**NOTE**: THE FOLLOWING NOTES TO THE FINANCIAL STATEMENTS ARE INTENDED AS A MODEL ONLY AND ARE NOT INTENDED TO BE APPLICABLE IN EVERY ENGAGEMENT. THEY HAVE BEEN PREPARED UNDER THE ASSUMPTION THAT A **MODIFIED CASH BASIS** OF ACCOUNTING IS EMPLOYED BY THE ENTITY. IF A PURE CASH BASIS OF ACCOUNTING IS APPLIED, SIGNIFICANT TERMINOLOGY CHANGES ARE NECESSARY – PARTICULARLY, ALL THE DISCLOSURES IN NOTE 3 SHOULD BE REVIEWED. THESE NOTES SHOULD BE MODIFIED AS NECESSARY TO DISCLOSE THE INFORMATION FOR FAIR PRESENTATION IN THE CIRCUMSTANCES OF EACH PARTICULAR AUDIT. CERTAIN INFORMATION MAY BE PRESENTED EITHER ON THE FACE OF THE FINANCIAL STATEMENTS OR IN THE NOTES TO THE FINANCIAL STATEMENTS. DISCLOSURE IN THE NOTES IS NEEDED ONLY WHEN THE INFORMATION REQUIRED TO BE DISCLOSED IS NOT DISPLAYED ON THE FACE OF THE FINANCIAL STATEMENTS. DO NOT COMPLETE THESE NOTES IF AN ADVERSE OPINION WILL BE ISSUED **AND** THE MUNICIPALITY DID NOT PREPARE NOTES TO THE FINANCIAL STATEMENTS. (HOWEVER, IF THE MUNICIPALITY PREPARED NOTES TO THE FINANCIAL STATEMENTS, INCLUDE THEM WITHOUT REVISION, AND MODIFY THE INDEPENDENT AUDITOR’S REPORT AS NECESSARY.) SEE CODIFICATION OF STATEMENTS ON AUDITING STANDARDS, AU § 623.09 - .10 FOR A DISCUSSION RELATING TO THE ADEQUACY OF DISCLOSURE WHEN FINANCIAL STATEMENTS ARE PREPARED ON AN OCBOA.

MUNICIPALITY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_

 NOTES TO THE **MODIFIED CASH BASIS** FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

As discussed further in Note 1.c., these financial statements are presented on a **(modified) cash basis** of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

 a. Financial Reporting Entity:

The reporting entity of the Municipality of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Municipality), consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility, even though those fiduciary funds may represent organizations that do not meet the criteria for inclusion in the financial reporting entity); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity’s financial statements to be misleading or incomplete.

**(INSERT BELOW A DESCRIPTION OF EACH COMPONENT UNIT INCLUDED IN THE FINANCIAL STATEMENTS. DESCRIBE ITS RELATIONSHIP TO THE PRIMARY GOVERNMENT; THE CRITERIA USED TO IDENTIFY IT; IDENTIFICATION OF REPORTING METHOD USED—BLENDING OR DISCRETE PRESENTATION; AND INFORMATION ABOUT WHERE FINANCIAL STATEMENTS FOR COMPONENT UNITS MAY BE OBTAINED. FOR COMPONENT UNITS WITH FISCAL YEAR-ENDS THAT VARY FROM THE MUNICIPALITY’S, ADDITIONAL DISCLOSURES MAY BE NECESSARY.)**

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The Municipality is financially accountable if its Governing Board appoints a voting majority of another organization’s governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the Municipality (primary government). The Municipality may also be financially accountable for another organization if that organization is fiscally dependent on the Municipality.

 The Housing and Redevelopment Commission of the Municipality of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, South Dakota (Commission) is a proprietary fund-type, discretely-presented component unit. The five members of the Commission are appointed by the Mayor, with the approval of the Governing Board, for five-year, staggered terms. The Commission elects its own chairperson and recruits and employs its own management personnel and other workers. The Governing Board, though, retains the statutory authority to approve or deny or otherwise modify the Commission’s plans to construct low-income housing units, or to issue debt, which gives the Governing Board the ability to impose its will on the Commission. Separately issued financial statements of the Housing and Redevelopment Commission may be obtained from: **(ADD AN APPROPRIATE ADDRESS FOR THE COMMISSION).**

**(INSERT SIMILAR INFORMATION FOR ANY OTHER COMPONENT UNITS, INDICATING WHETHER DISCRETELY PRESENTED OR BLENDED.)**

**—OR—**

 **(IF THE MUNICIPALITY HAS CREATED A HOUSING AND REDEVELOPMENT COMMISSION BUT IT IS NOT ACTIVE, PLEASE INSERT THE FOLLOWING NOTE)**

 The Municipality has created a Housing and Redevelopment Commission under the authority of South Dakota Codified Law 11-7-7. This commission has not been active and there is no financial information to report.

The Municipality participates in a cooperative unit with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. See detailed note entitled "Joint Ventures" for specific disclosures. Joint ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit but are discussed in these notes because of the nature of their relationship with the Municipality.

b. Basis of Presentation:

*Government-wide Financial Statements:*

 The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds, **(and fiduciary-type component units)**. The statements distinguish between governmental **and business-type activities (and discretely presented component units)**. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. **Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.** **Discretely presented component units are legally separate organizations that meet certain criteria, as described in note 1.a., above, and may be classified as either governmental or business-type activities. See the discussion of individual component units in Note 1.a., above.**

The Statement of Activities presents a comparison between direct expenses and program revenues **for each segment of the business-type activities of the Municipality** and for each function of the Municipality’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

 *Fund Financial Statements:* **(amend accordingly based on fund structure of entity)**

 Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into **three** major categories: governmental, **proprietary**, and fiduciary. An emphasis is placed on major funds within the governmental and **proprietary** categories. A fund is considered major if it is the primary operating fund of the Municipality or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or
3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund’s operations.

 The funds of the Municipality financial reporting entity are described below: **(amend accordingly based on fund structure of entity)**

**Governmental Funds:**

*General Fund – The General Fund is the general operating fund of the Municipality. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.*

*Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes.*

Liquor, Lodging and Dining Gross Receipts Tax Fund – to account for the collection of a one percent tax on the gross receipts of lodgings, alcoholic beverages, prepared food and admissions which tax shall be used for the purpose of land acquisition, architectural fees, construction costs, payments for civic center, auditorium or athletic facility buildings, including the maintenance, staffing, and operations of such facilities and the promotion and advertising of the city (SDCL 10-52A-2). This fund may be established at the direction of the governing body through local ordinance. This is **(not)** a major fund.

**(Add additional major fund information as necessary)**

**The remaining Special Revenue funds are not considered major funds: Special Park Fund, Auditorium Building Fund, Library Building Fund, Business Improvement District Fund, 911 Emergency Fund, and Library Fines Fund. These funds are reported on the fund financial statements as “Other Governmental Funds”. [AMEND ACCORDING TO ACTUAL FUND STRUCTURE]**

*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, interest, and related costs.*

Series \_\_\_\_ Debt Service Fund – to account for property taxes which may be used only for the payment of the debt principal, interest, and related costs. This is **(not)** a major fund.

*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 or trust funds for individuals, private organizations, or other governments).*

\_\_\_\_\_\_\_ Capital Projects Fund – to account for financial resources to be used for the construction of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ This is **(not)** a major fund.

