



**LEON SNEAD
& COMPANY, P.C.**

*Certified Public Accountants
& Management Consultants*

416 Hungerford Drive, Suite 400
Rockville, Maryland 20850
301-738-8190
fax: 301-738-8210
leonsnead.companypc@erols.com

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Federal Emergency Management Agency
Office of Inspector General
Washington, DC 20472

Leon Snead & Company P.C. conducted an audit of the South Dakota Division of Emergency Management, (SDDEM) to assess its compliance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act (as amended) and applicable Federal regulations. The audit was conducted at the request of the Federal Emergency Management Agency, (FEMA) Office of Inspector General.

The audit objectives were to determine if SDDEM administered the grant programs according to Federal regulations, and accounted for, reported and used FEMA program funds properly. We found that SDDEM needed to improve its procedures for: (1) performing and documenting program operations; (2) completing plans for the Hazard Mitigation Program; and (3) documenting and evaluating its internal and management control systems.

The audit was performed under the authority of the Inspector General Act of 1978, as amended, and according to generally accepted government auditing standards, FEMA's Office of Inspector General audit guide and 44 CFR. Although the audit report comments on certain financial related information, we did not perform a financial statement audit the purpose of which would be to render an opinion on the financial statements. The scope of the audit consisted of financial and program activities for six Presidential disaster declarations open as of September 30, 2001. We reviewed 371 of the Public Assistance, Hazard Mitigation and Individual and Family Grant Program projects or applicants with cost totaling about \$24 million.

An exit conference was held to discuss the findings and recommendations included in the report with officials from Region VIII, FEMA on December 17, 2002 and the SDDEM on December 19, 2002. We have included the written comments from FEMA and SDDEM as Attachment B.

The actions being taken by management appear adequate to resolve most of the conditions cited in this report; however, one recommendation cannot be resolved and several of the recommendations cannot be closed until the planned corrective actions have been completed, which we have cited in the body of the report.

Leon Snead & Company appreciates the cooperation and assistance received from both FEMA and SDDEM personnel, during the audit.

Sincerely,

Leon Snead & Company, P.C.
Leon Snead & Company, P.C.

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I. EXECUTIVE SUMMARY

Leon Snead & Company, P.C. has completed an audit of the administration of disaster assistance grant programs by the South Dakota Division of Emergency Management (SDDEM). The audit objectives were to determine if SDDEM administered the grant programs according to Federal regulations, and accounted for, reported and used FEMA's program funds properly. This report focuses on the systems and procedures within SDDEM for assuring that grant funds were managed, controlled, and expended according to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (as amended) and applicable Federal regulations.

Our audit focused on the six disasters that were open as of September 30, 2001. The six disasters had total obligations of about \$89.9 million (Federal share \$74.4 million), and total expenditures of about \$82.5 million. We reviewed 371 of the Public Assistance (PA), Hazard Mitigation (HM), and Individual and Family Grant (IFG) projects or applicants with costs totaling about \$24 million, or about 27 percent of total obligations. We completed our audit fieldwork on June 27, 2002.

A synopsis of our findings regarding both financial and program management are shown below. They are discussed in more detail in the body of the report, with recommendations to improve SDDEM's management procedures, strengthen internal controls, and correct areas of noncompliance. Except for the findings contained in this audit report, nothing came to our attention during the audit that questioned the accuracy of information contained in the financial reports submitted to FEMA.

Financial Management

- SDDEM did not formally document and evaluate its internal and management control systems.

Program Management

- SDDEM did not always perform PA project close-out procedures, prepare quarterly reports, or document the results of final inspections of large projects. In addition, SDDEM did not document its monitoring of sub-grantees and did not require sub-grantees to provide progress reports for ongoing projects.
- SDDEM did not always prepare or update HM Administrative Plans after disasters, and FEMA obligated funds before approving the administrative plan.

- SDDEM did not update and distribute State HM Plans to affected agencies on a timely basis.
- SDDEM reimbursed sub-grantees on the basis of estimates or other cost distribution methods instead of actual costs.

The actions being taken and planned by management appear adequate to resolve all findings except finding B.4. An additional response is needed from the Regional Office indicating the actions taken or planned to ensure that supporting documentation is received before payments are made to the sub-grantees. The issued is addressed in the auditor's analysis for recommendation number 2; finding B.4.

