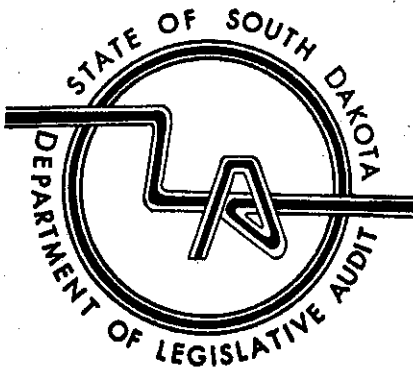


HAND COUNTY

AUDIT REPORT

Two Years Ended December 31, 1994 and 1993



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

HAND COUNTY  
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MAURICE C. CHRISTIANSEN, CPA  
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of County Commissioners  
Hand County, South Dakota

We have audited the general-purpose financial statements of Hand County, South Dakota, as of and for the two years ended December 31, 1994, and have issued our report thereon dated October 20, 1995.

We conducted our audit in accordance with generally accepted auditing standards and *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.

Compliance with laws, regulations, contracts, and grants applicable to Hand County is the responsibility of Hand County's management. As part of obtaining reasonable assurance about whether the general-purpose financial statements are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Hand County complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the county had not complied, in all material respects, with those provisions.

This report is intended for the information of the management and governing board. However, this report is a matter of public record and its distribution is not limited.

*Maurice C. Christiansen*

Maurice C. Christiansen, CPA  
Auditor General

October 20, 1995



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MAURICE C. CHRISTIANSEN, CPA  
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of County Commissioners  
Hand County, South Dakota

We have audited the general-purpose financial statements of Hand County, South Dakota, as of and for the two years ended December 31, 1994, and have issued our report thereon dated October 20, 1995.

In connection with our audit of the general-purpose financial statements of Hand County and with our consideration of Hand County's control structure used to administer federal financial assistance programs as required by the Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1994. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and special tests and provisions as contained in the applicable OMB Compliance Supplement and grant agreement that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Hand County's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Hand County had not complied, in all material respects, with those requirements.

This report is intended for the information of the management and governing board. However, this report is a matter of public record and its distribution is not limited.

Maurice C. Christiansen, CPA  
Auditor General

October 20, 1995

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Reportable conditions noted were as follows:

- a. There was a lack of proper segregation of duties for the revenue function.
- b. A reconciliation of cash between the treasurer's office and the auditor's office was not completed on a monthly basis.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses as defined above. Our study and evaluation disclosed there was a material weakness in controls in effect at Hand County. This material weakness is listed as reportable condition a. above.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Hand County in a separate communication dated October 20, 1995.

This report is intended for the information of the management and governing board. However, this report is a matter of public record and its distribution is not limited.



Maurice C. Christiansen, CPA  
Auditor General

October 20, 1995

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs into the following categories:

Accounting Applications:

- a. revenues;
- b. expenditures; and
- c. payroll.

General Requirements:

- a. political activity;
- b. civil rights;
- c. cash management;
- d. federal financial reports; and
- e. allowable costs/cost principles.

Specific Requirements:

- a. types of services allowed or unallowed; and
- b. special requirements as contained in the applicable OMB Compliance Supplement and the grant agreements.

Claims for Advances and Reimbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the two years ended December 31, 1994, Hand County had no major federal financial assistance programs.

During the year ended December 31, 1994, Hand County expended 85.33 percent of its total federal financial assistance under the Disaster Assistance, CFDA Number 83.516 nonmajor federal financial assistance program.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements and general requirements and requirements governing claims for advances and reimbursements that are applicable to the aforementioned nonmajor federal financial assistance programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the county's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

The reportable condition noted was:

- a. There was a lack of proper segregation of duties for the revenue function.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations

HAND COUNTY  
AUDITOR'S COMMENTS

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous recommendation reported is restated under the following Current Audit Recommendation.

CURRENT AUDIT FINDING AND RECOMMENDATION

Financial Reporting Errors

Finding:

Errors were noted on the county's 1993 and 1994 annual financial reports resulting in inaccurate and incomplete information being presented to the users of these reports.

Analysis:

Our audit of the county's annual financial reports disclosed six reporting errors totaling approximately \$166,000 for the year ended December 31, 1993 and nineteen reporting errors totaling approximately \$287,000 for the year ended December 31, 1994.

These reporting errors resulted in a diminished reliability of accounting data being supplied to the users of the annual financial reports.

RECOMMENDATION

We recommend future financial reports be prepared completely and accurately in accordance with generally accepted accounting principles.

