST AND AGENCY FUNDS

“Trust and Agency Funds” are used to account for assets held by a governmental unit in a trustee capacity, or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include: (a) expendable trust funds; (b) nonexpendable trust funds; (c) pension trust funds; (d) investment trust funds; and, (e) agency funds.



**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS**

June 30, 1999

(Expressed in Thousands)

Assets	Expendable Trust	Nonexpendable Trust	Pension Trust	Agency	Total
Cash and Cash Equivalents	\$ 53,413	\$ 20,650	\$ 15,300	\$ 91,948	\$ 181,311
Investments	62,176	118,051	4,812,506		4,992,733
Securities Lending Collateral	849	1,246	373,853	15,067	391,015
Accounts Receivable	821	1	99,164	123	100,109
Taxes Receivable (Net)	9,200			86,422	95,622
Interest, Dividends, & Penalties Receivable	3	1,436		7,154	8,593
Loans and Notes Receivable (Net)		429			429
Due From Other Funds	485	662			10,201
Due From Component Units			747	8,307	23
Due From Other Governments	68			8,205	8,273
Advances To Other Funds	1,143	585			1,728
Deferred Fiscal Charges and Other Assets	473		13		486
Property, Plant and Equipment (Net)		8,528	118		8,646
Total Assets	\$ 128,631	\$ 151,588	\$ 5,301,701	\$ 217,249	\$ 5,799,169
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable	\$ 318	\$ 36	\$ 210,386	\$ 1,481	\$ 212,221
Accrued Liabilities	1,159		90	1,398	2,647
Compensated Absences Payable			193		193
Due To Other Funds	159	22	28	127,407	127,616
Due To Component Units		43		6,148	6,191
Due To Other Governments	3			56,875	56,878
Escrow Payable				78	78
Amounts Held in Custody for Others				8,795	8,795
Advances From Other Funds	45				45
Policy Claim Liabilities	9,197				9,197
Securities Lending Collateral Liability	849	1,246	373,853	15,067	391,015
Total Liabilities	11,730	1,347	584,550	217,249	814,876
Fund Equity:					
Fund Balance:					
Reserved	116,901	150,241	4,717,151		4,984,293
Total Fund Equity	116,901	150,241	4,717,151	0	4,984,293
Total Liabilities and Fund Equity	\$ 128,631	\$ 151,588	\$ 5,301,701	\$ 217,249	\$ 5,799,169

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS**

June 30, 1999

(Expressed in Thousands)

<u>Assets</u>	<u>Unemployment Insurance</u>	<u>Deferred Compensation</u>	<u>Vocational Education Facilities</u>	<u>Second Injury</u>
Cash and Cash Equivalents	\$ 47,124	\$ 169	\$ 1,489	\$ 210
Investments		61,903		
Securities Lending Collateral		29	252	37
Accounts Receivable	535	81		
Taxes Receivable (Net)				9,200
Interest, Dividends, & Penalties Receivable				
Due From Other Funds	32	12	112	90
Due From Other Governments	68			
Advances To Other Funds				
Deferred Fiscal Charges and Other Assets				
Total Assets	\$ 47,759	\$ 62,194	\$ 1,853	\$ 9,537
Liabilities and Fund Equity				
Liabilities:				
Accounts Payable	\$	\$ 231	\$	\$
Accrued Liabilities				
Due To Other Funds	17		96	1
Due To Other Governments				1
Advances From Other Funds				
Policy Claim Liabilities				9,197
Securities Lending Collateral Liability		29	252	37
Total Liabilities	17	260	348	9,236
Fund Equity:				
Fund Balance:				
Reserved	47,742	61,934	1,505	301
Total Fund Equity	47,742	61,934	1,505	301
Total Liabilities and Fund Equity	\$ 47,759	\$ 62,194	\$ 1,853	\$ 9,537

Corrections Trust	Childs Own	Unclaimed Property	Other	Total
\$ 880	\$ 121	\$ 133	\$ 3,287	\$ 53,413
18	21	22	273	62,176
	146		470	849
			59	821
				9,200
31	11		3	3
			197	485
		1,143		68
				1,143
			473	473
<u>\$ 929</u>	<u>\$ 299</u>	<u>\$ 1,298</u>	<u>\$ 4,762</u>	<u>\$ 128,631</u>

\$ 17	\$ 54	\$ 8	\$ 8	\$ 318
		1,152	6	1,159
14		2	29	159
			3	3
			45	45
				9,197
18	21	22	470	849
<u>49</u>	<u>75</u>	<u>1,184</u>	<u>561</u>	<u>11,730</u>

880	224	114	4,201	116,901
880	224	114	4,201	116,901
<u>\$ 929</u>	<u>\$ 299</u>	<u>\$ 1,298</u>	<u>\$ 4,762</u>	<u>\$ 128,631</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, 1999
(Expressed in Thousands)

	Unemployment Insurance	Deferred Compensation	Vocational Education Facilities	Second Injury
Revenue:				
Taxes	\$ 12,610	\$	\$	\$ 9,190
Licenses, Permits and Fees				
Use of Money and Property	3,408	5,453	82	68
Sales and Services				
Administering Programs				
Deferred Compensation		5,453		
Other Revenue				
Total Revenue	<u>16,018</u>	<u>10,906</u>	<u>82</u>	<u>9,258</u>
Expenditures:				
Education and Research			10	
General Government				
Human Resources	16,136	1,878		
Natural Resources				
Protection of Domain				9,106
Total Expenditures	<u>16,136</u>	<u>1,878</u>	<u>10</u>	<u>9,106</u>
Excess of Revenue Over (Under) Expenditures	(118)	9,028	72	152
Other Financing Sources (Uses):				
Operating Transfers In				
Operating Transfers Out	(173)		(94)	
Net Other Financing Sources (Uses)	<u>(173)</u>	<u>0</u>	<u>(94)</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(291)	9,028	(22)	152
Fund Balance at Beginning of Year	<u>48,033</u>	<u>52,906</u>	<u>1,527</u>	<u>149</u>
Fund Balance at End of Year	<u>\$ 47,742</u>	<u>\$ 61,934</u>	<u>\$ 1,505</u>	<u>\$ 301</u>

Corrections Trust	Childs Own	Unclaimed Property	Other	Total
\$	\$	\$	\$	\$ 21,800
7	8		208	208
			195	9,221
			332	332
			120	120
				5,453
2,743	887	2,121	649	6,400
2,750	895	2,121	1,504	43,534
			2	12
		1,280	49	1,329
2,341	893		1,169	22,417
			2	2
2,341	893	1,280	247	9,353
			1,469	33,113
409	2	841	35	10,421
			317	317
0	0	(834)	(168)	(1,269)
		(834)	149	(952)
409	2	7	184	9,469
471	222	107	4,017	107,432
\$ 880	\$ 224	\$ 114	\$ 4,201	\$ 116,901

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
NONEXPENDABLE TRUST FUNDS**

June 30, 1999

(Expressed in Thousands)