II. INTRODUCTION

SOUTH DAKOTA DIVISION OF EMERGENCY MANAGEMENT (SDDEM)

SDDEM is a division of the South Dakota Department of Military and Veterans Affairs. The Division was authorized under the Civil Defense Act of 1949, as amended by House Bill 1077 of 1992. Its mission is to reduce loss of life and property and to protect South Dakota's critical infrastructure from all types of hazards, through a comprehensive, risk-based emergency management program of preparedness, response, recovery and mitigation.

The Director is appointed by the Governor and reports directly to the Adjutant General, South Dakota Department of Military and Veterans Affairs. As of June 3, 2002, the division had 18 permanent employees and was organized into 3 branches.

Our audit concentrated on the PA, HM, and IFG Programs. Two permanent employees managed these programs on a daily basis. Other SDDEM permanent employees assisted in carrying out the functions during disasters.

THE DISASTER ASSISTANCE PROGRAMS

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (as amended) governs disasters declared by the President. Following a major disaster declaration, the Act authorizes FEMA to provide various forms of disaster relief to the State, as the grantee, and to State agencies, local governments, and eligible private nonprofit organizations as sub-grantees. The Code of Federal Regulations (44 CFR) gives further guidance as to the requirements for and administration of disaster relief grants. On October 30, 2000, the President signed the Stafford Act amendments into law (Public Law 106-390). The amendments are effective only for disasters declared after October 2000.

Public Assistance Grants

FEMA awards PA Grants for the repair/replacement of facilities, removal of debris, and emergency protective measures necessary as a result of a disaster. To receive a PA Grant, a designated representative of the organization must sign a Notice of Interest. After the applicant completes the Notice of Interest, FEMA schedules an inspection of the damaged facilities. The inspection team consists of FEMA, State, and local officials. The inspection team prepares a Project Worksheet (PW) formerly called a Damage Survey Report (DSR) identifying the eligible scope of work and estimated cost for the project. The PW or DSR is sent to FEMA for review and approval. Approval by FEMA serves as the basis for obligating PA Grant funds.

Hazard Mitigation Grants

FEMA awards HM Grants to states to help reduce the potential of future damage to facilities. The State must submit a letter of intent to participate in the program, and sub-grantees must submit a hazard mitigation grant proposal. The State is responsible for setting priorities for the selection of specific projects, but FEMA must provide final approval. FEMA also awards sub-grants to local governments and eligible private non-profit organizations. The amount of assistance available under this program must not exceed 20 percent of the total assistance provided under the other assistance programs.

Individual and Family Grants

FEMA awards IFGs to individuals or families who, as a result of a disaster, are unable to meet disaster-related necessary expenses and needs. To obtain assistance under this grant, the Governor of the State must express an intent to implement the program. This expressed intent includes an estimate of the size and cost of the program. The grantee has the responsibility for monitoring the program to ensure that the objectives and requirements are met. FEMA provides an administrative fee to the grantee for administrative costs that cannot exceed 5 percent of the Federal grant program payments.

Administrative Funds

FEMA provides three types of administrative assistance to cover the costs of overseeing the PA and HM Grant Programs. First, an administrative allowance is provided to cover the "extraordinary" cost directly associated with the management of the program, such as overtime wages and travel costs. This allowance is determined by using a statutorily mandated sliding scale with payments ranging from one-half to 3 percent of the total amount of Federal disaster assistance provided to the grantee. Second, FEMA can award an administrative allowance referred to as "State Management Grants" on a discretionary basis to cover the State's ordinary or regular costs directly associated with the administration of the program. Third, FEMA can award an administrative allowance for activities indirectly associated with the administration of the programs.

III. OBJECTIVES, SCOPE, AND METHODOLOGY

OBJECTIVES

The FEMA Office of Inspector General (OIG) engaged Leon Snead & Company, P.C. to determine if the State of South Dakota (1) administered FEMA's Disaster Assistance Grant Programs according to Federal regulations, and (2) accounted for, reported and used FEMA program funds properly.

SCOPE

The audit included reviews of both financial and program activities for the PA, HM, and IFG programs. The universe subject to audit included six declared disasters in which about \$89.9 million were controlled by the Grantee (see Attachment A). The cut-off date for the audit was September 30, 2001. The specific disasters open as of September 30, 2001, are as follows:

<u>Disaster Number</u>	<u>Disaster Type</u>	<u>Date Declared</u>	<u>Assistance Provided</u>
1052	Flooding	05/26/95	PA, HM
1173	Severe Flooding and Winter Storms	04/07/97	PA, IFG, HM
1218	Severe Storms, Tornadoes, and Floods	06/01/98	PA, IFG, HM
1280	Severe Storm Tornadoes, and Floods	06/10/99	PA, IFG, HM
1330	Severe Winter Storms and Floods	05/19/00	PA
1375	Severe Winter Storms, Floods, and Ice	05/17/01	PA

The six disasters included in our audit scope had obligations of about \$89.9 million, and total expenditures as of September 30, 2001, of about \$82.5 million. Our tests included 287 PA projects in four disasters, 19 HM projects in four disasters, and 65 IFG applicants in two disasters with costs totaling about \$24 million, or 27 percent of total obligations.