Closing Conference

The closing conference was held October 20, 1995 with County Auditor Betty Morford and Commission Chairperson Sally Sivertsen.

HAND COUNTY  
 COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1994

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types		Account Groups		
	General Fund	Special Revenue Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	Long-Term Debt			
Assets:									
Current Assets:									
Cash	\$ 885,768.77	\$ 360,363.20	\$ 7,713.04	\$ 151,445.88					\$
Taxes Receivable--Current	1,067,334.23	160,356.68							
Taxes Receivable--Delinquent	27,980.64	23,668.61							
Inventory of Supplies	165,980.45								
Total Current Assets	2,147,064.09	544,388.49	7,713.04	151,445.88	0.00	0.00			
Fixed Assets:									
Land							30,536.00		
Buildings							1,326,537.83		
Machinery and Equipment							1,300,431.60		
Total Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	2,657,505.43		0.00
Other Assets:									
Amount to be Provided for Other Long-Term Debt									10,870.63
TOTAL ASSETS	\$2,147,064.09	\$ 544,388.49	\$ 7,713.04	\$ 151,445.88	\$2,657,505.43	\$ 10,870.63			\$



HAND COUNTY  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS  
 For the Year Ended December 31, 1994

	Governmental Fund Types		Fiduciary Fund Type
	General	Special Revenue	Expensible Trust
Revenue:			
Taxes	\$ 980,385.28	\$ 169,410.89	\$
Licenses and Permits	1,720.00	826.00	
Intergovernmental Revenue	320,740.64	54,903.56	677.00
Charges for Goods and Services	335,597.25		61.00
Fines and Forfeits	2,851.28		
Miscellaneous Revenue	83,258.03	233.63	
Total Revenue	1,724,552.48	225,374.08	738.00
Expenditures:			
General Government	589,215.75		1,533.22
Public Safety	177,050.23	10,326.74	
Public Works	876,386.59	284,726.18	
Health and Welfare	82,318.73	7,366.71	
Culture and Recreation	84,591.30		
Conservation of Natural Resources	111,019.11		
Total Expenditures	1,920,581.71	302,419.63	1,533.22
Other Financing Sources (Uses):			
Operating Transfers In	(6,000.00)	6,000.00	
Operating Transfers Out	(6,000.00)	6,000.00	0.00
Total Other Financing Sources (Uses)	(12,000.00)	12,000.00	0.00
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(202,029.23)	(71,045.55)	(795.22)
Other Changes in Fund Balance:			
Changes in Reserves:			
Inventory	(18,185.51)		
Unidentified Variance	(5,895.57)		
Total Other Changes	(24,081.08)	0.00	0.00
Fund Balance, January 1, 1994	1,277,859.53	431,408.75	2,249.00
FUND BALANCE, DECEMBER 31, 1994	\$ 1,051,749.22	\$ 360,363.20	\$ 1,453.78

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

Financial Administration:					
Auditor	76,786.00	71,666.80	5,119.20		
Treasurer	61,083.00	62,559.21	(1,476.21)		
Data Processing	5,400.00	(3,997.35)	9,397.35		
Legal Services:					
State's Attorney	47,181.05	50,805.65	(3,624.60)		
Court Appointed Attorney	20,500.00	19,848.68	651.32		
Abused and Neglected Child Defense	4,000.00	1,438.75	2,561.25		
Other Administration:					
General Government Building	136,348.00	122,078.02	14,269.98		
Director of Equalization	119,456.00	120,048.69	(592.69)		
Register of Deeds	43,155.00	44,199.23	(1,044.23)		
Veterans' Service Officer	9,010.00	8,721.41	288.59		
Predatory Animal (GFP)	8,955.00	8,954.94	.06		
Public Safety:					
Law Enforcement:					
Sheriff	127,403.00	116,538.66	10,864.34		
County Jail	29,770.00	29,301.19	468.81		
Coroner	960.00	932.39	27.61		
Drug Task Force	4,000.00	3,027.50	972.50		
Protective and Emergency Services:					
Fire Protection	24,816.00	23,456.67	1,359.33		
Emergency and Disaster Services	4,153.00	3,793.82	359.18		
Hazardous Materials					
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges	861,062.09	853,580.24	7,481.85		
Snow Removal					
Secondary Road					
Sanitation:					
Airport	100.00	0.00	100.00		
Solid Waste	50,000.00	22,806.35	27,193.65		
Health and Welfare:					
Economic Assistance:					
Support of Poor	60,000.00	30,290.33	29,709.67		
Public Welfare	2,225.00	835.53	1,389.47		
LIEAP					
Food Stamp Distribution	5,045.00	4,776.40	268.60		
Health Assistance:					
County Nurse	30,568.75	22,703.99	7,864.76		
Health Services	9,600.00	9,500.29	99.71		
Ambulance					
Social Services:					
Domestic Abuse					
Mental Health Services:					
Mentally Ill	19,470.00	14,212.19	5,257.81		
Culture and Recreation:					
Culture:					
Public Library	84,685.00	84,591.30	93.70		
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	40,879.98	41,010.56	(130.58)		
Weed and Pest Control	78,387.26	70,008.55	8,378.71		
Total Expenditures	2,076,779.56	1,920,581.71	156,197.85	328,865.47	26,445.84
				302,419.63	
					1,910.19
					10,326.74
					125,000.00
					119,000.00
					61,289.00
					6,142.00
					3,165.81
					2,976.19
					4,897.54
					3,266.67
					1,630.87
					300.00
					934.23
					(634.23)
					6,022.30
					14,446.50
					94.02

