

ROBERTS COUNTY

AUDIT REPORT

For the Two Years Ended December 31, 2022

ROBERTS COUNTY
COUNTY OFFICIALS
December 31, 2022

Board of Commissioners:
Dennis Jensen—Chairperson
Don Carlson
Faye Johnston
Tom Vergeldt
Tim Zempel

Auditor:
Kristi Fritz

Treasurer:
Mark Moen

State's Attorney:
Dylan Kirchmeier

Register of Deeds:
Jay Tasa

Sheriff:
Tyler Appel

ROBERTS COUNTY
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427 SOUTH CHAPELLE
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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
Roberts County
Sisseton, 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 modified cash basis of accounting financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Roberts County, South Dakota (County), as of December 31, 2022, and for each of the years in the biennial period 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 3, 2024.

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 County'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Current Audit Findings and Questioned Costs, as item No. 2022-001 to be a material weakness.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Audit Findings and Questioned Costs as item No. 2022-002.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit. The County did not wish to respond to the findings identified in our audit as described in the accompanying Schedule of Current Audit Findings and Questioned Costs.

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.



Russell A. Olson
Auditor General

September 3, 2024



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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
Roberts County
Sisseton, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Roberts 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 biennial period ended December 31, 2022. 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, Roberts 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 biennial period ended December 31, 2022.

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.



Russell A. Olson
Auditor General

September 3, 2024

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

SCHEDULE OF PRIOR AUDIT FINDINGS

Prior Audit Findings:

Finding No. 2020-001:

The County does not have an internal control system designed to provide for the preparation of the annual financial reports in accordance with the modified cash basis of accounting. We noted numerous significant reporting errors within the annual reports prepared by the County. This finding has not been resolved and is restated as current audit finding No. 2022-001.

Finding No. 2020-002:

The County's Sheriff/Jail Department does not have an internal control system designed to provide for proper record keeping providing assurance that transactions are properly executed and recorded and that assets are properly safeguarded. This finding has been resolved.

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. A material weakness was disclosed by our audit of the financial statements for financial reporting errors as discussed in finding number 2022-001.
- 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. Roberts County did not qualify as a low-risk auditee.

Section II – Financial Statement Findings

Internal Control-Related Findings - Material Weakness:

Financial Reporting Errors

Finding No. 2022-001:

Criteria:

The County's internal control structure should be designed to provide for the preparation of the annual financial reports, which includes having an adequate system for recording and processing entries material to the annual financial reports being audited in accordance with the modified cash basis of accounting.

Condition:

The County's system of internal control designed to provide for accurate preparation of the annual financial reports was inadequate resulting in numerous significant reporting errors within the annual reports prepared by the County.

Context:

We identified 41 misstatements on the 2021 and 2022 annual financial reports that were either individually material misstatements or required corrections to properly present the annual financial reports. These corrections allowed for the issuance of an unmodified audit opinion on the financial statements.

Effect:

Inaccurate and incomplete information being presented to the users of the annual financial reports.

Cause:

The County does not have an internal control system designed to provide for the preparation of the annual financial reports in accordance with the modified cash basis of accounting.

Recommendation:

We recommend that the County strengthen internal controls over financial reporting.

Views of responsible officials:

Management chose not to respond to this finding.

Compliance and Other Matters:

Delinquent Tax Collection Deficiencies

Finding No. 2022-002:

Criteria:

SDCL 10-25-1 states: "In the case of any real property sold for taxes and not yet redeemed, the owner or holder of the tax certificate may conduct, or cause to be conducted, proceedings to procure a tax deed on the real property, as provided by SDCL 10-25-2 to 10-25-12, inclusive. The proceedings shall be initiated no sooner than three years from the date of the tax sale or at any time thereafter within six years from the

date of the tax sale subject to the provisions of SDCL 10-25-16 to 10-25-19, inclusive. The time period applies equally to the county or any other purchaser of the tax certificate. Any assignee of a tax certificate shall take the certificate subject to the time period of the first owner of the tax certificate.”

Condition:

Deficiencies were noted in the delinquent tax collection process as numerous eligible properties with delinquent taxes were not being taken for tax deed. There were also numerous properties with outstanding delinquent taxes for which the collectability was questionable. This is the sixth consecutive audit in which a similar finding was noted.

Context:

Review of the delinquent tax records revealed 91 parcels with delinquent taxes ranging from 2008 to 2018.

Effect:

The County is not in compliance with SDCL 10-25-1.

The County’s delinquent tax records contain numerous parcels with delinquent taxes that have questionable collectability.

Cause:

The County Treasurer had not instituted tax deed procurement procedures on all applicable properties pursuant to SDCL 10-25-1 in a timely manner.

The County Treasurer had not reviewed the collectability of old delinquent property taxes to determine what procedures, if any, could be used to collect the delinquent taxes.

Recommendations:

We recommend that the County Treasurer institute tax deed procurement procedures on all applicable properties pursuant to SDCL 10-25-1.

We recommend that the County Treasurer consult with the States Attorney about the collectability of some of the old delinquent taxes and that appropriate action be taken to collect any collectable amounts.

Views of responsible officials:

Management chose not to respond to this finding.

Surplus Unassigned Fund Balance

Finding No. 2022-003:

Criteria:

South Dakota Codified Law (SDCL) 7-21-18.1 states: “The total unassigned fund balance of the general fund may not exceed forty percent of the total amount of all general fund appropriations contained in the budget for the next fiscal year.”

Condition:

The unassigned fund balance of the General Fund exceeded the maximum allowed by SDCL 7-21-18.1 by approximately \$1,600,000 as of December 31, 2022.

Context:

Our analysis of the County General Fund indicated an excessive unassigned fund balance existed at December 31, 2022 as follows:

Total Unassigned Fund Balance at December 31, 2022		\$ 3,917,461.29
Less:		
2019 General Fund Appropriations	5,778,081.00	
Percentage of Allowable Retainage	<u>40%</u>	
Allowable Fund Balance Retainage		<u>(2,311,232.40)</u>
Unassigned Surplus Fund Balance at December 31, 2022 in Excess of the Amount Allowed by SDCL 7-21-18.1		<u>\$ 1,606,228.89</u>

Effect:

The County is in not in compliance with SDCL 7-21-18.1.

Cause:

The Board of County Commissioners has not committed or assigned fund balances for county purposes or reduced taxes to comply with SDCL 7-21-18.1.

Recommendation:

We recommend that the County comply with SDCL 7-21-18.1.

Views of responsible officials:

Management chose not to respond to this finding.

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
Roberts County
Sisseton, South Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis of accounting financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Roberts County, South Dakota (County), as of December 31, 2022, and for each of the years in the biennial period 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 modified cash basis of accounting financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Roberts County as of December 31, 2022, and the respective changes in financial position thereof for each of the years in the biennial period then ended in accordance with the modified cash basis of accounting described in Note 1.c. to the financial statements.

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 1.c. of the financial statements, which describes the basis of accounting, the financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the financial statements, in 2022, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases; however, this implementation did not

result in a restatement of the net position as of January 1, 2022. Our opinions are 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 the modified cash basis of accounting described in Note 1.c.; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is responsible 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 modified cash basis of accounting 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the modified cash basis of accounting 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), the Budgetary Comparison Schedules, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Changes in Long-Term Debt are presented for purposes of additional analysis and are 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, the Budgetary Comparison Schedules, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Changes in Long-Term Debt are 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 3, 2024, 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.