The audit encompassed the functional areas of financial and program management, with emphasis on the current SDDEM procedures and practices for program administration and oversight. We conducted our fieldwork during the period of May 13, 2002, through June 27, 2002.

METHODOLOGY

We performed the audit under the authority of the Inspector General Act of 1978, as amended, and according to generally accepted government auditing standards as prescribed by the Comptroller General of the United States (Yellow Book-1994 Revision), FEMA's Office of Inspector General Audit Guide, and 44 CFR.

We interviewed key officials and reviewed documents at the FEMA Region VIII office in Denver, Colorado, to understand how the region oversees the disaster programs in South Dakota. We conducted interviews and reviewed documents at SDDEM's office in Pierre, South Dakota to gain an understanding of the grantee's organizational structure and basic procedures for managing the disaster assistance grant programs.

We selected and tested records of individual recipients and representative projects to determine whether disaster assistance projects and programs had been conducted in compliance with applicable regulations.

We focused on evaluating SDDEM's systems and procedures and identifying systemic causes of internal control weaknesses or noncompliance situations. We reviewed all aspects of program management including application, approval, monitoring, and reporting. Our financial management review covered the policies and procedures relating to cash management, matching, disbursing, and reporting. We also evaluated compliance with the standards for financial management systems set forth in 44 CFR 13.20.

We reviewed the results of audits of sub-grantees performed by FEMA, Office of Inspector General, and Single Audits of SDDEM performed by the State Legislative Auditor for South Dakota. We also reviewed the Legislative Auditor's working papers relating to the tests performed at SDDEM.

We were not engaged to, and did not perform, a financial statement audit, the objective of which would have been the expression of an opinion on specified elements, accounts, or items. Accordingly, we do not express an opinion on the costs claimed for the disasters under the scope of the audit. Had we performed additional procedures or conducted an audit of the financial statements according to generally accepted auditing standards, other matters might have come to our attention that would have been reported. This report relates only to the accounts and items specified and does not extend to any financial statements of SDDEM or the State of South Dakota. The audit also did not include interviews with SDDEM sub-grantees or technical evaluations of the repairs of damages caused by the disasters.

IV. FINDINGS AND RECOMMENDATIONS

We found that SDDEM needed to improve its procedures for: (1) performing and documenting program operations; (2) completing plans for the HM Program; and (3) documenting and evaluating its internal and management control systems. Except for the findings contained in this audit report, nothing came to our attention during the audit that questioned the accuracy of the information contained in the financial reports submitted to FEMA. We also found some instances of noncompliance with FEMA's laws and regulations.

A. FINANCIAL MANAGEMENT

A.1 Lack of Internal Control Documentation and Evaluations

SDDEM had not documented and evaluated its internal and management control systems to ensure that its controls were adequate and being followed. SDDEM officials, through day-to-day supervision, verbally assigned operational duties in the program and accounting areas, but had not developed operating and procedures manuals describing how duties were to be assigned and performed. In addition, management had not evaluated the effectiveness of the verbally assigned duties to ensure that adequate internal and management control systems existed. As a result, SDDEM could not ensure that its controls were being followed and would remain effective despite changing conditions to reduce the risk of unidentified errors or irregularities.

Effective control and accountability must be maintained for all grantee and sub-grantee cash, real and personal property, and other assets {44 CFR 13.20 (a)(3)}. Good internal control management procedures also require that the systems be documented and evaluated to ensure that all control procedures are followed and the personnel responsible for each control function are identified. Five standards for internal control; Control Environment, Risk Assessment, Information and Communications, Control Activities, and Monitoring have been established to provide reasonable assurance that the objectives of an organization are being met.

We found that SDDEM's management had established an adequate control environment, performed some risk assessments, and implemented information and communications measures. This was evidenced by the several effective controls and accountability measures SDDEM had implemented that adequately safeguarded assets and ensured accurate financial reporting. Personnel with the authority to approve grant funding could not approve payment of funds, and personnel with the authority to approve payments of Federal funds could not

request cash draw downs of funds. Employees maintained detailed spreadsheets to ensure proper cash management and accurate financial reporting.