HAND COUNTY  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES  
 For the Year Ended December 31, 1994

	Proprietary Fund Types
	Internal Service
Retained Earnings, January 1, 1994	\$ 7,713.04 -----
RETAINED EARNINGS, DECEMBER 31, 1994	\$ 7,713.04 =====

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

HAND COUNTY  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS  
 For the Year Ended December 31, 1993

	Governmental Fund Types		Fiduciary Fund Type
	General	Special Revenue	Expendable Trust
Revenue:			
Taxes	\$ 923,606.54	\$ 156,522.88	\$
Licenses and Permits	1,616.00	324.00	
Intergovernmental Revenue	369,851.37	38,915.97	374.00
Charges for Goods and Services	216,880.45		392.00
Fines and Forfeits	600.00		
Miscellaneous Revenue	93,551.83	50.00	
Total Revenue	1,606,106.19	195,812.85	766.00
Expenditures:			1,123.95
General Government	481,434.07		
Public Safety	170,361.36	10,532.24	
Public Works	799,953.77	238,700.35	
Health and Welfare	72,072.65	7,194.10	
Culture and Recreation	77,954.90		
Conservation of Natural Resources	119,975.29		
Total Expenditures	1,721,752.04	256,426.69	1,123.95
Other Financing Sources (Uses):			
Operating Transfers In	(8,200.00)	8,200.00	
Operating Transfers Out	(8,200.00)	8,200.00	0.00
Total Other Financing Sources (Uses)	(123,845.85)	(52,413.84)	(357.95)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses			
Other Changes in Fund Balance:			
Changes in Reserves:			
Inventory	96,551.77		
Fund Balance, January 1, 1993	1,305,153.61	483,822.59	10,319.99
Adjustments:			
To Reclassify Unemployment Fund from Expendable Trust to Internal Service			(7,713.04)
Adjusted Fund Balance	1,305,153.61	483,822.59	2,606.95
FUND BALANCE, DECEMBER 31, 1993	\$1,277,859.53	\$ 431,408.75	\$ 2,249.00

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



HAND COUNTY  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES  
 For the Year Ended December 31, 1993

	Proprietary Fund Types
	Internal Service
Retained Earnings, January 1, 1993	\$ 7,713.04
RETAINED EARNINGS, DECEMBER 31, 1993	\$ 7,713.04

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

HAND COUNTY  
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity:

The funds and account groups included in this report are controlled by or dependent upon the board of county commissioners.

The accounting policies of the county conform to generally accepted accounting principles as applicable to governments.

b. Fund Accounting:

The accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three broad fund categories and four generic fund types as follows:

Governmental Funds:

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

Special revenue funds - special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Proprietary Funds:

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 or to other governments, on a cost-reimbursement basis. The Unemployment Fund is the only internal service fund maintained by the county.

Fiduciary Funds:

Trust and agency funds - trust and agency funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

c. Fixed Assets and Long-Term Liabilities:

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

7. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets. The following supplemental budgets were adopted by the board of county commissioners during the two years ended:

	12/31/93	12/31/94
	-----	-----
General Fund:		
General Government:		
Other Administration--Director of Equalization	\$	\$30,000.00
Public Works:		
Highways and Bridges--Highways Roads and Bridges		68,037.00
Domestic Abuse Fund:		
Health and Welfare:		
Social Services--Domestic Abuse	\$ 150.00	
Secondary Road Fund:		
Public Works:		
Highways and Bridges--Secondary Road	\$10,000.00	\$11,289.00
Emergency Management Service Fund:		
Public Safety:		
Protective and Emergency--Emergency and Disaster Services	\$ 2,000.00	\$ 500.00
Highway and Bridge Reserve Fund:		
Public Works:		
Highways and Bridges--Highways, Roads and Bridges	\$10,000.00	

8. Unexpended appropriations lapse at year end unless encumbered by resolution of the board of county commissioners.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, special revenue funds and capital projects funds.