*Permanent Funds – Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Municipality’s programs—that is for the benefit of the Municipality and its citizenry.*

Cemetery Perpetual Care Fund – to account for the payments received for perpetual care of cemeteries which is permanently set aside and for which only the income from the trust fund investments is used for the care and maintenance of the cemetery. (SDCL 9-32-18) This is **(not)** a major fund.

**Proprietary Funds:**

*Enterprise Funds – Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Governments should apply each of these criteria in the context of the activity's principal revenue sources.*

*a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable "solely" from the revenues of the activity.)*

*b. Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.*

*c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).*

Water Fund – financed primarily by user charges this fund accounts for the construction and operation of the municipal waterworks system and related facilities. (SDCL 9-47-1) This is **(not)** a major fund.

Sewer Fund – financed primarily by user charges this fund accounts for the construction and operation of the municipal sanitary sewer system and related facilities. (SDCL 9-48-2) This is **(not)** a major fund.

**(Add additional fund information as necessary in a manner similar to the Water and Sewer Funds information, above)**

*Internal Service Funds – Internal service funds are used to account for the financing of goods or services provided by one department or Custodial to other departments or agencies of the primary governments and its component units, or to other governments, on a cost-reimbursement basis. The particular types of goods or services provided to other funds are as follows: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Internal service funds are never considered to be major funds. The Municipality maintains \_\_\_ internal service funds. -- OR -- The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund is the only internal service fund maintained by the Municipality.*

**Fiduciary Funds:**

 Fiduciary funds consist of the following sub-category**(ies)** and is **(are)** never considered to be **(a)** major fund**(s)**:

 *Pension (and Other Employee Benefit Trust Funds) – Pension and other employee benefit trust funds are used to account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution pension plans, other post employment benefit plans, or other employee benefit plans. The Municipality manages an IRC 457 Deferred Compensation Plan, which it offers to its employees. See the detailed note for more information. (****Add one or more detailed notes following the SDRS Note, as necessary.)***

 *Private-Purpose Trust Funds – Private-purpose trust funds are used for trust arrangements under which the principal and income benefit individuals, private organizations, or other governments.* ***(Describe the kinds of activities included in these funds – GASB Cod 1300.125)***

*Custodial Funds* – *Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.* ***(Describe the kinds of activities included in these funds – GASB Cod 1300.125)***

c. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

The Municipality’s basis of accounting is the **modified cash basis**, which is a basis of accounting other than USGAAP. Under USGAAP, transactions are recorded in the accounts when revenues are earned, and liabilities are incurred. Under the **modified cash basis**, transactions are recorded when cash is received or disbursed.

*Measurement Focus:*

*Government-wide Financial Statements:*

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus, applied within the limitations of the modified cash basis of accounting as defined below.

*Fund Financial Statements:*

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used, applied within the limitations of the modified cash basis of accounting.

*Basis of Accounting:*

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental, **business-type, and component unit** activities are presented using a modified cash basis of accounting.

The modified cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions. Under the modified cash basis of accounting, the statement of financial position reports only cash and cash equivalents (those investments with terms to maturity of 90 days (three months) or less at the date of acquisition). Under the modifiedcash basis of accounting, transactions are recorded in the accounts when cash and/or cash equivalents are received or disbursed, and assets and liabilities are recognized to the extent that cash has been received or disbursed. The acceptable modification to the cash basis of accounting implemented by the Municipality in these financial statements is:

Recording long-term investments in marketable securities (those with maturities more than 90-days (three months) from the date of acquisition) acquired with cash assets at cost.

**[THE ABOVE NOTE SHOULD BE USED WHEN THE ONLY MODIFICATION TO CASH BASIS IS “INVESTMENTS”]**

**[OTHER ACCEPTABLE MODIFICATIONS ARE SHOWN BELOW – NOTE THE REMAINDER OF THE NOTES WILL ONLY ADDRESS THE “INVESTMENT MODIFICATION”. IF THE ENTITY HAS ADDITIONAL MODIFICATION IT WILL BE NECESSARY TO AMEND THE REMAINING NOTES ACCORDINGLY]**

Acceptable modifications to the cash basis of accounting implemented by the Municipality in these financial statements are **(SELECT THOSE THAT APPLY AND DELETE THE REST. ADD OTHERS THAT QUALIFY, AS APPLICABLE)**:

1. Recording long-term investments in marketable securities (those with maturities more than 90-days (three months) from the date of acquisition) acquired with cash assets at cost.
2. Recording assets and liabilities related to interfund receivables and payables resulting from cash transactions between funds.
3. Recording prepaid expenses for goods or services to be received from suppliers in the ordinary course of business, based on the payment of cash in advance.
4. Recording deferred revenue related to cash received in advance of providing a good or service to a customer in the ordinary course of business.
5. Recording all material assets, liabilities, revenues/receipts, and expenditures/expenses/disbursements arising from cash transactions.
6. Recording of capital assets arising from cash transactions and depreciating those assets where appropriate (examples, land and other property and equipment; however, assets acquired under capital leases are only recorded as the lease obligation is retired).
7. Recording of long-term debt arising from cash transactions (examples: bonds payable, notes payable; however, leases payable usually do not qualify).
8. Recording both capital assets and related long-term debt used to finance the capital asset acquisition.

**(NOTE: THE MORE OF THE ABOVE MODIFICATIONS EMPLOYED BY THE MUNICIPALITY, THE CLOSER TO GAAP THE FINANCIAL STATEMENTS BECOME. AT SOME POINT, BASED ON AUDITOR’S JUDGMENT, THE FINANCIAL STATEMENTS BECOME, IN SUBSTANCE, MORE EQUIVALENT TO GAAP-BASIS STATEMENTS, AND NO LONGER QUALIFY AS AN OCBOA PRESENTATION.)**

 As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

 If the Municipality applied USGAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types and fiduciary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

d. Interfund Eliminations and Reclassifications:

***[NOTE: If the entity does not have any internal balances or internal service funds the following note would not be required.]***

 *Government-wide Financial Statements:*

 In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified, as follows:

* + 1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances.
		2. In order to minimize the doubling-up effect on internal service fund activity, certain “centralized expenses” including an administrative overhead component, are charged as direct expenses to funds or programs in order to show all expenses that are associated with a service, program, department, or fund. When expenses are charged, in this manner, expense reductions occur in the **(General Fund) (Internal Service Funds) (\_\_\_\_\_\_\_\_\_\_ Fund)**, so that expenses are reported only by the function to which they relate.

e. Deposits and Investments:

 For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts and certificates of deposit or short-term investments with a term to maturity at date of acquisition of three months or less. Investments in open-end mutual fund shares, or similar investments in external investment pools, are also considered to be cash equivalents.

 Investments classified in the financial statements consist **entirely** **(primarily)** of certificates of deposit whose term to maturity at date of acquisition exceeds three months, and/or those types of investment authorized by South Dakota Codified Laws (SDCL) 4-5-6. Under the modified cash basis of accounting, investments are carried at cost.

 f. Capital Assets:

Capital assets include land, buildings, improvements other than buildings, furnishings and equipment, construction/development in progress, infrastructure, intangible lease assets, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. *Infrastructure assets* are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets.