Although SDDEM management had verbally assigned duties to ensure that effective controls and accountability measures existed, they had not documented policies, procedures, and techniques describing these processes and assigning the duties to be performed by each position. In addition, SDDEM officials had not developed a method of evaluating these controls to ensure their continued effectiveness.

Conclusion and Recommendation:

SDDEM had not documented its internal control procedures or established a means of periodically evaluating the effectiveness of its internal controls. The lack of documented procedures could lead to weaknesses in internal controls due to changing conditions and personnel turnover and thereby increase the risk of errors and loss of funds and property.

The Director, FEMA Region VIII, should require SDDEM to document its internal control procedures and establish a system of review to determine if they are working as intended and the system is operating effectively.

Management Response and Auditor's Analysis:

The Director, FEMA Region VIII, responded that the State will complete an Internal Control Procedure and submit it to the Region by September 30, 2003. The plan will document procedures already in place that ensure effective controls and accountability. This plan will be reviewed annually by the State for any needed updates. The annual review of the plan will be documented.

The actions being taken by management appear adequate to resolve the recommendations cited, and the finding has been resolved, pending follow-up audit work that will be conducted at a later date.

However, he had not documented the discussions with sub-grantees or the results of his inspections.

We also noted that SDDEM did not always prepare required quarterly reports for Disaster Numbers 1173 and 1218. In addition, SDDEM did not require its sub-grantees to submit periodic progress reports that would provide comparisons of actual performance to objectives established for the period, cost information, and other pertinent information. These sub-grantee progress reports would provide the information necessary to prepare the State's required quarterly reports.

The PA officer agreed that progress reports had not always been prepared for Disasters Number 1173 and 1218. He stated that FEMA's Regional Office had agreed that the quarterly reports were not necessary. He further advised us that because SDDEM does not control a significant number of open large projects, he now prepares the required quarterly progress reports based upon his knowledge of the large projects. The PA officer stated that he does not require sub-grantees to prepare written progress reports because he obtains sufficient information on the status of the projects from his discussions with the sub-grantees.

Conclusion and Recommendations:

SDDEM did not always perform and document inspections of large projects, did not require sub-grantees to submit periodic progress reports, and did not always submit required quarterly progress reports to FEMA. As a result, SDDEM and FEMA managers were not systematically receiving information needed to monitor the progress of ongoing projects.

The Director, FEMA Region VIII, should require SDDEM to:

1. Perform and document the required closeout inspections for the two cited sub-grantees.
2. Prepare and submit required quarterly reports to FEMA.
3. Document the results of its ongoing monitoring of sub-grantees and final inspections of large projects.

Management Response and Auditor's Analysis:

The Director, FEMA Region VIII, responded that the State will provide the certification for the two sub-grantees when the projects and sub-grantees are identified.

Based on the response received, the auditor provided state officials the project numbers for the two sub-grantees noted in the report. This information was provided on March 27, 2003. The actions being taken by management appear adequate to resolve the recommendation, but it can not be resolved until a target date is established for the action to take place.

The Director, FEMA Region VIII, responded that the State has provided timely quarterly reports for all current disasters. Also, the response states that the State's approved PA Plan requires the timely submittal of the quarterly reports.

The Region's response indicates that quarterly reports are now being received for all open disasters. This would include Disaster Numbers 1173 and 1218 cited in the audit report. The action being taken by management appear adequate to resolve the recommendation, and the recommendation has been resolved, pending follow-up audit work that will be conducted at a later date.

The Director, FEMA Region VIII, responded that the State will modify the PA Administrative Plan to include documentation of all pertinent progress conversations with sub-grantees by September 30, 2003.

The actions taken by management appear adequate to resolve the recommendation, and the recommendation has been resolved, pending follow-up audit work that will be conducted at a later date.

B.2 Preparation and Approval of Hazard Mitigation Administrative Plans

SDDDEM did not always prepare or update its HM Administrative Plans after each disaster declaration. The State had not followed Federal requirements when developing and updating HM Administrative Plans. As a result, the State did not have the most up-to-date plan for managing the HMGP. In addition, FEMA obligated Hazard Mitigation Grant Program (HMGP) funds prior to approval of the administrative plan.

Following each major disaster declaration, the State should prepare and submit to FEMA any updates, amendments, or plan revisions to meet current policy guidance or changes in the administration of the program {44 CFR 206.437(d)}. If the current plan does not require changes to meet the disaster, the State should notify FEMA within 90 days after a disaster declaration. Independent of the frequency of disaster declarations, the State should review and update the plan at least annually (HMGP Desk Reference, page 2-2). Funds should not be awarded until the FEMA Regional Director approves the administrative plan {44 CFR 206.437(d)}.

