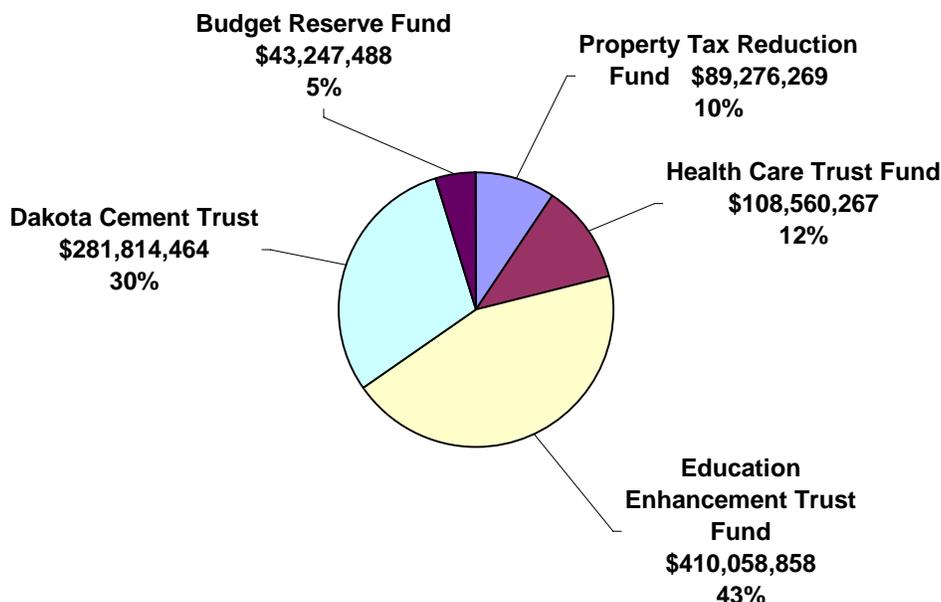


**State of South Dakota
Cash and Investment Balances in State Reserve
and Trust Funds as of December 31, 2007**

Total Balance \$932,957,347



Reserve and Trust Fund Balance Breakdown

	<u>(A)</u> <u>Accumulated Principal</u> <u>Balance</u>		<u>(B)</u> <u>Accumulated Earnings</u> <u>Balance</u>		<u>(A + B)</u> <u>Total Accumulated</u> <u>Balance</u>
Property Tax Reduction Fund ①	\$89,276,269	\$	-	\$	\$89,276,269
Health Care Trust Fund ②	\$85,631,024		\$22,929,243	\$	\$108,560,267
Education Enhancement Trust Fund ②	\$329,329,930		\$80,728,928	\$	\$410,058,858
Dakota Cement Trust Fund ③	\$238,000,000		\$43,814,464	\$	\$281,814,464
Budget Reserve Fund ④	\$43,247,488	\$	-	\$	\$43,247,488
	\$785,484,712	\$	147,472,635	\$	932,957,347

①= Money may be transferred to the General Fund by BFM commissioner for State Aid to Education. Money may also be transferred to the General Fund through an act of the Legislature by a simple majority.

②= Principal and Earnings balance requires a three-fourths vote of the Legislature to be appropriated.

③= There is no provision to appropriate the principal balance per the state's Constitution.

④= Balance requires a two-thirds vote of the Legislature to be appropriated.

It Should be Noted:

- The cash and investment balances in these funds are subject to restrictions imposed by law through constitutional provisions or enabling legislation on how they can be used.
- Spending of these balances will reduce future revenue generated through investing activities.

Reserve and Trust Fund Earnings in FY2007

	<u>(A)</u> <u>Earnings Added to</u> <u>Principle Balance</u>		<u>(B)</u> <u>Earnings Added to</u> <u>Earnings Balance</u>		<u>(C)</u> <u>Earnings Transferred</u> <u>To General Fund</u>		<u>(A + B + C)</u> <u>Total</u> <u>Earnings</u>
Trust Funds							
Health Care Trust Fund	\$ 3,962,605	\$	\$ 9,849,145	\$	\$ 3,801,228	\$	\$ 17,612,978
Education Enhancement Trust Fund	\$ 3,846,057		\$ 37,442,367		\$ 14,986,028		\$ 56,274,452
Dakota Cement Trust Fund	\$ -	\$	\$ 25,778,850	\$	\$ 12,571,476	\$	\$ 38,350,326
Reserve Funds							
Property Tax Reduction Fund	\$ (4,913,211)	\$	\$ -	\$	\$ 125,178,593	\$	\$ 120,265,382
Budget Reserve Fund	\$ 317,535	\$	\$ -	\$	\$ -	\$	\$ 317,535
	\$ 3,212,986	\$	\$ 73,070,362	\$	\$ 156,537,325	\$	\$ 232,820,673

NOTE: FY2007 amounts were used because it is the most recently completed Fiscal Year.

