

MINNEHAHA COUNTY

AUDIT REPORT

For the Year Ended December 31, 2024

MINNEHAHA COUNTY
COUNTY OFFICIALS
December 31, 2024

Board of Commissioners:

Dean Karsky, Chair
Jean Bender
Gerald Beninga
Jen Bleyenbergh
Joe Kippley

Auditor:
Leah Anderson

Treasurer:
Kristin Swanson

State's Attorney:
Daniel Haggard

Register of Deeds:
Amanda Halsey

Sheriff:
Michael Milstead

MINNEHAHA COUNTY
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RUSSELL A. OLSON
AUDITOR GENERAL

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

County Commission
Minnehaha County
Sioux Falls, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Minnehaha County, South Dakota (County), as of December 31, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 16, 2025.

Our report includes a reference to other auditors who audited the financial statements of the Minnehaha County Housing and Redevelopment Commission – Safe Home Limited Partnership, a discretely presented component unit of the County, as described in our report on the County's financial statements. This report does not include the results of the auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink that reads "Russell A. Olson". The signature is written in a cursive, flowing style.

Russell A. Olson
Auditor General

September 16, 2025



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RUSSELL A. OLSON
AUDITOR GENERAL

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

County Commission
Minnehaha County
Sioux Falls, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Minnehaha County, South Dakota (County), compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Current Audit Findings and Questioned Costs.

In our opinion, Minnehaha County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of

laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal

control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purposes. As required by South Dakota Codified Law 4-11-11, this report and our report on compliance for each major federal program are matters of public record and their distribution is not limited.

A handwritten signature in black ink that reads "Russell A. Olson". The signature is written in a cursive, flowing style.

Russell A. Olson
Auditor General

September 16, 2025

MINNEHAHA COUNTY
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

SCHEDULE OF PRIOR AUDIT FINDINGS

Prior Federal Audit Findings:

The prior audit report contained no written federal audit findings.

Prior Other Audit Findings:

The prior audit report contained no written other audit findings.

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

Section I – Summary of the Auditor’s Results

Financial Statements

- a. An unmodified opinion was issued on the financial statements of each opinion unit.
- b. No material weaknesses or significant deficiencies were disclosed by our audit of the financial statements.
- c. Our audit did not disclose any noncompliance which was material to the financial statements.

Federal Awards

- d. An unmodified opinion was issued on compliance with the requirements applicable to major programs.
- e. Our audit did not disclose any audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
- f. The federal award tested as a major program was:

ALN # 21.027 Coronavirus State and Local Fiscal Recovery Funds
- g. The dollar threshold used to distinguish between Type A and Type B federal award programs was \$750,000.
- h. Minnehaha County did qualify as a low-risk auditee.

Section II – Financial Statement Findings

There are no written current financial statement audit findings to report.

Section III – Federal Award Findings and Questioned Costs

There are no written current federal compliance audit findings to report.



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RUSSELL A. OLSON
AUDITOR GENERAL

Independent Auditor's Report

County Commission
Minnehaha County
Sioux Falls, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Minnehaha County, South Dakota (County), as of December 31, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Minnehaha County as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Minnehaha County Housing and Redevelopment Commission – Safe Home Limited Partnership, which represents 100 percent of the assets, liabilities, net position, expenses, and revenues of the discretely presented component unit of the County. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Minnehaha County Housing and Redevelopment Commission – Safe Home Limited Partnership is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 2, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections; however, this implementation did not result in a restatement of the net position as of January 1, 2024. Our opinions are not modified with respect to this matter.

As discussed in Note 2, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences; however, this implementation did not result in a restate of the net position as of January 1, 2024. Or opinions are not modified with respect to this matter.

As discussed in Note 19, the 2024 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes, the Schedule of the County's Pension Contributions, and the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The County has omitted the Management's Discussion and Analysis (MD&A that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards, which as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Russell A. Olson". The signature is written in a cursive, flowing style.

Russell A. Olson
Auditor General

September 16, 2025

MINNEHAHA COUNTY
STATEMENT OF NET POSITION
December 31, 2024

	<u>Primary Government Governmental Activities</u>	<u>Component Unit</u>
ASSETS:		
Cash and Cash Equivalents	\$ 55,537,516.97	\$ 22,196.00
Cash with Fiscal Agent	39,666,457.06	
Investments	59,166,429.54	
Taxes Receivable--Delinquent	1,177,034.93	
Due from Federal Government	207,254.93	
Due from State Government	6,854,522.67	
Due from Local Governments	674,546.20	
Due from Others	410,598.04	
Inventory of Supplies	967,597.18	
Prepaid Expenses		2,411.00
Restricted Assets:		
Cash and Cash Equivalents		155,852.00
Net Pension Asset	71,359.15	
Capital Assets:		
Land, Improvements and Construction in Progress	32,955,534.39	85,679.00
Other Capital Assets, Net of Depreciation	165,453,105.20	2,041,943.00
TOTAL ASSETS	<u><u>\$ 363,141,956.26</u></u>	<u><u>\$ 2,308,081.00</u></u>
DEFERRED OUTFLOWS OF RESOURCES:		
Pension Related Deferred Outflows	\$ 12,094,441.51	\$
OPEB Related Deferred Outflows of Resources	774,334.43	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 12,868,775.94</u></u>	<u><u>\$ 0.00</u></u>
LIABILITIES:		
Hospital Claims Payable	\$ 65,000.00	\$
Accounts Payable	4,557,041.69	45,629.00
Other Current Liabilities	750.00	
Accrued Wages Payable	1,614,461.86	
Unearned Revenue	1,505,276.66	4,077.00
Unamortized Bond Premium	7,494,764.18	
Noncurrent Liabilities:		
Due Within One Year	10,221,519.15	21,000.00
Due in More than One Year	94,783,077.00	63,650.00
TOTAL LIABILITIES	<u><u>\$ 120,241,890.54</u></u>	<u><u>\$ 134,356.00</u></u>
DEFERRED INFLOWS OF RESOURCES:		
Pension Related Deferred Inflows	\$ 9,049,857.12	\$
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>\$ 9,049,857.12</u></u>	<u><u>\$ 0.00</u></u>
NET POSITION:		
Net Investment in Capital Assets	\$ 93,133,504.43	\$
Restricted For: (See Note 12)		
Road and Bridge Purposes	14,878,703.40	
Courthouse Building Purposes	9,239,034.85	
Capital Projects Purposes	37,067,909.84	
Bond Redemption Purposes	600,113.02	
SDRS Pension Purposes	3,115,943.54	
Rural Access Infrastructure Purposes	990,999.71	
Other Purposes	5,764,793.90	
Unrestricted	81,927,981.85	2,173,725.00
TOTAL NET POSITION	<u><u>\$ 246,718,984.54</u></u>	<u><u>\$ 2,173,725.00</u></u>

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

MINNEHAHA COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Component Unit
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	
Primary Government:					
Governmental Activities:					
General Government	\$ 35,506,726.64	\$ 4,454,731.79	\$ 4,408,355.64	\$ (26,643,639.21)	\$
Public Safety	48,821,152.58	10,714,031.44	12,523,043.94	(25,584,077.20)	
Public Works	13,555,969.98	116,819.87	13,678,990.77	239,840.66	
Health and Welfare	6,212,309.76	166,606.32	3,028,532.97	(3,017,170.47)	
Culture and Recreation	3,984,516.34	21,666.56	1,171,891.21	(2,790,958.57)	
Conservation of Natural Resources	113,363.13		3,526.99	(109,836.14)	
Urban and Economic Development	910,139.41	505,684.40	39,813.75	(364,641.26)	
Intergovernmental	377,678.90			(377,678.90)	
**Depreciation Expense - Unallocated	98,614.61			(98,614.61)	
*Interest on Long-term Debt	3,615,088.32			(3,615,088.32)	
Total Primary Government	<u>\$ 113,195,559.67</u>	<u>\$ 15,979,540.38</u>	<u>\$ 34,854,155.27</u>	<u>(62,361,864.02)</u>	
Component Unit:					
Minnehaha County Housing and Redevelopment Commission and Safe Home LP	<u>\$ 234,267.00</u>	<u>\$ 195,924.00</u>	<u>\$ 0.00</u>		<u>(38,343.00)</u>
General Revenues:					
Taxes:					
* The County does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt. ** This amount excludes the depreciation that is included in the direct expenses of the various functions.	Property Taxes			74,122,577.55	
	Wheel Tax			3,777,028.02	
	State Shared Revenues			4,321,589.23	
	Grants and Contributions not Restricted to Specific Programs			51,194.00	
	Unrestricted Investment Earnings			9,278,746.35	3,207.00
	Miscellaneous Revenue			330,023.62	
Total General Revenues				<u>91,881,158.77</u>	<u>3,207.00</u>
Change in Net Position				<u>29,519,294.75</u>	<u>(35,136.00)</u>
Net Position - Beginning				224,166,277.88	2,208,861.00
Adjustments:					
Reclassification of Rural Access Infrastructure Revenue (See Note 19)				1,014,844.03	
Unreported Unamortized Bond Premium (See Note 19)				<u>(7,981,432.12)</u>	
Adjusted Net Position - Beginning				<u>217,199,689.79</u>	<u>2,208,861.00</u>
NET POSITION - ENDING				<u>\$ 246,718,984.54</u>	<u>\$ 2,173,725.00</u>

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

**MINNEHAHA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024**

	General Fund	Road and Bridge Fund	Courthouse Building Fund	American Rescue Plan Act Fund	Capital Projects Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:								
Cash and Cash Equivalents	\$ 26,698,447.34	\$ 11,167,247.07	\$ 9,350,516.34	\$ 361,207.56	\$ 254.68	\$ 487,564.27	\$ 2,607,853.95	\$ 50,673,091.21
Cash with Fiscal Agent			546.12		39,664,300.76	1,610.18		39,666,457.06
Investments	30,564,099.38		27,802,330.16	800,000.00				59,166,429.54
Taxes Receivable--Delinquent	957,324.78		82,167.63			110,874.62	26,667.90	1,177,034.93
Due from Fed Govt	207,254.93							207,254.93
Due from State Govt	3,828,237.89	3,024,996.64					1,288.14	6,854,522.67
Due from Local Govt	568,233.21	106,312.99						674,546.20
Due from Others	253,286.16	63,263.82	40.52			63.95	30,696.51	347,350.96
Inventory of Supplies		967,597.18						967,597.18
TOTAL ASSETS	\$ 63,076,883.69	\$ 15,329,417.70	\$ 37,235,600.77	\$ 1,161,207.56	\$ 39,664,555.44	\$ 600,113.02	\$ 2,666,506.50	\$ 159,734,284.68
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:								
Liabilities:								
Hospital Claims Payable	\$ 65,000.00	\$	\$	\$	\$	\$	\$	\$ 65,000.00
Accounts Payable	997,212.63	127,162.96	194,235.76	61,381.58	2,521,145.60		43,389.00	3,944,527.53
Accrued Wages Payable	1,537,907.59	66,542.35					10,011.92	1,614,461.86
Customer Deposits	750.00							750.00
Unearned Revenue	405,370.29			1,099,825.98			80.39	1,505,276.66
Total Liabilities	3,006,240.51	193,705.31	194,235.76	1,161,207.56	2,521,145.60	0.00	53,481.31	7,130,016.05
Deferred Inflows of Resources:								
Unavailable Revenue--Property Taxes	957,324.78		82,167.63			110,874.62	26,667.90	1,177,034.93
Fund Balances: (See Note 1.o.)								
Nonspendable		967,597.18						967,597.18
Restricted	514,917.54	14,168,115.21	9,156,867.22		37,067,909.84	489,238.40	1,899,049.49	63,296,097.70
Assigned	25,456,000.26		27,802,330.16		75,500.00		687,307.80	54,021,138.22
Unassigned	33,142,400.60							33,142,400.60
Total Fund Balances	59,113,318.40	15,135,712.39	36,959,197.38	0.00	37,143,409.84	489,238.40	2,586,357.29	151,427,233.70
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 63,076,883.69	\$ 15,329,417.70	\$ 37,235,600.77	\$ 1,161,207.56	\$ 39,664,555.44	\$ 600,113.02	\$ 2,666,506.50	\$ 159,734,284.68