<u>Assets</u>	<u>Youth-at-Risk</u>	<u>School and Public Lands</u>	<u>Other</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 7,355	\$ 13,291	\$ 4	\$ 20,650
Investments		118,051		118,051
Securities Lending Collateral	1,245		1	1,246
Accounts Receivable		1		1
Interest, Dividends, & Penalties Receivable		1,438		1,438
Loans and Notes Receivable (Net)		429		429
Due From Other Funds	662			662
Advances To Other Funds	585			585
Property, Plant and Equipment		8,528		8,528
Total Assets	\$ 9,847	\$ 141,736	\$ 5	\$ 151,588
 Liabilities and Fund Equity				
<u>Liabilities:</u>				
Accounts Payable	\$ 36	\$	\$	\$ 36
Due To Other Funds		22		22
Due To Component Units		43		43
Securities Lending Collateral Liabilities	1,245		1	1,246
Total Liabilities	1,281	65	1	1,347
 <u>Fund Equity:</u>				
<u>Fund Balance:</u>				
Reserved	8,566	141,671	4	150,241
Total Fund Equity	8,566	141,671	4	150,241
Total Liabilities and Fund Equity	\$ 9,847	\$ 141,736	\$ 5	\$ 151,588

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
NONEXPENDABLE TRUST FUNDS

For the Fiscal Year Ended June 30, 1999
(Expressed in Thousands)

	Youth-at-Risk	School and Public Lands	Other	Total
Operating Revenue:				
Use of Money and Property	\$ 448	\$ 7,090	\$ 1	\$ 7,539
Total Operating Revenue	<u>448</u>	<u>7,090</u>	<u>1</u>	<u>7,539</u>
Operating Expenses:				
Contractual Services	291			291
Grants		10,284		10,284
Other	48			48
Total Operating Expenses	<u>339</u>	<u>10,284</u>	<u>0</u>	<u>10,623</u>
Operating Income	<u>109</u>	<u>(3,194)</u>	<u>1</u>	<u>(3,084)</u>
Nonoperating Revenue:				
Gain on Disposal of Assets		47		47
Total Nonoperating Revenue	<u>0</u>	<u>47</u>	<u>0</u>	<u>47</u>
Income Before Operating Transfers	109	(3,147)	1	(3,037)
Operating Transfers:				
Operating Transfers Out		(441)		(441)
Operating Transfers To Component Units		(1,565)		(1,565)
Net Operating Transfers	<u>0</u>	<u>(2,006)</u>	<u>0</u>	<u>(2,006)</u>
Net Income	<u>109</u>	<u>(5,153)</u>	<u>1</u>	<u>(5,043)</u>
Fund Balance at Beginning of Year	<u>8,457</u>	<u>146,824</u>	<u>3</u>	<u>155,284</u>
Fund Balance at End of Year	<u>\$ 8,566</u>	<u>\$ 141,671</u>	<u>\$ 4</u>	<u>\$ 150,241</u>

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONEXPENDABLE TRUST FUNDS

For the Fiscal Year Ended June 30, 1999
(Expressed in Thousands)

	Youth-at-Risk	School and Public Lands	Other	Totals
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 109	\$ (3,194)	\$ 1	\$ (3,084)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Investment Income	(364)	(3,915)		(4,279)
Decrease/(Increase) in Assets:				
Accounts Receivable		2		2
Interest, Dividends & Penalties Receivable		8		8
Loans and Notes Receivable		239		239
Due From Other Funds	(36)			(36)
Land and Buildings		(42)		(42)
Increase/(Decrease) in Liabilities:				
Accounts Payable	36			36
Due To Other Funds		(47)		(47)
Due To Component Units		(119)		(119)
Total Adjustments	(364)	(3,874)	0	(4,238)
Net Cash Provided (Used) by Operating Activities	(255)	(7,068)	1	(7,322)
Cash Flows From Capital and Related Financing Activities:				
Sales of Capital Assets		47		47
Net Cash Provided (Used) by Capital and Related Financial Activities	0	47	0	47
Cash Flows From Noncapital Financing Activities:				
Operating Transfers Out		(441)		(441)
Operating Transfers To Component Units		(1,565)		(1,565)
Net Cash Provided (Used) by Noncapital Financing Activities	0	(2,006)	0	(2,006)
Cash Flows From Investing Activities:				
Investment Income	409	9,199		9,608
Purchase of Investment Securities		(32,701)		(32,701)
Proceeds From Sales and Maturities of Investment Securities		38,470		38,470
Security Lending Rebate Fees	(48)			(48)
Net Cash Provided by Investing Activities	361	14,968	0	15,329
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	106	5,941	1	6,048
Cash and Cash Equivalents at Beginning of Year	7,249	7,350	3	14,602
Cash and Cash Equivalents at End of Year	\$ 7,355	\$ 13,291	\$ 4	\$ 20,650

**STATE OF SOUTH DAKOTA
STATEMENT OF PLAN NET ASSETS
PENSION TRUST FUND**

June 30, 1999
(Expressed in Thousands)

Assets	South Dakota Retirement System
Cash and Cash Equivalents	\$ 15,300
Receivables:	
Employer	2,238
Employee	4,136
Benefits	69
Unsettled Investment Sales	75,583
Investment Income	17,138
Due From Other Funds	747
Total Receivables	99,911
Investments, at Fair Value:	
Fixed Income	1,586,950
Equities	2,815,400
Real Estate	341,699
Private Equity	68,457
Total Investments	4,812,506
Securities Lending Collateral	373,853
Properties, at Cost	230
Accumulated Depreciation	(112)
Other Assets	13
Total Assets	5,301,701
Liabilities	
Payables:	
Accounts Payable	968
Accrued Liabilities	90
Compensated Absences Payable	193
Due To Other Funds	28
Securities Sold, But Not Yet Purchased, at Fair Value	139,006
Unsettled Investment Purchases	67,346
Due to Brokers - Futures Transactions	3,066
Securities Lending Collateral Liability	373,853
Total Liabilities	584,550
Net Assets Held In Trust For Pension Benefits	\$ 4,717,151

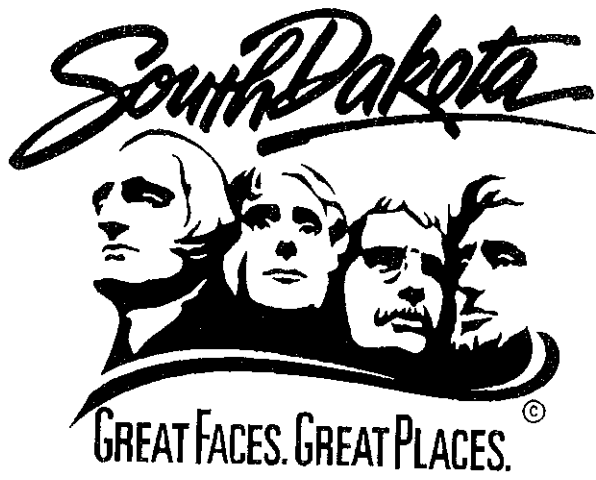
STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