State of South Dakota
Cash and Investment Balances in State Reserve and Trust Funds
FY 2005 to December 31, 2007

Property Tax Reduction Fund (3033)	FY2005	FY2006	FY2007	as of December 31, 2007
Total Cash Balance	① \$91,577,110	\$94,189,480	\$89,276,269	\$89,276,269
Change from Prior Period		\$2,612,370	(\$4,913,211)	\$0

Operating Transfers to General Fund to Provide Property Tax Relief through State Aid to Education.	\$138,784,709	\$150,088,667	\$125,178,593	\$57,062,774
Health Care Trust Fund (3004)	FY2005	FY2006	FY2007	as of December 31, 2007
Principal Balance (accumulated to date)	\$79,082,546	\$81,668,419	\$85,631,024	\$85,631,024
Earnings Balance (accumulated to date)	\$14,175,400	\$16,125,692	\$25,974,837	\$22,929,243
Total FMV Balance	② \$93,257,946	\$97,794,111	\$111,605,861	\$108,560,267
Change from Prior Period		\$4,536,165	\$13,811,750	(\$3,045,594)

Operating Transfers to General Fund for Health Care Related Programs which include, per General Bill: - Dept of Social Services - Medical Services.	\$3,497,888	\$3,681,850	\$3,801,228	\$3,656,091
Education Enhancement Trust Fund (3005)	FY2005	FY2006	FY2007	as of December 31, 2007
Principal Balance (accumulated to date)	\$325,483,873	\$325,483,873	\$329,329,930	\$329,329,930
Earnings Balance (accumulated to date)	\$53,232,393	\$60,321,982	\$97,764,349	\$80,728,928
Total FMV Balance	② \$378,716,266	\$385,805,855	\$427,094,279	\$410,058,858
Change from Prior Period		\$7,089,589	\$41,288,424	(\$17,035,421)

Operating Transfers to General Fund for Education Enhancement Programs which include, per General Bill:				
- Dept of Health - Tobacco Prevention and Reduction Plan	\$750,000			
- Dept of Education - State Aid to General Education	\$6,722,231	\$10,141,998		
- Dept of Education - State Aid to Special Education	\$1,040,161	\$1,309,880		
- Dept of Education - Education Service Agencies	\$500,000			
- Dept of Education - Technology in Schools	\$3,553,385	\$3,553,385		
- Dept of Education - Postsecondary Vocational Education	\$456,960			
- Dept of Education - State Aid to Ed. & School Technology			\$14,986,028	\$14,766,915
- Board of Regents - Opportunity Scholarships	\$1,300,000			
Total Transfers to General Fund	\$14,322,737	\$15,005,263	\$14,986,028	\$14,766,915
Dakota Cement Trust (3003)	FY2005	FY2006	FY2007	as of December 31, 2007
Principal Balance (accumulated to date)	\$238,000,000	\$238,000,000	\$238,000,000	\$238,000,000
Earnings Balance (accumulated to date)	\$16,443,413	\$17,805,408	\$43,584,258	\$43,814,464
Total FMV Balance	② \$254,443,413	\$255,805,408	\$281,584,258	\$281,814,464
Change from Prior Period		\$1,361,995	\$25,778,850	\$230,205

Operating Transfers to General Fund for:				
- General Government	③ \$12,000,000	\$12,000,000	\$12,000,000	\$0
- Board of Regents - Opportunity Scholarships	\$633,125	\$1,322,171	\$571,476	\$0
Total Transfers to General Fund	\$12,633,125	\$13,322,171	\$12,571,476	\$0
Budget Reserve Fund (1000 - 0119)	FY2005	FY2006	FY2007	as of December 31, 2007
Total Cash Balance	① \$41,862,883	\$42,682,740	\$43,000,275	\$43,247,488
Change from Prior Period		\$819,857	\$317,535	\$247,214
Total Cash and Investment Balances				
	\$859,857,618	\$876,277,594	\$952,560,942	\$932,957,347
Transfers to General Fund in Support of State Programs				
- From Property Tax Reduction Fund	\$138,784,709	\$150,088,667	\$125,178,593	\$57,062,774
- From State Trust Funds	\$30,453,750	\$32,009,284	\$31,358,732	\$18,423,005
Total Transfers to General Fund	\$169,238,458	\$182,097,951	\$156,537,324	\$75,485,779

NOTES:

- ① = Property Tax Reduction Fund and Budget Reserve Fund are shown based on balances reported on the state's accounting system.
 ② = Trust Fund amounts are shown at the actual fair market value of the investment accounts held with the South Dakota Investment Council.
 ③ = Transfer of \$12 million has not been made yet for FY2008.

It Should Be Further Noted:

- The cash and investment balances in these funds are subject to restrictions imposed by law through constitutional provisions or enabling legislation on how they can be used.
- Spending of these balances will reduce future revenue generated through investing activities.