

**CHARLES MIX COUNTY**

**AUDIT REPORT**

**For the Two Years Ended December 31, 2024**

CHARLES MIX COUNTY  
COUNTY OFFICIALS  
December 31, 2024

Board of Commissioners:

Keith Mushitz  
Colin Soukup  
Nick Stotz

Auditor:  
Jason Gant

Treasurer:  
Michelle Wentland

State's Attorney:  
Steve Cotton

Register of Deeds:  
Julie Pavel

Sheriff:  
Randy Thaler

CHARLES MIX COUNTY  
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RUSSELL A. OLSON  
AUDITOR GENERAL

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

**Independent Auditor's Report**

County Commission  
Charles Mix County  
Lake Andes, 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, each major fund, and the aggregate remaining fund information of Charles Mix County, South Dakota (County), as of December 31, 2024, 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 February 19, 2026.

**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 certain deficiencies in internal control, described in the accompanying Schedule of Current Audit Findings and Questioned Costs as items No. 2024-001, No. 2024-002, and No. 2024-003, to be material weaknesses.

## **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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Audit Findings and Questioned Costs as items No. 2024-005 and No. 2024-006.

## **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's responses to the findings identified in our audit are described in the accompanying Schedule of Current Audit Findings and Questioned Costs. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## **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

February 19, 2026



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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  
Charles Mix County  
Lake Andes, South Dakota

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Charles Mix 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, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Current Audit Findings and Questioned Costs.

In our opinion, Charles Mix 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, 2024.

***Basis for Opinion on Each Major Federal Program***

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

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

## **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to County's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

## **Report on Internal Control Over Compliance**

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

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

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

### **Purpose of this Report**

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



Russell A. Olson  
Auditor General

February 19, 2026

CHARLES MIX COUNTY  
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**Prior Audit Findings:**

Finding No. 2022-001:

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 resulting in numerous significant reporting errors within the annual reports prepared by the County. This finding has not been resolved and has been restated as current audit finding No. 2024-001.

Finding No. 2022-002:

The County's internal controls over the cash and investments reconciliation and reporting process were inadequate resulting in diminished assurance that the County's financial transactions were properly recorded, and its assets were adequately safeguarded. This finding has not been resolved and has been restated as current audit finding No. 2024-002.

Finding No. 2022-003:

The County's internal controls over the revenue and expenditure processes were inadequate resulting in diminished assurance that the County's financial transactions were properly recorded, and its assets were adequately safeguarded. This finding has not been resolved and has been restated as current audit finding No. 2024-003.

Finding No. 2022-004:

The unassigned fund balance of the General Fund exceeded the maximum allowed by SDCL 7-21-18.1 by approximately \$2,527,000 as of December 31, 2022. This finding has not been resolved and has been restated as current audit finding No. 2024-004.

Finding No. 2022-005:

The County incurred expenditures in excess of appropriations contrary to SDCL 7-21-25. This finding has not been resolved and has been restated as current audit finding No. 2024-005.

## 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. Material weaknesses were disclosed by our audit of the financial statements for Internal Controls over Financial Reporting, Internal Controls over Cash and Investments, and Internal Controls over Revenues and Expenditures as discussed in Finding No. 2024-001, Finding No. 2024-002, and Finding No. 2024-003.
- 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. Charles Mix County did not qualify as a low-risk auditee.

### Section II – Financial Statement Findings

#### **Internal Control-Related Findings - Material Weaknesses:**

##### Internal Control over Financial Reporting

#### Finding No. 2024-001:

#### 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 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 resulting in numerous significant reporting errors within the annual reports prepared by the County. This is the tenth consecutive audit in which a similar finding was noted.

Context:

We identified misstatements on the 2023 and 2024 annual financial reports that were either individually material misstatements or required correction 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:

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

Views of responsible officials:

The coding and operations of various funds from prior decades have been updated and corrected to accurately reflect the County financial reporting.

Internal Control over Cash and Investments

Finding No. 2024-002:

Criteria:

The County's internal controls over the cash and investments reconciliation and reporting process were inadequate resulting in diminished assurance that the County's financial transactions were properly recorded, and its assets were adequately safeguarded.