For the Fiscal Year Ended June 30, 1999
(Expressed in Thousands)

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Department of Revenue - Tax Collections				
Assets:				
Cash and Cash Equivalents	\$ 50,376	\$ 1,044,097	\$ 1,045,015	\$ 49,458
Securities Lending Collateral	8,281	8,335	8,281	8,335
Accounts Receivable	107	100	107	100
Taxes Receivable (Net)	81,906	86,421	81,905	86,422
Due From Other Funds	2,630	4,456	2,630	4,456
Due From Other Governments	6,246	8,078	6,246	8,078
Total Assets	\$ 149,546	\$ 1,151,487	\$ 1,144,184	\$ 156,849
Liabilities:				
Accounts Payable	\$ 9	\$ 58	\$ 10	\$ 57
Accrued Liabilities	1,643	2,348	2,639	1,352
Due To Other Funds	85,074	728,053	726,895	86,232
Due To Other Governments	50,701	236,600	231,563	55,738
Amounts Held in Custody for Others	3,838	1,873	576	5,135
Securities Lending Collateral Liability	8,281	8,335	8,281	8,335
Total Liabilities	\$ 149,546	\$ 977,267	\$ 969,964	\$ 156,849
Investment Council - Pooled Interest Fund				
Assets:				
Cash and Cash Equivalents	\$ 31,533	\$ 36,048	\$ 31,533	\$ 36,048
Securities Lending Collateral	5,192	6,057	5,192	6,057
Interest, Dividends & Penalties Receivable	7,369	7,154	7,369	7,154
Due From Other Funds	421	1,060	421	1,060
Due From Component Units	0	12		12
Total Assets	\$ 44,515	\$ 50,331	\$ 44,515	\$ 50,331
Liabilities:				
Due To Other Funds	\$ 33,512	\$ 38,151	\$ 33,512	\$ 38,151
Due To Component Units	5,811	6,123	5,811	6,123
Securities Lending Collateral Liability	5,192	6,057	5,192	6,057
Total Liabilities	\$ 44,515	\$ 50,331	\$ 44,515	\$ 50,331
State Auditor - Payroll Withholding				
Assets:				
Cash and Cash Equivalents	\$ 2,738	\$ 110,399	\$ 113,137	\$ 0
Securities Lending Collateral	451		451	0
Due From Other Governments	0	51		51
Total Assets	\$ 3,189	\$ 110,450	\$ 113,588	\$ 51
Liabilities:				
Due To Other Funds	\$ 0	\$ 10	\$	\$ 10
Due To Other Governments	2,738	110,440	113,137	41
Securities Lending Collateral Liability	451		451	0
Total Liabilities	\$ 3,189	\$ 110,450	\$ 113,588	\$ 51

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (Continued)
For the Fiscal Year Ended June 30, 1999
(Expressed in Thousands)

Other Agency Funds	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Assets:				
Cash and Cash Equivalents	\$ 3,980	\$ 114,940	\$ 112,478	\$ 6,442
Securities Lending Collateral	427	675	427	675
Accounts Receivable	24	23	24	23
Due From Other Funds	2,902	2,791	2,902	2,791
Due From Component Units	0	11		11
Due From Other Governments	28	146		174
	<u>7,361</u>	<u>118,586</u>	<u>115,929</u>	<u>10,018</u>
Total Assets	\$ 7,361	\$ 118,586	\$ 115,929	\$ 10,018
Liabilities:				
Accounts Payable	\$ 1,262	\$ 4,657	\$ 4,495	\$ 1,424
Accrued Liabilities	55	76	85	46
Due To Other Funds	2,844	21,390	21,220	3,014
Due To Component Units	0	25		25
Due To Other Governments	1,226	1,426	1,556	1,096
Escrow Payable	71	1,874	1,867	78
Amounts Held in Custody for Others	1,476	88,083	85,899	3,660
Securities Lending Collateral Liability	427	675	427	675
	<u>7,361</u>	<u>118,206</u>	<u>115,549</u>	<u>10,018</u>
Total Liabilities	\$ 7,361	\$ 118,206	\$ 115,549	\$ 10,018
Total All Agency Funds				
Assets:				
Cash and Cash Equivalents	\$ 88,627	\$ 1,305,484	\$ 1,302,163	\$ 91,948
Securities Lending Collateral	14,351	15,067	14,351	15,067
Accounts Receivable	131	123	131	123
Taxes Receivable (Net)	81,906	86,421	81,905	86,422
Interest, Dividends & Penalties Receivable	7,369	7,154	7,369	7,154
Due From Other Funds	5,953	8,307	5,953	8,307
Due From Component Units	0	23	0	23
Due From Other Governments	6,274	8,275	6,344	8,205
	<u>204,611</u>	<u>1,430,854</u>	<u>1,418,216</u>	<u>217,249</u>
Total Assets	\$ 204,611	\$ 1,430,854	\$ 1,418,216	\$ 217,249
Liabilities:				
Accounts Payable	\$ 1,271	\$ 4,715	\$ 4,505	\$ 1,481
Accrued Liabilities	1,698	2,424	2,724	1,398
Due To Other Funds	121,430	787,604	781,627	127,407
Due To Component Units	5,811	6,148	5,811	6,148
Due To Other Governments	54,665	348,466	346,256	56,875
Escrow Payable	71	1,874	1,867	78
Amounts Held in Custody for Others	5,314	89,956	86,475	8,795
Securities Lending Collateral Liability	14,351	15,067	14,351	15,067
	<u>204,611</u>	<u>1,256,254</u>	<u>1,243,616</u>	<u>217,249</u>
Total Liabilities	\$ 204,611	\$ 1,256,254	\$ 1,243,616	\$ 217,249



COMPONENT UNITS

“Component Units” are legally separate organizations for which the elected officials of the primary government are financially accountable, and exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

**STATE OF SOUTH DAKOTA
COMBINING BALANCE SHEET
COMPONENT UNITS**

June 30, 1999

(Expressed in Thousands)

