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

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

**—OR—**

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

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

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

b. Basis of Presentation:

*Government-wide Financial Statements:*

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

The Statement of Activities presents a comparison between direct expenses and program revenues **for each segment of the business-type activities of the 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 **two (three)** major categories: governmental, **proprietary**, and fiduciary. An emphasis is placed on major funds within the governmental **and proprietary** category **(ies)**. 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, planning, dragging, and maintaining county highways and also for dragging, maintaining, and grading secondary roads. Proper equipment for dragging, grading, and maintaining highways, such as graders, tractors, drags, maintainers, and planers may be purchased from the road and bridge fund. (SDCL 32-11-2 and 32-11-4.2) This is a major fund.

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

911 Service Fund – authorized by SDCL 34-45-4 and 12 to account for the collections generated by 911 system charges with expenditures of these funds used for the operations of the system. This is a major fund.

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

**The remaining special revenue funds are not considered major funds: 911 Service, Fire Protection, Emergency Management, Domestic Abuse, Public Library, Law Library, Pass Through Grants, Courthouse Building, 24/7 Sobriety, and Modernization and Preservation Relief. These funds are reported on the fund financial statements as “Other Governmental Funds.”**  **[AMMEND ACCORDING TO ACTUAL FUND STRUCTURE]**

*Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.*

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

*Capital Projects Funds – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds for individuals, private organizations, or other governments).*

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

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

\_\_\_\_\_\_\_\_\_\_\_\_ Trust Fund – to account for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The payments are intended to be retained in perpetuity, with income from the fund being used to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. 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).*

\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund – financed primarily by user charges this fund accounts for the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. This is **(not)** a major fund.

**(Add additional fund information as necessary in a manner similar to above)**

*Internal Service Funds – Internal service funds may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. Internal service funds should be used only if the reporting government is the predominant participant in the activity. The particular types of goods or services provided to other funds are as follows: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Internal service funds are never considered to be major funds. The County maintains \_\_\_ internal service funds. – OR – The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund is the only internal service fund maintained by the County.*

**Fiduciary Funds:**

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

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

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

*Custodial Funds – Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. 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, **business-type, and component unit** activities are presented using a modified cash basis of accounting.

The modified cash basis of accounting involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions. Under the modified cash basis of accounting, the statement of financial position reports only cash and cash equivalents (those investments with terms to maturity of 90 days (three months) or less at the date of acquisition). Under the 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.

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

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

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

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

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. Interfund Eliminations and Reclassifications:

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

* + 1. In order to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities columns of the primary government, amounts reported as interfund receivables and payables have been eliminated in the governmental and business-type activities columns, except for the net, residual amounts due between governmental and business-type activities, which are presented as Internal Balances.

2. In order to minimize the doubling-up effect on internal service fund activity, certain “centralized expenses” including an administrative overhead component, are charged as direct expenses to funds or programs in order to show all expenses that are associated with a service, program, department, or fund. When expenses are charged, in this manner, expense reductions occur in the **(General Fund) (Internal Service Funds) (\_\_\_\_\_\_\_\_\_\_ Fund)**, so that expenses are reported only by the function to which they relate.

e. Deposits and Investments:

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

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

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

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements**, governmental, business-type, and component unit activities [NOTE: Eliminate preceding if the entity has only Governmental Activities]** are presented using a modified cash basis of accounting. The 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.

g. Long-Term Liabilities:

Long-term liabilities include, but are not limited to, **General Obligation Bonds, Revenue Bonds, Certificates of Participation, Lease Liabilities, Subscription Liabilities, and Other Long-Term Liabilities.**

As discussed in Note 1.c. above, the government-wide Statement of Net Position and Statement of Activities and the fund financial statements**, governmental, business-type, and component unit activities** **[NOTE: Eliminate preceding if the entity has only Governmental Activities]** are presented using a modified cash basis of accounting. The 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.

h. 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.

i. Proprietary Funds Revenue and Expense Classifications:

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

j. 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.

k. 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.

l. 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 . **(fill in appropriate titles such as County Commissioners, County Administrator, County Auditor, etc.)**
* Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The nonspendable Fund Balance is comprised of the following:

* Amount Reported in non-spendable form such as inventory, ,

and .

* Amount legally or contractually required to be maintained intact such as ,

, and .

* Amount not in cash form such as long-term portion of loans receivable, ,

and .