Russell A. Olson
Auditor General

September 3, 2024

ROBERTS COUNTY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
December 31, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS:			
Cash and Cash Equivalents	\$ 5,632,074.94	\$ 286,032.19	\$ 5,918,107.13
Investments	300,000.00		300,000.00
Restricted Assets:			
Cash and Cash Equivalents		1,187,118.11	1,187,118.11
TOTAL ASSETS	\$ 5,932,074.94	\$ 1,473,150.30	\$ 7,405,225.24
NET POSITION:			
Restricted For: (See Note 6)			
Rural Access Infrastructure Purposes	\$ 245,083.61	\$	\$ 245,083.61
Jail Debt Service Purposes	95,047.54		95,047.54
Landfill Closure and Postclosure Cost Purposes		1,187,118.11	1,187,118.11
Other Purposes	80,215.90		80,215.90
Unrestricted	5,511,727.89	286,032.19	5,797,760.08
TOTAL NET POSITION	\$ 5,932,074.94	\$ 1,473,150.30	\$ 7,405,225.24

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

ROBERTS COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 1,570,535.86	\$ 371,731.18	\$ 977,840.88	\$ 46,289.83	\$ (174,673.97)		\$ (174,673.97)
Public Safety	4,030,444.05	819,861.99	105,897.68		(3,104,684.38)		(3,104,684.38)
Public Works	2,896,803.14	57,174.12	2,194,937.97		(644,691.05)		(644,691.05)
Health and Welfare	156,565.17	42,770.56			(113,794.61)		(113,794.61)
Culture and Recreation	12,143.94				(12,143.94)		(12,143.94)
Conservation of Natural Resources	116,397.40	4,721.75			(111,675.65)		(111,675.65)
Urban and Economic Development	72,772.75				(72,772.75)		(72,772.75)
**Interest on Long-Term Debt	52,059.09				(52,059.09)		(52,059.09)
Total Governmental Activities	8,907,721.40	1,296,259.60	3,278,676.53	46,289.83	(4,286,495.44)	0.00	(4,286,495.44)
Business-Type Activities:							
Solid Waste	885,598.24	834,445.73	209,265.30			158,112.79	158,112.79
Total Primary Government	<u>\$ 9,793,319.64</u>	<u>\$ 2,130,705.33</u>	<u>\$ 3,487,941.83</u>	<u>\$ 46,289.83</u>	<u>(4,286,495.44)</u>	<u>158,112.79</u>	<u>(4,128,382.65)</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.							
Property Taxes					4,190,890.71		4,190,890.71
Wheel Tax					319,218.31		319,218.31
State Shared Revenues					237,061.06		237,061.06
Grants and Contributions not Restricted to Specific Programs					54,590.40		54,590.40
Unrestricted Investment Earnings					16,923.30	4,766.33	21,689.63
Miscellaneous Revenue					93,980.60		93,980.60
Transfers					320,968.60	(320,968.60)	0.00
Total General Revenues and Transfers					<u>5,233,632.98</u>	<u>(316,202.27)</u>	<u>4,917,430.71</u>
Change in Net Position					947,137.54	(158,089.48)	789,048.06
Net Position - Beginning					<u>4,984,937.40</u>	<u>1,631,239.78</u>	<u>6,616,177.18</u>
NET POSITION - ENDING					<u>\$ 5,932,074.94</u>	<u>\$ 1,473,150.30</u>	<u>\$ 7,405,225.24</u>

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

ROBERTS COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 1,435,491.50	\$ 404,293.68	\$ 1,930,805.16	\$ 20,498.18	\$ 920,105.52	\$	\$ 920,105.52
Public Safety	3,587,046.37	874,959.85	126,757.12		(2,585,329.40)		(2,585,329.40)
Public Works	3,434,204.72	35,107.44	2,837,037.17		(562,060.11)		(562,060.11)
Health and Welfare	158,330.40	47,376.27			(110,954.13)		(110,954.13)
Culture and Recreation	5,788.57				(5,788.57)		(5,788.57)
Conservation of Natural Resources	123,760.46	6,654.75			(117,105.71)		(117,105.71)
Urban and Economic Development	223,398.32				(223,398.32)		(223,398.32)
**Interest on Long-Term Debt	51,895.00				(51,895.00)		(51,895.00)
Total Governmental Activities	9,019,915.34	1,368,391.99	4,894,599.45	20,498.18	(2,736,425.72)	0.00	(2,736,425.72)
Business-Type Activities:							
Solid Waste	987,910.19	910,862.65				(77,047.54)	(77,047.54)
Total Primary Government	\$ 10,007,825.53	\$ 2,279,254.64	\$ 4,894,599.45	\$ 20,498.18	(2,736,425.72)	(77,047.54)	(2,813,473.26)
General Revenues:							
Taxes:							
Property Taxes					4,171,945.62		4,171,945.62
Wheel Tax					329,095.17		329,095.17
State Shared Revenues					209,660.20		209,660.20
Grants and Contributions not Restricted to Specific Programs					7,200.13		7,200.13
Unrestricted Investment Earnings					17,823.54	4,181.90	22,005.44
Miscellaneous Revenue					48,342.49	751.00	49,093.49
Total General Revenues					4,784,067.15	4,932.90	4,789,000.05
Change in Net Position					2,047,641.43	(72,114.64)	1,975,526.79
Net Position - Beginning					2,937,295.97	1,703,354.42	4,640,650.39
NET POSITION - ENDING					\$ 4,984,937.40	\$ 1,631,239.78	\$ 6,616,177.18

**The County does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

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

**ROBERTS COUNTY
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
December 31, 2022**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash and Cash Equivalents	\$ 4,514,181.29	\$ 689,145.56	\$ 428,748.09	\$ 5,632,074.94
Investments	300,000.00			300,000.00
TOTAL ASSETS	<u>\$ 4,814,181.29</u>	<u>\$ 689,145.56</u>	<u>\$ 428,748.09</u>	<u>\$ 5,932,074.94</u>
FUND BALANCES: (See Note 1.k.)				
Restricted	\$	\$	\$ 420,347.05	\$ 420,347.05
Assigned	896,720.00	689,145.56	8,401.04	1,594,266.60
Unassigned	3,917,461.29			3,917,461.29
TOTAL FUND BALANCES	<u>\$ 4,814,181.29</u>	<u>\$ 689,145.56</u>	<u>\$ 428,748.09</u>	<u>\$ 5,932,074.94</u>

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

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ROBERTS COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 3,667,956.57	\$	\$ 479,988.57	\$ 4,147,945.14
General Property Taxes--Delinquent	24,022.54		3,335.18	27,357.72
Penalties and Interest	15,536.31			15,536.31
Telephone Tax (Outside)	51.54			51.54
Wheel Tax		319,218.31		319,218.31
Licenses and Permits	60,320.00	21,200.00	1,770.00	83,290.00
Intergovernmental Revenue:				
Federal Grants	514,351.32	346,809.54	107,745.69	968,906.55
Federal Shared Revenue	50,000.00			50,000.00
Federal Payments in Lieu of Taxes	4,590.40			4,590.40
State Grants	22,862.87	428,152.57	390.76	451,406.20
State Shared Revenue:				
Bank Franchise	84,828.65			84,828.65
Motor Vehicle Licenses		1,460,146.10		1,460,146.10
Court Appointed Attorney/Public Defender	6,399.94			6,399.94
Prorate License Fees		82,619.06		82,619.06
63 3/4% Mobile Home		2,371.50		2,371.50
Telecommunications Gross Receipts Tax	19,528.50			19,528.50
Renewable Facility Tax	57,610.28			57,610.28
Motor Fuel Tax		7,238.24		7,238.24
911 Remittances			85,178.44	85,178.44
Liquor Tax Reversion (25%)	56,343.63			56,343.63
Other State Shared Revenue			214,410.50	214,410.50
Other Payments in Lieu of Taxes	18,750.00			18,750.00

Charges for Goods and Services:

General Government:

Treasurer's Fees	43,045.59			43,045.59
Register of Deeds' Fees	128,712.00	10,900.01		139,612.01
Legal Services	76,118.36	600.00		76,718.36
Clerk of Courts Fees	7,505.23			7,505.23
Other Fees	4,500.64			4,500.64

Public Safety:

Law Enforcement	103,575.98			103,575.98
Prisoner Care	646,231.84	37,700.15		683,931.99

Public Works:

Road Maintenance Contract Charges		35,974.12		35,974.12
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Health and Welfare:

Economic Assistance:

Poor Lien Recoveries	12,478.35			12,478.35
Veterans Service Officer	3,750.00			3,750.00

Health Assistance:

Women, Infants and Children	30,292.21			30,292.21
Conservation of Natural Resources	4,721.75			4,721.75

Fines and Forfeits:

Costs	30,065.83			30,065.83
Forfeits	1,200.00			1,200.00
Other	1,088.19			1,088.19

Miscellaneous Revenue:

Investment Earnings	13,331.34	1,528.12	2,063.84	16,923.30
Rent	34,509.35			34,509.35
Other	21,838.78	12,709.82		34,548.60

Total Revenues	<u>5,766,117.99</u>	<u>2,717,967.38</u>	<u>944,083.14</u>	<u>9,428,168.51</u>
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Expenditures:

General Government:

Legislative:

Board of County Commissioners	120,965.06			120,965.06
Elections	35,718.51			35,718.51
Judicial System	25,135.07			25,135.07

Financial Administration:

Auditor	165,902.24			165,902.24
Treasurer	175,298.16			175,298.16

ROBERTS COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022
(Continued)