Assets	Special Revenue	Enterprise			
	Housing Authority	Housing Authority	Finance Authority	Cement Plant	CREP Program
Cash and Cash Equivalents	\$ 1,549	\$ 227,706	\$ 3,627	\$ 52,903	\$ 956
Investments		427,240	3,732		
Securities Lending Collateral				6,681	
Accounts Receivable				4,145	1
Interest, Dividends, & Penalties Receivable		10,454	201		513
Loans and Notes Receivable (Net)	16,514	943,715	36,158		8,954
Due From Primary Government					
Due From Component Units	95			742	
Due From Other Governments	86				
Inventory		1,326		14,346	
Restricted Assets:					
Cash and Cash Equivalents					
Investments			537		
Deferred Fiscal Charges and Other Assets		16,500	7,395		
Property, Plant and Equipment (Net)		839	2,350	173	210
Total Assets	\$ 18,244	\$ 1,627,780	\$ 54,000	\$ 132,933	\$ 10,634
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable	\$	\$ 777	\$ 9	\$ 2,112	\$
Accrued Liabilities		12,677	492	968	112
Compensated Absences Payable		99		1,099	
Due To Primary Government		53	2,680		
Due To Component Units		95		3	
Due To Other Governments	1,384				
Deferred Revenue			2,090		
Escrow Payable		23,456	1,602		40
Amounts Held in Custody for Others					
Securities Lending Collateral Liability				6,681	
Bonds and Notes Payable (Net)		1,376,161	35,303		9,565
Certificates of Participation Payable					
Trust Certificates Payable					
Capital Lease Obligations				111	
Other Liabilities			418		
Total Liabilities	1,384	1,413,318	42,594	10,974	9,717
Fund Equity:					
Contributions			3,000		
Investment in Fixed Assets					
Retained Earnings:					
Reserved		214,462	4,978	15,229	
Unreserved			3,428	106,730	917
Fund Balance:					
Reserved	16,860				
Unreserved:					
Undesignated					
Total Fund Equity	16,860	214,462	11,406	121,959	917
Total Liabilities and Fund Equity	\$ 18,244	\$ 1,627,780	\$ 54,000	\$ 132,933	\$ 10,634

Enterprise State Fair	Pension Trust			Higher Education	Total
	Cement Plant	Perpetuity Fund			
\$ 114	\$ 8,766	\$ 2,379	\$ 70,014	\$ 368,014	
	21,542		107	452,621	
	641		10,951	18,273	
19	145		4,586	8,896	
	112	5	107	11,392	
			30,111	1,035,452	
			2,923	2,923	
	3		2,549	3,389	
			4,079	4,165	
			5,418	21,090	
				537	
				7,395	
1			2,470	21,704	
3,397			451,714	509,893	
<u>\$ 3,531</u>	<u>\$ 31,209</u>	<u>\$ 2,384</u>	<u>\$ 585,029</u>	<u>\$ 2,465,744</u>	
\$ 187	\$	\$	\$ 4,713	\$ 7,798	
23	17		3,564	17,853	
15			24,213	25,426	
15			718	3,466	
	742		2,549	3,389	
				3,474	
432			2,840	3,312	
				25,058	
			625	625	
	641		10,951	18,273	
			68,296	1,489,325	
			171	171	
			10,219	10,219	
			303	414	
			23	441	
<u>672</u>	<u>1,400</u>	<u>0</u>	<u>129,185</u>	<u>1,609,244</u>	
2,873				5,873	
			389,932	389,932	
				234,669	
(14)				111,061	
	29,809	2,384	30,056	79,109	
			35,856	35,856	
<u>2,859</u>	<u>29,809</u>	<u>2,384</u>	<u>455,844</u>	<u>856,500</u>	
<u>\$ 3,531</u>	<u>\$ 31,209</u>	<u>\$ 2,384</u>	<u>\$ 585,029</u>	<u>\$ 2,465,744</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, 1999
(Expressed in Thousands)

	Housing Authority	Finance Authority	Cement Plant	CREP Program	State Fair	Total
Operating Revenue:						
Licenses, Permits and Fees	\$ 2,974	\$	\$	\$	\$	\$ 2,974
Use of Money and Property	93,091	2,441		922		96,454
Sales and Services	2,502		53,589		1,478	57,569
Other Revenue				3		3
Total Operating Revenue:	<u>98,567</u>	<u>2,441</u>	<u>53,589</u>	<u>925</u>	<u>1,478</u>	<u>157,000</u>
Operating Expenses:						
Personal Services and Benefits	1,386		10,791	30	650	12,857
Travel	134		176		26	336
Contractual Services	4,639	253	10,007	113	806	15,818
Supplies and Materials	53		8,800	10	270	9,133
Grants	1,687	1,000			115	2,802
Other	448		28			476
Interest	76,805	1,758		724	2	79,289
Bad Debts	18		16			34
Depreciation/Amortization	1,758		3,825	54	173	5,810
Total Operating Expenses	<u>86,928</u>	<u>3,011</u>	<u>33,643</u>	<u>931</u>	<u>2,042</u>	<u>126,555</u>
Operating Income (Loss)	<u>11,639</u>	<u>(570)</u>	<u>19,946</u>	<u>(6)</u>	<u>(564)</u>	<u>30,445</u>
Nonoperating Revenue (Expenses):						
Loss on Disposal of Assets			(16)			(16)
Interest Income			2,901		11	2,912
Other Expense					(12)	(12)
Grant and Other Income		180	129		34	343
Loss on Extinguishment of Debt	(1,264)					(1,264)
Total Nonoperating Revenue (Expenses)	<u>(1,264)</u>	<u>180</u>	<u>3,014</u>	<u>0</u>	<u>33</u>	<u>1,963</u>
Net Income (Loss) Before Operating Transfers	10,375	(390)	22,960	(6)	(531)	32,408
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)	10,375	(390)	10,960	(6)	(531)	20,408
Retained Earnings At Beginning of Year	<u>204,087</u>	<u>8,796</u>	<u>110,999</u>	<u>923</u>	<u>517</u>	<u>325,322</u>
Retained Earnings at End of Year	<u>\$ 214,462</u>	<u>\$ 8,406</u>	<u>\$ 121,959</u>	<u>\$ 917</u>	<u>\$ (14)</u>	<u>\$ 345,730</u>

STATE OF SOUTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
COMPONENT UNIT ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 1999
(Expressed in Thousands)

	Housing Authority	Finance Authority	Cement Plant	CREP Program	State Fair	Totals
Cash Flows from Operating Activities:						
Operating Income/(Loss) Before Transfers	\$ 11,639	\$ (570)	\$ 19,946	\$ (6)	\$ (564)	\$ 30,445
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation/Amortization Expense	1,756		3,825	42	173	5,796
Bad Debt Expense	18					18
Investment Income	(30,922)	(626)		(78)		(31,626)
Interest Expense	76,805	1,758		724		79,287
Miscellaneous Nonoperating Items		180	129		34	343
Decrease/(Increase) in Assets:						
Accounts Receivable			(823)	32	8	(783)
Interest, Dividends & Penalties Receivable	(247)	(50)		(163)		(460)
Loans and Notes Receivable	(120,151)	(6,758)		729		(126,180)
Due From Primary Government					1	1
Due From Component Units	31		(512)			(481)
Inventory			(3,092)			(3,092)
Deferred Fiscal Charges and Other Assets	(278)		(66)			(344)
Increase/(Decrease) in Liabilities:						
Accounts Payable	254		(90)		136	300
Accrued Liabilities			(48)	(14)	23	(39)
Compensated Absences Payable	14		100		(11)	103
Due To Primary Government	(11)				2	(9)
Due To Component Units	95		1			96
Deferred Revenue				(16)	25	9
Escrow Payable	(203)	316				113
Other Liabilities		(74)				(74)
Total Adjustments	(72,839)	(5,254)	(576)	1,256	391	(77,022)
Net Cash Provided (Used) by Operating Activities	(61,200)	(5,824)	19,370	1,250	(173)	(46,577)
Cash Flows From Capital and Related						
Financing Activities:						
Purchases of Capital Assets	(223)		(6,112)		(168)	(6,503)
Sales of Capital Assets			186			186
Payments on Capital Lease Obligations			(36)			(36)
Net Cash Provided (Used) by Capital and Related						
Financial Activities	(223)	0	(5,962)	0	(168)	(6,353)