Grantee must provide FEMA a plan or plan update {44 CFR 206.405 (d)}. The State agency must ensure that all other appropriate State agencies have the opportunity to participate in the development and implementation of hazard mitigation planning {44 CFR 206.406(c)}. Local participation in hazard mitigation planning is essential because regulation and control of development within hazardous areas normally occur at the local level {44 CFR 206.406(d)}.

We found that SDDEM did not develop, update, and distribute HM Plans consistently. The HM Plan for Disaster Number 1052, declared on May 26, 1995, was not approved until November 25, 1996, or 549 days after the disaster declaration. For Disaster Number 1173 declared on April 7, 1997; Disaster Number 1218 declared on June 1, 1998; and Disaster Number 1280 declared on June 10, 1999, no HM Plans were developed, updated, or distributed until November 27, 2000. A tornado annex to the previously approved 1996 plan was approved on May 6, 1999. No documentation was available to show that SDDEM requested extensions to the 180-day timeframe for the above disasters.

We did find that for Disaster Number 1330 declared on May 19, 2000, and Disaster Number 1375 declared on May 17, 2001, SDDEM had prepared HM Plans and FEMA had approved the plans within established timeframes.

FEMA approved the current South Dakota HM Plan on February 28, 2002. The plan is very detailed and should be an effective tool in managing the program. However, we found that SDDEM had not distributed this approved plan to all State agencies, local governments, and private sector entities that could be affected by the plan.

Conclusion and Recommendations:

SDDEM did not update its HM Plans on a timely basis and did not distribute its most recent approved plan to all entities that could be affected by the plan.

The Director, FEMA Region VIII, should:

1. Require SDDEM to develop or update HM Plans and submit them to FEMA for approval within prescribed timeframes.
2. Require SDDEM to distribute the 2001 HM Plan to all entities that have an interest in hazard mitigation.

Management Response and Auditor's Analysis:

The Director, FEMA Region VIII, responded that the State has now provided all required Hazard Mitigation Plans. Also, State officials will ensure that HM Plans are updated and filed with the Region in a timely manner.

The Director, FEMA Region VIII, responded that the State will distribute the 2001 HM Plan to all State agencies that have a part in the HM plan by September 30, 2003. The State will provide the Region with the distribution list.

The actions taken and planned by management appear adequate to resolve the finding cited, and it has been resolved, pending follow-up audit work that will be conducted at a later date.

B.4 Lack of Documentation to Support Payments to Sub-grantees

SDDEM made payments to sub-grantees without proper documentation to support actual costs incurred or certifications that source documents exist to support incurred costs. As a result, SDDEM did not have adequate assurance that program funds were used to reimburse sub-grantees for actual costs incurred and expenditures were in compliance with restrictions and prohibitions of applicable statutes.

Accounting records must be supported by source documents such as canceled checks, paid bills, payrolls, time and attendance reports, and contract and sub-grant award documents {44 CFR 13.20(b)(6)}. Fiscal controls and accounting procedures of the State and its sub-grantees must be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes {44 CFR 13.20(a)(2)}.

Our reviews of reimbursements to HM sub-grantees found that SDDEM had not always requested documentation or certifications from sub-grantees to support actual costs incurred. We found that reimbursements were made to some sub-grantees based on projected estimates of costs or for expenses distributed between PA, HM, and Community Development Block Grant funds without explanations as to the basis for the distribution of costs.

For example, one sub-grantee submitted payment claims totaling \$653,752 to cover the cost of construction work on secondary roads. The sub-grantee received payment for the full amount of the claims, however, the support for the \$300,903 of this amount was limited to the original cost estimates contained in the applicant files. The sub-grantee did not provide documents showing actual

cost for this amount. SDDEM officials stated that because the \$300,903 claimed by the sub-grantee was not greater than the original cost estimates, reimbursements could be made without supporting source documents.

Although Federal regulations require sufficient supporting documentation to establish that funds were not used in violation of the restrictions and prohibitions of applicable statutes, they do not require the grantee to maintain the documentation. To meet these regulatory requirements, the grantee could accept certifications from sub-grantees that source documents exist. Such certifications are subject to verification by the grantee. However, SDDEM was disbursing funds without source documentation or certifications from sub-grantees.

Conclusion and Recommendations

SDDEM made payments to sub-grantees without sufficient supporting documentation or certifications stating that source documentation is available to support actual costs incurred.