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Legal Services:				
State's Attorney	208,713.94			208,713.94
Public Defender	121,000.00			121,000.00
Court Appointed Attorney	128,537.15			128,537.15
Other General Government:				
General Government Building	192,209.68			192,209.68
Director of Equalization	248,241.06			248,241.06
Register of Deeds	103,618.42		10,683.57	114,301.99
Veterans Service Officer	32,271.85			32,271.85
Predatory Animal	2,241.15			2,241.15
Public Safety:				
Law Enforcement:				
Sheriff	871,394.80			871,394.80
County Jail	1,866,351.51		1,160.00	1,867,511.51
Coroner	28,010.90			28,010.90
Juvenile Detention	106,654.00		37,821.00	144,475.00
Protective and Emergency Services:				
Emergency and Disaster Services			79,921.16	79,921.16
Communication Center	456,150.85		137,979.83	594,130.68
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		2,756,544.19	37,500.00	2,794,044.19
Health and Welfare:				
Economic Assistance:				
Support of Poor	6,040.00			6,040.00
Health Assistance:				
County Nurse	42,621.97			42,621.97
Women, Infants and Children	46,590.31			46,590.31

Social Services:				
Other			2,172.18	2,172.18
Mental Health Services:				
Mentally Ill	44,046.71			44,046.71
Developmentally Disabled	906.00			906.00
Mental Health Centers	14,188.00			14,188.00
Culture and Recreation:				
Recreation:				
County Fair	4,636.46			4,636.46
Other	7,507.48			7,507.48
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	79,918.86			79,918.86
Weed Control	36,478.54			36,478.54
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	48,614.00			48,614.00
Urban and Rural Development	24,158.75			24,158.75
Debt Service		115,888.04	483,930.00	599,818.04
Total Expenditures	<u>5,244,121.43</u>	<u>2,872,432.23</u>	<u>791,167.74</u>	<u>8,907,721.40</u>
Excess of Revenues Over (Under) Expenditures	<u>521,996.56</u>	<u>(154,464.85)</u>	<u>152,915.40</u>	<u>520,447.11</u>
Other Financing Sources (Uses):				
Transfers In	273.13	320,968.60	57,235.09	378,476.82
Transfers Out	(57,235.09)		(273.13)	(57,508.22)
Insurance Proceeds	45,907.53	382.30		46,289.83
Sale of County Property		59,432.00		59,432.00
Total Other Financing Sources (Uses)	<u>(11,054.43)</u>	<u>380,782.90</u>	<u>56,961.96</u>	<u>426,690.43</u>
Net Change in Fund Balance	510,942.13	226,318.05	209,877.36	947,137.54
Fund Balance - Beginning	<u>4,303,239.16</u>	<u>462,827.51</u>	<u>218,870.73</u>	<u>4,984,937.40</u>
FUND BALANCE - ENDING	<u>\$ 4,814,181.29</u>	<u>\$ 689,145.56</u>	<u>\$ 428,748.09</u>	<u>\$ 5,932,074.94</u>

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

ROBERTS COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 3,593,328.90	\$	\$ 531,976.11	\$ 4,125,305.01
General Property Taxes--Delinquent	27,097.98		3,817.51	30,915.49
Penalties and Interest	15,665.53			15,665.53
Telephone Tax (Outside)	59.59			59.59
Wheel Tax		329,095.17		329,095.17
Licenses and Permits	59,818.00	6,575.00	2,070.00	68,463.00
Intergovernmental Revenue:				
Federal Grants	1,919,513.33		41,833.24	1,961,346.57
Federal Payments in Lieu of Taxes	4,527.82		395.24	4,923.06
State Grants	6,051.83	1,288,938.04		1,294,989.87
State Shared Revenue:				
Bank Franchise	51,304.74			51,304.74
Motor Vehicle Licenses		1,454,608.61		1,454,608.61
Court Appointed Attorney/Public Defender	5,240.00			5,240.00
Prorate License Fees		81,908.71		81,908.71
63 3/4% Mobile Home		3,908.36		3,908.36
Telecommunications Gross Receipts Tax	32,486.67			32,486.67
Motor Fuel Tax		7,673.45		7,673.45
911 Remittances			84,923.88	84,923.88
Liquor Tax Reversion (25%)	57,380.74			57,380.74
Other State Shared Revenue			68,488.05	68,488.05
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	49,278.88			49,278.88
Register of Deeds' Fees	140,115.50		13,343.43	153,458.93
Legal Services	81,475.72		638.46	82,114.18

Clerk of Courts Fees	12,024.76			12,024.76
Other Fees	4,710.10			4,710.10
Public Safety:				
Law Enforcement	69,561.91			69,561.91
Prisoner Care	740,786.32			740,786.32
Sobriety Testing			33,161.50	33,161.50
Public Works:				
Road Maintenance Contract Charges		28,532.44		28,532.44
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	13,898.06			13,898.06
Veterans Service Officer	3,750.00			3,750.00
Health Assistance:				
County Nurse	397.76			397.76
Women, Infants and Children	33,080.45			33,080.45
Conservation of Natural Resources	6,654.75			6,654.75
Fines and Forfeits:				
Costs	22,572.41			22,572.41
Forfeits	7,750.00			7,750.00
Other	1,127.71			1,127.71
Miscellaneous Revenue:				
Investment Earnings	14,018.56	1,582.84	2,222.14	17,823.54
Rent	37,068.83			37,068.83
Contributions and Donations	2,277.07			2,277.07
Refund of Prior Year's Expenditures	3,797.50			3,797.50
Other	33,214.00	1,002.73		34,216.73
Total Revenues	<u>7,050,035.42</u>	<u>3,203,825.35</u>	<u>782,869.56</u>	<u>11,036,730.33</u>

Expenditures:

General Government:

Legislative:

Board of County Commissioners	131,307.19			131,307.19
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Elections	5,352.30			5,352.30
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Judicial System	29,195.59			29,195.59
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Financial Administration:

Auditor	163,605.45			163,605.45
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Treasurer	173,600.08			173,600.08
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ROBERTS COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021
(Continued)

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Legal Services:				
State's Attorney	204,956.09			204,956.09
Public Defender	108,000.00			108,000.00
Court Appointed Attorney	77,915.11			77,915.11
Other General Government:				
General Government Building	170,767.39			170,767.39
Director of Equalization	220,595.94			220,595.94
Register of Deeds	106,574.06		2,772.31	109,346.37
Veterans Service Officer	38,608.84			38,608.84
Predatory Animal	2,241.15			2,241.15
Public Safety:				
Law Enforcement:				
Sheriff	696,797.67			696,797.67
County Jail	1,682,256.71		44,525.30	1,726,782.01
Coroner	23,872.36			23,872.36
Juvenile Detention	99,700.11			99,700.11
Protective and Emergency Services:				
Emergency and Disaster Services			20,420.34	20,420.34
Communication Center	401,529.70		181,844.18	583,373.88
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		3,396,714.24	314.94	3,397,029.18
Health and Welfare:				
Economic Assistance:				
Support of Poor	7,282.75			7,282.75
Health Assistance:				
County Nurse	61,637.28			61,637.28
Women, Infants and Children	47,698.41			47,698.41

Social Services:				
Domestic Abuse			2,553.03	2,553.03
Mental Health Services:				
Mentally Ill	24,064.93			24,064.93
Mental Health Centers	15,094.00			15,094.00
Culture and Recreation:				
Recreation:				
County Fair	5,788.57			5,788.57
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	55,825.23			55,825.23
Weed Control	67,935.23			67,935.23
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	1,006.92			1,006.92
Urban and Rural Development	19,571.60			19,571.60
Debt Service		42,528.04	685,462.30	727,990.34
Total Expenditures	<u>4,642,780.66</u>	<u>3,439,242.28</u>	<u>937,892.40</u>	<u>9,019,915.34</u>
Excess of Revenues Over (Under) Expenditures	<u>2,407,254.76</u>	<u>(235,416.93)</u>	<u>(155,022.84)</u>	<u>2,016,814.99</u>
Other Financing Sources (Uses):				
Transfers In	61,540.43		93,500.00	155,040.43
Transfers Out	(93,500.00)		(61,540.43)	(155,040.43)
Insurance Proceeds	20,498.18			20,498.18
Sale of County Property	6,470.00	3,858.26		10,328.26
Total Other Financing Sources (Uses)	<u>(4,991.39)</u>	<u>3,858.26</u>	<u>31,959.57</u>	<u>30,826.44</u>
Net Change in Fund Balance	2,402,263.37	(231,558.67)	(123,063.27)	2,047,641.43
Fund Balance - Beginning	<u>1,900,975.79</u>	<u>694,386.18</u>	<u>341,934.00</u>	<u>2,937,295.97</u>
FUND BALANCE - ENDING	<u>\$ 4,303,239.16</u>	<u>\$ 462,827.51</u>	<u>\$ 218,870.73</u>	<u>\$ 4,984,937.40</u>

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

ROBERTS COUNTY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
December 31, 2022