The county did not encumber any amounts at either December 31, 1993 or December 31, 1994.

9. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
10. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

f. Deposits and Investments:

The county follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:



As of December 31, 1994, the following liability existed for accumulated unpaid leave balances calculated at the employees' December 31, 1994 pay rates:

Vacation Pay:  
 General Long-Term Debt Account Group \$10,870.63

The financial statements do give effect to this liability.

i. Deferred Revenue:

Under the modified accrual basis of accounting, receivables may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

j. Cash Flows:

The county pools its cash resources for depositing and investing purposes. The proprietary funds essentially have access to their cash resources on demand. Accordingly, all reported deposit and investment balances are considered to be cash equivalents for the purpose of the Statement of Cash Flows.

2. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or before October 1 and payable in two installments on or before April 30 and October 31 of the following year.

The county is permitted by several state statutes to levy varying amounts of taxes per \$1,000 of taxable valuation of the property in the county. The combined tax rate to finance county services including principal and interest on long-term debt for the year ended December 31, 1994 was \$7.88 per \$1,000 of taxable valuation.

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the two years ended December 31, 1994 is as follows:

	Balance 1/1/93	Additions	Deletions	Balance 12/31/94
Land	\$ 18,536.00	\$ 12,000.00	\$	\$ 30,536.00
Buildings	1,236,854.90	98,281.00	8,598.07	1,326,537.83
Machinery and Equipment	1,133,572.51	258,853.32	91,994.23	1,300,431.60
TOTAL	\$2,388,963.41	\$369,134.32	\$100,592.30	\$2,657,505.43

The total December 31, 1994, balance of general fixed assets includes approximately 10 percent for which the costs were determined by estimations of the original cost.

4. LONG-TERM DEBT

A summary of changes in long-term debt follows:

of 2 percent of final average salary times years of public safety credited service. Class B Judicial members receive a benefit of 3-1/3 percent of the final average salary times years of judicial credited service up to 15 years plus 2 percent of final average salary times years of judicial credited service in excess of 15 years.

Final average salary is the member's highest annual average compensation earned over 12 consecutive calendar quarters during their last 40 quarters of participation in the South Dakota Retirement System.

Class A members are required by state statute to contribute 5 percent of their salary to the plan, Class B Judicial members 9 percent of salary and Class B Public Safety members 8 percent of salary. State statute also requires the employer to contribute an amount equal to the member's contribution.

	1993	1994
	-----	-----
Contribution Information:		
Contribution Requirements (Total of employee and employer contributions)	\$ 63,611.90	\$ 64,031.68
County Contributions	30,920.32	31,097.17
Percent of Covered Payroll	5.23%	5.24%
Employee Contributions	32,691.58	32,934.51
Percent of Covered Payroll	5.53%	5.55%

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on an ongoing basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS. The System does not make separate measurements of assets and the pension benefit obligation for individual employers. The pension benefit obligation at June 30, 1994 for the System as a whole, determined through an actuarial valuation performed as of that date, was \$1,959,187,214. The System's net assets available for benefits on that date (valued at market) were \$2,179,759,081, resulting in net assets available for benefits in excess of pension benefit obligation by \$220,571,867. This is the latest actuarial information available. Our calendar year 1994 contribution represented .07 percent of the total contributions required of all participating entities.

Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1994 annual financial report.

#### 8. UNEMPLOYMENT BENEFITS INSURANCE RISK MANAGEMENT

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

The county has reserved equity in the Unemployment Fund in the amount of \$7,713.04 for the payment of future unemployment benefits.

During the two years ended December 31, 1994, no claims for unemployment benefits were paid. At December 31, 1994, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

HAND COUNTY  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 For the Year Ended December 31, 1994

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Expenditures 1994
Department of the Interior:		
Direct Federal Funding:		
U.S. Fish and Wildlife Service, Wildlife Restoration	15.611	\$ 2,156.00 -----
Federal Emergency Management Agency:		
Indirect Federal Funding:		
S.D. Department of Military and Veterans' Affairs, Civil Defense--State and Local Emergency Management Assistance	83.503	3,438.51
Disaster Assistance	83.516	32,525.00 -----
Total Federal Emergency Management Agency		35,963.51 -----
GRAND TOTAL		\$ 38,119.51 =====