The Director, FEMA Region VIII, should require SDDEM to:

1. Obtain the supporting documentation for the \$300,903 claimed without adequate support and request a refund for any unsupported amounts.
2. Ensure that supporting documentation or certifications that supporting documentation exists are obtained from sub-grantees before paying future claims.

Management Response and Auditor's Analysis:

The Director, FEMA Region VIII, responded that although not specifically identified, the region believes that the disputed costs are for Day County for Disaster Number 1173. If so, the supporting documentation has been submitted and is currently under review by the Region. If the documentation is not adequate, FEMA will continue to work with the State until the project can be closed, including recoupment of ineligible costs.

The cost in question is related to Day County and State officials were advised of this fact on March 27, 2003. The actions being taken and planned by management appear adequate to resolve the recommendation, and it has been resolved, pending follow-up audit work that will be conducted at a later date.

The Director, FEMA Region VIII, responded that the situation disclosed during the audit is the only time that the State and Region are aware of payments being made on estimates.

The response received is not sufficient to correct the finding cited. No corrective actions have been provided to allow for the recommendation to be resolved. One solution would be to include a provision in the internal control procedures, discussed in the response to finding A.1, which outlines the policy of the Region and State regarding the support required for the payment of claims. The recommendation can be resolved when the procedures are issued.

V. ATTACHMENTS

Schedule of Source and Application of Funds
South Dakota Division of Emergency Management
Disaster Assistance Grant Programs

Attachment A

As of September 30, 2001

All Disasters Numbers 1052 through 1375
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	Public Assistance Grants	Individual & Family Grants	Hazard Mitigation Grants	Total Disaster Grants
<u>Award Amounts</u>				
Federal Share	\$59,606,764	\$2,266,709	\$12,495,547	\$74,369,020
Local Match/State Share	<u>\$10,624,804</u>	<u>\$755,570</u>	<u>\$4,165,183</u>	<u>\$15,545,557</u>
Total Award Amount	<u><u>\$70,231,568</u></u>	<u><u>\$3,022,279</u></u>	<u><u>\$16,660,729</u></u>	<u><u>\$89,914,576</u></u>
<u>Source of Funds</u>				
Federal Share	\$58,835,929	\$2,266,709	\$8,150,359	\$69,252,997
Local Match/State Share	<u>\$9,887,718</u>	<u>\$731,133</u>	<u>\$2,657,288</u>	<u>\$13,276,139</u>
Total Source of Funds	<u><u>\$68,723,647</u></u>	<u><u>\$2,997,842</u></u>	<u><u>\$10,807,647</u></u>	<u><u>\$82,529,136</u></u>
<u>Application of Funds</u>				
Federal Share	\$58,837,252	\$2,266,709	\$8,152,791	\$69,256,752
Local Match/State Share	<u>\$9,887,718</u>	<u>\$731,133</u>	<u>\$2,657,288</u>	<u>\$13,276,139</u>
Total Application of Funds	<u><u>\$68,724,970</u></u>	<u><u>\$2,997,842</u></u>	<u><u>\$10,810,079</u></u>	<u><u>\$82,532,891</u></u>
<u>Balance of Federal Funds On Hand *</u>				
	<u><u>-\$1,323</u></u>	<u><u>\$0</u></u>	<u><u>-\$2,432</u></u>	<u><u>-\$3,755</u></u>

* The South Dakota Division of Emergency Management issued State Checks an average of 3 days before the drawdown of funds from Smartlink were received in the State's treasury; therefore, the Balance of Federal Funds on Hand as of September 30, 2001, was negative for some disaster grant programs as of September 30, 2001.

**Schedule of Source and Application of Funds
South Dakota Division of Emergency Management
Disaster Assistance Grant Programs**