	Enterprise Funds
	Solid Waste
	Fund
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 286,032.19
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	1,187,118.11
TOTAL ASSETS	\$ 1,473,150.30
NET POSITION:	
Restricted For:	
Landfill Closure and Postclosure Costs	\$ 1,187,118.11
Unrestricted	286,032.19
TOTAL NET POSITION	\$ 1,473,150.30

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

ROBERTS COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2022

	Enterprise Funds Solid Waste Fund
Operating Revenues:	
Charges for Goods and Services	\$ 834,445.73
Operating Expenses:	
Personal Services	282,361.36
Other Current Expense	362,596.77
Materials	196,370.30
Capital Assets	377.49
Total Operating Expenses	841,705.92
Operating Income (Loss)	(7,260.19)
Nonoperating Revenues (Expenses):	
Operating Grants	209,265.30
Investment Earnings	4,766.33
Interest Expense and Fiscal Charges	(3,249.88)
Debt Service (Principal)	(40,642.44)
Total Nonoperating Revenues (Expenses)	170,139.31
Income (Loss) Before Transfers	162,879.12
Transfers Out	(320,968.60)
Change in Net Position	(158,089.48)
Net Position - Beginning	1,631,239.78
NET POSITION - ENDING	\$ 1,473,150.30

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

ROBERTS COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Enterprise Funds
	Solid Waste Fund
Operating Revenues:	
Charges for Goods and Services	\$ 910,861.72
Miscellaneous	0.93
	910,862.65
Total Operating Revenues	910,862.65
Operating Expenses:	
Personal Services	274,258.77
Other Current Expense	471,082.82
Materials	123,346.28
Capital Assets	75,330.00
	944,017.87
Total Operating Expenses	944,017.87
Operating Income (Loss)	(33,155.22)
Nonoperating Revenues (Expenses):	
Operating Grants	
Investment Earnings	4,181.90
Interest Expense and Fiscal Charges	(4,616.58)
Debt Service (Principal)	(39,275.74)
Sale of County Property	751.00
	(38,959.42)
Total Nonoperating Revenues (Expenses)	(38,959.42)
Change in Net Position	(72,114.64)
Net Position - Beginning	1,703,354.42
NET POSITION - ENDING	\$ 1,631,239.78

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

ROBERTS COUNTY
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
December 31, 2022

	Custodial Funds
ASSETS:	
Cash and Cash Equivalents	\$ 483,390.70
TOTAL ASSETS	\$ 483,390.70
NET POSITION:	
Restricted For:	
Individuals, Organizations, and Other Governments	\$ 483,390.70
TOTAL NET POSITION	\$ 483,390.70

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

ROBERTS COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
For the Year Ended December 31, 2022

	Custodial Funds
ADDITIONS:	
Property Tax Collections for Other Governments	\$ 11,132,564.13
State Shared Revenue Collections for Other Governments	3,666,597.11
Other Additions	487,506.10
Total Additions	15,286,667.34
DEDUCTIONS:	
Payments of Property Tax to Other Governments	11,084,418.47
Payments of State Shared Revenue to Other Governments	3,718,640.15
Other Deductions	546,847.62
Total Deductions	15,349,906.24
Change in Net Position	(63,238.90)
Net Position - Beginning	546,629.60
NET POSITION - ENDING	\$ 483,390.70

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

ROBERTS COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
For the Year Ended December 31, 2021

	Custodial Funds
ADDITIONS:	
Property Tax Collections for Other Governments	\$ 10,990,781.11
State Shared Revenue Collections for Other Governments	3,545,211.28
Other Additions	446,725.64
Total Additions	14,982,718.03
DEDUCTIONS:	
Payments of Property Tax to Other Governments	10,984,988.24
Payments of State Shared Revenue to Other Governments	3,489,162.83
Other Deductions	351,068.26
Total Deductions	14,825,219.33
Change in Net Position	157,498.70
Net Position - Beginning	389,130.90
NET POSITION - ENDING	\$ 546,629.60

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

ROBERTS COUNTY
NOTES TO THE MODIFIED CASH BASIS FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Financial Reporting Entity:

The reporting entity of Roberts 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.

The County has activated a Housing and Redevelopment Commission (HRC) under the authority of South Dakota Codified Law 11-7-7. The County activated this HRC solely for the purpose of abdicating its power or authority over the housing projects within Roberts County to the Aberdeen Housing and Redevelopment Commission organized by City of Aberdeen. The County Commission, though, retains the statutory authority for the County Commissioner's Chairperson with the approval of the Board of County Commissioners to appointment of the five members of this HRC for five-year, staggered terms. The HRC elects its own chairperson and recruits and employs its own management personnel and other workers. The County Commission also retains the statutory authority to approve or deny or otherwise modify the HRC'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 HRC. Because the County abdicated their power and authority over this HRC to the Aberdeen Housing and Redevelopment Commission organized by the City of Aberdeen, this component unit's financial activity was not included on the County's annual report. The financial activity of this component unit would be included as a component unit on the City of Aberdeen's annual report.

The County and the Municipality of Sisseton jointly govern the Roberts County Regional Railroad Authority. See detailed note entitled "Jointly Governed Organization" for specific disclosures.

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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and 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.

The remaining special revenue funds are not considered major funds: 911 Service, Emergency Management, Domestic Abuse, Courthouse Building, 24/7 Sobriety,

Modernization and Preservation Relief, Rural Access Infrastructure, and Tax Increment Financing #2 Fund (closed in 2022). These funds are reported on the fund financial statements as “Other Governmental Funds.”

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.

Jail Bond Debt Service Fund – to account for property taxes which may be used only for the payment of the debt principal, interest, and related costs. This is not a major fund.

Proprietary Funds:

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

- a. *The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable “solely” from the revenues of the activity.)*
- b. *Laws or regulations require that the activity’s costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.*
- c. *The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).*

Solid Waste Fund – financed primarily by user charges this fund accounts for the solid waste operation of the County as provided by SDCL 34A-6. This is a major fund.

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.

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

Measurement Focus:

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

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

Basis of Accounting:

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

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

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

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

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

d. Deposits and Investments:

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

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

e. Capital Assets:

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

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using a modified cash basis of accounting. The County has not elected to modify their cash basis presentation by recording capital assets arising from cash transactions and depreciating those assets where appropriate, so any capital assets owned by the County and the related depreciation are not reported on the financial statements of the County.

f. Long-Term Liabilities:

Long-term liabilities may include, but are not limited to, General Obligation Bonds, Direct Borrowings and Direct Placement, and Financed Purchase Agreement.

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

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

g. 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.

h. Proprietary Funds Revenue and Expense Classifications:

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

i. Equity Classifications:

Government-wide Financial Statements:

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

1. Restricted Net Position – Consists of net position with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
2. Unrestricted Net Position – All other net position that do not meet the definition of Restricted Net Position.

Fund Financial Statements:

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

j. 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.

k. 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 nor 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 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 not* have a formal minimum fund balance policy.

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

Major Special Revenue Fund

Road and Bridge Fund

Revenue Source

Wheel Tax, State Grants, and Motor Vehicle Licenses

A schedule of fund balances is provided as follows:

**ROBERTS COUNTY
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Restricted For:				
911 Service Purposes	\$	\$	\$ 14,816.04	\$ 14,816.04
Domestic Abuse Purposes			476.51	476.51
24/7 Sobriety Purposes			19,351.97	19,351.97
Modernization and Preservation Relief Purposes			45,571.38	45,571.38
Rural Access Infrastructure Purposes			245,083.61	245,083.61
Jail Debt Service Purposes			95,047.54	95,047.54
Assigned To:				
Applied to Next Year's Budget	896,720.00			896,720.00
Road and Bridge Purposes		689,145.56		689,145.56
911 Service Purposes			7,344.47	7,344.47
Emergency Management Purposes			15.72	15.72
24/7 Sobriety Purposes			1,040.85	1,040.85
Unassigned	<u>3,917,461.29</u>			<u>3,917,461.29</u>
Total Fund Balances	<u>\$ 4,814,181.29</u>	<u>\$ 689,145.56</u>	<u>\$ 428,748.09</u>	<u>\$ 5,932,074.94</u>

2. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2022, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. This statement improves accounting and financial reporting for leases; enhances the comparability of financial statements between governments; and also enhances the relevance, reliability, and consistency of information about the leasing activities of governments. The County prepared and presented the financial statements in accordance with the modified cash basis of accounting described in Note 1.c.; therefore, the implementation of this standard did not affect beginning net position or beginning fund balances.

3. DEPOSITS AND INVESTMENTS 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, 2022, the investments reported in the financial statements consist of only certificates of deposit.

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.