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements**, governmental, business-type, and component unit activities [NOTE: Eliminate preceding if the entity has only Governmental Activities]** are presented using a modified cash basis of accounting. The Municipality has not elected to modify their cash basis presentation by recording capital assets arising from cash transactions and depreciating/amortizing those assets where appropriate, so any capital assets owned by the Municipality and the related depreciation/amortization are not reported on the financial statements of the Municipality.

 g. Long-Term Liabilities:

Long-term liabilities include, but are not limited to, General Obligation Bonds, Revenue Bonds, Certificates of Participation, Notes Payable, Lease Liabilities, Subscription Liabilities, and Compensated Absences.

As discussed in Note 1.c. above the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental, **business-type, and component unit** activities **[NOTE: Eliminate preceding if the entity has only Governmental Activities]** are presented using a modified cash basis of accounting. The Municipality has not elected to modify their cash basis presentation by recording long-term debt or long-term liabilities arising from cash transactions, so any outstanding long-term debt or long-term liabilities are not reported on the financial statements of the Municipality. The Municipality does report the principal and interest payments on long-term debt as Debt Service expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances. On the Statement of Activities, the principal portion of these Debt Service payments are reported within the appropriate expense function while the interest portion is reported as Interest on Long-Term Debt.

The Municipality has presented as Supplementary Information a Schedule of Changes in Long-Term Debt along with related notes that include details of any outstanding Long-Term Debt.

 h. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the Municipality’s taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

i. Proprietary Funds Revenue and Expense Classifications:

 In the proprietary fund’s Statement of Revenues, Expenses and Changes in Net Position, revenues and expenses are classified as operating or non-operating revenues and expenses. Operating revenues and expenses directly relate to the purpose of the fund.

j. Cash and Cash Equivalents:

For the purposes of the proprietary funds’ Statement of Cash Flows, the Municipality considers all highly liquid investments as deposits **(including restricted assets)** with a term to maturity of three months or less, at date of acquisition, to be cash equivalents.

**—OR—**

 The Municipality pools the cash resources of its funds for cash management purposes. The **(proprietary funds)** essentially **has/have** access to the entire amount of its/their cash resources on demand. Accordingly, each proprietary fund’s equity in the cash management
pool is considered to be cash and cash equivalents for the purpose of the Statement of Cash Flows.

k. Equity Classifications:

 *Government-wide Financial Statements:*

 Equity is classified as Net Position and is displayed in two components:

1. Restricted Net Position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

2. Unrestricted Net Position – All other net position that do not meet the definition of Restricted Net Position.

 *Fund Financial Statements:*

 Governmental fund equity is classified as fund balance, and is distinguished between Nonspendable, Restricted, Committed, Assigned, or Unassigned components. Proprietary fund equity is classified the same as in the government-wide financial statements. Fiduciary fund equity is reported as restricted net position.

 l. Application of Net Position:

 It is the Municipality’s policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

m. Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Municipality classifies governmental fund balances as follows:

* Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
* Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
* Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.
* Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund Balance may be assigned by the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **(fill in appropriate titles such as Municipal Council, Municipal Administrator, Mayor, Finance Officer, etc.).**
* Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Nonspendable Fund Balance is comprised of the following:

* Amount reported in nonspendable form such as inventory, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_.
* Amount legally or contractually required to be maintained intact such as \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_.
* Amount not in cash form such as long-term portion of loans receivable, \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_.

The Municipal Governing Board committed the following fund balance types by taking the following action:

**Fund Balance Type Amount Action**

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Municipality uses *restricted/committed* amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Government would first use *committed, then assigned, and lastly unassigned amounts* of unrestricted fund balance when expenditures are made.

The Municipality ***does/does not***have a formal minimum fund balance policy.

**[INSERT MINIMUM FUND BALANCE POLICY, IF APPLICABLE]**

The purpose of each major special revenue fund and revenue source is listed below:

**Major Special Revenue Fund Revenue Source**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***[IF THE MUNCIPALITY DOES NOT PRESENT THE DETAIL OF THE FUND BALANCE CATEGORIES ON THE FACE OF THE FINANCIAL STATEMENTS, INSERT THE FOLLOWING]***

A schedule of fund balances is provided as follows:

|  |
| --- |
| **MUNICIPALITY OF \_\_\_\_\_\_\_\_\_\_\_** |
| **DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET** |
| **GOVERNMENTAL FUNDS** |
| **December 31, 202\_** |
|  |  |  |  |  |  |  |  |  |  | **Other** |  | **Total** |
|  |  | **General** |  |  |  |  |  |  |  | **Governmental** |  | **Governmental** |
|  |  | **Fund** |  | **Fund** |  | **Fund** |  | **Fund** |  | **Funds** |  | **Funds** |
| **Fund Balances:** |  |  |  |  |  |  |  |  |  |  |  |  |
|  Nonspendable: |  |  |  |  |  |  |  |  |  |  |  |  |
|  Inventory |  |   |  |   |  |   |  |   |  |   |  |   |
|  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |   |  |   |  |   |  |   |  |   |  |   |
|  Restricted For: |  |  |  |  |  |  |  |  |  |  |  |  |
|  Debt Service Requirements |  |   |  |   |  |   |  |   |  |   |  |   |
|  Other Purposes |  |   |  |   |  |   |  |   |  |   |  |   |
|  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |   |  |   |  |   |  |   |  |   |  |   |
|  Assigned To: |  |  |  |  |  |  |  |  |  |  |  |  |
|  Applied to Next Year’s Budget Capital Outlay Accumulations\_\_Other Purposes\_\_\_\_\_\_\_\_ |  |   |  |   |  |   |  |   |  |   |  |   |
|  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |   |  |   |  |   |  |   |  |   |  |   |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  Unassigned |  |   |  |   |  |   |  |   |  |   |  |   |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total Fund Balances |  |   |  |   |  |   |  |   |  |   |  |   |
|  |  |  |  |  |  |  |  |  |  |  |  |  |

2. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 202\_\_, the Municipality implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). This statement improves accounting and financial reporting for SBITAs; enhances the comparability of financial statements between governments; and also enhances the understandability, reliability, relevance, and consistency of information about SBITAs. The County prepared and presented the financial statements in accordance with the modified cash basis of accounting described in Note 1.c.; therefore, the implementation of this standard did not affect beginning net position or beginning fund balances. ***(Modify and disclose in Note 26 if needed)***

3. Violations of Finance-related Legal and Contractual Provisions

**NOTE: DISCLOSURE IS REQUIRED FOR ANY FUND, INCLUDING NONMAJOR FUNDS (NOT CUSTODIAL FUNDS) IF THE OVER EXPENDITURE CONSTITUTES A SIGNIFICANT VIOLATIONS]**

The Municipality is prohibited by statute from spending in excess of appropriated amounts at the department level. The following represents the significant overdrafts of the expenditures compared to appropriations:

 Year Ended

 12/31/2023

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund:

Activity

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund:

Activity

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Municipality plans to take the following actions to address these violations:
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**(NOTE: OTHER MATTERS, SUCH AS VIOLATIONS OF BONDED DEBT COVENANTS, SHOULD BE ADDRESSED IN A NOTE FOLLOWING THIS NOTE, AS APPLICABLE.)**