Attachment A-1

As of September 30, 2001

Disaster Number 1052 - Declaration Date May 26, 1995 - Flooding
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	Public Assistance Grants	Individual & Family Grants	Hazard Mitigation Grants	Total Disaster Grants
<u>Award Amounts</u>				
Federal Share	\$11,984,644	\$0	\$2,915,339	\$14,899,983
Local Match/State Share	<u>\$3,994,881</u>	<u>\$0</u>	<u>\$971,780</u>	<u>\$4,966,661</u>
Total Award Amount	<u><u>\$15,979,525</u></u>	<u><u>\$0</u></u>	<u><u>\$3,887,119</u></u>	<u><u>\$19,866,644</u></u>
<u>Source of Funds</u>				
Federal Share	\$11,984,644	\$0	\$2,687,144	\$14,671,788
Local Match/State Share	<u>\$3,827,706</u>	<u>\$0</u>	<u>\$894,810</u>	<u>\$4,722,516</u>
Total Source of Funds	<u><u>\$15,812,350</u></u>	<u><u>\$0</u></u>	<u><u>\$3,581,954</u></u>	<u><u>\$19,394,304</u></u>
<u>Application of Funds</u>				
Federal Share	\$11,984,644	\$0	\$2,687,144	\$14,671,788
Local Match/State Share	<u>\$3,827,706</u>	<u>\$0</u>	<u>\$894,810</u>	<u>\$4,722,516</u>
Total Application of Funds	<u><u>\$15,812,350</u></u>	<u><u>\$0</u></u>	<u><u>\$3,581,954</u></u>	<u><u>\$19,394,304</u></u>
<u>Balance of Federal Funds On Hand</u>				
	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Schedule of Source and Application of Funds
South Dakota Division of Emergency Management
Disaster Assistance Grant Programs

Attachment A-2

As of September 30, 2001

Disaster Number 1173 - Declaration Date April 7, 1997 - Severe Flooding, Winter Storms, High Winds, and Ice

	Public Assistance Grants	Individual & Family Grants	Hazard Mitigation Grants	Total Disaster Grants
<u>Award Amounts</u>				
Federal Share	\$35,518,722	\$1,194,547	\$7,957,287	\$44,670,556
Local Match/State Share	<u>\$2,595,457</u>	<u>\$398,182</u>	<u>\$2,652,429</u>	<u>\$5,646,068</u>
Total Award Amount	<u>\$38,114,179</u>	<u>\$1,592,729</u>	<u>\$10,609,716</u>	<u>\$50,316,624</u>
<u>Source of Funds</u>				
Federal Share	\$35,489,732	\$1,194,547	\$5,463,215	\$42,147,494
Local Match/State Share	<u>\$2,348,019</u>	<u>\$379,221</u>	<u>\$1,762,478</u>	<u>\$4,489,718</u>
Total Source of Funds	<u>\$37,837,751</u>	<u>\$1,573,768</u>	<u>\$7,225,693</u>	<u>\$46,637,212</u>
<u>Application of Funds</u>				
Federal Share	\$35,489,732	\$1,194,547	\$5,465,647	\$42,149,926
Local Match/State Share	<u>\$2,348,019</u>	<u>\$379,221</u>	<u>\$1,762,478</u>	<u>\$4,489,718</u>
Total Application of Funds	<u>\$37,837,751</u>	<u>\$1,573,768</u>	<u>\$7,228,125</u>	<u>\$46,639,644</u>
<u>Balance of Federal Funds On Hand</u>				
	<u>\$0</u>	<u>\$0</u>	<u>-\$2,432</u>	<u>-\$2,432</u>

Schedule of Source and Application of Funds
South Dakota Division of Emergency Management
Disaster Assistance Grant Programs

Attachment A-3

As of September 30, 2001

Disaster Number 1218 - Declaration Date June 1, 1998 - Severe Storms, Tornadoes, and Flooding
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	Public Assistance Grants	Individual & Family Grants	Hazard Mitigation Grants	Total Disaster Grants
<u>Award Amounts</u>				
Federal Share	\$4,406,848	\$327,598	\$1,313,781	\$6,048,227
Local Match/State Share	<u>\$1,468,949</u>	<u>\$109,199</u>	<u>\$437,927</u>	<u>\$2,016,076</u>
Total Award Amount	<u>\$5,875,797</u>	<u>\$436,797</u>	<u>\$1,751,708</u>	<u>\$8,064,303</u>
<u>Source of Funds</u>				
Federal Share	\$4,406,848	\$327,598	\$0	\$4,734,446
Local Match/State Share	<u>\$1,406,927</u>	<u>\$114,990</u>	<u>\$0</u>	<u>\$1,521,917</u>
Total Source of Funds	<u>\$5,813,775</u>	<u>\$442,588</u>	<u>\$0</u>	<u>\$6,256,363</u>
<u>Application of Funds</u>				
Federal Share	\$4,406,848	\$327,598	\$0	\$4,734,446
Local Match/State Share	<u>\$1,406,927</u>	<u>\$114,990</u>	<u>\$0</u>	<u>\$1,521,917</u>
Total Application of Funds	<u>\$5,813,775</u>	<u>\$442,588</u>	<u>\$0</u>	<u>\$6,256,363</u>
<u>Balance of Federal Funds On Hand</u>				
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Schedule of Source and Application of Funds
South Dakota Division of Emergency Management
Disaster Assistance Grant Programs