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. As of December 31, 2022, the County’s deposits in financial institutions were not exposed to 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 General Fund, except for the 911 Service Debt Service, Capital Projects, and Solid Waste (Landfill) funds which retain their investment income. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income. Where the governing board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund is reported. Accordingly, in the fund financial statements, interfund transfers of investment earnings are reported, while in the government-wide financial statements, they have been eliminated, except for the net amounts transferred between governmental activities and business-type activities.

4. 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.

5. LANDFILLS

The Landfill operation is handled as an Enterprise Fund by the county. The plan for the operation of the disposal site is based on Administrative Rules of the State of South Dakota (ARSD) 74:27:13. Plans for the operation and various contingencies have been prepared for and are available at the office of the County Auditor.

The site is established on a total capacity of 531,772 cubic yards with an estimated life expectancy of 30 years.

The operating life of the plan is based on current use rate of 16,520 cubic yards per year considering the factor mandated recycling for the future.

Financial assurances for corrective action are only required at facilities with known releases of contaminants. Roberts County has not had any known releases of contaminants. The closure/postclosure requirements were established at \$1,187,118.11 upon review and revision in 2022.

The County is required to recognize the cost of closure and postclosure care as the landfill is used. The County is also required to take into account the possibilities of higher or lower costs due to inflation, changes in technology, or changes in regulations. The County is in compliance with the funding requirements set forth for closure and postclosure.

The County has \$1,187,118.11 reported as restricted cash to fund the closure and postclosure costs as required by ARSD 74:27:16:05 for financial assurance as of December 31, 2022.

Use of the landfill area began in 1995. Refuge deposited at the landfill through December 31, 2022, was 395,775.08 cubic yards. This amount represents usage of approximately 74 percent of the projected landfill capacity.

6. RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2022 was as follows:

Major Purposes:

Rural Access Infrastructure Purposes	\$ 245,083.61
Jail Debt Service Purposes	<u>95,047.54</u>

Other Purposes:

911 Service Purposes	14,816.04
Domestic Abuse Purposes	476.51
24/7 Sobriety Purposes	19,351.97
Modernization and Preservation Relief Purposes	<u>45,571.38</u>

Total Other Purposes	<u>80,215.90</u>
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Total Restricted Net Position **\$ 420,347.05**

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

7. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2022 were as follows:

	<u>Transfers To:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	
<u>Transfers From:</u>				
Major Funds:				
General Fund	\$	\$	\$ 57,235.09	\$ 57,235.09
Solid Waste Fund		320,968.60		320,968.60
Other Governmental Funds	<u>273.13</u>			<u>273.13</u>
Total	<u>\$ 273.13</u>	<u>\$ 320,968.60</u>	<u>\$ 57,235.09</u>	<u>\$ 378,476.82</u>

Interfund transfers for the year ended December 31, 2021 were as follows:

	<u>Transfers To:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	
<u>Transfers From:</u>			
Major Funds:			
General Fund	\$	\$ 93,500.00	\$ 93,500.00
Road and Bridge Fund			
Other Governmental Funds	<u>61,540.43</u>		<u>61,540.43</u>
Total	<u>\$ 61,540.43</u>	<u>\$ 93,500.00</u>	<u>\$ 155,040.43</u>

The County typically budgets transfers to the Road and Bridge Fund and the 911 Service Fund, the Emergency Management Fund and the 24/7 Sobriety Fund (Other Governmental Funds) to conduct the indispensable functions of the County. The transfers to the General Fund consisted of investment earnings from various funds and the allowable administrative expenditures for the Domestic Abuse Fund. The transfer from the Solid Waste Fund to the Road and Bridge Fund was for equipment payments.

8. TAX ABATEMENTS

Roberts County:

Roberts County 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 County 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 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.

Roberts County had one active tax increment district within the audit period. Because the general property taxes on tax increment districts are allocated to the districts, the taxes are not available to Roberts County during the life of the tax increment district.

The amount of general property taxes collected from the tax increment district that were not available to Roberts County, during the calendar year ended December 31, 2021 was \$17,699.81. The tax increment district was dissolved during 2022.

9. PENSION PLAN

Plan Information:

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS), a cost sharing, multiple employer hybrid defined benefit pension plan administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided:

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

Members that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial

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

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

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

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

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

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

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, 2022, 2021, and 2020, equal to the required contributions each year, were as follows:

Year	Amount
2022	\$ 185,011.03
2021	\$ 174,436.92
2020	\$ 164,516.55

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

At June 30, 2022, SDRS is 100.1% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of South Dakota Retirement System, for the County as of this measurement period ending June 30, 2022 are as follows:

Proportionate share of total pension liability	\$ 17,804,444.86
Less proportionate share of net position restricted for pension benefits	<u>17,816,364.36</u>
Proportionate share of net pension asset	<u>\$ (11,919.50)</u>

The net pension asset was measured as of June 30, 2022 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, 2022, the County's proportion was 0.126124%, which is an increase of 0.003861% from its proportion measured as of June 30, 2021.

Actuarial Assumptions:

The total pension asset in the June 30, 2022 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	2.10%

Mortality Rates:

All mortality rates based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2020

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rates above age 65

Other Class A Retirees: PubG-2010, 93% of rates through age 74, increasing by 2% per year until 111% of rates at age 83 and above

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2022 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, 2022 (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>
Global Equity	58.0%	3.7%
Fixed Income	30.0%	1.1%
Real Estate	10.0%	2.6%
Cash	2.0%	0.4%
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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net pension liability (asset)	\$ 2,474,976.46	\$ (11,919.50)	\$ (2,044,370.60)

Pension Plan Fiduciary Net Position:

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

10. JOINTLY GOVERNED ORGANIZATIONS

The County in conjunction with the City of Sisseton, (members) created the Roberts Regional Railroad Authority (Authority). The Authority was created to maintain and improve the railroad to

and in their respective jurisdictions. The Authority was created as allowed by SDCL 49-17A and was incorporated on December 9, 1980. The Board of Commissioners of the Authority shall be comprised of seven (7) representatives of members, selected jointly by the members. The political subdivisions which are members of the Authority and its commissioners, officers, and agents shall not be liable for obligations of the Authority. The Authority shall not certify to any of the governing bodies of the members any tax except in order to service and pay an obligation of the Authority previously approved by at least a majority of the electors of the area subject to such assessment. The method of giving notice for, and the manner of holding, such elections shall be provided for in the bylaws of the Authority.

11. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2022, 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 the South Dakota Public Assurance Alliance. Therefore, no material effects are anticipated to the County as a result of the potential outcome of these lawsuits.

12. 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, 2022, the County managed its risks as follows:

Employee Health Insurance:

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

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:

General Liability,
Automobile Liability,
Officials Liability, and
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 \$1,000 deductible for the General, Automobile Liability coverages, and Officials Liability coverage—other than Employment Related Claims, a \$5,000 deductible for Officials Liability coverage—Employment Related Claims, and a \$2,000 deductible for the Law Enforcement Liability coverage.

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 \$650,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability limit of \$2,000,000 per incident.