4. Deficit Fund Balances / Net Position of Individual Nonmajor Funds

 As of December 31, 2023, the following individual nonmajor funds had deficit fund balances/net position in the amounts shown:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund $\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund $\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund $\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Municipality plans to take the following actions to address the deficit fund balances/net position:
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**(NOTE: Response is not necessarily required but should be considered)**

5. Deposits and Investments Credit Risk, Concentrations of Credit Risk and Interest Rate Risk

***(NOTE TO PREPARER: This example is based on a specific set of circumstances* *(SPECIFIC IDENTIFICATION, NO INVESTMENT POLICY*:)*, any deviation from which may require additional or modified disclosures in accordance with GASB Statement Nos. 40, 31 and 3.)***

The Municipality 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:

Deposits – The Municipality’s cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 9-22-6, 9-22-6.1 and 9-22-6.2, and may be in the form of demand or time deposits. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank’s public debt rating which may not be less than “AA” or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Investments – In general, SDCL 4-5-6 permits Municipality funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

As of December 31, 2023, the Municipality did not have any investments. The investments reported in the financial statements consist of only certificates of deposit.

**--OR--**

***(NOTE TO PREPARER--Fair Value Measurement and Application (GASB Statement 72): The following is an illustrative example of a General-Purpose Government and additional disclosures may be necessary based on the nature and complexity of investments.)***

**Fair Value Measurement** – The Municipality categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Municipality has the following recurring fair value measurements as of December 31, 2023:

***(List by each type of investment the fair value measurement, the level (1, 2 or 3) of the fair value hierarchy, and the description of the valuation technique used in the fair value measurement)***

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Credit Risk** – State law limits eligible investments for the Municipality, as discussed above. The Municipality has no investment policy that would further limit its investment choices.

As of December 31, 2023, the Municipality had the following investments. Except for the investment in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, for the\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Fund, all investments are in an internal deposit and investment pool.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Credit |  |  |  | Fair |
| Investments |  | Rating |  | Maturities |  | Value |
|  |  |  |  |  |  |  |
| U.S. Treasury Bills |  | N/A |  |  |  |  |
| U.S. Treasury Notes |  | N/A |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Subtotals |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Mutual Funds: |  |  |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| External Investment Pools: |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| SDFIT |  | Unrated |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| TOTAL INVESTMENTS |  |  |  |  |  |  |

The South Dakota Public Fund Investment Trust (SDFIT) is an external investment pool created for South Dakota local government investing. It is regulated by a nine-member board with representation from municipalities, school districts and counties. The net asset value of the SDFIT money market account (GCR) is kept at one dollar per share by adjusting the rate of return on a daily basis. Earnings are credited to each account on a monthly basis.

***(NOTE TO Preparer: Use the following only when one or more depositories are listed on the*** *“****Depository Information For State And Local Government Accounts” section of the DLA web page for IPA Support.)***

 **Custodial Credit Risk – Deposits** – The risk that, in the event of a depository failure, the Municipality’s deposits may not be returned to it. The Municipality does not have a deposit policy for custodial credit risk. As of December 31, 2023, the Municipality’s deposits in financial institutions were exposed to custodial credit risk as follows (Example):

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Depository Name |  | % Under-Collateralized |  | At-RiskAmount |
| Sample National Bank  |  | 9.78% |  | $ |
| OUT-OF-STATE BANK |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Total Deposits Exposed to Custodial Credit Risk |  |  |  | $ |
|  |  |  |  |  |

 **Custodial Credit Risk – Investments** – The risk that, in the event of the counterparty to a transaction, the Municipality will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

***(NOTE TO PREPARER: - Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either:***

***a. The counterparty or***

***b. The counterparty’s trust department or agent but not in the government’s name.***

***If a government has investment securities at the end of the period that are exposed to custodial credit risk, it should disclose the investments’ type, the reported amount, and how the investments are held. Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Securities underlying reverse repurchase agreements are not exposed to custodial credit risk because they are held by the buyer-lender. The term securities as used in this paragraph include securities underlying repurchase agreements and investment securities. Also, this risk type would in all probability be a violation of SDCL 4-5-9.)***

***(NOTE TO PREPARER –NOTE THAT ADDITIONAL NOTE DISCLOSURES ARE REQUIRED IF THE MUNICIPALITY REPORTS VALUE AT OTHER THAN FAIR VALUE, REPORTS INVESTMENTS AT AMORTIZED COSTS, OR PARTICIPATES IN AN EXTERNAL INVESTMENT POOL. IF ANY OF THESE SITUATIONS EXIST, SEE GASB STATEMENT* NO. 31 FOR THE NECESSARY MODIFICATIONS TO THESE NOTES.)**

***(NOTE TO PREPARER – If the concentration of credit risk for an opinion unit is greater than for the primary government, see GASB Statement 40, paragraphs 11 and 5 and make required disclosure.)***

**Concentration of Credit Risk** – The Municipality places no limit on the amount that may be invested in any one issuer. More than 5 percent of the Municipality’s investments are in \_\_\_\_\_\_ (name security, and indicate %age) \_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Interest Rate Risk** – The Municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Assignment of Investment Income** – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The Municipality’s policy is to credit all income from investments to the fund making the investment, except for interest generated by the Cemetery Perpetual Care Fund, which must be credited to the General Fund, and used only for maintenance of the municipal cemetery, as required by SDCL 9-32-18.

**–OR–**

**Assignment of Investment Income** – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The Municipality’s policy is to credit all income from deposits and investments to the General Fund, **including investment income generated by the Cemetery Perpetual Care Fund, which must be credited to the General Fund, and used only for maintenance of the municipal cemetery, as required by SDCL 9-32-18, except for the private-purpose trust fund(s) which retains its investment income**. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income except where legal or contractual requirements require investment income to be credited to a fund other than the one associated with the assets. Where the governing board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund is reported. Accordingly, in the fund financial statements, interfund transfers of investment earnings are reported, while in the government-wide financial statements, they have been eliminated, **except for the net amounts transferred between governmental activities and business-type activities.**

6. Restricted Cash and Investments

Assets restricted to use for a specific purpose through segregation of balances in separate accounts are as follows:

 Amount: Purpose:

 $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Security for loan, bonds, and similar commitments

 (such as a CD pledged as collateral for a loan)

 $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ For Capital Asset construction (includes balances with

 trustees)

 $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ For Debt Service, by debt covenants

 (sinking funds required to be in a separate account)

Additionally, the Municipality has an unused letter of credit from a commercial bank in the amount of $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

7. Property Taxes

Property taxes are levied on or before October 1, of the year preceding the start of the fiscal year. They attach as an enforceable lien on property, and become due and payable as of January 1, the first day of the fiscal year. Taxes are payable in two installments on or before April 30 and

October 31 of the fiscal year.

The Municipality is permitted by several state statutes to levy varying amounts of taxes per $1,000 of taxable valuation on taxable real property in the Municipality.