Condition:

Internal controls serve as a defense in safeguarding assets and in preventing and detecting errors; fraud; violations of laws; regulations, and provisions of contracts and grants agreements; or abuse.

The County's internal controls over the cash and investments reconciliation and reporting process of the County Auditor and County Treasurer were inadequate resulting in diminished assurance that the County's financial transactions were properly recorded, and its assets were adequately safeguarded. This is the second consecutive audit in which a similar finding was noted.

South Dakota Codified Law (SDCL) 7-10-3 states: "The county auditor shall at the close of each calendar month list all cash and cash items held by the county treasurer and verify the balances in the depositories. The county auditor shall report to the board of county commissioners at each regular meeting the bank balances, the total amount of actual cash, the total amount of checks and drafts which have been in the treasurer's possession not exceeding three days. The county auditor shall also submit an itemized report of all cash items, checks, and drafts which have been in the treasurer's possession over three days. This report shall be made a part of the county commissioners' proceedings."

The County Treasurer's Daily Balance Record and the County Auditor's General Ledger did not include the year end cash balances and financial transactions of two bank accounts held by the County. This resulted in the following not being recorded by the County Treasurer or the County Auditor:

- The monthly cash balance and the revenue and expenditure activity of a checking account held at Andes State Bank was not reconciled or accounted for by either the County Auditor or the County Treasurer. The County neglected to report \$29,949.65 of Expenditures on the 2023 Annual Financial Report. This account was closed in 2023.
- The monthly cash balance and the revenue and expenditure activity of a checking account held at Andes State Bank was not reconciled or accounted for by either the County Auditor or the County Treasurer. The County neglected to report \$216,024.76 of Cash and Cash Equivalents, \$167,865.76 of Revenues, and \$112,918.59 of Expenditures on the 2023 and 2024 Annual Financial Reports.

The County Auditor's General Ledger cash balances did not reconcile to the Treasurer's Daily Balance Record. The December 31, 2024, variance between the two records was \$86,080.21.

The County Auditor also had not monitored the fund cash balances in the General Ledger during 2023 and 2024. This resulted in the balance of the State Motor Vehicle Fund growing, as the County Auditor had not performed the monthly journal entry to move Motor Vehicle Funds from the State Motor Vehicle Fund to the General Fund and the Road and Bridge Fund. Hence, the State Motor Vehicle Fund was not properly clearing out, and the General Fund and Road and Bridge Fund were not being credited for their respective revenues of \$8,033.66 and \$1,168,199.32.

Effect:

The County was exposed to an increased risk of accounting error or irregularities not being detected in a timely manner. The County was also exposed to greater risk that management decisions could be made using inaccurate cash and investment balances.

Cause:

The County does not have an internal control system in place to resolve month-end variances between the two departments in a timely manner.

Recommendations:

2. We recommend that all bank accounts held by the County be included in the Treasurer's Daily Balance record and be reconciled by the County Treasurer each month.
3. We recommend that all bank accounts held by the County be accounted for within the accounting system of the County.
4. We recommend the County Auditor and County Treasurer take the necessary steps to reconcile differences between the General Ledger cash and investments balances and the Daily Balance Record on a monthly basis.
5. We recommend the County Auditor monitor the cash balances of each fund and that the monthly journal entry be made to move the revenues of the General Fund and Road and Bridge Fund from the State Motor Vehicle Fund.
6. We recommend the County Auditor comply with SDCL 7-10-3.

Views of responsible officials:

All financial accounts set up years ago have been closed and deposited into the main County checking account and are accounted for in the County's accounting system.

## Internal Controls over Expenditure Process

### Finding No. 2024-003:

#### Criteria:

The County's internal controls over the expenditure process were inadequate resulting in diminished assurance that the County's financial transactions were properly recorded, and its assets were adequately safeguarded.

#### Condition:

Internal controls serve as a defense in safeguarding assets and in preventing and detecting errors; fraud; violations of laws; regulations, and provisions of contracts and grants agreements; or abuse.