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

SUPPLEMENTARY INFORMATION
ROBERTS COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 3,699,772.00	\$ 3,699,772.00	\$ 3,667,956.57	\$ (31,815.43)
General Property Taxes--Delinquent	21,000.00	21,000.00	24,022.54	3,022.54
Penalties and Interest	14,000.00	14,000.00	15,536.31	1,536.31
Telephone Tax (Outside)	60.00	60.00	51.54	(8.46)
Mobile Home Tax	30.00	30.00	0.00	(30.00)
Licenses and Permits	77,000.00	77,000.00	60,320.00	(16,680.00)
Intergovernmental Revenue:				
Federal Grants	17,100.00	17,100.00	514,351.32	497,251.32
Federal Shared Revenue	0.00	0.00	50,000.00	50,000.00
Federal Payments in Lieu of Taxes	5,000.00	5,000.00	4,590.40	(409.60)
State Grants	7,000.00	7,000.00	22,862.87	15,862.87
State Shared Revenue:				
Bank Franchise	52,000.00	52,000.00	84,828.65	32,828.65
Court Appointed Attorney/Public Defender	6,700.00	6,700.00	6,399.94	(300.06)
Telecommunications Gross Receipts Tax	50,000.00	50,000.00	19,528.50	(30,471.50)
Motor Vehicle 1/4%	58,450.00	58,450.00	0.00	(58,450.00)
Renewable Facility Tax	0.00	0.00	57,610.28	57,610.28
Liquor Tax Reversion (25%)	52,000.00	52,000.00	56,343.63	4,343.63
Other Payments in Lieu of Taxes	0.00	0.00	18,750.00	18,750.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	46,750.00	46,750.00	43,045.59	(3,704.41)
Register of Deeds' Fees	101,500.00	101,500.00	128,712.00	27,212.00
Legal Services	55,500.00	55,500.00	76,118.36	20,618.36
Clerk of Courts Fees	10,500.00	10,500.00	7,505.23	(2,994.77)
Other Fees	3,750.00	3,750.00	4,500.64	750.64
Public Safety:				
Law Enforcement	75,200.00	75,200.00	103,575.98	28,375.98
Prisoner Care	455,600.00	455,600.00	646,231.84	190,631.84
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	4,000.00	4,000.00	12,478.35	8,478.35
Veterans Service Officer	3,750.00	3,750.00	3,750.00	0.00
Health Assistance:				
Women, Infants and Children	48,164.00	48,164.00	30,292.21	(17,871.79)
Other	800.00	800.00	0.00	(800.00)
Conservation of Natural Resources	3,500.00	3,500.00	4,721.75	1,221.75
Fines and Forfeits:				
Costs	17,500.00	17,500.00	30,065.83	12,565.83
Forfeits	1,000.00	1,000.00	1,200.00	200.00
Other	600.00	600.00	1,088.19	488.19
Miscellaneous Revenue:				
Investment Earnings	14,000.00	14,000.00	13,331.34	(668.66)
Rent	37,133.00	37,133.00	34,509.35	(2,623.65)
Contributions and Donations	2,000.00	2,000.00	0.00	(2,000.00)
Refund of Prior Year's Expenditures	1,000.00	1,000.00	0.00	(1,000.00)
Other	6,000.00	6,000.00	21,838.78	15,838.78
Total Revenues	4,948,359.00	4,948,359.00	5,766,117.99	817,758.99
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	129,129.00	129,129.00	120,965.06	8,163.94
Contingency	130,000.00	130,000.00		
Amount Transferred		(130,000.00)		0.00
Elections	59,000.00	59,000.00	35,718.51	23,281.49
Judicial System	37,600.00	37,600.00	25,135.07	12,464.93

SUPPLEMENTARY INFORMATION
ROBERTS COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2022
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Financial Administration:				
Auditor	164,753.00	165,902.24	165,902.24	0.00
Treasurer	180,589.00	180,589.00	175,298.16	5,290.84
Legal Services:				
State's Attorney	304,707.00	304,707.00	208,713.94	95,993.06
Public Defender	132,000.00	132,000.00	121,000.00	11,000.00
Court Appointed Attorney	107,000.00	128,537.15	128,537.15	0.00
Abused and Neglected Child Defense	200.00	200.00	0.00	200.00
Other General Government:				
General Government Building	148,535.00	192,167.83	192,209.68	(41.85)
Director of Equalization	229,221.00	248,241.06	248,241.06	0.00
Register of Deeds	112,418.00	112,418.00	103,618.42	8,799.58
Veterans Service Officer	43,707.00	43,707.00	32,271.85	11,435.15
Predatory Animal	2,242.00	2,242.00	2,241.15	0.85
Public Safety:				
Law Enforcement:				
Sheriff	583,597.00	871,394.80	871,394.80	0.00
County Jail	1,710,050.00	1,882,332.01	1,866,351.51	15,980.50
Coroner	20,500.00	28,010.00	28,010.90	(0.90)
Juvenile Detention	106,654.00	106,654.00	106,654.00	0.00
Communication Center	415,372.00	449,721.20	456,150.85	(6,429.65)
Health and Welfare:				
Economic Assistance:				
Support of Poor	7,000.00	7,000.00	6,040.00	960.00
Health Assistance:				
County Nurse	64,623.00	64,623.00	42,621.97	22,001.03
Women, Infants and Children	50,684.00	50,684.00	46,590.31	4,093.69
Mental Health Services:				
Mentally Ill	34,700.00	44,046.71	44,046.71	0.00
Developmentally Disabled	906.00	906.00	906.00	0.00
Mental Health Centers	14,188.00	14,188.00	14,188.00	0.00
Culture and Recreation:				
Recreation:				
County Fair	8,750.00	8,750.00	4,636.46	4,113.54
Other	9,250.00	9,250.00	7,507.48	1,742.52
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	80,128.00	80,128.00	79,918.86	209.14
Weed Control	43,632.00	43,632.00	36,478.54	7,153.46
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	48,614.00	48,614.00	48,614.00	0.00
Urban and Rural Development	20,159.00	24,159.00	24,158.75	0.25
Total Expenditures	<u>4,999,908.00</u>	<u>5,470,533.00</u>	<u>5,244,121.43</u>	<u>226,411.57</u>
Excess of Revenues Over (Under) Expenditures	<u>(51,549.00)</u>	<u>(522,174.00)</u>	<u>521,996.56</u>	<u>1,044,170.56</u>
Other Financing Sources (Uses):				
Transfers In	0.00	0.00	273.13	273.13
Transfers Out	(533,030.00)	(533,030.00)	(57,235.09)	475,794.91
Insurance Proceeds	21,000.00	21,000.00	45,907.53	24,907.53
Total Other Financing Sources (Uses)	<u>(512,030.00)</u>	<u>(512,030.00)</u>	<u>(11,054.43)</u>	<u>500,975.57</u>
Net Change in Fund Balance	(563,579.00)	(1,034,204.00)	510,942.13	1,545,146.13
Fund Balance - Beginning	<u>4,303,239.16</u>	<u>4,303,239.16</u>	<u>4,303,239.16</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 3,739,660.16</u>	<u>\$ 3,269,035.16</u>	<u>\$ 4,814,181.29</u>	<u>\$ 1,545,146.13</u>

SUPPLEMENTARY INFORMATION
ROBERTS COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Wheel Tax	\$ 317,000.00	\$ 317,000.00	\$ 319,218.31	\$ 2,218.31
Licenses and Permits	9,000.00	9,000.00	21,200.00	12,200.00
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	346,809.54	346,809.54
State Grants	370,000.00	370,000.00	428,152.57	58,152.57
State Shared Revenue:				
Motor Vehicle Licenses	1,400,000.00	1,400,000.00	1,460,146.10	60,146.10
Prorate License Fees	81,000.00	81,000.00	82,619.06	1,619.06
63 3/4% Mobile Home	7,000.00	7,000.00	2,371.50	(4,628.50)
Motor Fuel Tax	7,700.00	7,700.00	7,238.24	(461.76)
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	15,000.00	15,000.00	35,974.12	20,974.12
Miscellaneous Revenue:				
Investment Earnings	1,600.00	1,600.00	1,528.12	(71.88)
Rent	440.00	440.00	0.00	(440.00)
Other	0.00	0.00	12,709.82	12,709.82
Total Revenues	<u>2,208,740.00</u>	<u>2,208,740.00</u>	<u>2,717,967.38</u>	<u>509,227.38</u>
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,993,194.00	3,248,987.60	2,756,544.19	492,443.41
Debt Service	125,574.00	125,574.00	115,888.04	9,685.96
Total Expenditures	<u>3,118,768.00</u>	<u>3,374,561.60</u>	<u>2,872,432.23</u>	<u>502,129.37</u>
Excess of Revenues Over (Under) Expenditures	<u>(910,028.00)</u>	<u>(1,165,821.60)</u>	<u>(154,464.85)</u>	<u>1,011,356.75</u>
Other Financing Sources (Uses):				
Transfers In	486,174.00	486,174.00	320,968.60	(165,205.40)
Insurance Proceeds	1,000.00	1,000.00	382.30	(617.70)
Sale of County Property	1,000.00	1,000.00	59,432.00	58,432.00
Total Other Financing Sources (Uses)	<u>488,174.00</u>	<u>488,174.00</u>	<u>380,782.90</u>	<u>(107,391.10)</u>
Net Change in Fund Balance	(421,854.00)	(677,647.60)	226,318.05	903,965.65
Fund Balance - Beginning	<u>462,827.51</u>	<u>462,827.51</u>	<u>462,827.51</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 40,973.51</u>	<u>\$ (214,820.09)</u>	<u>\$ 689,145.56</u>	<u>\$ 903,965.65</u>