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

MINNEHAHA COUNTY
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2024

Total Fund Balances - Governmental Funds	\$ 151,427,233.70
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Net pension asset reported in governmental activities is not an available financial resource and therefore is not reported in the funds.	71,359.15
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. Capital assets of \$317,792,670.51 less accumulated depreciation of \$119,384,030.92.	198,408,639.59
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.	12,094,441.51
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(103,641,058.15)
G.O. Bonds	\$ 97,555,000.00
Accrued Leave	\$ 5,860,687.17
Other Long-term Debt	\$ 225,370.98
Long-term liability for net other post employment obligation is not due and payable in the current period and therefore is not reported in the funds.	(1,363,538.00)
Assets, such as taxes receivable (delinquent), are not available to pay for current period expenditures and therefore are deferred in the funds.	1,177,034.93
Property Taxes	\$ 1,177,034.93
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.	(9,049,857.12)
Other Post Employment Benefit (OPEB) related deferred outflows are components of OPEB liability and therefore are not reported in the funds.	774,334.43
Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets (\$4,864,425.76+\$63,247.08) and liabilities (\$612,514.16) of internal service funds are included in governmental activities in the Statement of Net Position.	4,315,158.68
Unamortized balance of premium on bonds are not due and payable in the current period and, therefore, are not reported in the funds.	(7,494,764.18)
Net Position of Governmental Activities	<u><u>\$ 246,718,984.54</u></u>

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

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MINNEHAHA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	General Fund	Road and Bridge Fund	Courthouse Building Fund	American Rescue Plan Act Fund	Capital Projects Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
Revenues:								
Taxes:								
General Property Taxes--Current	\$ 58,210,166.99	\$	\$ 4,928,708.23	\$	\$	\$ 7,778,477.10	\$ 2,171,767.81	\$ 73,089,120.13
General Property Taxes--Delinquent	572,869.37		50,825.01			44,433.17	19,143.79	687,271.34
Penalties and Interest	100,070.27		8,852.52			9,715.39	3,671.39	122,309.57
Telephone Tax (Outside)	57,395.53							57,395.53
Wheel Tax		3,777,028.02						3,777,028.02
Other Taxes	30,762.00							30,762.00
Licenses and Permits	499,738.36	53,650.45					52,470.00	605,858.81
Intergovernmental Revenue:								
Federal Grants	2,252,392.23	230,409.66		9,053,282.70			674,831.46	12,210,916.05
Federal Shared Revenue	1,392,178.85							1,392,178.85
Federal Payments in Lieu of Taxes	8,648.56		732.30			1,155.67	1,322.27	11,858.80
State Grants	134,089.87	3,037,562.98					494,187.41	3,665,840.26
State Shared Revenue:								
Bank Franchise	3,265,709.93							3,265,709.93
Motor Vehicle Licenses		9,338,151.63						9,338,151.63
Juvenile Diversion	312,750.00							312,750.00
Court Appointed Attorney/Public Defender	1,119,910.01							1,119,910.01
Prorate License Fees		478,872.73						478,872.73
Abused and Neglected Child Defense	14,394.57							14,394.57
63 3/4% Mobile Home/Manufactured Home		77,729.39						77,729.39
Telecommunications Gross Receipts Tax	311,131.72							311,131.72
Motor Vehicle 1/4%	51,653.06							51,653.06
Motor Fuel Tax		41,403.37						41,403.37
911 Remittances							2,995,918.21	2,995,918.21
Liquor Tax Reversion (25%)	742,744.90							742,744.90
Other Payments in Lieu of Taxes	1,697.44		146.92			158.32		2,002.68
Other Intergovernmental Revenue:								
Museum Operations (City Share)	900,945.00							900,945.00
Health and Human Services (City Share)	338,596.90		46,240.73					384,837.63
Other Intergovernmental Revenue	823.47							823.47
Tea-Ellis Range	10,250.00							10,250.00
JDC Physicals	13,049.35							13,049.35
Charges for Goods and Services:								
General Government:								
Treasurer's Fees	784,278.96							784,278.96
Register of Deeds' Fees	2,710,993.90						73,244.49	2,784,238.39
Legal Services	320,334.59						13,838.64	334,173.23
Clerk of Courts Fees	266,620.67							266,620.67
Other Fees	181,699.29							181,699.29
Public Safety:								
Law Enforcement	2,016,170.08							2,016,170.08
Prisoner Care	8,206,102.19							8,206,102.19
Sobriety Testing							269,627.00	269,627.00

Other	88.84							88.84
Public Works:								
Other		63,169.42						63,169.42
Health and Welfare:								
Economic Assistance:								
Poor Lien Recoveries	127,958.89							127,958.89
Veterans Service Officer	5,156.25							5,156.25
Mental Health Services	38,647.43							38,647.43
Culture and Recreation						21,666.56		21,666.56
Urban and Economic Development	81,651.04							81,651.04
Fines and Forfeits:								
Fines	24,740.01							24,740.01
Costs	147,044.59							147,044.59
Forfeits	12,700.00							12,700.00
Other	3,521.00					4,427.73		7,948.73
Miscellaneous Revenue:								
Investment Earnings	4,336,883.54	651,704.94	1,887,049.52		2,206,383.68	137,869.94	58,854.73	9,278,746.35
Rent	25,000.00							25,000.00
Contributions and Donations	39,735.00						11,459.00	51,194.00
Refund of Prior Year's Expenditures	34,595.84	106,290.63	749.85					141,636.32
Private Grants	403,303.36							403,303.36
Other	1,243,354.29	6,801.05					191,072.99	1,441,228.33
Total Revenues	91,352,548.14	17,862,774.27	6,923,305.08	9,053,282.70	2,206,383.68	7,971,809.59	7,057,503.48	142,427,606.94

Expenditures:

General Government:								
Legislative:								
Board of County Commissioners	965,506.35			6,589.06				972,095.41
Elections	799,838.85							799,838.85
Judicial System	2,276,459.99							2,276,459.99
Pre-Trial Services								
Financial Administration:								
Auditor	960,687.39			9,544.64				970,232.03
Treasurer	1,860,880.93			70,570.49				1,931,451.42
Other						132,243.00		132,243.00
Legal Services:								
State's Attorney	7,607,243.87			478,996.16				8,086,240.03
Public Defender	4,902,768.22			329,688.23				5,232,456.45
Court Appointed Attorney	1,524,663.83			44,479.97				1,569,143.80
Other General Government:								
General Government Building	3,249,332.32		1,674,027.67					4,923,359.99
Director of Equalization	2,150,298.11			141,567.61				2,291,865.72
Register of Deeds	901,800.51					53,217.97		955,018.48
Predatory Animal	4,772.53							4,772.53
Self-Insurance Plan	316,640.27							316,640.27
Other (SECOG)	26,903.00							26,903.00
Information Technology	2,241,072.06							2,241,072.06
Human Resources	650,493.64			74,039.04				724,532.68
Public Safety:								
Law Enforcement:								
Sheriff	8,542,219.05			484,268.87		283,299.11		9,309,787.03
County Jail	20,412,457.83			1,968,813.58				22,381,271.41
Coroner	525,890.35							525,890.35
Juvenile Detention	4,950,786.71			295,269.01				5,246,055.72
Air Guard	1,468,239.26							1,468,239.26

MINNEHAHA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024
(Continued)

	General Fund	Road and Bridge Fund	Courthouse Building Fund	American Rescue Plan Act Fund	Capital Projects Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
Other Law Enforcement-Airport Security	240,790.16							240,790.16
Southeast Tech Institute Security	180,126.55							180,126.55
Humane Society	61,346.34							61,346.34
24/7 Sobriety							239,342.76	239,342.76
Fire Protection							720,193.00	720,193.00
Emergency and Disaster Services				2,125.87			744,273.02	746,398.89
Communication Center	753,772.00						2,995,918.21	3,749,690.21
Other Protective and Emergency Services	400,000.00							400,000.00
Public Works:								
Highways and Bridges:								
Highways, Roads and Bridges		8,463,661.76		31,428.03			460,476.25	8,955,566.04
Health and Welfare:								
Economic Assistance:								
Support of Poor	796,360.99			2,380,686.70				3,177,047.69
Health Assistance:								
Ambulance	258,000.00							258,000.00
Social Services:								
Inter-Lakes Community Action	2,040.00							2,040.00
Lutheran Social Services	35,700.00							35,700.00
Glory House	5,100.00							5,100.00
Domestic Abuse							71,042.95	71,042.95
Safe Home	842,578.19			57,621.37				900,199.56
Children's Inn	100,000.00							100,000.00
Helpline Center	4,000.00							4,000.00
Mental Health Services:								
Mentally Ill	962,481.35			140,000.00				1,102,481.35
Developmentally Disabled	5,000.00							5,000.00
Mental Health Centers	209,685.00							209,685.00
Culture and Recreation:								
Culture:								
Public Library							1,480,000.00	1,480,000.00
Historical Museum	1,766,954.78			506.47			216,848.49	1,984,309.74
Memorial Day Expense	1,674.32							1,674.32
Recreation:								
Parks	45,371.31							45,371.31
County Fair	150,000.00							150,000.00
Conservation of Natural Resources:								
Soil Conservation:								
County Extension	105,075.22							105,075.22
Soil Conservation Districts	2,040.00							2,040.00
Other - Agri-Business	2,500.00							2,500.00
Urban and Economic Development:								
Urban Development:								
Planning and Zoning	863,440.03							863,440.03

Economic Development:								
SF Development Foundation	510.00							510.00
Forward Sioux Falls	3,000.00							3,000.00
Minnehaha Co Econ Dev Assn	5,500.00							5,500.00
Intergovernmental Expenditures		377,678.90						377,678.90
Debt Service			1,395,192.50		36,198.44	7,930,365.32		9,361,756.26
Capital Outlay	724,395.07	6,145,058.34	204,618.42	2,537,087.60	14,270,876.46		184,140.03	24,066,175.92
Total Expenditures	<u>74,866,396.38</u>	<u>14,986,399.00</u>	<u>3,273,838.59</u>	<u>9,053,282.70</u>	<u>14,307,074.90</u>	<u>7,930,365.32</u>	<u>7,580,994.79</u>	<u>131,998,351.68</u>
Excess of Revenues Over (Under) Expenditures	<u>16,486,151.76</u>	<u>2,876,375.27</u>	<u>3,649,466.49</u>	<u>0.00</u>	<u>(12,100,691.22)</u>	<u>41,444.27</u>	<u>(523,491.31)</u>	<u>10,429,255.26</u>
Other Financing Sources (Uses):								
Transfers In							355,531.00	355,531.00
Transfers Out	(345,531.00)						(10,000.00)	(355,531.00)
Leases Issued							213,484.64	213,484.64
Insurance Proceeds	147,793.34	2,356.25						150,149.59
Sale of County Property	32,335.13	383,450.00						415,785.13
Total Other Financing Sources (Uses)	<u>(165,402.53)</u>	<u>385,806.25</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>559,015.64</u>	<u>779,419.36</u>
Net Change in Fund Balance	<u>16,320,749.23</u>	<u>3,262,181.52</u>	<u>3,649,466.49</u>	<u>0.00</u>	<u>(12,100,691.22)</u>	<u>41,444.27</u>	<u>35,524.33</u>	<u>11,208,674.62</u>
Changes in Nonspendable		<u>156,008.30</u>						<u>156,008.30</u>
Fund Balance - beginning, as previously reported	42,792,569.17	11,717,522.57	33,309,730.89	0.00	49,244,101.06	447,794.13	1,535,988.93	139,047,706.75
Restatement due to:								
Reclassification of Rural Access								
Infrastructure Revenue (See Note 19)							1,014,844.03	1,014,844.03
Fund Balance - beginning, as restated	<u>42,792,569.17</u>	<u>11,717,522.57</u>	<u>33,309,730.89</u>	<u>0.00</u>	<u>49,244,101.06</u>	<u>447,794.13</u>	<u>2,550,832.96</u>	<u>140,062,550.78</u>
FUND BALANCE - ENDING	<u>\$ 59,113,318.40</u>	<u>\$ 15,135,712.39</u>	<u>\$ 36,959,197.38</u>	<u>\$ 0.00</u>	<u>\$ 37,143,409.84</u>	<u>\$ 489,238.40</u>	<u>\$ 2,586,357.29</u>	<u>\$ 151,427,233.70</u>

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

MINNEHAHA COUNTY
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 11,208,674.62

Amounts reported for governmental activities in the Statement of
Activities are different because:

This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government-wide statements. 24,279,660.56

This amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources. (9,436,331.12)

In the statement of activities, the loss on disposal of assets is reported, whereas in the governmental funds, the disposal of fixed assets is not reflected. This is the amount by which deletions (\$2,928,197.25) exceeds accumulated depreciation of the deletions (\$2,525,649.83) less trade-in allowances (\$0.00). (402,547.42)

Payment of principal on long-term debt is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net position. \$5,318,919.58

G.O. Bonds \$ 5,260,000.00
Leases \$ 58,919.58

The issuance of long-term debt is an other financing source in the fund statements but an increase in long-term liabilities on the government-wide statements. (213,484.64)

The fund financial statement governmental fund property tax accruals differ from the government-wide statement property tax accruals in that the fund financial statements require the amounts to be "available". 123,860.18

Governmental funds recognize expenditures for amounts of compensated absences actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the Statement of Activities, expenses for these benefits are recognized when the employees earn leave credits. (311,564.44)

Other Post Employment benefits reported in the statement of activities does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds. (81,427.14)

Supplies acquired are an expenditure on the fund statements when purchased but are expensed on the Statement of Activities when consumed. This amount represents the "change in" inventory of supplies. 156,008.30

Changes in the pension related deferred outflows/inflows are direct components of pension liability (asset) and are not reflected in the governmental funds. (1,739,924.39)

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 130,782.72

This amount represents the current year amortization of the bond premium reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources. 486,667.94

Change in Net Position of Governmental Activities \$ 29,519,294.75

The Notes to the Financial Statements are an integral part of this statement.