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, 1999
(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)
Issuance of Bonds	373,475	8,320				381,795
Payments on Bonds and Notes	(302,488)	(1,236)		(3,312)		(307,036)
Payments on Loans		(209)				(209)
Bond Issuance Costs	(2,630)					(2,630)
Interest Payments on Bonds and Notes	(76,092)	(1,698)		(811)		(78,601)
Net Cash Provided(Used) Noncapital Financing Activities	<u>(7,735)</u>	<u>5,177</u>	<u>(12,000)</u>	<u>(4,123)</u>	<u>0</u>	<u>(18,681)</u>
Cash Flows From Investing Activities:						
Investment Income	35,197	766	2,901	90	12	38,966
Purchase of Investment Securities	(466,952)	(7,752)				(474,704)
Proceeds From Sales and Maturities of Investment Securities	594,773	7,913				602,686
Net Cash Provided by Investing Activities	<u>163,018</u>	<u>927</u>	<u>2,901</u>	<u>90</u>	<u>12</u>	<u>166,948</u>
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	93,860	280	4,309	(2,783)	(329)	95,337
Cash and Cash Equivalents at Beginning of Year	<u>133,846</u>	<u>3,884</u>	<u>48,594</u>	<u>3,739</u>	<u>443</u>	<u>190,506</u>
Cash and Cash Equivalents at End of Year	<u>\$ 227,706</u>	<u>\$ 4,164</u>	<u>\$ 52,903</u>	<u>\$ 956</u>	<u>\$ 114</u>	<u>\$ 285,843</u>
Noncash Investing, Capital and Financing Activities:						
Loss/(Gain) on Disposal of Fixed Assets			16			16
Extinguishment of Debt	1,264					1,264



UNIVERSITY FUNDS

“University Funds” are used to account for the complete financial position of the six state-owned universities.

**STATE OF SOUTH DAKOTA
HIGHER EDUCATION
COMBINING BALANCE SHEET**

June 30, 1999

(Expressed in Thousands)

Assets	Current Funds		Loan Funds
	Unrestricted	Restricted	
Cash and Cash Equivalents	\$ 34,278	\$ 607	\$ 1,645
Investments	107		
Securities Lending Collateral	6,420	10	
Accounts Receivable	2,103	2,474	
Interest, Dividends & Penalties Receivable			98
Loans and Notes Receivable (Net)			30,111
Due From Primary Government	1,127	214	
Due From Component Units	2,503		7
Due From Other Governments		4,079	
Inventory	5,418		
Deferred Fiscal Charges and Other Assets	1,066	18	
Property, Plant and Equipment (Net)			
Total Assets	\$ 53,022	\$ 7,402	\$ 31,861
Liabilities and Fund Equity			
Liabilities:			
Accounts Payable	\$ 3,287	\$ 594	\$ 13
Accrued Liabilities	1,901	468	
Compensated Absences Payable	22,714	1,499	
Due To Primary Government	637	66	
Due To Component Units	102	2,074	163
Deferred Revenue	2,822		
Amounts Held in Custody for Others	222		
Securities Lending Collateral Liability	6,420	10	
Bonds and Notes Payable (Net)			1
Certificates of Participation Payable			
Trust Certificates Payable			
Capital Lease Obligations			
Other Liabilities			
Total Liabilities	38,105	4,711	177
Fund Equity:			
Investment in Fixed Assets			
Fund Balance:			
Reserved	3,050	1,081	25,701
Unreserved:			
Undesignated	11,867	1,610	5,983
Total Fund Equity	14,917	2,691	31,684
Total Liabilities and Fund Equity	\$ 53,022	\$ 7,402	\$ 31,861

Plant Funds

<u>Unexpended Plant Funds</u>	<u>Renewals and Replacements</u>	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>	<u>Agency</u>	<u>Total</u>
\$ 14,529	\$ 14,653	\$ 3,889	\$	\$ 413	\$ 70,014
2	1,862	558	2,099		107
1		8		9	10,951
					4,586
494	919	169			107
		39			30,111
					2,923
					2,549
					4,079
					5,418
76		1,310			2,470
			451,714		451,714
<u>\$ 15,102</u>	<u>\$ 17,434</u>	<u>\$ 5,973</u>	<u>\$ 453,813</u>	<u>\$ 422</u>	<u>\$ 585,029</u>
\$ 789	\$ 27	\$	\$	\$ 3	\$ 4,713
823		368		4	3,564
					24,213
4	8			3	718
	201			9	2,549
		18			2,840
				403	625
2	1,862	558	2,099		10,951
12,615		4,614	51,066		68,296
			171		171
			10,219		10,219
			303		303
			23		23
<u>14,233</u>	<u>2,098</u>	<u>5,558</u>	<u>63,881</u>	<u>422</u>	<u>129,185</u>
			389,932		389,932
	224				30,056
869	15,112	415			35,856
869	15,336	415	389,932	0	455,844
<u>\$ 15,102</u>	<u>\$ 17,434</u>	<u>\$ 5,973</u>	<u>\$ 453,813</u>	<u>\$ 422</u>	<u>\$ 585,029</u>

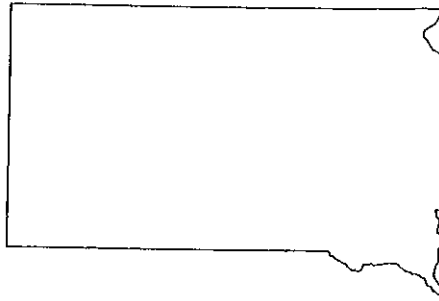


The first part of the paper discusses the importance of the study. It highlights the need for a comprehensive understanding of the subject matter. The authors argue that this research is crucial for advancing the field and addressing current challenges. They provide a detailed overview of the methodology used, ensuring transparency and reproducibility. The results are presented in a clear and concise manner, supported by relevant data and statistical analysis. The authors conclude by summarizing the key findings and their implications for future research.

The second part of the paper delves into the specific details of the study. It explores the various factors that influence the outcomes and discusses the limitations of the current research. The authors provide a thorough analysis of the data, identifying trends and patterns that are not immediately apparent. They also address the potential biases and confounding variables that may have affected the results. The paper concludes with a call to action, encouraging further research and collaboration in the field.

In conclusion, this study has provided valuable insights into the subject matter. The authors have demonstrated a rigorous and systematic approach to research, resulting in a high-quality and informative paper. The findings have significant implications for the field and will contribute to the ongoing development of the discipline. The authors express their gratitude to the funding agencies and the reviewers for their support and constructive feedback.