SUPPLEMENTARY INFORMATION
ROBERTS COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 3,609,215.00	\$ 3,609,215.00	\$ 3,593,328.90	\$ (15,886.10)
General Property Taxes--Delinquent	20,000.00	20,000.00	27,097.98	7,097.98
Penalties and Interest	13,000.00	13,000.00	15,665.53	2,665.53
Telephone Tax (Outside)	60.00	60.00	59.59	(0.41)
Mobile Home Tax	30.00	30.00	0.00	(30.00)
Licenses and Permits	65,700.00	65,700.00	59,818.00	(5,882.00)
Intergovernmental Revenue:				
Federal Grants	17,100.00	17,100.00	1,919,513.33	1,902,413.33
Federal Payments in Lieu of Taxes	5,000.00	5,000.00	4,527.82	(472.18)
State Grants	9,000.00	9,000.00	6,051.83	(2,948.17)
State Shared Revenue:				
Bank Franchise	47,000.00	47,000.00	51,304.74	4,304.74
Court Appointed Attorney/Public Defender	6,600.00	6,600.00	5,240.00	(1,360.00)
Telecommunications Gross Receipts Tax	50,000.00	50,000.00	32,486.67	(17,513.33)
Liquor Tax Reversion (25%)	50,000.00	50,000.00	57,380.74	7,380.74
Other Payments in Lieu of Taxes	30,000.00	30,000.00	0.00	(30,000.00)
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	46,040.00	46,040.00	49,278.88	3,238.88
Register of Deeds' Fees	93,000.00	93,000.00	140,115.50	47,115.50
Legal Services	50,450.00	50,450.00	81,475.72	31,025.72
Clerk of Courts Fees	10,000.00	10,000.00	12,024.76	2,024.76
Other Fees	3,250.00	3,250.00	4,710.10	1,460.10
Public Safety:				
Law Enforcement	64,000.00	64,000.00	69,561.91	5,561.91
Prisoner Care	406,600.00	406,600.00	740,786.32	334,186.32
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	2,000.00	2,000.00	13,898.06	11,898.06
Veterans Service Officer	3,750.00	3,750.00	3,750.00	0.00
Health Assistance:				
County Nurse	600.00	600.00	397.76	(202.24)
Women, Infants and Children	44,634.00	44,634.00	33,080.45	(11,553.55)
Conservation of Natural Resources	3,500.00	3,500.00	6,654.75	3,154.75
Fines and Forfeits:				
Costs	15,500.00	15,500.00	22,572.41	7,072.41
Forfeits	1,000.00	1,000.00	7,750.00	6,750.00
Other	600.00	600.00	1,127.71	527.71
Miscellaneous Revenue:				
Investment Earnings	13,900.00	13,900.00	14,018.56	118.56
Rent	36,923.00	36,923.00	37,068.83	145.83
Contributions and Donations	2,000.00	2,000.00	2,277.07	277.07
Refund of Prior Year's Expenditures	1,000.00	1,000.00	3,797.50	2,797.50
Other	5,501.00	5,501.00	33,214.00	27,713.00
Total Revenues	4,726,953.00	4,726,953.00	7,050,035.42	2,323,082.42
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	156,384.00	156,384.00	131,307.19	25,076.81
Contingency	130,000.00	130,000.00		
Amount Transferred		(105,014.00)		24,986.00
Elections	5,000.00	5,353.00	5,352.30	0.70
Judicial System	37,000.00	37,000.00	29,195.59	7,804.41
Financial Administration:				
Auditor	159,817.00	163,605.50	163,605.45	0.05
Treasurer	171,502.00	174,911.50	173,600.08	1,311.42

SUPPLEMENTARY INFORMATION
ROBERTS COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For the Year Ended December 31, 2021
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal Services:				
State's Attorney	272,027.00	275,436.50	204,956.09	70,480.41
Public Defender	108,000.00	108,000.00	108,000.00	0.00
Court Appointed Attorney	102,000.00	102,000.00	77,915.11	24,084.89
Abused and Neglected Child Defense	200.00	200.00	0.00	200.00
Other General Government:				
General Government Building	147,007.00	168,838.50	170,767.39	(1,928.89)
Director of Equalization	211,450.00	220,596.00	220,595.94	0.06
Register of Deeds	108,920.00	111,193.00	106,574.06	4,618.94
Veterans Service Officer	42,700.00	43,836.50	38,608.84	5,227.66
Predatory Animal	4,360.00	4,360.00	2,241.15	2,118.85
Public Safety:				
Law Enforcement:				
Sheriff	577,536.00	744,885.65	696,797.67	48,087.98
County Jail	1,674,190.00	1,701,016.00	1,682,256.71	18,759.29
Coroner	18,000.00	23,875.00	23,872.36	2.64
Juvenile Detention	98,293.00	100,566.00	99,700.11	865.89
Protective and Emergency Services:				
Communication Center	375,592.00	401,534.00	401,529.70	4.30
Health and Welfare:				
Economic Assistance:				
Support of Poor	7,000.00	7,300.00	7,282.75	17.25
Health Assistance:				
County Nurse	62,967.00	64,103.50	61,637.28	2,466.22
Women, Infants and Children	49,470.00	50,606.50	47,698.41	2,908.09
Mental Health Services:				
Mentally Ill	31,640.00	31,640.00	24,064.93	7,575.07
Developmentally Disabled	906.00	906.00	0.00	906.00
Mental Health Centers	14,188.00	15,095.00	15,094.00	1.00
Culture and Recreation:				
Recreation:				
County Fair	8,000.00	8,000.00	5,788.57	2,211.43
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	76,587.00	77,693.50	55,825.23	21,868.27
Weed Control	38,730.00	67,936.00	67,935.23	0.77
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	1,200.00	1,200.00	1,006.92	193.08
Urban and Rural Development	19,572.00	19,572.00	19,571.60	0.40
Total Expenditures	<u>4,710,238.00</u>	<u>4,912,629.65</u>	<u>4,642,780.66</u>	<u>269,848.99</u>
Excess of Revenues Over (Under) Expenditures	<u>16,715.00</u>	<u>(185,676.65)</u>	<u>2,407,254.76</u>	<u>2,592,931.41</u>
Other Financing Sources (Uses):				
Transfers In	0.00	0.00	61,540.43	61,540.43
Transfers Out	(434,330.00)	(434,330.00)	(93,500.00)	340,830.00
Insurance Proceeds	15,000.00	15,000.00	20,498.18	5,498.18
Sale of County Property	1,000.00	1,000.00	6,470.00	5,470.00
Total Other Financing Sources (Uses)	<u>(418,330.00)</u>	<u>(418,330.00)</u>	<u>(4,991.39)</u>	<u>413,338.61</u>
Net Change in Fund Balance	(401,615.00)	(604,006.65)	2,402,263.37	3,006,270.02
Fund Balance - Beginning	<u>1,900,975.79</u>	<u>1,900,975.79</u>	<u>1,900,975.79</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 1,499,360.79</u>	<u>\$ 1,296,969.14</u>	<u>\$ 4,303,239.16</u>	<u>\$ 3,006,270.02</u>

SUPPLEMENTARY INFORMATION
ROBERTS COUNTY
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Wheel Tax	\$ 310,000.00	\$ 310,000.00	\$ 329,095.17	\$ 19,095.17
Licenses and Permits	7,000.00	7,000.00	6,575.00	(425.00)
Intergovernmental Revenue:				
State Grants	348,000.00	348,000.00	1,288,938.04	940,938.04
State Shared Revenue:				
Motor Vehicle Licenses	1,393,000.00	1,393,000.00	1,454,608.61	61,608.61
Prorate License Fees	73,000.00	73,000.00	81,908.71	8,908.71
63 3/4% Mobile Home	6,000.00	6,000.00	3,908.36	(2,091.64)
Motor Fuel Tax	7,700.00	7,700.00	7,673.45	(26.55)
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	13,365.00	13,365.00	28,532.44	15,167.44
Miscellaneous Revenue:				
Investment Earnings	1,500.00	1,500.00	1,582.84	82.84
Rent	440.00	440.00	0.00	(440.00)
Other	0.00	0.00	1,002.73	1,002.73
Total Revenues	<u>2,160,005.00</u>	<u>2,160,005.00</u>	<u>3,203,825.35</u>	<u>1,043,820.35</u>
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	2,668,791.00	3,625,602.14	3,396,714.24	228,887.90
Debt Service	111,864.00	111,864.00	42,528.04	69,335.96
Total Expenditures	<u>2,780,655.00</u>	<u>3,737,466.14</u>	<u>3,439,242.28</u>	<u>298,223.86</u>
Excess of Revenues Over (Under) Expenditures	<u>(620,650.00)</u>	<u>(1,577,461.14)</u>	<u>(235,416.93)</u>	<u>1,342,044.21</u>
Other Financing Sources (Uses):				
Transfers In	365,000.00	365,000.00	0.00	(365,000.00)
Insurance Proceeds	1,000.00	1,000.00	0.00	(1,000.00)
Sale of County Property	1,000.00	1,000.00	3,858.26	2,858.26
Total Other Financing Sources (Uses)	<u>367,000.00</u>	<u>367,000.00</u>	<u>3,858.26</u>	<u>(363,141.74)</u>
Net Change in Fund Balance	(253,650.00)	(1,210,461.14)	(231,558.67)	978,902.47
Fund Balance - Beginning	694,386.18	694,386.18	694,386.18	0.00
FUND BALANCE - ENDING	<u>\$ 440,736.18</u>	<u>\$ (516,074.96)</u>	<u>\$ 462,827.51</u>	<u>\$ 978,902.47</u>

ROBERTS COUNTY
NOTES TO THE 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.