**MINNEHAHA COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2024**

	<u>Internal Service Funds</u>
ASSETS:	
Current Assets:	
Cash with Fiscal Agent	\$ 4,864,425.76
Accounts Receivable, Net	<u>63,247.08</u>
TOTAL ASSETS	<u><u>\$ 4,927,672.84</u></u>
LIABILITIES:	
Current Liabilities:	
Claims Payable	<u>\$ 612,514.16</u>
TOTAL LIABILITIES	<u><u>\$ 612,514.16</u></u>
NET POSITION:	
Unrestricted Net Assets	<u>\$ 4,315,158.68</u>
TOTAL NET POSITION	<u><u>\$ 4,315,158.68</u></u>

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

MINNEHAHA COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2024

	<u>Internal Service Funds</u>
Operating Revenues:	
Charges for Goods and Services	\$ 8,129,075.15
Operating Expenses:	
Insurance Costs	1,357,504.84
Claims Paid	6,632,963.85
Administration Fee	266,264.34
Other	32,525.78
Total Operating Expenses	<u>8,289,258.81</u>
Operating Income (Loss)	(160,183.66)
Nonoperating Revenues (Expenses):	
Investment Earnings	<u>290,966.38</u>
Change in Net Position	130,782.72
Net Position - Beginning	<u>4,184,375.96</u>
NET POSITION - ENDING	<u><u>\$ 4,315,158.68</u></u>

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

MINNEHAHA COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2024

	<u>Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash Receipts from Customers	\$ 8,116,578.65
Cash Payments to Suppliers of Goods and Services	<u>(8,116,122.90)</u>
Net Cash Provided (Used) by Operating Activities	455.75
Cash Flows from Investing Activities:	
Cash Received for Interest	<u>290,966.38</u>
Net Increase (Decrease) in Cash and Cash Equivalents	291,422.13
Cash and Cash Equivalents at Beginning of Year	<u>4,573,003.63</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 4,864,425.76</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (160,183.66)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Receivables	(12,496.50)
(Decrease) Increase in Accounts and Other Payables	<u>173,135.91</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 455.75</u></u>

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

MINNEHAHA COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2024

	<u>Custodial Funds</u>
ASSETS:	
Cash and Cash Equivalents	\$ 7,830,018.10
TOTAL ASSETS	<u><u>\$ 7,830,018.10</u></u>
LIABILITIES:	
Accounts Payable and Other Payables	\$ 49,155.04
Amounts Held for Others	494,753.59
Due to Other Governments	<u>6,760,399.92</u>
TOTAL LIABILITIES	<u><u>\$ 7,304,308.55</u></u>
NET POSITION	
Restricted For:	
Individuals, Organizations, and Other Governments	<u>\$ 525,709.55</u>
TOTAL NET POSITION	<u><u>\$ 525,709.55</u></u>

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

MINNEHAHA COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2024

	<u>Custodial Funds</u>
ADDITIONS:	
Property Tax Collections for Other Governments	\$ 313,018,650.64
State Shared Revenue Collections for Other Governments	65,702,089.17
Other Additions	<u>10,110,126.23</u>
Total Additions	<u>388,830,866.04</u>
DEDUCTIONS:	
Payments of Property Tax to Other Governments	313,018,650.64
Payments of State Shared Revenue to Other Governments	65,700,518.86
Other Deductions	<u>10,105,099.99</u>
Total Deductions	<u>388,824,269.49</u>
Change in Net Position	6,596.55
Net Position - Beginning	<u>519,113.00</u>
NET POSITION - ENDING	<u><u>\$ 525,709.55</u></u>

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

MINNEHAHA COUNTY
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial Reporting Entity:

The reporting entity of Minnehaha County (County), 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); 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.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The County is financially accountable if its County Commission 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 County (primary government). The County may also be financially accountable for another organization if that organization is fiscally dependent on the County.

Minnehaha County (County) created a Housing and Redevelopment Commission (Commission) under the authority of South Dakota Codified Law 11-7-1 on February 9, 2010. The Commission is a proprietary fund-type, discretely presented component unit. The five members of the Commission are appointed by the County Commission's Chairperson with the approval of the Board of County Commissioners for five-year staggered terms. The Commission elects its own chairperson and recruits and employs its own management personnel and other workers. The County Commission, though, retains statutory authority to approve or deny or otherwise modify the Commission's plans to construct a low-income housing unit, or to issue debt, which gives the County Commission the ability to impose its will on the Commission.

On February 9, 2010, the Commission entered into a partnership agreement and is the General Partner of Safe Home Limited Partnership (Partnership) whose purpose is to provide for construction of permanent housing for the homeless pursuant to a tax credit program and to borrow funds for such purposes and to mortgage or otherwise encumber any or all of the Partnership's asset to secure such borrowing. The Partnership is a proprietary fund-type, discretely presented component unit of the Commission. The five members of the Partnership's Board consist of the same appointed members of the Commission which give the County the ability to impose its will on the Partnership.

Separately issued financial statements of the Housing and Redevelopment Commission-Safe Home Limited Partnership may be obtained from: Minnehaha County Housing and Redevelopment Commission, 415 North Dakota Avenue, Sioux Falls, SD 57104.

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. The statements distinguish between governmental and discretely presented component units. Governmental activities generally are financed through taxes,

intergovernmental revenues, and other non-exchange revenues. 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 function of the County'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:

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 County 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 County financial reporting entity are described below:

Governmental Funds:

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

Road and Bridge Fund – to account for funds credited to the road and bridge fund pursuant to SDCL 32-11-4.2 to be used by the board of county commissioners for grading, constructing, planing, dragging, and maintaining county highways and also for dragging, maintaining, and grading secondary roads. Proper equipment for dragging, grading, and maintaining highways, such as graders, tractors, drags, maintainers, and planers may be purchased from the road and bridge fund. (SDCL 32-11-2 and 32-11-4.2) This is a major fund.

Courthouse Building Fund – authorized by SDCL 7-25-1 to account for the accumulation of a special tax levy not to exceed ninety cents per thousand dollars of taxable valuation annually for the acquisition or construction of a courthouse, office, jail building, county extension buildings, grandstands and bleachers, highway maintenance buildings, or public library. This is a major fund.

American Rescue Plan Act Fund – to account for the direct distribution of federal funds and expenditures under the American Rescue Plan Act. Note 1.c. below, (Measurement Focus and Basis of Accounting) describes how transactions are recorded “when” revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Based on this guidance, an asset and liability will be reported representing the receipt of the federal funds. Revenues are recognized to the extent of expenditures reported on the financial statements. This is a major fund.

The remaining special revenue funds are not considered major funds: 911 Service, Fire Protection, Emergency Management, Domestic Abuse, Public Library, Pass-Through Grants, JAG Grant, Museum Store, Museum Enterprise, Comprehensive Opioid Stimulant Substance Abuse Program (COSSAP), Rural Access Infrastructure, 24/7 Sobriety, and Modernization and Preservation Relief. These funds are reported on the fund financial statements as “Other Governmental Funds.”

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 renovation of the Equalization Building and the construction of a new Highway Shop and Juvenile Detention Center. This is a major fund.

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.

Bond Redemption Fund – to account for property taxes which may be used only for the payment of the debt principal, interest, and related costs. The County has elected to report the Bond Redemption Fund as a major fund.

Proprietary Funds:

Internal Service Funds – Internal service funds may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. Internal service funds should be used only if the reporting government is the predominant participant in the activity. The Healthcare Self-Insurance Fund is the only internal service fund maintained by the County.

Fiduciary Funds:

Fiduciary funds consist of the following sub-category and are never considered to be major funds:

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. Custodial funds are used to account for the accumulation and distribution of property tax revenues and various pass-through funds.

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.

Measurement Focus:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, both governmental and component unit activities are presented using the economic resources measurement focus, applied on the accrual basis of accounting.

Fund Financial Statements:

In the fund financial statements, the “current financial resources” measurement focus, and the modified accrual basis of accounting are applied to governmental fund types, while the “economic resources” measurement focus, and the accrual basis of accounting are applied to the proprietary and fiduciary fund types.

Basis of Accounting:

Government-wide Financial Statements:

In the government-wide Statement of Net Position and Statement of Activities, governmental and component unit activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Fund Financial Statements:

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. “Available” means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period for the County is 30 days. The revenues which are accrued at December 31, 2024 are amounts due from federal, state, and local governments and other entities.

Under the modified accrual basis of accounting, receivables may be measurable but not available. Unavailable revenues, where asset recognition criteria have been met, but for which revenue recognition criteria have not been met, are reported as a deferred inflow of resources.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

All proprietary and fiduciary fund types are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

d. Interfund Eliminations and Reclassifications:

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 doubling-up effect of 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 Internal Service Funds, 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.

f. Capital Assets:

Capital assets include land, buildings, improvements other than buildings, furnishings and equipment, construction/development in progress, infrastructure, intangible lease assets, intangible subscription 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.

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

Capital assets are recorded at historical cost, or estimated cost, where actual cost could not be determined. Donated capital assets are valued at their acquisition value on the date donated. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments that are significant, and which extend the useful life of a capital asset are also capitalized.

The total December 31, 2024, balance of governmental activities capital assets excluding infrastructure were reported based on original costs.

Infrastructure assets used in general government operations, consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems, and lighting systems, acquired prior to January 1, 1980, were not required to be capitalized by the County. Infrastructure assets acquired since January 1, 1980, are recorded at cost, and classified as “Improvements Other than Buildings.”

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, except for that portion related to

common use assets for which allocation would be unduly complex, and which is reported as Unallocated Depreciation/Amortization, with net capital assets reflected in the Statement of Net Position. Accumulated depreciation/amortization is reported on the government-wide Statement of Net Position and on the proprietary fund's Statement of Net Position.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets reported in the government-wide financial statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land and Land Rights	\$ 1.00	-----N/A-----	-----N/A-----
Improvements Other Than Buildings	\$ 50,000.00	Straight-line	10-50 years
Buildings	\$ 50,000.00	Straight-line	40-99 years
Machinery and Equipment	\$ 5,000.00	Straight-line	3-25 years
Infrastructure	\$ 50,000.00	Straight-line	25-50 years
Intangible Assets—Software	\$ 5,000.00	Straight-line	5 years
Intangible Assets—Leases	\$ 5,000.00	Straight-line	Lease Term

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as expenditures of the appropriate governmental fund upon acquisition.

g. Long-Term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. The long-term liabilities primarily consist of limited tax general obligation bonds, lease liabilities, compensated absences, and other postemployment benefits.

In the fund financial statements, debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due.

h. Leases:

Lessee:

The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000.00 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor:

The County is not a lessor for any noncancellable leases.

i. **Program Revenues:**

Program revenues derive directly from the program itself or from parties other than the County'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.

j. **Deferred Inflows and Deferred Outflows of Resources:**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period or periods. These items will not be recognized as an outflow of resources until the applicable future period.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisitions of net position that applies to a future period or periods. These items will not be recognized as an inflow of resources until the applicable future period.

k. **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 in a manner consistent with how they are classified in

the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues or expenses.

l. Cash and Cash Equivalents:

The County pools the cash resources of its funds for cash management purposes. The proprietary fund essentially has access to the entire amount of its 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.

m. Equity Classifications:

Government-wide Financial Statements:

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

1. Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable), and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. 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.
3. Unrestricted Net Position – All other net position that do not meet the definition of "Restricted" or "Net Investment in Capital Assets."

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish between "Nonspendable", "Restricted", "Committed", "Assigned", and "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.

n. Application of Net Position:

It is the County'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 positions are available.

o. 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 County 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 or committed. Fund Balance may be assigned by the County Commissioners.
- 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.

The County 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 County would first use *committed, then assigned, and lastly unassigned amounts* of unrestricted fund balance when expenditures are made.