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

**Fund Balance Type Amount Action**

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

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

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

**Major Special Revenue Fund Revenue Source**

A schedule of fund balances is provided as follows:

|  |
| --- |
| **COUNTY** |
| **DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET** |
| **GOVERNMENTAL FUNDS** |
| **DECEMBER 31, 2023** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Road** |  | **Other** |  | **Total** |
|  | **General** |  | **and Bridge** |  | **Governmental** |  | **Governmental** |
|  | **Fund** |  | **Fund** |  | **Funds** |  | **Funds** |
| **Fund Balances:** |  |  |  |  |  |  |  |
| Restricted For: |  |  |  |  |  |  |  |
| Road and Bridge Purposes |  |  |  |  |  |  |  |
| Snow Removal Purposes |  |  |  |  |  |  |  |
| Secondary Road Purposes |  |  |  |  |  |  |  |
| Courthouse Building Purposes |  |  |  |  |  |  |  |
| 911 Service Purposes |  |  |  |  |  |  |  |
| Library Purposes |  |  |  |  |  |  |  |
| Emergency Management Purposes |  |  |  |  |  |  |  |
| 24/7 Sobriety Purposes |  |  |  |  |  |  |  |
| Debt Service Requirements |  |  |  |  |  |  |  |
| Modernization and Preservation  Relief Purposes |  |  |  |  |  |  |  |
| \_\_\_\_\_\_\_\_\_\_ Purposes |  |  |  |  |  |  |  |
| Assigned To: |  |  |  |  |  |  |  |
| Applied to Next Year’s Budget |  |  |  |  |  |  |  |
| Capital Outlay Accumulations |  |  |  |  |  |  |  |
| Road and Bridge Purposes |  |  |  |  |  |  |  |
| Emergency Management Purposes |  |  |  |  |  |  |  |
| Unassigned |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Total Fund Balances |  |  |  |  |  |  |  |

2. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

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

3. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

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

Year Ended

12/31/2023

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

Activity

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

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

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

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

Activity

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

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

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

The Board of County Commissioners plans to take the following actions to address these violations:  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

4. DEFICIT FUND BALANCES / NET POSITION OF INDIVIDUAL NONMAJOR FUNDS

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

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

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

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

The Board of County Commissioners plans to take the following actions to address the deficit fund balance/deficit net position:  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

5. 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, 2023, the investments reported in the financial statements consist of only certificates of deposit.

**--OR--**

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

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

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

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

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

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

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

Credit Fair

Investment Rating Maturities Value

U.S. Treasury Bills N/A \_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_

US Treasury Notes N/A \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

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

Subtotals \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

Mutual Funds:

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

External Investment Pools:

SDFIT Unrated \_\_\_\_\_\_\_\_

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

TOTAL INVESTMENTS $

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

**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, 2023, the County’s deposits in financial institutions were exposed to custodial credit risk as follows (Example):

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

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

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

***a. The counterparty or***

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

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

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

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

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

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

**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 investments to the fund making the investment.

**–OR–**

**Assignment of Investment Income** –State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The County’s policy is to credit all income from deposits and investments to the General Fund, except for **the 911 Service Fund and private-purpose trust fund(s)** which retains its investment income. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income. Where the governing board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund is reported. Accordingly, in the fund financial statements, interfund transfers of investment earnings are reported, while in the government-wide financial statements, they have been eliminated, (**except for the net amounts transferred between governmental activities and business-type activities.)**

6. RESTRICTED CASH AND INVESTMENTS

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

Amount: Purpose:

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

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

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

trustees)

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

(sinking funds required to be in a separate account)

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

7. PROPERTY TAXES

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

April 30 and October 31 of the fiscal year.