8. Conduit Debt

***GASB Statement No. 91 Conduit Debt Obligations requires the following information be disclosed about conduit debt obligations. An example of a disclosure follows the required information.***

 ***The disclosure for conduit debt obligations should include:***

1. ***A general description of the issuer’s conduit debt obligation(s)***
2. ***A general description of the issuer’s limited commitment(s)***
3. ***A general description of the issuer’s voluntary commitment(s)***
4. ***A general description of the issuer’s additional commitment(s), including:***
5. ***The legal authority and limits for extending commitment(s)***
6. ***The length of time of the commitment(s)***
7. ***Arrangements, if any, for recovering payments from the third-party obligor(s)***
8. ***The aggregate outstanding principal amount of the debt obligations that share the same type of commitment(s) at the end of the reporting period.***

 ***If an issuer has recognized a liability in accordance with GASB 91 paragraphs 10-17 it***

 ***should disclose the following information:***

1. ***A brief description of the timing of recognition and measurement of the liability and information about the changes in recognized liability, including the following:***
	1. ***Beginning-of-period balances***
	2. ***Increases, including initial recognition and adjustments increasing estimates***
	3. ***Decreases, including payments made and adjustments decreasing estimates***
	4. ***End-of-period balances***
2. ***Cumulative amounts of payments that have been made on the recognized liability at the reporting date, if any***
3. ***Amounts expected to be recovered from those payments, if any***

In the past, the Municipality has issued revenue bonds to provide financial assistance to certain private-sector entities for the acquisition and/or construction of facilities deemed to be in the public interest. These bonds are secured by the property being financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities is retained by the private-sector entity served by the bond issuance. Neither the Municipality, the State of South Dakota, nor any other political subdivision of the State is obligated in any manner for the repayment of these conduit debt issues. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2023, there were \_\_\_\_\_\_\_\_\_\_ **(ENTER NUMBER OF OUTSTANDING BOND ISSUES)** series of conduit bonds outstanding, with an aggregate unpaid principal amount of $\_\_\_\_\_\_\_\_\_\_\_\_ **(ENTER TOTAL AMOUNT OF ALL UNPAID PRINCIPAL).**

9. Landfills

 **(INSERT LANDFILL DISCLOSURES AS APPLICABLE – BE SURE TO INCLUDE ANY PERTINENT DATA ON FUNDING THE DENR REQUIRED TRUST FUND – GASB L10.116)**

10. Segment Information for Enterprise Funds

***[NOTE TO PREPARER – This is only required for “non major” enterprise funds which have revenue bonds secured by all or a portion of the revenues of the enterprise fund. It is also required for a major enterprise fund with two or more revenue bond issues, where only a specific portion of the operating revenues secure each revenue-backed debt.]***

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_are maintained by the Municipality which provide\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ services financed partially by user charges. Segment information for these separately identifiable activities that have one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt, as well as a requirement to account for the activity’s revenues, expenses, gains and losses, assets and liabilities apart from other activities within the same fund or in different funds is as follows

Year Ended December 31, 2023

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Activity/** |  | **Activity/** |  | **Activity/** |  |
|  | **Fund** |  | **Fund** |  | **Fund** |  |
| **CONDENSED STATEMENT OF**  |  |  |  |  |  |  |
|  **NET POSITION** |  |  |  |  |  |  |
| Assets |  |  |  |  |  |  |
|  Current Assets |  |  |  |  |  |  |
|  Capital Assets |  |  |  |  |  |  |
|  Total Assets | 0 |  | 0 |  | 0 |  |
| Liabilities |  |  |  |  |  |  |
|  Current liabilities |  |  |  |  |  |  |
|  Noncurrent liabilities |  |  |  |  |  |  |
|  Total liabilities | 0 |  | 0 |  | 0 |  |
| Net Position |  |  |  |  |  |  |
|  Net Investment in Capital Assets |  |  |  |  |  |  |
|  Restricted |  |  |  |  |  |  |
|  Unrestricted |  |  |  |  |  |  |
| Total Net Position | 0 |  | 0 |  | 0 |  |
|  |  |  |  |  |  |  |
| **CONDENSED STATEMENT OF** |  |  |  |  |  |  |
|  **REVENUES, EXPENSES, AND**  |  |  |  |  |  |  |
|  **CHANGES IN NET POSITION** |  |  |  |  |  |  |
| Operating revenues |  |  |  |  |  |  |
| Depreciation expense |  |  |  |  |  |  |
| Other operating expenses |  |  |  |  |  |  |
|  Operating income | 0 |  | 0 |  | 0 |  |
| Nonoperating revenues (expenses) |  |  |  |  |  |  |
|  Investment income |  |  |  |  |  |  |
|  Interest expense |  |  |  |  |  |  |
| Capital contributions |  |  |  |  |  |  |
| Transfers out |   |  |   |  |   |  |
|  Changes in Net Position | 0 |  | 0 |  | 0 |  |
| Beginning Net Position |  |  |  |  |  |  |
| Ending Net Position | 0 |  | 0 |  | 0 |  |
|  |  |  |  |  |  |  |
| **CONDENSED STATEMENT OF** |  |  |  |  |  |  |
|  **CASH FLOWS** |  |  |  |  |  |  |
| Net cash provided (used) by: |  |  |  |  |  |  |
|  Operating activities |  |  |  |  |  |  |
|  Noncapital financing activities |  |  |  |  |  |  |
|  Capital and related financing activities |  |  |  |  |  |
|  Investing activities |   |  |   |  |   |  |
|  Net increase (decrease) | 0 |  | 0 |  | 0 |  |
| Beginning cash and cash equivalents |  |  |  |  |  |  |
| Ending cash and cash equivalents | 0 |  | 0 |  | 0 |  |

11. Restricted Net Position

***(If the Municipality has a permanent endowments or permanent fund principal amounts, “restricted Net Position” should be displayed (on face of financial statements) in two additional components—expendable and nonexpendable. Nonexpendable Net Position are those that are required to be retained in perpetuity. [GASBS 34, ¶35])***

 Restricted Net Position for the year ended December 31, 2023, was as follows:

|  |  |  |
| --- | --- | --- |
| **Major Purposes:** |  |  |
|  \_\_\_\_\_\_\_\_\_ Purposes |  $  |  |
|  |  |  |
| **Permanently Restricted Purposes:** |  |  |
|  Cemetery Perpetual Care – Expendable |   |  |
|  Cemetery Perpetual Care – Nonexpendable |   |  |
|  |  |  |
| **Other Purposes:** |  |  |
|  \_\_\_\_\_\_\_\_\_\_\_\_ Purposes |  |  |
|  \_\_\_\_\_\_\_\_\_\_\_\_ Purposes |  |  |
|  \_\_\_\_\_\_\_\_\_\_\_\_ Purposes |  |  |
|  \_\_\_\_\_\_\_\_\_\_\_\_ Purposes |  |  |
|  \_\_\_\_\_\_\_\_\_\_\_\_ Purposes |  |  |
|  \_\_\_\_\_\_\_\_\_\_\_\_ Purposes |  |  |
|  |  |  |
| Total Other Purposes |  |  |
|  |  |  |
| **Total Restricted Net Position** |  |  **$**  |

 These balances are restricted due to federal grant and statutory requirements.