The County does have a formal minimum fund balance policy regarding the unassigned fund balance in the General Fund:

The County is committed to maintaining a minimum unassigned fund balance in the General Fund of twenty-five percent of the subsequent fiscal year's General Fund appropriations budget to safeguard the County's financial stability. The measurement date is December 31 of each year. The County believes that a reserve of this level is sufficient to provide for the required resources to meet the operating costs, to allow for the unforeseen needs on an emergency and to protect against any fluctuations or temporary shortfalls in revenues.

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

Major Special Revenue Fund

Road and Bridge Fund

Courthouse Building Fund

American Rescue Plan Act Fund

Revenue Source

Motor Vehicle Licenses, Grants, Taxes, and Intergovernmental Revenue

Taxes

Federal Grant

A schedule of fund balances is provided as follows:

MINNEHAHA COUNTY
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Courthouse Building Fund</u>	<u>Capital Projects Fund</u>	<u>Bond Redemption Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:							
Nonspendable:							
Inventory	\$	\$ 967,597.18	\$	\$	\$	\$	\$ 967,597.18
Restricted For:							
Opioid Remediation Purposes	514,917.54						514,917.54
Road and Bridge Purposes		12,528,115.21					12,528,115.21
Highway #17 Jurisdictional Transfer Purposes		1,640,000.00					1,640,000.00
Courthouse Building Purposes			9,156,867.22				9,156,867.22
Capital Projects Purposes				37,067,909.84			37,067,909.84
Bond Redemption Purposes					489,238.40		489,238.40
Fire Protection Purposes						94,267.44	94,267.44
Pass-Thru Grant Purposes						36,355.73	36,355.73
Public Library Purposes						478,761.82	478,761.82
JAG Grant Purposes						479.45	479.45
Domestic Abuse Purposes						20,099.91	20,099.91
24/7 Sobriety Purposes						44,955.24	44,955.24
Modernization and Preservation Relief Purposes						233,130.19	233,130.19
Rural Access Infrastructure Purposes						990,999.71	990,999.71
Assigned To:							
Applied to Next Year's Budget	9,591,431.30						9,591,431.30
Donation Purposes	64,568.96						64,568.96
Public Safety Purposes	15,500,000.00						15,500,000.00
Safe Home Purposes	300,000.00						300,000.00
Courthouse Building Purposes			27,802,330.16				27,802,330.16
Capital Projects Purposes				75,500.00			75,500.00
Emergency Management Purposes						325,561.04	325,561.04
Museum Store Purposes						78,060.99	78,060.99
Museum Enterprise Purposes						145,380.57	145,380.57
24/7 Sobriety Purposes						28,305.20	28,305.20
Comprehensive Opioid, Stimulant, and Substance Abuse Program Purposes						110,000.00	110,000.00
Unassigned	<u>33,142,400.60</u>						<u>33,142,400.60</u>
Total Fund Balances	<u><u>\$ 59,113,318.40</u></u>	<u><u>\$ 15,135,712.39</u></u>	<u><u>\$ 36,959,197.38</u></u>	<u><u>\$ 37,143,409.84</u></u>	<u><u>\$ 489,238.40</u></u>	<u><u>\$ 2,586,357.29</u></u>	<u><u>\$ 151,427,233.70</u></u>

p. Pensions:

For purposes of measuring the net pension liability (asset), deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Dakota Retirement System (SDRS) and additions to/deletions from SDRS's fiduciary net position have been determined on the same basis as they are reported by SDRS. County contributions and net pension liability (asset) are recognized on an accrual basis of accounting.

q. Other Postemployment Benefits (OPEB):

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined in accordance with GASB 75. The net OPEB liability is recognized on an accrual basis of accounting.

2. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2024, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to work within the financial reporting entity and describes the transactions or other events that constitutes those changes. See Note 19 for the effect on beginning net position and fund balances due to an error correction.

In 2024, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This statement updates the recognition and measurement guidance into one unified model for all compensated absences. There was no effect on beginning net position due to the implementation of this standard.

3. DEPOSITS AND INVESTMENTS FAIR VALUE MEASUREMENT, CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

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

Deposits – The County's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 7-20-1, 7-20-1.1, and 7-20-1.2, 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 County 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, 2024, the County has investments in the General Fund, Courthouse Building Fund, and the American Rescue Plan Act Fund in the amount of \$44,000,000.00 held in certificates of deposit and \$15,166,429.54 held in U.S. Treasury Notes.

Credit Risk – State law limits eligible investments for the County, as discussed above. The County has no investment policy that would further limit its investment choices. The next chart summarizes the credit quality of the County's investment holdings.

<u>Deposit/Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
U.S. Treasury Note	N/A	\$ 15,166,429.54	\$ 15,166,429.54

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. The County has \$3,501,868.47 in deposits at SDFIT.

Custodial Credit Risk – Deposits – The risk that, in the event of a depository failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk.

Concentration of Credit Risk – The County places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk – The County 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 County's policy is to credit all income from deposits and investments to the fund making the investment with the exception of custodial funds, which are credited to the General Fund.

4. CASH WITH FISCAL AGENT

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

Amount:	Purpose:
\$ 39,663,160.34	For Juvenile Justice Center and Highway Shop construction (includes balances with trustees)
\$ 3,296.72	For Debt Service, by debt covenants (sinking funds required to be in a separate account)

5. RECEIVABLES AND PAYABLES

Receivables and payables are not aggregated in these financial statements. The County expects all receivables to be collected within one year.

6. INVENTORY

Inventory in the General Fund and special revenue funds consists of expendable supplies held for consumption. Supply inventories are recorded at cost.

Government-wide Financial Statements:

In the government-wide financial statements, inventory is recorded as an asset at the time of purchase and charged to expense as it is consumed.

Fund Financial Statements:

In the fund financial statements, purchases of supply inventory items are recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

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

8. CHANGES IN GENERAL CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2024, is as follows:

	Balance 1/1/2024	Increases	Decreases	Balance 12/31/2024
Governmental Activities:				
Capital Assets not being Depreciated/Amortized:				
Land	\$ 6,532,807.40	\$	\$	\$ 6,532,807.40
Construction/Development in Progress	7,480,391.73	20,684,290.69	(1,741,955.43)	26,422,726.99
Total Capital Assets not being Depreciated/Amortized	14,013,199.13	20,684,290.69	(1,741,955.43)	32,955,534.39
Capital Assets being Depreciated/Amortized:				
Infrastructure	114,963,682.97	1,654,612.66	(727,086.90)	115,891,208.73
Improvements to Land	2,782,487.02	139,255.00		2,921,742.02
Buildings	136,887,140.96	212,786.80	(312,784.99)	136,787,142.77
Machinery and Equipment	27,133,665.90	2,949,020.60	(1,787,558.64)	28,295,127.86
Intangible Assets—Software	519,534.00	168,165.60		687,699.60
Intangible Assets—Leases	141,497.22	213,484.64	(100,766.72)	254,215.14
Total Capital Assets being Depreciated/Amortized	282,428,008.07	5,337,325.30	(2,928,197.25)	284,837,136.12
TOTAL CAPITAL ASSETS	\$ 296,441,207.20	\$ 26,021,615.99	\$ (4,670,152.68)	\$ 317,792,670.51
Less Accumulated Depreciation/Amortization for:				
Infrastructure	\$ (45,654,503.73)	\$ (3,409,116.32)	\$ 727,086.90	\$ (48,336,533.15)
Improvements to Land	(1,808,777.66)	(98,614.61)		(1,907,392.27)
Buildings	(49,740,847.91)	(3,103,904.19)		(52,844,752.10)
Machinery and Equipment	(14,677,032.83)	(2,764,631.99)	1,697,796.21	(15,743,868.61)
Intangible Assets—Software	(519,534.00)			(519,534.00)
Intangible Assets—Leases	(72,653.50)	(60,064.01)	100,766.72	(31,950.79)
Total Accumulated Depreciation/Amortization	(112,473,349.63)	(9,436,331.12)	2,525,649.83	(119,384,030.92)
Total Capital Assets being Depreciated/Amortized, Net	169,954,658.44	(4,099,005.82)	(402,547.42)	165,453,105.20
Governmental Activity Capital Assets, Net	\$ 183,967,857.57	\$ 16,585,284.87	\$ (2,144,502.85)	\$ 198,408,639.59
Depreciation/Amortization expense was charged to functions as follows:				
General Government				\$ 1,464,238.10
Public Safety				2,632,115.59
Public Works				4,705,319.16
Health and Welfare				266,332.12
Culture and Recreation				261,988.53
Conservation of Natural Resources				141.81
Urban and Economic Development				7,581.20
Depreciation--Unallocated				98,614.61
Total Depreciation/Amortization Expense-Governmental Activities				\$ 9,436,331.12

Construction Work in Progress at December 31, 2024, is composed of the following:

Project Name	Project Authorization	Expended thru 12/31/2024	Committed	Required Future Financing
Sheriff's Dept. Tower Project	\$ 3,877,423.83	\$ 3,310,869.85	\$ 566,553.98	\$ 0.00
JDC Building	50,000,000.00	16,100,173.05	33,899,826.95	0.00
+Museum Roof Replacement	1,281,100.00	12,166.96	1,268,933.04	0.00
CH Fire Alarm	897,323.00	27,065.31	870,257.69	0.00
Courthouse Renovation	378,499.00	34,472.59	344,026.41	0.00
Highway Project MC 17-10	8,049,698.40	5,656,655.00	2,393,043.40	0.00
Highway Project MC 18-08/20-04	581,728.00	444,795.36	136,932.64	0.00
Bridge 50-087-120	850,605.50	75,777.07	774,828.43	0.00
Bridge 50-237-120	76,302.11	43,534.00	32,768.11	0.00
Bridge 50-278-130	89,805.00	89,805.00	0.00	0.00
Bridge 50-273-090	65,050.00	43,004.78	22,045.22	0.00
Bridge 50-330-159	9,425.00	7,346.03	2,078.97	0.00
Bridge 50-330-086	111,202.70	92,852.00	18,350.70	0.00
Bridge 50-144-020	1,479,891.83	145,462.89	1,334,428.94	0.00
Bridge 50-137-040	101,126.00	101,126.00	0.00	0.00
Bridge 50-154-180	99,420.00	34,636.00	64,784.00	0.00
Bridge 50-180-134	87,311.83	79,112.00	8,199.83	0.00
Bridge 50-197-100	811,634.00	53,711.00	757,923.00	0.00
Bridge 50-149-140	83,834.12	70,163.00	13,671.12	0.00
Extension Remodel	0.00	(.90)	0.90	0.00
TOTAL	\$ 68,931,380.32	\$ 26,422,726.99	\$ 42,508,653.33	\$ 0.00

9. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Beginning Balance 1/1/2024	Additions	Deletions	Ending Balance 12/31/2024	Due within One Year
Governmental Long-Term Debt:					
Bonds Payable (Certificates of Participation)	\$ 102,815,000.00	\$	\$ (5,260,000.00)	\$ 97,555,000.00	\$ 5,475,000.00
Lease Liabilities (See Note 11)	70,805.92	213,484.64	(58,919.58)	225,370.98	58,880.76
Other Liabilities:					
Compensated Absences*	5,549,122.73	311,564.44		5,860,687.17	4,687,638.39
Other Postemployment Benefits (Retiree Health Insurance)	985,200.00	378,338.00		1,363,538.00	0.00
Total Governmental Activities	\$ 109,420,128.65	\$ 903,387.08	\$ (5,318,919.58)	\$ 105,004,596.15	\$ 10,221,519.15

* The change in compensated absences liability is presented as a net change.

Debt payable at December 31, 2024, is comprised of the following:

Certificates of Participation:

Limited Tax General Obligation-Series 2023A, 4 to 5 Percent Interest, Final Maturity Date of December 2043, Retired by the Bond Redemption Fund (Debt Service Fund)	\$ 44,875,000.00
Limited Tax General Obligation-Series 2022A, 2 to 3 Percent Interest, Final Maturity Date of December 2041, Retired by the Building Fund (Special Revenue Fund)	\$ 6,210,000.00

Limited Tax General Obligation-Series 2020A, \$ 8,135,000.00
 2 Percent Interest, Final Maturity Date of December 2040,
 Retired by the Bond Redemption Fund (Debt Service Fund)

Limited Tax General Obligation-Series 2017A, 3.25 to 4.00 \$ 35,605,000.00
 Percent Interest, Final Maturity Date of December 2037,
 Retired by the Bond Redemption Fund (Debt Service Fund)

Limited Tax General Obligation-Series 2016B, 1.25 to 2.75 \$ 210,000.00
 Percent Interest, Final Maturity Date of December 2025,
 Retired by the Building Fund (Special Revenue Fund)

Limited Tax General Obligation-Series 2014A, 2.30 to 5.00 \$ 2,520,000.00
 Percent Interest, Final Maturity Date of November 2027,
 Retired by the Bond Redemption Fund (Debt Service Fund)

Net Other Postemployment Obligation (Retiree Health \$ 1,363,538.00
 Insurance)

Compensated Absences:

Vacation Leave \$ 3,883,561.25
 Sick Leave \$ 1,977,125.92

Payments to be made by the fund to which the payroll expenditures are charged.