**SUPPLEMENTARY INFORMATION
ROBERTS COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**

South Dakota Retirement System

*Last 10 Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.126124%	0.122263%	0.121644%	0.124726%	0.121405%	0.118293%	0.117117%	0.116062%	0.120276%
County's proportionate share of net pension liability (asset)	\$ (11,920)	\$ (936,325)	\$ (5,283)	\$ (13,218)	\$ (2,831)	\$ (10,735)	\$ 395,610	\$ (492,253)	\$ (866,537)
County's covered payroll	\$ 2,884,837	\$ 2,692,857	\$ 2,567,808	\$ 2,553,848	\$ 2,443,553	\$ 2,327,565	\$ 2,149,469	\$ 2,051,525	\$ 2,018,670
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.41%	34.77%	0.21%	0.52%	0.12%	0.46%	18.40%	23.99%	42.93%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.10%	105.52%	100.04%	100.09%	100.02%	100.10%	96.89%	104.10%	107.30%

5 * The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability (asset) which is 6/30. Until a full 10-year trend is compiled, the County will present information for those years for which information is available.

ROBERTS COUNTY
NOTES TO THE SUPPLEMENTARY INFORMATION
Schedule of the Proportionate Share of the Net Pension Liability (Asset)

Changes from Prior Valuation

The June 30, 2022 Actuarial Valuation reflects numerous changes to the actuarial assumptions as a result of an experience analysis completed since the June 30, 2021 Actuarial Valuation. In addition, two changes in actuarial methods have been implemented since the prior valuation.

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

Benefit Provision Changes

During the 2022 Legislative Session no significant SDRS benefit changes were made and gaming enforcement agents became Class B Public Safety Members.

Actuarial Assumption Changes

As a result of an experience analysis covering the period from July 1, 2016, to June 30, 2021, and presented to the SDRS Board of Trustees in April and June 2022, significant changes to the actuarial assumptions were recommended by the SDRS Senior Actuary and adopted by the Board of Trustees first effective for this June 30, 2022, actuarial valuation.

The changes to economic assumptions included increasing the price inflation to 2.50% and increasing the wage inflation to 3.15%. The current assumed investment return assumption of 6.50% was retained, lowering the assumed real investment return to 4.00%. The baseline COLA assumption of 2.25% was also retained. Salary increase assumptions were modified to reflect the increase in assumed wage inflation and recent experience. The assumed interest on accumulated contributions was decreased to 2.25%.

The demographic assumptions were also reviewed and revised. The mortality assumption was changed to the Pub-2010 amount-weighted tables using separate tables for teachers, general, and public safety retirees, with assumptions for retirees adjusted based on credible experience. The mortality assumption for active and terminated vested members was changed to the unadjusted amount-weighted Pub-2010 tables, again by member classification and the assumption for beneficiaries was changed to the amount-weighted Pub-2010 general contingent survivor table. Adjustments based on experience were also made to the assumptions regarding retirement, termination, disability, age of spouses for married Foundation members, percentage of terminated vested members electing a refund, and benefit commencement age for terminated vested Public Safety members with 15 or more years of service.

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% (0.5% prior to 2021) 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, 2021, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was greater than 100% and the full 0% to 3.5% COLA range was payable. For the June 30, 2021, Actuarial Valuation, future COLAs were assumed to equal the baseline COLA assumption of 2.25%.

As of June 30, 2022, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is less than 100% and the July 2023 SDRS COLA is limited to a restricted maximum of 2.10%. The July

2023 SDRS COLA will equal inflation, between 0% and 2.10%. For this June 30, 2022, Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 2.10%.

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 7 changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2027, Actuarial Valuation.

Actuarial Method Changes

Actuarial method changes with minor impact were implemented for this valuation after recommendation by Cavanaugh Macdonald Consulting as part of their reviews of prior valuations. As a result, liabilities and normal costs for refund benefits and the Generational Variable Retirement Account are now calculated using the entry age normal cost method with normal costs based on the expected value of these accounts rather than the actual balance.

SUPPLEMENTARY INFORMATION
ROBERTS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Years Ended December 31, 2022

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 2021	Total Federal Expenditures 2022
US Department of Defense - Pass-Through Programs: SD State Treasurer, Flood Plain Management Services (Note 3)	12.106		\$	\$ 2,121.75	\$ 2,121.75
Total US Department of Defense			0.00	2,121.75	2,121.75
US Department of Interior - Direct Programs: Bureau of Land Management, Payments in Lieu of Taxes (Note 3)	15.226			1,569.00	1,607.00
US Department of Interior - Pass-Through Programs: SD Department of Game, Fish & Parks, Outdoor Recreation Acquisition, Development and Planning	15.916			16,994.01	18,013.27
Total US Department of the Interior			0.00	18,563.01	19,620.27
US Department of Justice - Direct Programs: Public Safety Partnership and Community Policing Grants	16.710	HS-2021-00201 HS-2022-00201		8,023.85	13,065.73
US Department of Justice - Pass-Through Programs: SD Department of Corrections, Juvenile Justice and Delinquency Prevention	16.540			1,551.83	18,862.87
Total US Department of Justice			0.00	9,575.68	31,928.60
US Department of Treasury - Direct Programs: Coronavirus State and Local Fiscal Recovery Funds (Note 4)	21.027			2,000.00	2,016,913.00
Total US Department of Treasury			0.00	2,000.00	2,016,913.00
US Department of Health and Human Services - Pass-Through Programs: SD Department of Health, Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)	93.074	0903005-208		3,975.62	0.00
Total US Department of Health and Human Services			0.00	3,975.62	0.00
US Department of Homeland Security - Pass-Through Programs: SD Department of Public Safety - Office of Emergency Management, Hazard Mitigation Grant	97.039				4,000.00
Emergency Management Performance Grants	97.042	EMPG21		6,265.84	6,721.98
Homeland Security Grant Program	97.067	HLS-2020-00213		53,582.00	20,758.40
Total US Department of Homeland Security			0.00	59,847.84	31,480.38
GRAND TOTAL			\$ 0.00	\$ 96,083.90	\$ 2,102,064.00

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, 2022. 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 modified cash 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 not 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.

**SUPPLEMENTARY INFORMATION
ROBERTS COUNTY
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Two Years Ended December 31, 2022**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2021</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2022</u>
Governmental Long-Term Debt:				
Bonds Payable	\$ 2,275,000.00	\$	\$ 880,000.00	\$ 1,395,000.00
Other Long-Term Debt Payable	159,527.98	340,150.00	139,934.49	359,743.49
Enterprise Long-Term Debt:				
Other Long-Term Debt Payable	143,548.84		79,918.18	63,630.66
Accrued Landfill Closure and Postclosure Care Costs	652,110.17	535,007.94		1,187,118.11
Total	<u>\$ 3,230,186.99</u>	<u>\$ 875,157.94</u>	<u>\$ 1,099,852.67</u>	<u>\$ 3,005,492.26</u>

Note 1 - Long-Term Debt:

Debt payable at December 31, 2022 is comprised of the following:

General Obligation Bonds:

Advance Crossover Refunding General Obligation Bonds; semi-annual payments of .700% interest for the first three years and thereafter annual payments of principal and interest ranging from .700% to 2.125% will be made from the Jail Bond Debt Service Fund. The payments started in December 2013 and will continue until December 2025. \$ 1,395,000.00

Direct Borrowings and Direct Placements:

Costs associated with rebuilding a Caterpillar 816F Landfill Compactor; semi-annual payments of principal and 3.450% interest to be made from the Solid Waste Fund. Payments start November 2019 and will continue until May of 2024. \$ 63,630.66

Financed Purchase Agreements:

Financed Purchase Agreement of one Mack dump truck for the highway department; annual payments of principal and 3.42% interest will be made from the Road and Bridge Fund. The payments started in January 2021 and will continue until January 2024. \$ 83,905.50

Financed Purchase Agreement of one John Deere Motor Grader for the highway department; annual payments of principal and 2.791% interest will be made from the Road and Bridge Fund. The payments started in July 2021 and will continue until July 2026. \$ 275,837.99

Landfill Financial Assurance:

Landfill Financial Assurance - The County is required by ARSD 74:27 to accumulate cash within the Solid Waste Enterprise Fund for closure/postclosure care costs. \$ 1,187,118.11