12. Interfund Transfers

 Interfund transfers for the year ended December 31, 2023, were as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
|  |  |  | **Transfers To:** |  |  |
|  |  |  |  General |  |  |  | Other Governmental |  |  |
| **Transfers From:** |  |  Fund |  | Fund |   | Funds |  | Total |
|  |  |  |  |  |  |  |  |  |  |
| Major Funds: |  |  |  |  |  |  |  |  |
|  General Fund |  |  $  |  |  $  |  |  $  |  |  $  |

The Municipality typically budgets transfers to the \_\_\_\_\_\_\_\_\_\_ Fund and the \_\_\_\_\_\_\_\_\_\_ Fund (Other Governmental Fund) to conduct the indispensable functions of the Municipality.

13. Tax Abatements

***[IN ACCORDANCE WITH gasb #77, Governments should disclose in the notes to financial statements information related to tax abatement agreements that they enter into IN THE NOTES TO THE FINANCIAL STATEMENTS. DISCLOSURE INFORMATION FOR TAX ABATAMENTS MAY BE PROVIDED INDIVIDUALLY OR MAY BE AGGREGATED. WHETHER PRESENTED INDIVIDUALLY OR IN AGRREGATE THE INFORMATION SHOULD BE ORGANIZED BY EACH MAJOR TAX ABATEMENT PROGRAM. THE DISCLOSURE SHOULD INCLUDE THE FOLLOWING: Names and purposes of the tax abatement programs, The specific taxes being abated, authority under which tax abatement agreements are entered into, ELIGIBILITY criteria, mechanism by which the taxes are abated, RECAPTURE Provisions, types of commitments made by the recipients of the tax abatements, gross dollar amount OF government’s tax revenues were reduced during the reporting period.***

***ALSO, GOVERNMENTS SHOULD DISCLOSE tax abatement agreements that are entered into by other governments and that reduce the reporting government’s tax revenues.***

***tHE FOLLOWING IS ONLY AN EXAMPLE DISCLOSURE; PLEASE REVIEW GASB #77 FOR SPECIFIC DISCLOSURE REQUIREMENTS.]***

The Municipality enters into property tax abatement agreements with local businesses under SDCL \_\_\_\_\_\_\_\_ and Ordinance No. \_\_\_\_\_\_\_\_\_\_. Under the agreement, the Municipality may grant property tax abatements of up to \_\_\_ percent of a business’ property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Municipality.

For the year ended December 31, 20\_\_, the Municipality abated property taxes totaling $\_\_\_\_\_\_\_ under this program, including the following tax abatement agreements that each exceeded \_\_ percent of the total amount abated:

* A \_\_ percent property tax abatement to a \_\_\_\_\_\_\_\_\_\_\_ for purchasing and opening a store in an empty storefront in the business district. The abatement amounted to $\_\_\_\_\_\_\_.
* A \_\_ percent property tax reduction for a local restaurant increasing the size of its restaurant and catering facility and increasing employment. The abatement amounted to $\_\_\_\_\_\_.

14. Prior Period Adjustments

**(INSERT AN EXPLANATION FOR PRIOR PERIOD ADJUSTMENTS CONTAINED ON THE FINANCIAL STATEMENTS IN THE AUDIT REPORT UNLESS THE ADJUSTMENTS ARE ADEQUATELY EXPLAINED ON THE FACE OF THE STATEMENTS.)**

15. Pension Plan

**Plan Information:**

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS). SDRS is a hybrid defined benefit plan designed with several defined contribution plan type provisions and is administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. 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 and required supplementary information. That report may be obtained at http://sdrs.sd.gov/publications.aspx or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

**Benefits Provided:**

SDRS has four classes of members: Class A general members, Class B public safety and judicial members, Class C Cement Plant Retirement Fund members, and Class D Department of Labor and Regulation members.

Members that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80. Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation public safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirements that do not meet the above criteria may be payable at a reduced level. Class A and B eligible spouses of Foundation members will receive a 60 percent joint survivor benefit when the member dies.

Members that were hired on/after July 1, 2017, are Generational members. Class A Generational members and Class B Generational judicial members who retire after age 67 with three years of contributory service are entitled to an unreduced annual retirement benefit. Class B Generational public safety members can retire with an unreduced annual retirement benefit after age 57 with three years of contributory service. At retirement, married Generational members may elect a single-life benefit, a 60 percent joint and survivor benefit, or a 100 percent joint and survivor benefit. All Generational retirement benefits that do not meet the above criteria may be payable at a reduced level. Generational members will also have a variable retirement account (VRA) established, in which they will receive up to 1.5 percent of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

 Legislation enacted in 2017 established the current COLA process. At each valuation date:

* Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to long-term inflation assumption of 2.25%.
* If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
	+ The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.
* If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:
	+ The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

 Legislation enacted in 2021 reduced the minimum COLA from 0.5 percent to 0.0 percent.

All benefits except those depending on the Member’s Accumulated Contributions are annually increased by the Cost-of-Living Adjustment.

**(NOTE: If the benefit terms included postemployment benefit changes, the Municipality should disclose information about those terms, as required by paragraph 76b of Statement 68)**

**(NOTE: If the pension plan was closed to new entrants, the Municipality should disclose that fact, as required by paragraph 76b of Statement 68)**

**Contributions:**

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee’s contribution. The Municipality’s share of contributions to the SDRS for the calendar years ended December 31, 2023, 2022, and 2021, equal to the required contributions each year, were as follows:

|  |  |  |
| --- | --- | --- |
| Year |  | Amount |
| 2023 |  | $  |
| 2022 |  | $  |
| 2021 |  | $  |

**(NOTE: GASB REQUIRES THREE YEARS OF DATA, EVEN FOR A ONE YEAR AUDIT PERIOD.)**

 **(NOTE: IF THE MUNICIPALITY HAS ANY ADDITIONAL EMPLOYEE RETIREMENT PLANS, INSERT THE APPROPRIATE DISCLOSURES. IF THE MUNICIPALITY EMPLOYEES WERE PROVIDED ALSO CONSIDER WHETHER A VIOLATION OF SDCL 3-12-66 HAS OCCURRED.)**

 **Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:**

 At June 30, 2023, SDRS is 100.1% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of South Dakota Retirement System, for the Municipality as of this measurement period ending June 30, 2023, and reported by the Municipality as of December 31, 2023, are as follows:

|  |  |  |
| --- | --- | --- |
| Proportionate share of total pension liability |  | $ |
|  |  |  |
| Less proportionate share of net position restricted for pension benefits  |  |  |
|  |  |  |
|  Proportionate share of net pension asset |  | ($ ) |

 The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was based on a projection of the Municipality’s share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the Municipality’s proportion was \_\_\_\_\_\_\_\_\_\_\_%, which is an increase (decrease) of \_\_\_\_\_\_\_\_\_\_% from its proportion measured as of June 30, 2022.

 **(NOTE: If there had been a change of benefit terms that affected the measurement of the total pension liability (asset) since the prior measurement date, the Municipality should disclose information required by paragraph 80e of Statement 68.)**

 **(NOTE: If changes expected to have a significant effect on the measurement of the net pension liability (asset) had occurred between the measurement date and the reporting date, the Municipality should disclose information required by paragraph 80f of Statement 68.)**

 **Actuarial Assumptions:**

 The total pension asset in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

 Inflation 2.50 percent

 Salary Increases Graded by years of service, from 7.66% at entry to 3.15% after 25

 years of service

 Discount Rate 6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%.