The annual requirements to amortize all debt outstanding as of December 31, 2024, except for compensated absences, leases, subscriptions, and net other postemployment obligations are as follows:

Year Ending Dec. 31,	Certificates of Participation		
	Principal	Interest	Total
2025	\$ 5,475,000.00	\$ 3,883,523.76	\$ 9,358,523.76
2026	5,500,000.00	3,643,748.76	9,143,748.76
2027	5,740,000.00	3,398,898.76	9,138,898.76
2028	5,070,000.00	3,166,498.76	8,236,498.76
2029	5,275,000.00	2,960,398.76	8,235,398.76
2030-2034	28,740,000.00	11,630,143.80	40,370,143.80
2035-2039	27,295,000.00	6,074,712.52	33,369,712.52
2040-2043	14,460,000.00	1,483,750.00	15,943,750.00
TOTAL	\$ 97,555,000.00	\$ 36,241,675.12	\$ 133,796,675.12

10. CONDUIT DEBT

In the past, the County 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 County, 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, 2024, there was one series of conduit bonds outstanding, with an aggregate unpaid principal amount of \$648,674.00.

11. LEASES

Lease Payable:

Leases Payable at December 31, 2024, is comprised of the following:

Century Business Products, Inc., Copier Lease 2.287 Percent Interest, Final Maturity Date of May 2027, Retired by the General Fund	\$ 20,267.61
First Dakota National Bank, Office Space 3.678 Percent Interest, Final Maturity Date of October 2026, Retired by the Emergency Management Fund (Special Revenue Fund)	\$ 85,166.82
Townsquare Media, Land Lease 3.678 Percent Interest, Final Maturity Date of November 2034, Retired by the Emergency Management Fund (Special Revenue Fund)	\$ 49,793.13
Person Family, Land Lease 3.678 Percent Interest, Final Maturity Date of July 2053, Retired by the Emergency Management Fund (Special Revenue Fund)	\$ 70,143.42

The future principal and interest lease payments as of December 31, 2024 were as follows:

Year	Principal	Interest	Total
2025	\$ 58,520.39	\$ 5,825.33	\$ 64,345.72
2026	53,488.10	3,833.39	57,321.49
2027	8,979.73	2,849.01	11,828.74
2028	5,639.39	2,677.91	8,317.30
2029	5,885.00	2,519.20	8,404.20
2030-2034	33,045.68	9,897.27	42,942.95
2035-2039	8,779.74	7,380.03	16,159.77
2040-2044	12,643.15	6,782.50	19,425.65
2045-2049	18,206.60	5,144.97	23,351.57
2050-2053	20,183.20	1,852.75	22,035.95
Total	<u>\$ 225,370.98</u>	<u>\$ 48,762.36</u>	<u>\$ 274,133.34</u>

12. RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2024, was as follows:

Major Purposes:

Road and Bridge Purposes	\$ 14,878,703.40
Courthouse Building Purposes	9,239,034.85
Capital Projects Purposes	37,067,909.84
Bond Redemption Purposes	600,113.02
SDRS Pension Purposes	3,115,943.54
Rural Access Infrastructure Purposes	<u>990,999.71</u>

Other Purposes:

Opioid Remediation Purposes	514,917.54
Fire Protection Purposes	103,000.59
Public Library Purposes	496,696.57
Domestic Abuse Purposes	20,099.91
24/7 Program Purposes	44,955.24
Modernization and Preservation Relief Purposes	233,130.19
JAG Grant Purposes	479.45
Pass-Thru Grant Purposes	36,355.73
Self-Insurance Purposes	<u>4,315,158.68</u>

Total Other Purposes	<u>5,764,793.90</u>
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Total Restricted Net Position	<u><u>\$ 71,657,498.26</u></u>
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These balances are restricted due to federal grant, bond covenants, and statutory requirements.

13. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2024, were as follows:

	<u>Transfers To:</u>
	Other
	Governmental
<u>Transfers From:</u>	<u>Funds</u>
Major Funds:	
General Fund	\$ 345,531.00
Other Governmental Funds:	
Museum Store Fund	<u>10,000.00</u>
Total	<u>\$ 355,531.00</u>

The County typically budgets transfers to the Emergency Management Fund to conduct the indispensable functions of the county. The County transferred funds to the Museum Enterprise Fund in accordance with the 2024 Budget.

14. TAX ABATEMENTS

Municipality of Sioux Falls:

The Municipality of Sioux Falls has created tax increment districts under the authority granted by South Dakota Codified Law section 11-9. The tax increment districts were created to stimulate and develop the general economic welfare and prosperity of the Municipality through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and the improvement of the area will likely enhance significantly the value of substantially all of the other real property in the tax increment district.

The county, municipal, and other local general property taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay for the cost of improvements in the tax increment district. The tax increments are allocated until all cost of the tax increment district project has been repaid; however, it cannot exceed 20 years.

The Municipality of Sioux Falls has fourteen (14) active tax increment districts. Because the general property taxes on tax increment districts are allocated to the districts, the taxes are not available to Minnehaha County during the life of the tax increment district.

The portion of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2024 that was not available to Minnehaha County was \$1,330,396.94.

Municipality of Brandon:

The Municipality of Brandon has created tax increment districts under the authority granted by South Dakota Codified Law section 11-9. The tax increment district was created to stimulate and develop the general economic welfare and prosperity of the Municipality through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and the improvement of the area will likely enhance significantly the value of substantially all of the other real property in the tax increment district.

The county, municipal, and other local general property taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay for the cost of improvements in the tax increment district. The tax increments are allocated until all cost of the tax increment district project has been repaid; however, it cannot exceed 20 years.

The Municipality of Brandon has four (4) active tax increment districts. Because the general property taxes on tax increment districts are allocated to the districts, the taxes are not available to Minnehaha County during the life of the tax increment district.

The portion of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2024 that was not available to Minnehaha County was \$35,388.51.

Municipality of Crooks:

The Municipality of Crooks has created tax increment districts under the authority granted by South Dakota Codified Law section 11-9. The tax increment district was created to stimulate and develop the general economic welfare and prosperity of the Municipality through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and the improvement of the area will likely enhance significantly the value of substantially all of the other real property in the tax increment district.

The county, municipal, and other local general property taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay

for the cost of improvements in the tax increment district. The tax increments are allocated until all cost of the tax increment district project has been repaid; however, it cannot exceed 20 years.

The Municipality of Crooks has two (2) active tax increment districts. Because the general property taxes on tax increment districts are allocated to the districts, the taxes are not available to Minnehaha County during the life of the tax increment district.

The portion of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2024 that was not available to Minnehaha County was \$3,554.53.

Municipality of Dell Rapids:

The Municipality of Dell Rapids has created tax increment districts under the authority granted by South Dakota Codified Law section 11-9. The tax increment districts were created to stimulate and develop the general economic welfare and prosperity of the Municipality through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and the improvement of the area will likely enhance significantly the value of substantially all of the other real property in the tax increment district.

The county, municipal, and other local general property taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay for the cost of improvements in the tax increment district. The tax increments are allocated until all cost of the tax increment district project has been repaid; however, it cannot exceed 20 years.

The Municipality of Dell Rapids has two (2) active tax increment districts. Because the general property taxes on tax increment districts are allocated to the districts, the taxes are not available to Minnehaha County during the life of the tax increment district.

The portion of general property taxes levied for this tax increment district during the calendar year ended December 31, 2024 that was not available to Minnehaha County was \$24,451.43.

Municipality of Garretson:

The Municipality of Garretson has created a tax increment district under the authority granted by South Dakota Codified Law section 11-9. The tax increment district was created to stimulate and develop the general economic welfare and prosperity of the Municipality through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and the improvement of the area will likely enhance significantly the value of substantially all of the other real property in the tax increment district.

The county, municipal, and other local general property taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay for the cost of improvements in the tax increment district. The tax increments are allocated until all cost of the tax increment district project has been repaid; however, it cannot exceed 20 years.

The Municipality of Garretson has one (1) active tax increment district. Because the general property taxes on tax increment districts are allocated to the districts, the taxes are not available to Minnehaha County during the life of the tax increment district.

The portion of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2024 that was not available to Minnehaha County was \$11,646.42.

Municipality of Hartford:

The Municipality of Hartford has created a tax increment district under the authority granted by South Dakota Codified Law section 11-9. The tax increment district was created to stimulate and

develop the general economic welfare and prosperity of the Municipality through the promotion and advancement of industrial, commercial, manufacturing, agricultural, or natural resources; and the improvement of the area will likely enhance significantly the value of substantially all of the other real property in the tax increment district.

The county, municipal, and other local general property taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay for the cost of improvements in the tax increment district. The tax increments are allocated until all cost of the tax increment district project has been repaid; however, it cannot exceed 20 years.

The Municipality of Hartford has one (1) active tax increment district. Because the general property taxes on tax increment districts are allocated to the districts, the taxes are not available to Minnehaha County during the life of the tax increment district.

The portion of general property taxes levied for these tax increment districts during the calendar year ended December 31, 2024 that was not available to Minnehaha County was \$1,184.52.

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 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. 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.

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 County's share of contributions to the SDRS for the calendar years ended December 31, 2024, 2023, and 2022, equal to the required contributions each year, were as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 3,084,903.88
2023	\$ 2,885,178.74
2022	\$ 2,623,280.05

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

At June 30, 2024, SDRS is 100.0% 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 County as of this measurement period ending June 30, 2024, and reported by the County as of December 31, 2024, are as follows:

Proportionate share of total pension liability	\$ 262,984,335.29
Less proportionate share of net position restricted for pension benefits	<u>263,055,694.44</u>
Proportionate share of net pension asset	<u><u>\$ (71,359.15)</u></u>

At December 31, 2024, the County reported an asset of \$71,359.15 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was based on a projection of the County's share of contributions to the pension plan relative to the contributions of all participating entities. At

June 30, 2024, the County's proportion was 1.762835%, which is a decrease of 0.039004% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the County recognized pension expense (reduction of expense) of \$1,739,924.39. At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,607,901.50	\$
Changes in assumption	1,176,502.29	8,967,962.89
Net Difference between projected and actual earnings on pension plan investments	2,687,912.86	
Changes in proportion and difference between County contributions and proportionate share of contributions	59,050.13	81,894.23
County contributions subsequent to the measurement date	1,563,074.73	
TOTAL	\$ 12,094,441.51	\$ 9,049,857.12

\$1,563,074.73 reported as deferred outflow of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (reduction of expense) as follows:

Year Ended Dec. 31,	
2025	\$ (2,533,516.05)
2026	3,430,153.78
2027	365,136.04
2028	219,735.90
TOTAL	\$ 1,481,509.67

Actuarial Assumptions:

The total pension asset in the June 30, 2024, 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	1.71%

Mortality Rates:

All mortality rates based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2021

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, 2024, valuation were based on the results of an actuarial experience study for the period of July 1, 2016, to June 30, 2021.

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, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	56.3%	3.6%
Investment Grade Debt	22.8%	2.3%
High Yield Debt	7.0%	2.8%
Real Estate	12.0%	4.0%
Cash	<u>1.9%</u>	0.8%
Total	<u>100%</u>	

Discount Rate:

The discount rate used to measure the total pension asset 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.

Sensitivity of Liability (Asset) to Changes in the Discount Rate:

The following presents the County's proportionate share of net pension asset calculated using the discount rate of 6.50%, as well as what the County'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	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability (asset)	\$ 36,260,843.27	\$ (71,359.15)	\$ (29,802,418.03)

Pension Plan Fiduciary Net Position:

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

16. OTHER POSTEMPLOYMENT BENEFITS - HEALTHCARE PLAN

Plan Administration:

The County administers an Other Postemployment Benefits (OPEB) plan providing medical, prescription drug, and dental benefits to retired employees and their dependents under certain conditions. The County does not issue a separate report that includes financial statements and required supplementary information for the OPEB plan.

Benefits Provided:

Individuals who are employed by the County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement eligibility, with fifteen years of continuous service to the County, and participation in the group health plan for at least five years immediately preceding retirement. Coverage during retirement continues in the group health plan. Employees covered by the plan make contributions toward the plan premiums.

Plan Membership:

As of December 31, 2024, plan membership consisted of the following:

Inactive members currently receiving benefits	3
Inactive members entitled to but not yet receiving benefits	0
Active members	311
Total	314

Employees hired on or after January 1, 2020 are not eligible for plan membership.

Investment Policy:

The County's obligation is unfunded at December 31, 2024. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75.