SOUTH DAKOTA - MISCELLANEOUS



STATE CAPITOL: PIERRE

ADMITTED TO THE UNION: 1889

NICKNAME: THE MOUNT RUSHMORE STATE

MOTTO: UNDER GOD THE PEOPLE RULE

POPULATION ESTIMATE 1998: 738,171

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

POPULATION PER SQUARE MILE: 9.7

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

SOUTH DAKOTA

SQUARE MILES OF LAND	75,953
MILES OF HIGHWAY	83,414
STATE PARKS	* 12
NATIONAL PARKS	4
STATE UNIVERSITIES	6
PRIVATE COLLEGES AND UNIVERSITIES	14
SPECIAL SCHOOLS	2
VOCATIONAL/TECHNICAL SCHOOLS	4

SOURCES: 1990 Census of Population and 1998 Population Estimates, U.S. Bureau of the Census.

Highway Mileage, S.D. Department of Transportation.

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 and Northwest AirlinK, United Airlines, Atlantic Coast Airlines (flying under United Express), Great Lakes, TWA, and various cargo carriers. Rapid City has service from Northwest, Northwest AirlinK, United Express, and Skywest/Delta Connection, and several cargo carriers. Commercial flights depart the cities of Pierre, Huron, Aberdeen, 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 (1998)		
0- 4	50,094	6.80 %
5-14	112,541	15.20 %
15-17	38,302	5.20 %
18-24	77,324	10.50 %
25-34	89,015	12.10 %
35-44	114,678	15.50 %
45-64	150,475	20.40 %
65- >	105,742	14.30 %
18- >	537,234	72.80 %

RACIAL DISTRIBUTION (1998)		
WHITE	669,007	90.63 %
AMERICAN INDIAN	59,292	8.03 %
OTHER	9,872	1.34 %
TOTAL	738,171	100.00 %

POPULATION DISTRIBUTION (1998)		
URBAN (25,000 +)	174,275	23.60%
TOWNS (2,500 - 25,000)	187,587	25.40%
RURAL (< 2,500)	376,309	51.00%
TOTAL	738,171	100.00%

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

LARGEST CITIES IN 1998

SIOUX FALLS	116,762	HURON	11,778
RAPID CITY	57,513	SPEARFISH	8,851
ABERDEEN	24,865	MADISON	6,650
WATERTOWN	19,909	STURGIS	5,087
BROOKINGS	17,138	BRANDON	5,042
MITCHELL	14,386	BELLE FOURCHE	4,907
YANKTON	14,325	HOT SPRINGS	4,132
PIERRE	13,267	MILBANK	3,663
VERMILLION	11,967	LEAD	3,352

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

HISTORICAL CENSUS COUNTS FOR SOUTH DAKOTA

YEAR	POPULATION
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
1900	401,570

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

LARGEST TEN EMPLOYERS IN SOUTH DAKOTA

BUSINESS	EMPLOYEES
Gateway 2000 (North Sioux City & Sioux Falls)	6,900
Sioux Valley Hospital (Sioux Falls)	3,415
Citibank South Dakota NA (Sioux Falls)	3,200
John Morrell and Company (Sioux Falls)	3,050
Rapid City Regional Hospital (Rapid City)	2,479
McKenna Hospital (Sioux Falls)	2,397
Hy-Vee Food Stores (Sioux Falls, Vermillion, Brookings)	1,555
Hutchinson Technology (Sioux Falls)	1,550
Midwest Coast Transport (Sioux Falls)	*1,390
3M (Aberdeen, Brookings)	1,231

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

NOTE: Excludes federal, state, and local governments.

* Includes truckers who own their own trucks and are leased to Midwest Coast Transport. The actual number of employees is 152.

PUBLIC SCHOOL STATISTICS

SCHOOL YEAR ENDED	SCHOOLS	FALL ENROLLMENT	* TEACHERS	PUPIL/TEACHER RATIO
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
1989	779	126,534	8,235	15.4

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

* 1989 through 1996 = FTE. 1997 to present = headcount.

SCHOOL YEAR	EXPENDITURES ON EDUCATION PER PUPIL IN DAILY ATTENDANCE			PERCENT REVENUE FROM STATE GOVERNMENT		
	UNITED STATES	SOUTH DAKOTA	SOUTH DAKOTA RANK	UNITED STATES	SOUTH DAKOTA	SOUTH DAKOTA RANK
1998	6,548	5,166	44	46.6	31.7	46
1997	6,360	4,990	45	46.1	31.2	46
1996	6,103	5,070	40	47.9	26.1	49
1995	5,894	4,918	41	46.0	27.3	49
1994	5,726	4,733	39	46.3	28.7	49
1993	5,616	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	4,975	3,732	42	48.3	25.4	48
1989	4,607	3,756	41	48.5	25.7	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.

ELEMENTARY AND SECONDARY EDUCATION

YEAR	K-12 SCHOOL ADM (FISCAL YEAR)	COST PER PUPIL * (ADM)
1999	129,709	\$4,934
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
1990	125,303	3,272
<i>ADM = Average Daily Membership</i>		

SOURCE: *Education in South Dakota: A Statistical Profile*, DECA 1998-99.

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 State Data Center, USD Business Research Bureau.

1998 CIVILIAN LABOR FORCE

	LABOR FORCE	EMPLOYED	UNEMPLOYED	UNEMPLOYMENT RATE	SD NON- INSTITU. POP. 16 +	PARTICIPATION RATE
Males	210,000	204,000	6,000	2.7%	271,000	77.5%
Females	188,000	182,000	6,000	3.0%	276,000	68.1%
TOTAL	398,000	386,000	11,000	2.9%	547,000	72.8%

SOURCES: U.S. Bureau of Labor Statistics, Labor Market Information Center, and the South Dakota Department of Labor. Compiled by 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
1999	3,747	2,003	3,164	2,275	8,540	6,887	26,616	0.21%
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%
1993	3,952	1,585	3,036	2,497	9,535	8,289	28,894	0.87%

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

INSTITUTE	1998 ENROLLMENT	1999 ENROLLMENT
Lake Area Vocational Technical Institute	1,170	1,007
Mitchell Vocational Technical Institute	840	763
Southeast Vocational Technical Institute	2,203	2,241
Western Dakota Vocational Technical Institute	996	844
Springfield State Prison *	212	** 180

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

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

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

** Enrollment decreases, as some programs are no longer operating.

1998 SOURCES OF INCOME PERCENT OF TOTAL

SOURCE	SOUTH DAKOTA	UNITED STATES
Labor Compensation *	50.70%	59.30%
Proprietor's Income	15.10%	8.00%
<i>Nonfarm</i>	10.40%	7.70%
<i>Farm</i>	4.70%	0.40%
Transfer Payment	16.80%	16.10%
Dividend, Interest, and Rent	17.40%	16.60%