 Future COLAs 1.91%

 Mortality Rates:

 All mortality rates based on Pub-2010 amount-weighted mortality tables, projected

 generationally with improvement scale MP-2020

 Active and Terminated Vested Members:

 Teachers, Certified Regents, and Judicial: PubT-2010

 Other Class A Members: PubG-2010

 Public Safety Members: PubS-2010

 Retired Members:

 Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age

 65

 Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per

 year until 111% of rates at age 83 and above

 Public Safety Retirees: PubS-2010, 102% of rates at all ages

 Beneficiaries:

 PubG-2010 contingent survivor mortality table

 Disabled Members:

 Public Safety: PubS-2010 disabled member mortality table

 Others: PubG-2010 disabled member mortality table

 The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period of July 1, 2016, to June 30, 2022.

 **(NOTE: If the benefit terms included ad hoc postemployment benefit changes, the Municipality should disclose information about assumptions related to those changes, as required by paragraph 77 of Statement 68)**

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2023 (see the discussion of the pension plan’s investment policy) are summarized in the following table using geometric means:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Asset Class |  | TargetAllocation |  | Long-Term ExpectedReal Rate of Return |
|  |  |  |  |  |
| Public Equity |  | 56.3% |  | 3.8% |
| Investment Grade Debt |  | 22.8% |  | 1.7% |
| High Yield Debt |  | 7.0% |  | 2.7% |
| Real Estate |  | 12.0% |  | 3.5% |
| Cash |  | 1.9% |  | 0.8% |
|  |  |  |  |  |
| Total |  | 100% |  |

 **Discount Rate:**

 The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions will be made at rates equal to the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset. **(NOTE: If there had been a change in the discount rate since the prior measurement date, the Municipality should disclose information about that change, as required by paragraph 78a of Statement 68)**

 **Sensitivity of liability (asset) to changes in the discount rate:**

 The following presents the Municipality’s proportionate share of net pension asset calculated using the discount rate of 6.50%, as well as what the Municipality’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | 1%Decrease |  | CurrentDiscountRate |  | 1%Increase |
| Municipality’s proportionate share of the net pension liability (asset) |  | $ |  | $ |  | $ |

 **Pension Plan Fiduciary Net Position:**

 Detailed information about the plan’s fiduciary net position is available in the separately issued SDRS financial report.

 (**NOTE: If significant changes had occurred that indicate that the disclosure included in the pension plan’s financial report generally did not reflect the facts and circumstances at the measurement date, the Municipality should disclose additional information, as required by paragraph 79 of Statement 68.)**

16. Other Post Employment Benefits - Healthcare Plan

**(NOTE: GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions is effective for fiscal years beginning after June 15, 2018. GASB 75 requires specific note disclosures and required supplementary information of which examples are not currently provided in this section. The preparer should CONSULT AND REVIEW THE APPLICABLE GASB REQUIREMENTS TO ASSURE THAT PROPER DISCLOSURES ARE INCLUDED IN THE NOTES TO THE FINANCIAL STATEMENTS AND REQUIRED SUPPLENTARY INFORMATION IS PRESENTED.)**

17. Significant Commitments

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

18. Going Concern

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

19. Accountability For Related Organizations

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

20. Joint Ventures

The Municipality participates in a joint venture, known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, formed for the purpose of providing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ services to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

The members of the joint venture and their relative percentage of participation are as follows: (LIST)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_%

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_%

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_%

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_%

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_%

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_%

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_%

The joint venture’s governing board is composed of \_\_\_\_\_\_\_ representatives, who are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. **(ENTER BOARD MEMBERS, ETC.)** The board is responsible for adopting the budget and setting service fees at a level adequate to fund the adopted budget.

The Municipality has an equity interest in the Net Position of the joint venture. This interest has been reported using the equity method of accounting.

-OR-

The Municipality retains no equity in the Net Position of the joint venture but does have a responsibility to fund deficits of the joint venture in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. **(INSERT NAME OF JOINT VENTURE.)**

At December 31, 2023, this joint venture had total assets of $\_\_\_\_\_\_\_\_\_\_\_\_, total liabilities of $\_\_\_\_\_\_\_\_\_\_\_, and total Net Position of $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

21. Related Party Transactions

**(DESCRIBE THE NATURE OF THE RELATIONSHIP AND THE AMOUNTS INVOLVED. THE TERM “RELATED-PARTIES” IS MORE COMPREHENSIVE THAN MAY BA APPLICABLE TO COMPLIANCE ISSUES RELATED TO SDCL 3-16-17 AND 6-1-1.)**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

22. Significant Contingencies – Litigation

At December 31, 2023, the Municipality was (not) involved in (any) (the) litigation (noted below):

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**CONSIDER INSERTING THE FOLLOWING IF LAWSUITS EXIST FOR WHICH THE OUTCOME IS UNCERTAIN**

At December 31, 2023, the Municipality was involved in \_\_\_\_\_\_\_\_\_ (several) lawsuit(s). No determination can be made at this time regarding the potential outcome of these lawsuits. However, as discussed in the Risk Management note, the Municipality has liability coverage for itself and its employees with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Therefore, no material effects are anticipated to the Municipality as a result of the potential outcome of these lawsuits.

23. Significant Contingencies – Federally Assisted Programs – Compliance Audits

 **(WHEN QUESTIONED COSTS HAVE BEEN REPORTED IN CONNECTION WITH A SINGLE AUDIT, USE THE FOLLOWING NOTE, AND MODIFY IT AS NECESSARY IN THE CIRCUMSTANCES.)**

 Testing for compliance with provisions of federal grants and contracts resulted in questioned costs totaling $\_\_\_\_\_\_\_\_\_. The ultimate resolution of the related compliance matters and the determination of the amounts of federal awards that must be repaid, if any, is up to the federal granting Custodial, and will be determined at a future date. The Municipality believes that any amounts that may be required to be repaid to granting agencies is not material; and accordingly, has not made provision in the financial statements for any possible losses in connection herewith.

24. Subsequent Events

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

25. Risk Management

**(THE FOLLOWING NOTE TRIES TO COVER SOME OF THE MORE COMMON RISK MANAGEMENT SITUATIONS. IT DOES NOT PRESENT ALL POSSIBILITIES. IT MUST BE REVIEWED, ANALYZED, COMPARED TO THE RISK MANAGEMENT PRACTICES AT THE MUNICIPALITY, AND MODIFIED TO FIT THE SITUATION. SEE GASB SECTION C50.)**

The Municipality is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2023, the Municipality managed its risks as follows:

Employee Health Insurance:

**[Note: Employee Health coverage addresses an employee risk, not an employer’s risk. The risk of injury to an employee is covered by workers’ compensation coverage. The health insurance note could be deleted unless the government retains ALL OR A PORTION OF the risk through self-insurance or through a pool wherein risk does not transfer. In that case the lifetime maximum would be a good DISCLOSURE AND THE MUNICIPALITY’S risk of incurring claims in excess of the reinsurance limits and the lifetime maximum would be good disclosures. Also, if the government is retaining responsibility for all or a portion of the employee deductible, in order to obtain lower premiums, this note should be included and modified as needed.]**

The Municipality purchases health insurance for its employees from a commercial insurance carrier. **Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.**

 (OR)

The Municipality joined the South Dakota Municipal League Health Pool of South Dakota. This is a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The Municipality pays a monthly premium to the pool to provide health insurance coverage for its employees. The pool purchases reinsurance coverage with the premiums it receives from the members. The coverage includes a $\_\_\_\_\_\_\_\_\_\_\_\_\_\_ lifetime maximum payment per person.