Total OPEB Liability:

	As of December 31, 2024
Actuarial Present Value of Future Benefits	
Retired – Employees	\$ 103,826
Retired – Spouses/Dependents	0
Actives – Employees	1,385,548
Actives – Spouses/Dependents	79,842
Total	<u>\$ 1,569,216</u>
Total OPEB Liability	
Retired – Employees	\$ 103,826
Retired – Spouses/Dependents	0
Actives – Employees	1,191,468
Actives – Spouses/Dependents	68,244
Total	<u>\$ 1,363,538</u>

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, so the Net Fiduciary Position is \$0 and the Net OPEB Liability would be equal to the Total OPEB Liability.

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate:

The following presents the total OPEB liability, calculated using the current healthcare cost trend rate of 5.0%, as well as the total OPEB liability calculated using a healthcare discount trend rate discount rate that is 1-percentage point lower (4.0%) or 1-percentage point higher (6.0%) than the current rate:

	1% Decrease 4.0%	Current Healthcare Cost Trend Rate 5.0%	1% Increase 6.0%
Total OPEB Liability	\$ 1,212,911	\$ 1,363,538	\$ 1,537,756

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following presents the total OPEB liability, calculated using the current discount rate of 4.08%, as well as the total OPEB liability calculated using a discount rate that is 1-percentage point lower (3.08%) or 1-percentage point higher (5.08%) than the current rate:

	1% Decrease 3.08%	Current Discount Trend Rate 4.08%	1% Increase 5.08%
Total OPEB Liability	\$ 1,512,122	\$ 1,363,538	\$ 1,232,488

Schedule of Changes in Total OPEB Liability:

	Calendar Year Ending December 31, 2024
Total OPEB Liability – Beginning of Year	\$ 985,200
Service Cost	26,049
Interest	36,647
Changes of Benefit Terms	0
Difference between Expected and Actual Experience	433,932
Changes of Assumptions	(66,094)
Benefit Payments	(52,196)
Net Change in Total OPEB Liability	378,338
Total OPEB Liability – End of Year	1,363,538
Covered-Employee Payroll	26,394,014
Total OPEB Liability as a Percentage of the Covered-Employee Payroll	5.17%

OPEB Expense:

	Calendar Year Ending December 31, 2024
OPEB Expense	
Service Cost	\$ 26,049
Interest on Total OPEB Liability	36,647
Effect of Plan Changes	0
Administrative Expenses	0
Recognition of Deferred (Inflows)/Outflows of Resources	
Economic/Demographic (Gains)/Losses	114,113
Assumption Changes	(7,402)
Total OPEB Expense	\$ 169,407

Expected Remaining Service Lives:

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. The amortization period is calculated as the weighted average of expected remaining service lives assuming zero years for all inactive members.

The amortization period for the January 1, 2024 to December 31, 2024 measurement period was determined as follows:

As of December 31, 2024	Number of Members	Expected Remaining Service Lives
Active members	311	8.803
Inactive members	3	0.000
Weighted Average Rounded to Nearest Tenth		8.7

Deferred Inflows and Outflows of Resources:

Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. As of December 31, 2024, the deferred inflows and outflows of resources are as follows:

	Balance of Deferred Inflows Dec 31, 2024	Balance of Deferred Outflows Dec 31, 2024
Difference between expected and actual experience	\$ (192,274)	\$ 966,607
Changes in Assumptions	0	0
Net difference between project and actual earnings	0	0
Contributions made subsequent to measurement date	TBD	TBD
Total	<u>\$ (192,274)</u>	<u>\$ 966,607</u>

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future years' OPEB expense as follows:

Year Ending December 31,	Annual Recognition
2025	\$ 144,340
2026	\$ 144,340
2027	\$ 144,340
2028	\$ 88,066
2029	\$ 76,774
Thereafter	\$ 176,473

Actuarial Assumptions and Other Inputs:

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	December 31, 2024
Valuation Date	December 31, 2024
Reporting Date	December 31, 2024
Measurement Period	January 1, 2024 to December 31, 2024

Discount rate	4.08% - As an unfunded plan, the discount rate reflects the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date. The index rate used to measure the total OPEB liability was 4.08% as of December 31, 2024.	
General Inflation	3.0% Per Year	
Salary increases	3.0% Per Year	
Initial Health Coverage Claim Cost (Including Administrative Expenses)	<u>Age</u>	<u>Per Participant</u>
	Under Age 65:	
	Retiree at Age 60	\$15,642
	Spouse at Age 60	\$17,207
	Age 65 and Over:	N/A
	The assumed claim costs were determined from the self-insured premiums and underlying claim experience of the OPEB Plans and actuarial age adjustment factors.	
Age Based Morbidity	The assumed claim costs are assumed to increase related to age as follows:	
	<u>Age</u>	<u>Rate</u>
	18-29	1.0%
	30-39	2.5
	40-49	3.0
	50-54	3.3
	55-59	3.6
	60-64	4.2
Healthcare cost trend rates	<u>Year</u>	<u>Rate</u>
	All years	5.0%
Mortality	Based on RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement.	
Future Retiree Participation Rate	50% for Class A employees currently covered. 25% for Class B employees currently covered. 0% for employees currently waiving coverage.	
Initial Spouse Participation Rate	Male Employees	25%
	Female Employees	25%
	Husbands are assumed to be three years and older than wives.	

Turnover Rates based on Scale T-10 of the Actuary's Pension Handbook.
Sample rates varying by age:

<u>Age</u>	<u>Rate</u>
20	17.9%
25	17.2
30	16.2
35	14.9
40	13.1
45	10.8
50	7.9
55	4.4
60	1.2

Disability None

Retirement Sample rates varying by age and employee type:

<u>Age</u>	<u>Class A</u>	<u>Class B</u>
46 or Under	0.0%	0.0%
47-49	0.0	3.0
50-54	0.0	5.0
55	5.0	25.0
56-59	5.0	10.0
60-61	10.0	10.0
62	30.0	30.0
63-64	10.0	10.0
65 or Over	100.0	100.0

17. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2024, the County was involved in several lawsuits. No determination can be made at this time regarding the potential outcome of these lawsuits. However, as discussed in the Risk Management note, the County has liability coverage for itself and its employees with South Dakota Public Assurance Alliance. Therefore, no material effects are anticipated to the County as a result of the potential outcome of these lawsuits.

18. RISK MANAGEMENT

The County 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, 2024, the County managed its risks as follows:

Employee Health Insurance:

The County purchases catastrophic coverage for employee's health insurance to minimize their exposure to risk of loss to the self-insurance program. The County purchases two types of insurance. The first is aggregate excess liability insurance. This insurance will pay 100% of all claims in excess of a pre-determined dollar amount for a claim year. The insurance company, applying an insurance industry formula based upon previous years' annual claims and group size, determines the dollar amount of aggregate claims. In 2024, the minimum aggregate deductible was the greater of \$7,258,483.92 or 100% of the monthly aggregate deductible for the first month of the policy year then multiplied by 12. The insurance company (not the self-insurance program) would pay 100% of all program eligible claim expenses in excess of that amount for 2024. The other form of insurance carried by the County on the self-insurance program covers individual cases. The insurance sets a \$100,000 yearly deductible on individual cases. Any individual's

eligible claim expenses exceeding \$100,000 will be paid 100% by the insurance company. The insurance company sets an unlimited maximum lifetime coverage amount on individuals. Based on the 2024 insurance agreement and review of the previous agreement, the County's self-insurance program has not had any significant reductions in insurance coverage from previous years to the current year.

Minimum Aggregate Deductible Amount:

In 2024, the self-insurance program's total yearly expenses did not exceed the minimum aggregate deductible established by the insurance company. Additionally, the County's self-insurance program's total yearly claims have not exceeded the minimum aggregate deductible amount set by the insurance company for the previous nineteen years (2005-2023).

Individual Claim Amount:

In 2024, the insurance company set a \$100,000 yearly deductible level on individual cases. In 2024, the program had seven individuals with claim expenses that exceed the individual claim level amount. In 2023, the program had eleven individuals with claim expenses that exceed the individual claim level amount and in 2022, the program had four individuals with claim expenses that exceed the individual claim level amount. The County has a net position in the Self-Insurance Fund in the amount of \$4,315,158.68 for the payment of future claims.

Liability Insurance:

The County 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 County'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 County. The County 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 County pays an annual premium to the pool to provide coverage for:

- a. General Liability,
- b. Automobile Liability,
- c. Officials Liability, and
- d. Law Enforcement Liability

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.

The County carries a \$5,000.00 deductible for the general and law enforcement liabilities, \$5,000 deductible for officials liability (including Employment Related Claims), and a \$0.00 deductible for the automotive liability coverage. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

The County also purchases commercial property insurance for government buildings from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

The County 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.

Worker's Compensation:

The County 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 County'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 County 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 \$900,000 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 County 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.

Unemployment Benefits:

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

During the year ended December 31, 2024, two claims were filed for unemployment benefits. These claims resulted in the payment of benefits in the amount of \$7,333.94. Due to the size and nature of the County, unemployment claims are filed every year. However, unemployment benefits have not been significant to the financial statements and are not expected to be for 2025.

19. RESTATEMENTS OF AND ADJUSTMENTS TO BEGINNING BALANCES

Correction of an Error in Previously Issued Financial Statements:

Rural Access Infrastructure Fund receipts received in prior periods were reported as Unearned Revenue on the financial statements. However, in accordance with GASB, Unearned Revenue should only be utilized for grant reporting purposes. As Rural Access Infrastructure is not a grant, Fund Balance – Beginning of the nonmajor Rural Access Infrastructure Fund and Net Position – Beginning of Governmental Activities has been restated for the January 1, 2024 in the amount of \$1,014,844.03.

Premiums received on Long-Term Debt Issuances in prior periods have not been reported as Unamortized Bond Premium and amortized over the life of the long-term debt as a reduction of Interest Expense on Long-Term Debt. The Net Position – Beginning of Governmental Activities has been restated for the January 1, 2024 in the amount of \$7,981,432.12.

The County restated the Net Position and Fund Balance of the fund(s) indicated below to appropriately reflect the January 1, 2024 balances as follows:

	12/31/2023 as Previously Reported	Error Correction	12/31/2023 as Restated
Government-Wide:			
Governmental Activities	\$ 224,166,277.88	\$ (6,966,588.09)	\$ 217,199,689.79
Total Primary Government	<u>\$ 224,166,277.88</u>	<u>\$ (6,966,588.09)</u>	<u>\$ 217,199,689.79</u>
Governmental Funds:			
Nonmajor Funds:			
Rural Access Infrastructure Fund	\$ 1,535,988.93	\$ 1,014,844.03	\$ 2,550,832.96
Total Governmental Funds	<u>\$ 1,535,988.93</u>	<u>\$ 1,014,844.03</u>	<u>\$ 2,550,832.96</u>

REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 58,857,872.00	\$ 58,857,872.00	\$ 58,210,166.99	\$ (647,705.01)
General Property Taxes--Delinquent	400,000.00	400,000.00	572,869.37	172,869.37
Penalties and Interest	90,000.00	90,000.00	100,070.27	10,070.27
Telephone Tax (Outside)	50,000.00	50,000.00	57,395.53	7,395.53
Other Taxes	30,000.00	30,000.00	30,762.00	762.00
Licenses and Permits	381,450.00	381,450.00	499,738.36	118,288.36
Intergovernmental Revenue:				
Federal Grants	146,534.00	338,551.39	2,252,392.23	1,913,840.84
Federal Shared Revenue	1,607,194.00	1,607,194.00	1,392,178.85	(215,015.15)
Federal Payments in Lieu of Taxes	10,000.00	10,000.00	8,648.56	(1,351.44)
State Grants	0.00	128,090.03	134,089.87	5,999.84
State Shared Revenue:				
Bank Franchise	1,750,000.00	1,750,000.00	3,265,709.93	1,515,709.93
Juvenile Diversion	0.00	0.00	312,750.00	312,750.00
Court Appointed Attorney/Public Defender	200,000.00	200,000.00	1,119,910.01	919,910.01
Abused and Neglected Child Defense	0.00	0.00	14,394.57	14,394.57
Telecommunications Gross Receipts Tax	375,000.00	375,000.00	311,131.72	(63,868.28)
Motor Vehicle 1/4%	58,000.00	58,000.00	51,653.06	(6,346.94)
Liquor Tax Reversion (25%)	700,000.00	700,000.00	742,744.90	42,744.90
Other Payments in Lieu of Taxes	1,200.00	1,200.00	1,697.44	497.44
Other Intergovernmental Revenue:				
Museum Operations (City Share)	864,198.00	864,198.00	900,945.00	36,747.00
Health and Human Services (City Share)	340,000.00	340,000.00	338,596.90	(1,403.10)
Other Intergovernmental Revenue	270,000.00	270,000.00	823.47	(269,176.53)
Tea-Ellis Range	0.00	11,000.00	10,250.00	(750.00)
JDC Physicals	14,000.00	14,000.00	13,049.35	(950.65)
General Government:				
Treasurer's Fees	917,700.00	917,700.00	784,278.96	(133,421.04)
Register of Deeds' Fees	2,664,000.00	2,664,000.00	2,710,993.90	46,993.90
Legal Services	416,000.00	416,000.00	320,334.59	(95,665.41)
Other-Court Ordered Competency Reimbursement	15,000.00	15,000.00	0.00	(15,000.00)
Clerk of Courts Fees	260,000.00	260,000.00	266,620.67	6,620.67
Other Fees	124,966.00	124,966.00	181,699.29	56,733.29
Public Safety:				
Law Enforcement	1,900,028.60	1,900,028.60	2,016,170.08	116,141.48
Prisoner Care	6,235,577.00	6,235,577.00	8,206,102.19	1,970,525.19
Other	0.00	0.00	88.84	88.84
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	262,000.00	262,000.00	127,958.89	(134,041.11)
Veterans Service Officer	5,156.25	5,156.25	5,156.25	0.00
Mental Health Services	50,000.00	50,000.00	38,647.43	(11,352.57)
Urban and Economic Development	66,050.00	66,050.00	81,651.04	15,601.04
Fines and Forfeits:				
Fines	7,000.00	7,000.00	24,740.01	17,740.01
Costs	135,000.00	135,000.00	147,044.59	12,044.59
Forfeits	100,000.00	100,000.00	12,700.00	(87,300.00)
Other	2,500.00	2,500.00	3,521.00	1,021.00
Miscellaneous Revenue:				
Investment Earnings	600,000.00	600,000.00	4,336,883.54	3,736,883.54
Rent	25,000.00	25,000.00	25,000.00	0.00
Contributions and Donations	0.00	39,335.00	39,735.00	400.00
Refund of Prior Year's Expenditures	30,000.00	30,000.00	34,595.84	4,595.84
Private Grants	218,750.00	218,750.00	403,303.36	184,553.36
Other	260,060.00	881,578.04	1,243,354.29	361,776.25
Total Revenues	80,440,235.85	81,432,196.31	91,352,548.14	9,920,351.83

REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2024
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	1,138,016.00	1,165,100.87	965,506.35	199,594.52
Contingency	25,000.00	25,000.00		
Amount Transferred		0.00		25,000.00
Elections	872,271.00	1,013,764.98	799,838.85	213,926.13
Judicial System	2,115,330.00	2,345,393.00	2,324,543.77	20,849.23
Financial Administration:				
Auditor	1,126,483.00	1,126,483.00	960,687.39	165,795.61
Treasurer	2,042,704.00	2,042,704.00	1,860,880.93	181,823.07
Legal Services:				
State's Attorney	8,353,516.36	8,353,516.36	7,612,820.46	740,695.90
Public Defender	5,470,934.00	5,470,934.00	4,921,091.51	549,842.49
Court Appointed Attorney-Public Advocate	1,656,433.00	1,656,433.00	1,524,663.83	131,769.17
Other General Government:				
General Government Building	3,794,360.00	3,794,360.00	3,381,677.72	412,682.28
Director of Equalization	2,465,938.00	2,465,938.00	2,172,820.61	293,117.39
Register of Deeds	1,047,924.00	1,047,924.00	901,800.51	146,123.49
Predatory Animal	5,067.00	5,067.00	4,772.53	294.47
Self-Insurance Plan	317,600.00	317,600.00	316,640.27	959.73
Other (SECOG)	26,903.00	26,903.00	26,903.00	0.00
Information Technology	2,314,591.00	2,314,591.00	2,241,072.06	73,518.94
Human Resources	835,076.00	835,076.00	667,511.28	167,564.72
Public Safety:				
Law Enforcement:				
Sheriff	9,173,440.00	9,512,941.53	8,837,894.25	675,047.28
County Jail	23,639,084.00	24,006,262.89	20,562,569.84	3,443,693.05
Coroner	496,450.38	526,450.38	525,890.35	560.03
Juvenile Detention	5,506,053.00	5,556,928.26	4,957,246.31	599,681.95
Air Guard	1,607,194.00	1,607,194.00	1,468,239.26	138,954.74
Humane Society	52,000.00	64,500.00	61,346.34	3,153.66
Southeast Tech Institute Security	183,672.00	183,672.00	180,126.55	3,545.45
Other Law Enforcement-Airport Security	233,266.00	248,266.00	240,790.16	7,475.84
Communication Center	753,772.00	753,772.00	753,772.00	0.00
Triage Center	400,000.00	400,000.00	400,000.00	0.00
Health and Welfare:				
Economic Assistance:				
Support of Poor	4,353,995.87	5,095,330.10	824,640.05	4,270,690.05
Health Assistance:				
Ambulance	258,000.00	258,000.00	258,000.00	0.00
Social Services:				
Inter-Lakes Community Action	2,040.00	2,040.00	2,040.00	0.00
Compass Center	35,700.00	35,700.00	35,700.00	0.00
Glory House	5,100.00	5,100.00	5,100.00	0.00
Safe Home	1,012,237.00	1,022,137.65	842,578.19	179,559.46
Children's Inn	100,000.00	100,000.00	100,000.00	0.00
Helpline Center	4,000.00	4,000.00	4,000.00	0.00
Mental Health Services:				
Mentally Ill	1,275,950.00	1,275,950.00	962,481.35	313,468.65
Developmentally Disabled	5,000.00	5,000.00	5,000.00	0.00
Mental Health Centers	209,685.00	209,685.00	209,685.00	0.00
Culture and Recreation:				
Culture:				
Historical Museum	1,750,787.00	1,848,327.78	1,766,954.78	81,373.00
Memorial Day Expense	3,100.00	3,100.00	1,674.32	1,425.68
Recreation:				
Parks	83,583.00	83,583.00	45,371.31	38,211.69
County Fair	150,000.00	150,000.00	150,000.00	0.00

REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
For the Year Ended December 31, 2024
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	107,592.00	107,592.00	105,075.22	2,516.78
Soil Conservation Districts	2,040.00	2,040.00	2,040.00	0.00
Other - Agri-Business	2,500.00	2,500.00	2,500.00	0.00
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	894,911.00	894,911.00	863,440.03	31,470.97
Economic Development:				
SF Development Foundation	510.00	510.00	510.00	0.00
Forward Sioux Falls	3,000.00	3,000.00	3,000.00	0.00
Minnehaha Co Econ Dev Assn	5,500.00	5,500.00	5,500.00	0.00
Total Expenditures	<u>85,918,308.61</u>	<u>87,980,781.80</u>	<u>74,866,396.38</u>	<u>13,114,385.42</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,478,072.76)</u>	<u>(6,548,585.49)</u>	<u>16,486,151.76</u>	<u>23,034,737.25</u>
Other Financing Sources (Uses):				
Transfers Out	(345,531.00)	(345,531.00)	(345,531.00)	0.00
Insurance Proceeds	0.00	143,736.56	147,793.34	4,056.78
Sale of County Property	30,000.00	30,000.00	32,335.13	2,335.13
Total Other Financing Sources (Uses)	<u>(315,531.00)</u>	<u>(171,794.44)</u>	<u>(165,402.53)</u>	<u>6,391.91</u>
Net Change in Fund Balance	(5,793,603.76)	(6,720,379.93)	16,320,749.23	23,041,129.16
Fund Balance - Beginning	<u>42,792,569.17</u>	<u>42,792,569.17</u>	<u>42,792,569.17</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 36,998,965.41</u>	<u>\$ 36,072,189.24</u>	<u>\$ 59,113,318.40</u>	<u>\$ 23,041,129.16</u>

REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Wheel Tax	\$ 3,750,000.00	\$ 3,750,000.00	\$ 3,777,028.02	\$ 27,028.02
Licenses and Permits	60,000.00	60,000.00	53,650.45	(6,349.55)
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	230,409.66	230,409.66
State Grants	3,334,392.18	3,334,392.18	3,037,562.98	(296,829.20)
State Shared Revenue:				
Motor Vehicle Licenses	9,050,000.00	9,050,000.00	9,338,151.63	288,151.63
Prorate License Fees	475,000.00	475,000.00	478,872.73	3,872.73
63 3/4% Mobile Home/Manufactured Home	25,000.00	25,000.00	77,729.39	52,729.39
Motor Fuel Tax	43,350.00	43,350.00	41,403.37	(1,946.63)
Public Works:				
Other	14,000.00	14,000.00	63,169.42	49,169.42
Miscellaneous Revenue:				
Investment Earnings	15,000.00	15,000.00	651,704.94	636,704.94
Refund of Prior Year's Expenditures	0.00	0.00	106,290.63	106,290.63
Other	15,000.00	15,000.00	6,801.05	(8,198.95)
Total Revenues	<u>16,781,742.18</u>	<u>16,781,742.18</u>	<u>17,862,774.27</u>	<u>1,081,032.09</u>
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	17,208,022.00	20,040,929.00	14,608,720.10	5,432,208.90
Intergovernmental Expenditures	390,000.00	390,000.00	377,678.90	12,321.10
Total Expenditures	<u>17,598,022.00</u>	<u>20,430,929.00</u>	<u>14,986,399.00</u>	<u>5,444,530.00</u>
Excess of Revenues Over (Under) Expenditures	<u>(816,279.82)</u>	<u>(3,649,186.82)</u>	<u>2,876,375.27</u>	<u>6,525,562.09</u>
Other Financing Sources (Uses):				
Insurance Proceeds	0.00	0.00	2,356.25	2,356.25
Sale of County Property	50,000.00	50,000.00	383,450.00	333,450.00
Total Other Financing Sources (Uses)	<u>50,000.00</u>	<u>50,000.00</u>	<u>385,806.25</u>	<u>335,806.25</u>
Net Change in Fund Balance	<u>(766,279.82)</u>	<u>(3,599,186.82)</u>	<u>3,262,181.52</u>	<u>6,861,368.34</u>
Changes in Nonspendable	0.00	0.00	156,008.30	156,008.30
Fund Balance - Beginning	<u>11,717,522.57</u>	<u>11,717,522.57</u>	<u>11,717,522.57</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 10,951,242.75</u>	<u>\$ 8,118,335.75</u>	<u>\$ 15,135,712.39</u>	<u>\$ 7,017,376.64</u>

REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
COURTHOUSE BUILDING FUND
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 4,993,616.00	\$ 4,993,616.00	\$ 4,928,708.23	\$ (64,907.77)
General Property Taxes--Delinquent	50,000.00	50,000.00	50,825.01	825.01
Penalties and Interest	10,000.00	10,000.00	8,852.52	(1,147.48)
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	1,000.00	1,000.00	732.30	(267.70)
Other Payments in Lieu of Taxes	100.00	100.00	146.92	46.92
Health and Human Services (City Share)	0.00	0.00	46,240.73	46,240.73
Miscellaneous Revenue:				
Investment Earnings	60,000.00	60,000.00	1,887,049.52	1,827,049.52
Other	0.00	0.00	749.85	749.85
Total Revenues	5,114,716.00	5,114,716.00	6,923,305.08	1,808,589.08
Expenditures:				
General Government:				
Other General Government:				
General Government Building	2,004,000.00	4,896,642.00	1,878,646.09	3,017,995.91
Debt Service	1,395,192.50	1,395,192.50	1,395,192.50	0.00
Total Expenditures	3,399,192.50	6,291,834.50	3,273,838.59	3,017,995.91
Net Change in Fund Balance	1,715,523.50	(1,177,118.50)	3,649,466.49	4,826,584.99
Fund Balance - Beginning	33,309,730.89	33,309,730.89	33,309,730.89	6,571,181.67
FUND BALANCE - ENDING	\$ 35,025,254.39	\$ 32,132,612.39	\$ 36,959,197.38	\$ 11,397,766.66

**REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
AMERICAN RESCUE PLAN ACT FUND
For the Year Ended December 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue:				
Federal Grants	\$ 0.00	\$ 10,737,037.00	\$ 9,053,282.70	\$ (1,683,754.30)
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	0.00	6,589.06	6,589.06	0.00
Financial Administration:				
Auditor	0.00	9,544.64	9,544.64	0.00
Treasurer	0.00	76,459.58	70,570.49	5,889.09
Legal Services:				
State's Attorney	0.00	497,569.32	478,996.16	18,573.16
Public Defender	0.00	358,250.36	329,688.23	28,562.13
Court Appointed Attorney-Public Advocate	0.00	46,731.30	44,479.97	2,251.33
Other Administration:				
General Government Building	0.00	550,000.00	0.00	550,000.00
Director of Equalization	0.00	146,233.32	141,567.61	4,665.71
Human Resources	0.00	79,533.67	74,039.04	5,494.63
Public Safety:				
Law Enforcement:				
Sheriff	0.00	3,633,728.17	3,021,356.47	612,371.70
County Jail	0.00	1,996,463.07	1,968,813.58	27,649.49
Juvenile Detention	0.00	307,420.53	295,269.01	12,151.52
Protective and Emergency Services:				
Emergency and Disaster Services	0.00	2,125.87	2,125.87	0.00
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	0.00	38,009.77	31,428.03	6,581.74
Health and Welfare:				
Economic Assistance:				
Support of Poor	0.00	2,787,626.33	2,380,686.70	406,939.63
Social Services:				
Safe Home	0.00	60,245.54	57,621.37	2,624.17
Mental Health Services:				
Mentally Ill	0.00	140,000.00	140,000.00	0.00
Culture and Recreation:				
Culture:				
Historical Museum	0.00	506.47	506.47	0.00
Total Expenditures	0.00	10,737,037.00	9,053,282.70	1,683,754.30
Net Change in Fund Balance	0.00	0.00	0.00	0.00
Fund Balance - Beginning	0.00	0.00	0.00	0.00
FUND BALANCE - ENDING	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

MINNEHAHA COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
Schedules of Budgetary Comparisons for the General Fund
and for each major Special Revenue Fund with a legally required budget

Note 1. Budgets and Budgetary Accounting:

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Between the fifteenth and thirtieth days of July in each year the Board of County Commissioners prepares and files with the County Auditor a provisional budget for the following year, containing a detailed estimate of cash balances, revenues, and expenditures.
2. Prior to the first Tuesday in September in each year a notice of budget hearing is published once each week for two successive weeks, and the text of the provisional budget is published with the first publication.
3. The Board of County Commissioners holds a meeting for the purpose of considering the provisional budget on or prior to the first Tuesday in September in each year. Such hearings must be concluded by October first. Changes made to the provisional budget are entered at length in the minutes of the Board of County Commissioners.
4. Before October first of each year the Board of County Commissioners adopts an annual budget for the ensuing year. The adopted budget is filed in the office of the County Auditor.
5. After adoption by the Board of County Commissioners, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 7.
6. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total county budget.
7. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.
8. Unexpended appropriations lapse at year end unless encumbered by resolution of the Board of County Commissioners.
9. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
10. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with USGAAP.

Note 2. GAAP/Budgetary Accounting Basis Differences:

The financial statements prepared in conformity with USGAAP present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new sheriff's patrol car would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenues, Expenditures and

Changes in Fund Balances, however in the Budgetary RSI Schedule, the purchase of a new sheriff's patrol car would be reported as an expenditure of the Public Safety/Law Enforcement function of government, along with all other current Law Enforcement Department related expenditures.

REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
December 31, 2024

*Last 10 Fiscal Years

Calendar Year	Changes for the Year						Net Change in Total OPEB Liability	Total OPEB Liability - Beginning	Total OPEB Liability - Ending	County's Covered Payroll	Total OPEB Liability as a Percentage of its Covered Payroll
	Service Cost	Interest	Changes in Benefit Terms	Difference between expected and actual experience	Changes of Assumptions or other inputs	Benefit Payments					
2024	26,049.00	36,647.00	0.00	433,932.00	(66,094.00)	(52,196.00)	378,338.00	985,200.00	1,363,538.00	26,394,014.00	5.17%
2023	25,290.00	36,223.00	0.00	0.00	0.00	(49,539.00)	11,974.00	973,226.00	985,200.00	41,689,797.00	2.36%
2022	41,764.00	27,737.00	0.00	(110,074.00)	(219,823.00)	(66,008.00)	(326,404.00)	1,299,630.00	973,226.00	40,475,531.00	2.40%
2021	40,548.00	27,488.00	0.00	0.00	0.00	(48,979.00)	19,057.00	1,280,573.00	1,299,630.00	34,899,419.00	3.72%
2020	18,825.00	35,394.00	0.00	188,012.00	221,403.00	(54,985.00)	408,649.00	871,924.00	1,280,573.00	33,882,931.00	3.78%
2019	18,277.00	35,151.00	0.00	406,300.00	0.00	(447,437.00)	12,291.00	859,633.00	871,924.00	30,216,688.00	2.89%
2018	17,744.00	41,778.00	0.00	249,072.71	0.00	(284,461.71)	24,133.00	835,500.00	859,633.00	29,336,590.00	2.93%

* This schedule requires the presentation of information of 10 years. Until a full 10-year trend is compiled, the County will present information for those years for which information is available.

Notes to the Schedule of Changes in the County's Total OPEB Liability:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in Benefits

There were no significant changes in benefit terms.

**REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
SCHEDULE OF THE COUNTY'S PENSION CONTRIBUTIONS**

South Dakota Retirement System

Last 10 Years

Calendar Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 3,084,903.88	\$ 3,084,903.88	\$ 0.00	\$ 45,021,884.98	6.85%
2023	\$ 2,885,178.74	\$ 2,885,178.74	\$ 0.00	\$ 41,570,315.82	6.94%
2022	\$ 2,623,280.05	\$ 2,623,280.05	\$ 0.00	\$ 38,299,240.15	6.85%
2021	\$ 2,350,658.83	\$ 2,350,658.83	\$ 0.00	\$ 34,341,812.53	6.84%
2020	\$ 2,344,793.85	\$ 2,344,793.85	\$ 0.00	\$ 34,257,825.30	6.84%
2019	\$ 2,083,894.39	\$ 2,083,894.39	\$ 0.00	\$ 30,991,774.31	6.72%
2018	\$ 1,974,586.55	\$ 1,974,586.55	\$ 0.00	\$ 29,381,328.66	6.72%
2017	\$ 1,896,121.94	\$ 1,896,121.94	\$ 0.00	\$ 28,283,924.14	6.70%
2016	\$ 1,819,031.12	\$ 1,819,031.12	\$ 0.00	\$ 27,249,217.41	6.68%
2015	\$ 1,756,272.16	\$ 1,756,272.16	\$ 0.00	\$ 26,252,625.88	6.69%

REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
South Dakota Retirement System

*Last 10 Years

Calendar Year	County's Proportion of the Net Pension Liability/Asset	County's Proportionate Share of the Net Pension Liability/Asset	County's Covered Payroll	County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2024	1.762835%	\$ (71,359.15)	\$ 42,733,642.98	0.17%	100.00%
2023	1.801839%	\$ (175,867.59)	\$ 40,741,671.46	0.43%	100.10%
2022	1.781601%	\$ (168,372.39)	\$ 37,254,762.92	0.45%	100.10%
2021	1.691121%	\$ (12,951,092.57)	\$ 33,628,460.44	38.51%	105.52%
2020	1.651795%	\$ (71,737.10)	\$ 31,829,524.92	0.23%	100.04%
2019	1.580476%	\$ (167,487.13)	\$ 30,232,147.15	0.55%	100.09%
2018	1.551821%	\$ (36,192.04)	\$ 28,848,731.69	0.13%	100.02%
2017	1.517263%	\$ (137,693.20)	\$ 27,667,555.91	0.50%	100.10%
2016	1.571607%	\$ 5,308,735.39	\$ 26,806,067.25	19.80%	96.89%
2015	1.579317%	\$ (6,698,334.67)	\$ 25,846,471.45	25.92%	104.10%

* The amounts presented for each year were determined as of the measurement date of the collective net pension liability (asset) which is 6/30.

MINNEHAHA COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the Proportionate Share of the Net Pension Liability (Asset) and
Schedule of Pension Contributions

Changes from Prior Valuation

The June 30, 2024, Actuarial Valuation reflects no changes to the plan provisions or actuarial methods and one change to the actuarial assumptions from the June 30, 2023, Actuarial Valuation.

The details of the changes since the last valuation are as follows.

Benefit Provision Changes

During the 2024 Legislative Session no significant SDRS benefit changes were made.

Actuarial Method Changes

No changes in actuarial methods were made since the prior valuation.

Actuarial Assumption Changes

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%.

As of June 30, 2023, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was less than 100% and the July 2024 SDRS COLA was limited to a restricted maximum of 1.91%. For the June 30, 2023, Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA assumption of 1.91%.

As of June 30, 2024, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is again less than 100% and the July 2025 SDRS COLA is limited to a restricted maximum of 1.71%. The July 2025 SDRS COLA will equal inflation, between 0% and 1.71%. For this June 30, 2024, Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 1.71%.

Actuarial assumptions are reviewed for reasonability annually and reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2027, Actuarial Valuation and any recommended changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2027 Actuarial Valuation.

**SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal Expenditures 2024
Child Nutrition Cluster:				
US Department of Agriculture Pass-Through Programs:				
SD Department of Education, Cash Assistance:				
School Breakfast Program (Note 3)	10.553	4933700	\$	\$ 30,071.52
National School Lunch Program (Note 3)	10.555	4933700		53,452.19
Total for Child Nutrition Cluster			0.00	83,523.71
Total US Department of Agriculture			0.00	83,523.71
US Department of Interior - Direct Programs:				
Bureau of Land Management, Payments in Lieu of Taxes (Note 3)	15.226	71209341	21,111.20	32,970.00
Total US Department of the Interior			21,111.20	32,970.00
US Department of Justice - Direct Programs:				
State Criminal Alien Assistance Program	16.606			8,804.00
Comprehensive Opioid, Stimulant, and Substance Abuse Use Program	16.838	2020-AR-BX-0060		258,625.94
Subtotal US Department of Justice - Direct Programs			0.00	267,429.94
US Department of Justice - Pass-Through Programs:				
SD Department of Public Safety, Violence Against Women Formula Grants	16.588	15JOVW21-GG-00564-STOP		54,764.82
City of Sioux Falls, Edward Byrne Memorial Justice Assistance Grant Program	16.738			24,673.17
Subtotal US Department of Justice - Pass-Through Programs			0.00	79,437.99
Total US Department of Justice			0.00	346,867.93
Highway Planning and Construction Cluster:				
US Department of Transportation - Pass-Through Programs:				
SD Department of Transportation, Highway Planning and Construction	20.205			108,814.57
Subtotal US Department of Transportation - Highway Planning and Construction Cluster			0.00	108,814.57
Highway Safety Cluster:				
US Department of Transportation - Pass-Through Programs:				
SD Department of Public Safety, State and Community Highway Safety	20.600			15,517.50
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608			8,066.20
Subtotal US Department of Transportation - Highway Safety Cluster			0.00	23,583.70
Total US Department of Transportation			0.00	132,398.27
US Department of Treasury - Direct Programs:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Note 4)	21.027	SLFRP3250		11,042,521.70
Subtotal US Department of Treasury - Direct Programs			0.00	11,042,521.70
US Department of Treasury - Pass Through Programs:				
SD Housing Development Authority, COVID-19 Emergency Rental Assistance Program	21.023	ERA2-MCC		41,002.17
Total US Department of Treasury			0.00	11,083,523.87
US Elections Assistance Commission - Pass-Through Programs:				
SD Secretary of State, Help America Vote Act Requirements Payments	90.401			53,493.98
Total US Elections Assistance Commission			0.00	53,493.98
US Department of Health and Human Services - Pass-Through Programs:				
SD Department of Health, Opioid STR	93.788	H79T1083315		40,101.98
National Bioterrorism Hospital Preparedness Program	93.889			131.88
SD Department of Social Services, MaryLee Allen Promoting Safe and Stable Families Program	93.556	23-0842-201		95,137.27
Total US Department of Health and Human Services			0.00	135,371.13

**SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024
(Continued)**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal Expenditures 2024
US Executive Office of the President - Pass-Through Programs: SD Attorney General's Office,				
High Intensity Drug Trafficking Areas Program	95.001	G22MW0004A, G23MW0004A		73,944.00
Total US Executive Office of the President			0.00	73,944.00
US Department of Homeland Security - Pass-Through Programs: SD Department of Public Safety - Office of Emergency Management,				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	SD-4656-PW-0079(0), SD-4656-PW-00040(0)		118,319.66
Emergency Management Performance Grants	97.042	EMD-2024-EP-05005		83,097.00
BRIC: Building Resilient Infrastructure and Communities	97.047	EMD-2021-BR-061-0006 2021-SS-00006-S01,		22,500.00
Homeland Security Grant Program	97.067	2023-SS-00017-S01		162,285.54
Total US Department of Homeland Security			0.00	386,202.20
GRAND TOTAL			\$ 21,111.20	\$ 12,328,295.09

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the County under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Federal Reimbursement

Federal reimbursements are not based upon specific expenditures. Therefore, the amounts reported here represent cash received rather than federal expenditures.

Note 4: Major Federal Financial Assistance Program

This represents a Major Federal Financial Assistance Program.