Attachment A-4

As of September 30, 2001

Disaster Number 1280 - Declaration Date June 10, 1999 - Severe Storm Tornadoes, and Flooding

	Public Assistance Grants	Individual & Family Grants	Hazard Mitigation Grants	Total Disaster Grants
<u>Award Amounts</u>				
Federal Share	\$801,100	\$744,564	\$309,140	\$1,854,804
Local Match/State Share	<u>\$267,033</u>	<u>\$248,188</u>	<u>\$103,047</u>	<u>\$618,268</u>
Total Award Amount	<u><u>\$1,068,133</u></u>	<u><u>\$992,752</u></u>	<u><u>\$412,187</u></u>	<u><u>\$2,473,072</u></u>
<u>Source of Funds</u>				
Federal Share	\$801,100	\$744,564	\$0	\$1,545,664
Local Match/State Share	<u>\$253,424</u>	<u>\$236,922</u>	<u>\$0</u>	<u>\$490,346</u>
Total Source of Funds	<u><u>\$1,054,524</u></u>	<u><u>\$981,486</u></u>	<u><u>\$0</u></u>	<u><u>\$2,036,010</u></u>
<u>Application of Funds</u>				
Federal Share	\$801,100	\$744,564	\$0	\$1,545,664
Local Match/State Share	<u>\$253,424</u>	<u>\$236,922</u>	<u>\$0</u>	<u>\$490,346</u>
Total Application of Funds	<u><u>\$1,054,524</u></u>	<u><u>\$981,486</u></u>	<u><u>\$0</u></u>	<u><u>\$2,036,010</u></u>
<u>Balance of Federal Funds On Hand</u>				
	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Schedule of Source and Application of Funds
South Dakota Division of Emergency Management
Disaster Assistance Grant Programs

Attachment A-5

As of September 30, 2001

Disaster Number 1330 - Declaration Date May 19, 2000 - Severe Winter Storms, Flooding, Landslides, and Mudslides

	Public Assistance Grants	Individual & Family Grants	Hazard Mitigation Grants	Total Disaster Grants
<u>Award Amounts</u>				
Federal Share	\$1,896,824	\$0	\$0	\$1,896,824
Local Match/State Share	<u>\$632,275</u>	<u>\$0</u>	<u>\$0</u>	<u>\$632,275</u>
Total Award Amount	<u>\$2,529,099</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,529,099</u>
<u>Source of Funds</u>				
Federal Share	\$1,602,436	\$0	\$0	\$1,602,436
Local Match/State Share	<u>\$534,145</u>	<u>\$0</u>	<u>\$0</u>	<u>\$534,145</u>
Total Source of Funds	<u>\$2,136,581</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,136,581</u>
<u>Application of Funds</u>				
Federal Share	\$1,602,436	\$0	\$0	\$1,602,436
Local Match/State Share	<u>\$534,145</u>	<u>\$0</u>	<u>\$0</u>	<u>\$534,145</u>
Total Application of Funds	<u>\$2,136,581</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,136,581</u>
<u>Balance of Federal Funds On Hand</u>				
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Schedule of Source and Application of Funds
South Dakota Division of Emergency Management
Disaster Assistance Grant Programs

Attachment A-6

As of September 30, 2001

Disaster Number 1375 - Declaration Date May 17, 2001 - Severe Winter Storms, Flooding, and Ice Jams
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	Public Assistance Grants	Individual & Family Grants	Hazard Mitigation Grants	Total Disaster Grants
<u>Award Amounts</u>				
Federal Share	\$4,998,626	\$0	\$0	\$4,998,626
Local Match/State Share	<u>\$1,666,209</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,666,209</u>
Total Award Amount	<u>\$6,664,835</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,664,835</u>
<u>Source of Funds</u>				
Federal Share	\$4,551,169	\$0	\$0	\$4,551,169
Local Match/State Share	<u>\$1,517,497</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,517,497</u>
Total Source of Funds	<u>\$6,068,666</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,068,666</u>
<u>Application of Funds</u>				
Federal Share	\$4,552,492	\$0	\$0	\$4,552,492
Local Match/State Share	<u>\$1,517,497</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,517,497</u>
Total Application of Funds	<u>\$6,069,989</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,069,989</u>
<u>Balance of Federal Funds On Hand</u>				
	<u>-\$1,323</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Attachment B

**SOUTH DAKOTA DIVISION OF EMERGENCY MANAGEMENT
MANAGEMENT COMMENTS**