The Municipality does not carry additional health insurance coverage to pay claims in excess of this upper limit. **Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.**

(OR)

(INSERT DATA DESCRIBING THE COVERAGE PROVIDED BY THE MUNICIPALITY. SEE GASB CODIFICATION C50.144 c.)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Liability Insurance:

The Municipality purchases liability insurance for risks related to torts; theft or damage to property; and errors and omissions of public officials **(MODIFY AS APPLICABLE)** from a commercial insurance carrier. **Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.**

 **(OR)**

The Municipality has elected to be self-insured and retain all risk for liabilities resulting from claims for torts; theft or damage to property; and errors and omissions of public officials. **(MODIFY AS APPLICABLE)**

The Municipality has reserved equity in the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Fund in the amount of $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for the payment of future such claims.

During the year ended December 31, 2023, no claims for these matters were paid. At
December 31, 2023, no claims had been filed for these matters and none are anticipated.

**(DELETE THE PRECEDING TWO SENTENCES IF NOT APPLICABLE AND COMPLETE THE FOLLOWING ONES.)**

During the year ended December 31, 2023 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **(INSERT NUMBER OF CLAIMS)** claims were filed for these matters. These claims resulted in the payments of

$ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **(no payments)**. At December 31, 2023 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (**INSERT NUMBER OF CLAIMS)** claims had been filed and were outstanding. It is estimated, based upon historical trends, that these claims will result in the future payment of approximately

$ \_\_\_\_\_\_\_\_\_\_.

It is not anticipated that any additional material claims for these matters will be filed in the next fiscal year.

(OR)

Liability Insurance:

The Municipality joined the South Dakota Public Assurance Alliance (SDPAA), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities.The objective of the SDPAA is to administer and provide risk management services and risk sharing facilities to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The Municipality’s responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the Municipality. The Municipality pays a Members’ Annual Operating Contribution, to provide liability coverage detailed below, under an occurrence-made policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The Municipality pays an annual premium to the pool to provide coverage for:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**(INSERT ITEMS COVERED SUCH AS AUTOMOBILE LIABILITY AND SO ON)**

Effective October 5, 2021, the SDPAA adopted a new policy on member departures. Departing members will no longer be eligible for any partial refund of the calculated portion of their contributions which was previously allowed. The prior policy provided the departing member with such a partial refund because the departing member took sole responsibility for all claims and claims expenses whether reported or unreported at the time of their departure from the SDPAA. With such partial refund being no longer available, the SDPAA will now assume responsibility for all reported claims of a departing member pursuant to the revised IGC.

***(Delete or Modify the following paragraph as needed)***

The Municipality reflected the effects of the new SDPAA policy in the financial statements as a Change in Accounting Estimate in the Statement of Activities and in the Fund Operating Statements and also eliminated the reporting of the Deposit on the Statement of Net Position and Fund Balance Sheet.

The Municipality carries a $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ deductible for the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ coverage **(INSERT TYPE OF COVERAGE APPLICABLE)** and $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ deductible for the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ coverage **(INSERT TYPE OF COVERAGE APPLICABLE.)**

The Municipality does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

(OR)

(IF THE MUNICIPALITY PROVIDES LIABILITY COVERAGE THROUGH SOME OTHER MEANS, INSERT THE APPLICABLE INFORMATION BELOW. SEE GASB CODIFICATION C50.144 c.)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Worker's Compensation:

The Municipality purchases liability insurance for worker’s compensation from a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage over the past three years.

(OR)

The Municipality joined the South Dakota Municipal League Worker's Compensation Fund (Fund), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. **The objective of the Fund is to formulate, develop, and administer, on behalf of the member organizations, a program of worker’s compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The Municipality’s responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker’s compensation claims. The Municipality pays an annual premium, to provide worker's compensation coverage for its employees, under a self-funded program and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members.** Coverage limits are set by state statute. The pool pays the first $650,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability limit of $2,000,000 per incident.

The Municipality does not carry additional insurance to cover claims in excess of the upper limit. **Settled claims resulting from these risks have not exceeded the liability coverage over the past three years.**

(OR)

**(IF THE MUNICIPALITY PROVIDES WORKMEN’S COMPENSATION THROUGH SOME OTHER MEANS, INSERT THE APPLICABLE INFORMATION BELOW. SEE GASB CODIFICATION C50.144 c.)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Unemployment Benefits:

The Municipality provides coverage for unemployment benefits by paying into the Unemployment Compensation Fund established by state law and managed by the State of South Dakota.

(OR)

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

 The Municipality has assigned fund balance in the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Fund in the amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for the payment of future unemployment benefits.

During the year ended December 31, 2023, no claims for unemployment benefits were paid. At December 31, 2023, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

(DELETE THE PRECEDING TWO SENTENCES IF NOT APPLICABLE AND COMPLETE THE FOLLOWING ONES.)

During the year ended December 31, 2023, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ claims (INSERT NUMBER OF CLAIMS FILED) were filed for unemployment benefits. These claims resulted in the payment of (no) benefits in the amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. At December 31, 2023, \_\_\_\_\_\_\_\_\_\_\_\_\_\_claims (INSERT NUMBER OF CLAIMS) had been filed and were outstanding. It is estimated, based upon historical trends, that these claims will result in the future payment of unemployment benefits in the amount of approximately $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. It is not anticipated that any additional claims for unemployment benefits will be filed in the next year. (IF CLAIMS ARE ANTICIPATED, DELETE THIS LAST SENTENCE AND INSERT ONE DETAILING THE EXTENT OF ANTICIPATED NEW CLAIMS TO BE FILED.)

26. IMPLEMENTATION OF NEW STANDARD AND RESTATEMENT

***(Include the effect of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, SBITAs, if any and the reason for not restating prior periods presented if applicable.)***

The Municipality restated the net position and fund balance of the fund(s) indicated below to appropriately reflect the January 1, 2023; balances as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Governmental Activities\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | Business-Type Activities\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |  |
| Net position at December 31, 2022, as previously stated |  | $ |  | $ |
| Restatement – Implementation of GASB 96 |  | $ |  | $ |
|  |  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Net Position at January 1, 2023, as restated |  |  |  |  |
|  |  | ================ |  | ================= |
|  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Net PositionDecember 31, 2022As previously Stated\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | RestatementImplementation of GASB 84\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | Net Position January 1, 2023As Restated\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |  |  |  |  |
| General Fund |  |  | $ |  | $ |  | $ |
| \_\_\_\_\_\_\_\_\_\_\_ |  |  | $ |  | $ |  | $ |
| \_\_\_\_\_\_\_\_\_\_\_\_ |  |  | $ |  | $ |  | $ |
| \_\_\_\_\_\_\_\_\_\_\_\_ |  |  | $ |  | $ |  | $ |

 I have read the preceding notes to the financial statements and concur with their contents and use as part of my financial statements. (Use where the auditor provided significant assistance in the production of these notes as a by–product of conducting an audit.)

—OR—

 I have prepared the preceding notes to the financial statements.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_

Signature Title Date