SOURCE: U.S. Department of Commerce, January 2000. Compiled by the 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
1998	\$26,482	4.70%	\$25,126	4.50%	\$22,201	5.30%
1997	25,288	4.70%	24,034	4.30%	21,076	3.10%
1996	24,164	4.80%	23,039	6.50%	20,450	9.20%
1995	23,059	4.50%	21,631	3.70%	18,724	0.80%
1994	22,056	3.90%	20,863	5.30%	18,568	5.50%
1993	21,220	3.30%	19,810	2.20%	17,598	3.20%
1992	20,546	4.70%	19,391	5.70%	17,051	6.50%
1991	19,624	2.40%	18,340	3.00%	16,011	3.40%
1990	19,156	5.50%	17,807	5.60%	15,488	10.30%
1989	18,153	6.50%	16,863	6.90%	14,038	6.50%

SOURCE: U.S. Department of Commerce. Compiled by the 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
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	1.00%	18,593	0.60%	731	0.00%
1996	265,229	0.90%	18,484	0.70%	731	0.40%
1995	262,803	1.00%	18,363	0.70%	728	0.70%
1994	260,327	1.00%	18,230	0.80%	723	1.00%
1993	257,783	1.10%	18,093	0.80%	716	1.00%
1992	255,030	1.10%	17,945	0.80%	709	1.10%
1991	252,153	1.10%	17,798	0.60%	701	0.60%
1990	249,464	0.00%	17,689	0.00%	697	0.00%

SOURCE: U.S. Bureau of the Census, Population Division, released December 1999.

NOTE: Midyear (July 1) population estimates of the U.S. Bureau of the Census. These estimates incorporate revisions of estimates from previous years. 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
1998	7,158,176	5.70%	469,721	5.10%	16,388	5.40%
1997	6,770,650	5.70%	446,730	4.90%	15,549	3.10%
1996	6,408,103	5.80%	425,718	7.10%	15,076	9.60%
1995	6,059,091	5.50%	397,342	4.40%	13,753	1.60%
1994	5,741,050	5.00%	380,442	6.20%	13,541	6.50%
1993	5,469,485	4.40%	358,347	3.00%	12,717	4.30%
1992	5,239,364	5.90%	347,907	6.60%	12,195	7.60%
1991	4,947,591	3.50%	326,485	3.70%	11,335	5.10%
1990	4,778,306	6.60%	314,980	6.20%	10,789	10.30%
1989	4,480,624	7.60%	296,703	7.30%	9,780	6.30%

SOURCE: U.S. Department of Commerce, July 1999. Compiled by the 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

	1999	1998	1997	1996	1995	1994	1993
Property Taxes *	\$.59	\$.58	\$.55	\$.51	\$.58	\$.55	\$.51
Assessed Value *	31.70	28.60	26.30	24.70	23.80	22.20	20.70
Property Taxes Per \$100 of Assessed Value	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

	1997		1996		1995		1994		1993	
	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank
PER CAPITA (CURRENT DOLLARS)										
U.S.	1,656	-	1,581	-	1,519	-	1,436	-	1,374	-
South Dakota	1,051	49	998	49	944	49	904	49	815	50
Iowa	1,642	20	1,557	20	1,550	18	1,460	19	1,384	15
Minnesota	2,394	4	2,159	5	2,025	5	1,894	5	1,799	4
Montana	1,489	34	1,429	32	1,398	28	1,358	13	1,345	13
Nebraska	1,539	28	1,434	31	1,357	35	1,321	31	1,229	34
North Dakota	1,660	19	1,530	23	1,495	22	1,383	14	1,313	11
Wyoming	1,379	43	1,301	43	1,393	29	1,557	12	1,410	21
PER \$1,000 PERSONAL INCOME										
U.S.	66	-	65	-	66	-	65	-	65	-
South Dakota	49	49	48	49	50	48	49	49	46	49
Iowa	71	21	71	22	76	16	73	19	75	15
Minnesota	91	4	86	5	85	7	83	6	84	4
Montana	76	14	76	14	76	14	77	13	77	13
Nebraska	65	30	63	33	64	33	65	32	62	34
North Dakota	83	8	75	15	82	8	76	14	81	8
Wyoming	61	38	61	37	67	29	78	12	72	20

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

NOTE: 1997 data revised using Table 522, *Statistical Abstract of U.S.* 1999 and population release of December 1999.

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
1999	2.5%	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%
1990	3.9%	5.6%

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 State Data Center, USD Business Research Bureau.

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Mining	1.2	1.7	2.2	2.3	2.3	2.4	2.5	2.7	2.5	2.6
Construction	17.0	16.1	15.1	14.7	14.1	14.0	13.2	12.5	11.8	11.7
Manufacturing	50.1	49.7	49.4	47.8	46.6	43.5	39.6	37.0	35.0	34.4
Transportation and Public Utilities	16.7	16.5	16.2	16.3	16.0	15.5	14.9	14.6	13.6	13.3
Wholesale and Retail Trade	90.9	89.4	88.0	87.7	87.5	84.7	81.6	80.4	78.5	76.2
Wholesale Trade	20.3	20.2	19.9	19.8	19.8	19.3	18.7	18.9	19.0	18.7
Retail Trade	70.6	69.2	68.1	67.9	67.7	65.4	62.9	61.5	59.5	57.5
Finance, Insurance, and Real Estate	24.5	22.5	21.0	19.9	18.8	18.0	17.7	17.3	16.7	16.3
Services	100.9	96.4	91.9	89.8	87.4	86.8	82.6	78.9	74.7	71.7
Government	71.6	71.0	69.9	70.4	71.0	67.1	66.6	65.4	63.4	62.7
TOTAL	372.9	363.3	353.7	348.9	343.6	332.0	318.7	308.8	296.4	288.8
% Change in Nonfarm Employment	2.6%	2.7%	1.4%	1.5%	3.5%	4.2%	3.2%	4.2%	2.6%	4.6%

NOTE: Numbers may not add due to rounding. Data not seasonally adjusted. Compiled by the State Data Center, USD Business Research Bureau.

SOURCE: U.S. Bureau of Labor Statistics and State Data Center.

EXPANDED AND NEW INDUSTRIES
(Dollars Expressed in Millions)

	EXPANSIONS		NEW		TOTAL	
	NUMBER	NEW CAPITAL INVESTMENT	NUMBER	NEW CAPITAL INVESTMENT	NUMBER	NEW CAPITAL INVESTMENT
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	234.8
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
1990	432	56.9	30	14.4	462	71.3

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

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

GROSS SALES BY STATE SALES TAX LICENSEES
(Sales Expressed in Millions of Dollars)