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

8. CONDUIT DEBT

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

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

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

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

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

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

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

9. LANDFILLS

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

10. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

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

Year Ended December 31, 2023

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Activity/** | |  | | **Activity/** | |  | | **Activity/** | |  | |
|  | **Fund** | |  | | **Fund** | |  | | **Fund** | |  | |
| **CONDENSED STATEMENT OF** |  |  | |  | |  | |  | |  | |
| **NET POSITION** |  |  | |  | |  | |  | |  | |
| Assets |  |  | |  | |  | |  | |  | |
| Current Assets |  |  | |  | |  | |  | |  | |
| Capital Assets |  |  | |  | |  | |  | |  | |
| Other Assets |  |  | |  | |  | |  | |  | |
| Total Assets | 0 |  | | 0 | |  | | 0 | |  | |
| Liabilities |  |  | |  | |  | |  | |  | |
| Interfund payables |  |  | |  | |  | |  | |  | |
| Other Current Liabilities |  |  | |  | |  | |  | |  | |
| Noncurrent Liabilities |  |  | |  | |  | |  | |  | |
| Total Liabilities | 0 |  | | 0 | |  | | 0 | |  | |
| Net Position |  |  | |  | |  | |  | |  | |
| Net Investment in Capital Assets |  |  | |  | |  | |  | |  | |
| Restricted |  |  | |  | |  | |  | |  | |
| Unrestricted |  |  | |  | |  | |  | |  | |
| Total Net Position | 0 |  | | 0 | |  | | 0 | |  | |
|  |  |  | |  | |  | |  | |  | |
| **CONDENSED STATEMENT OF** |  |  | |  | |  | |  | |  | |
| **REVENUES, EXPENSES, AND** |  |  | |  | |  | |  | |  | |
| **CHANGES IN NET POSITION** |  |  | |  | |  | |  | |  | |
| Operating Revenues |  |  | |  | |  | |  | |  | |
| Depreciation Expense |  |  | |  | |  | |  | |  | |
| Other Operating Expenses |  |  | |  | |  | |  | |  | |
| Operating Income | 0 |  | | 0 | |  | | 0 | |  | |
| Nonoperating Revenues (Expenses) |  |  | |  | |  | |  | |  | |
| Investment Income |  |  | |  | |  | |  | |  | |
| Interest Expense |  |  | |  | |  | |  | |  | |
| Capital Contributions |  |  | |  | |  | |  | |  | |
| Transfers Out |  |  | |  | |  | |  | |  | |
| Changes in Net Position | 0 |  | | 0 | |  | | 0 | |  | |
| Beginning Net Position |  |  | |  | |  | |  | |  | |
| Ending Net Position | 0 |  | | 0 | |  | | 0 | |  | |
|  |  |  | |  | |  | |  | |  | |
| **CONDENSED STATEMENT OF** |  |  | |  | |  | |  | |  | |
| **CASH FLOWS** |  |  | |  | |  | |  | |  | |
| Net Cash Provided (Used) by: |  |  | |  | |  | |  | |  | |
| Operating Activities |  |  | |  | |  | |  | |  | |
| Noncapital Financing Activities |  |  | |  | |  | |  | |  | |
| Capital and Related Financing Activities | |  | |  | |  | |  | |  | |
| Investing Activities |  |  | |  | |  | |  | |  | |
| Net Increase (Decrease) | 0 |  | | 0 | |  | | 0 | |  | |
| Beginning Cash and Cash Equivalents |  |  | |  | |  | |  | |  | |
| Ending Cash and Cash Equivalents | 0 |  | | 0 | |  | | 0 | |  | |

11. RESTRICTED NET POSITION

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

|  |  |  |
| --- | --- | --- |
| **Major Purposes:** |  |  |
| Road and Bridge Purposes | $ |  |
|  |  |  |
| **Other Purposes:** |  |  |
| 911 Service Purposes |  |  |
| Domestic Abuse Purposes |  |  |
| Emergency Management Purposes |  |  |
| 24/7 Sobriety Purposes |  |  |
| Modernization and Preservation  Relief Purposes |  |  |
|  |  |  |
| Total Other Purposes |  |  |
|  |  |  |
| **Total Restricted Net Position** |  | **$** |

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

12. INTERFUND TRANSFERS

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Transfers To:** | | | | |
|  |  |  | Road |  | Other |  |  |
|  | General |  | and Bridge |  | Governmental |  |  |
| **Transfers From:** | Fund |  | Fund |  | Funds |  | Total |
|  |  |  |  |  |  |  |  |
| Major Funds: |  |  |  |  |  |  |  |
| General Fund | $ |  | $ |  | $ |  | $ |
| Road and Bridge Fund |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Other Governmental Funds: |  |  |  |  |  |  |  |
| \_\_\_\_\_\_\_ Fund |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Total | $ |  | $ |  | $ |  | $ |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Transfers To:** | | | | |
|  |  |  | Road |  | Other |  |  |
|  | General |  | and Bridge |  | Governmental |  |  |
| **Transfers From:** | Fund |  | Fund |  | Funds |  | Total |
|  |  |  |  |  |  |  |  |
| Major Funds: |  |  |  |  |  |  |  |
| General Fund | $ |  | $ |  | $ |  | $ |
| Road and Bridge Fund |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Other Governmental Funds: |  |  |  |  |  |  |  |
| \_\_\_\_\_\_\_ Fund |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Total | $ |  | $ |  | $ |  | $ |

The County typically budgets transfers to the Road and Bridge Fund and the Emergency Management Fund (Other Governmental Funds) to conduct the indispensable functions of the County.