	1999		1998		1997		1996		1995	
	Sales	% of Total Sales	Sales	% of Total Sales	Sales	% of Total Sales	Sales	% of Total Sales	Sales	% of Total Sales
Agriculture, Forestry and Fishing	\$ 130.0	0.4	\$ 118.0	0.3	\$ 108.9	0.3	\$ 89.4	0.3	\$ 82.7	0.3
Mining	129.1	0.4	145.9	0.4	194.0	0.6	228.0	0.7	206.0	0.7
Construction	38.2	0.1	40.3	0.1	40.7	0.1	39.9	0.1	35.8	0.1
Manufacturing	3,510.3	10.7	3,236.1	9.2	3,290.6	9.4	3,240.8	10.4	3,062.3	11.0
Transportation, Communication, and Utilities	2,438.8	7.4	1,888.1	5.4	1,840.5	5.2	1,764.0	5.7	1,361.8	4.9
Wholesale Trade	9,100.3	27.7	8,234.2	23.4	8,888.1	25.3	7,618.8	24.4	7,300.8	26.2
Retail Trade	13,324.8	40.6	17,591.0	50.0	17,263.0	49.1	15,007.0	48.1	12,976.3	46.6
Finance, Insurance, and Real Estate	157.2	0.6	163.7	0.5	127.4	0.4	108.8	0.4	95.9	0.3
Services	3,983.4	12.1	3,770.4	10.7	3,366.1	9.6	3,070.1	9.8	2,695.5	9.7
Not coded	42.6	0.1	6.0	0.0	13.8	0.0	15.4	0.0	28.1	0.1
STATE TOTAL	32,854.7	100.0	35,193.7	100.0	35,133.2	100.0	31,182.2	100.0	27,845.2	100.0
% Change From Prior Year	-6.6%		0.2%		12.7%		12.0%		11.0%	

SOURCE: South Dakota Sales and Use Tax Reporting System.

GROSS STATE PRODUCT PERCENT CHANGE

	1996- 1997	1995- 1996	1994- 1995	1993- 1994	1992- 1993	1991- 1992	1990- 1991	1989- 1990	1988- 1989	1987- 1988
U.S.	4.3%	3.6%	2.9%	4.2%	2.3%	2.3%	-0.8%	1.1%	2.2%	5.0%
South Dakota	1.7%	2.3%	2.7%	5.4%	5.9%	4.8%	4.7%	4.2%	1.6%	0.5%
Iowa	5.0%	5.5%	1.5%	9.2%	0.9%	3.6%	-0.2%	1.7%	4.0%	3.8%
Minnesota	4.5%	5.4%	2.4%	6.5%	0.7%	5.3%	0.0%	0.1%	3.2%	3.0%
Montana	3.4%	1.9%	1.4%	3.0%	4.5%	4.6%	2.9%	1.0%	3.6%	-0.9%
Nebraska	3.0%	4.6%	1.5%	7.9%	0.7%	3.8%	2.9%	3.2%	3.6%	3.4%
North Dakota	0.6%	6.3%	2.0%	6.0%	-1.3%	7.1%	-1.2%	3.9%	3.7%	-5.8%
Wyoming	3.1%	2.8%	3.3%	3.5%	6.0%	-1.0%	3.4%	5.9%	-1.6%	7.1%

NOTE: The GSP estimates are consistent with the estimate of gross product by industry for the nation (real GSP chained 1992 dollars).

SOURCE: Compiled by State Data Center from U.S. Bureau of Economic Analysis data released June 1999. Data revised back to 1988.

GROSS STATE PRODUCT 1987 - 1997 (Average Annual Percent Change)

	TOTAL	GOODS PRODUCING INDUSTRIES/1	PRIVATE SERVICE-TYPE INDUSTRIES/2	GOVERNMENT
U.S.	2.6%	2.7%	3.2%	1.1%
South Dakota	3.4%	6.5%	2.7%	0.3%
Iowa	3.5%	5.6%	2.7%	1.0%
Minnesota	3.1%	2.2%	4.0%	1.5%
Montana	2.6%	3.1%	2.9%	0.6%
Nebraska	3.5%	4.8%	3.7%	0.6%
North Dakota	2.0%	3.2%	2.6%	-0.6%
Wyoming	3.3%	5.1%	2.8%	-0.3%

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 1992 dollars).

SOURCE: Compiled by State Data Center from U.S. Bureau of Economic Analysis data released June 1999. Data revised back to 1987.

BANKING

YEAR	BANK DEPOSITS (MILLIONS)	PER CAPITA BANK DEPOSITS
1998	\$11,654	\$15,947
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	15,695
1989	9,455	13,565

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

Per capita bank deposits are calculated by dividing the bank deposits by the estimated population for each year, using December 1999 release. Data from 1990 forward has been revised.

SOURCE: U.S. FDIC, *Annual Report: Statistics on Banking*; and, U.S. Bureau of the Census. Compiled by the State Data Center, USD Business Research Bureau.

FARM STATISTICS

CALENDAR YEAR	NUMBER OF FARMS	VALUE PER OPERATING UNIT	AVERAGE LAND VALUE PER ACRE	FARM NET INCOME (THOUSANDS)	AVERAGE INCOME PER FARM
1998	32,500	\$471,192	\$348	\$1,158,285	\$35,640
1997	32,500	440,050	325	1,008,599	31,034
1996	32,500	419,740	310	1,497,107	46,065
1995	33,000	402,566	302	704,852	*21,359
1994	34,000	371,800	286	1,204,900	35,438
1993	34,500	349,713	273	991,843	28,749
1992	35,000	361,218	286	1,092,604	31,217
1991	35,000	370,059	293	962,837	27,510
1990	35,000	368,406	291	1,069,069	30,545
1989	35,000	345,618	273	778,524	22,244

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 1999.

SOURCE: SD Agricultural Statistics Service. Compiled by the 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)								
	1998	1997	1996	1995	1994	1993	1992	1991
CROPS	1,951	2,401	1,878	1,713	1,633	1,222	1,331	1,265
LIVESTOCK AND PRODUCTS	1,557	1,781	1,652	1,715	1,659	1,967	1,767	1,880
GOVERNMENT PAYMENTS	430	268	230	245	289	432	272	286
TOTAL	3,938	4,450	3,760	3,673	3,581	3,621	3,370	3,431

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

SOURCE: Economic Research Service, USDA. Compiled by the State Data Center, USD Business Research Bureau.

1998 RANKING FOR CROP AND LIVESTOCK PRODUCTION

CROP	VOLUME	NATIONAL RANK
Corn for Grain	429.6 M Bu.	7 th
Oats	20.1 M Bu.	2 nd
All Wheat	120.9 M Bu.	7 th
Winter Wheat	61.1 M Bu.	8 th
Durum Wheat	0.6 M Bu.	5 th
Other Spring Wheat	59.2 M Bu.	4 th
Barley	4.6 M Bu.	13 th
Rye	1.4 M Bu.	3 rd
Flax Seed	0.3 M Bu.	3 rd
Sorghum for Grain	9.9 M Bu.	7 th
Soybeans for Beans	133.4 M Bu.	8 th
Sunflower Seed	1,507.2 M Lb.	2 nd
All Hay	8.2 M Ton	1 st
Alfalfa Hay	5.8 M Ton	2 nd
All Other Hay	2.4 M Ton	7 th

LIVESTOCK	AMOUNT	NATIONAL RANK
Cattle and Calves	3,850 T Head	7 th
Hogs and Pigs	1,400 T Head	11 th
Sheep and Lambs	420 T Head	5 th

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