13. TAX ABATEMENTS

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

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

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

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

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

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

14. PRIOR PERIOD ADJUSTMENTS

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

15. PENSION PLAN

**Plan Information:**

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

**Benefits Provided:**

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

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

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

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

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

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

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

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

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

**Contributions:**

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

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

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

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

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

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

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

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

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

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

**Actuarial Assumptions:**

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

Inflation 2.50 percent

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

years of service

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

Future COLAs 1.91%

Mortality Rates:

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

generationally with improvement scale MP-2020

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

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

65

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

year until 111% of rates at age 83 and above

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

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

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

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

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

**Discount Rate:**

The discount rate used to measure the total pension 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. **(NOTE: If there had been a change in the discount rate since the prior measurement date, the County should disclose information about that change, as required by paragraph 78a of Statement 68)**

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

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | 1%  Decrease |  | Current  Discount  Rate |  | 1%  Increase |
| County’s proportionate share of the net pension liability (asset) |  | $ |  | $ |  | $ |

**Pension Plan Fiduciary Net Position:**

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

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

16. OTHER POSTEMPLOYMENT BENEFITS - HEALTHCARE PLAN

**(NOTE: GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions is effective for fiscal years beginning after June 15, 2020. GASB 75 requires specific note disclosures and required supplementary information of which examples are not currently provided in this section. The preparer should CONSULT AND REVIEW THE APPLICABLE GASB REQUIREMENTS TO ASSURE THAT PROPER DISCLOSURES ARE INCLUDED IN THE NOTES TO THE FINANCIAL STATEMENTS AND REQUIRED SUPPLENTARY INFORMATION IS PRESENTED.)**

17. SIGNIFICANT COMMITMENTS

**(NOTE: COMMITMENTS ARE EXISTING ARRANGEMENTS TO ENTER INTO FUTURE TRANSACTIONS OR EVENTS, SUCH AS LONG-TERM CONTRACTUAL OBLIGATIONS WITH SUPPLIERS FOR FUTURE PURCHASES AT SPECIFIED PRICES AND SOMETIMES AT SPECIFIC QUANTITIES. ENCUMBRANCES MAY BE DISCLOSED HERE IF DEEMED SIGNIFICANT. COMMITMENTS ON CONSTRUCTION CONTRACTS ARE DISCUSSED ELSEWHERE IN THESE NOTES. DESCRIBE COMMITMENTS AS APPROPRIATE.)**

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

18. GOING CONCERN

**(NOTE: IF THE ABILITY OF THE COUNTY TO CONTINUE AS A GOING CONCERN IS SUBJECT TO DOUBT DUE TO DECLINING TAX BASE, FOR EXAMPLE, ADD AN APPROPRIATE DISCUSSION OF THE CIRCUMSTANCES OR CONDITIONS THAT CAST SUCH DOUBT.)**

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

19. ACCOUNTABILITY FOR RELATED ORGANIZATIONS

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

20. JOINT VENTURES

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

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

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

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

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

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

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

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

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

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

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

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

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

-OR-

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

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

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

21. RELATED PARTY TRANSACTIONS

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

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

22. SIGNIFICANT CONTINGENCIES – LITIGATION

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

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

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

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

23. SIGNIFICANT CONTINGENCIES – FEDERALLY ASSISTED PROGRAMS – COMPLIANCE AUDITS

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

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

24. SUBSEQUENT EVENTS

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

25. RISK MANAGEMENT

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

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, 2023, the County managed its risks as follows:

Employee Health Insurance:

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

The 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.**

(OR)

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

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

(OR)

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

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

Liability Insurance:

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

**(OR)**

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

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

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

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

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

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

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

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

(OR)

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:

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

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

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

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

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

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

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.

(OR)

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

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

Worker's Compensation:

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

(OR)

The 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.**

(OR)

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

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

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.

(OR)

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

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

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

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

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

26. IMPLEMENTATION OF NEW STANDARD AND RESTATEMENT

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

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

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Net Position  December 31, 2022  as Previously Stated |  | Restatement  Implementation of  GASB \_\_ |  | Net Position  January 1, 2023  as Restated |
|  |  |  |  |  |  |  |  |
| General Fund |  |  | $ |  | $ |  | $ |
| \_\_\_\_\_\_\_\_\_\_\_ |  |  | $ |  | $ |  | $ |
| \_\_\_\_\_\_\_\_\_\_\_\_ |  |  | $ |  | $ |  | $ |
| \_\_\_\_\_\_\_\_\_\_\_\_ |  |  | $ |  | $ |  | $ |