The County's internal controls over the expenditure process were inadequate resulting in diminished assurance that the County's financial transactions were properly recorded, and its assets were adequately safeguarded. This is the second consecutive audit in which a similar finding was noted.

South Dakota Codified Law (SDCL) 7-22-1 states: "Before any account, claim, or demand against any county for any obligation, property, or services for which the county is liable may be allowed, the person who has the account, claim, or demand shall:

- (1) Submit in writing and verify that the account is just and true, the money charged was actually paid for the purposes stated; the property charged for was actually delivered or used for the purposes stated, and was of the value charged; and the services charged were actually rendered and of the value as charged. If the services were official, for which fees are prescribed by law, that the fees and amounts charged for the services are allowed by law and no part of the account, claim, or demand has been paid; or
- (2) Present an invoice or verification which shall be attached to a county voucher, the latter being signed or verified by the county official who purchased the property or had the services rendered to the effect that the account is just and true; the money charged was actually paid for the purposes stated; the property charged for was actually delivered or used for the purposes stated, and was of the value charged; and the services charged for were actually rendered and of the value as charged. If the services were official, for which fees are prescribed by law, that the fees and amounts charged for the services are allowed by law and no part of the account, claim, or demand has been paid. ..."

SDCL 7-8-15 states, in part.: "...The chair or, in the chair's absence, the vice chair shall preside at the meetings of the board and sign all orders and claims approved by the board."

The expenditure activity of two bank accounts held by the County did not follow the internal control process in place. No vouchers, with supporting documentation, were prepared, the Board of County Commissioners did not approve the claims, no publication of the expenditures was completed, and none of the expenditures of the two bank accounts were accounted for in the County's accounting system by the County Auditor. The amount of the expenditure financial activity that was outside of the accountability of the accounting system for the two accounts for the two year's ended December 31, 2024 was \$142,868.24.

#### Effect:

The County was exposed to an increased risk of accounting error or irregularities not being detected in a timely manner. The County was also exposed to greater risk that financial decisions could be made without the true knowledge of the financial condition of the County.

Cause:

The County did follow the internal control system in place to in order to ensure that all expenditures of the County were accounted for within the accounting system and approved in an appropriate manner.

Recommendation:

7. We recommend that the County comply with SDCL 7-22-1 and SDCL 7-8-15 and that all expenditures of the County be accounted for within the accounting system of the County.

Views of responsible officials:

All financial accounts set up years ago have been closed and deposited into the main County checking account and are accounted for in the County's accounting system.

***Compliance and Other Matters:***

Surplus Unassigned Fund Balance

Finding No. 2024-004:

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 \$809,000 as of December 31, 2024. This is the second consecutive audit in which a similar finding was noted.

Context:

Our analysis of the County General Fund indicated an excessive unassigned fund balance existed at December 31, 2024 as follows:

Total Unassigned Fund Balance at December 31, 2024		\$ 3,332,242.52
Less:		
2025 General Fund Appropriations	6,308,100.00	
Percentage of Allowable Retainage	<u>40%</u>	
Allowable Fund Balance Retainage		<u>(2,523,240.00)</u>
Unassigned Surplus Fund Balance at December 31, 2024 in Excess of the Amount Allowed by SDCL 7-21-18.1		<u>\$ 809,002.52</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:

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

Views of responsible officials:

All necessary excess funds are now assigned.

Budgetary Noncompliance

Finding No. 2024-005:

Criteria:

South Dakota Codified Law (SDCL) 7-21-25 states: "Unless specially and expressly authorized by law, it shall be unlawful for the board of county commissioners or any member thereof, or for any officer of any county or any employee thereof in charge of any institution or agency of a county, to contract any indebtedness or incur any liabilities for or in behalf of the county, in any manner whatsoever, either for a purpose, object, or item for which no appropriation is provided in the budget of such county for the fiscal year in which such indebtedness is attempted to be contracted or liability attempted to be created, or in excess of the amount of any specific appropriation for any purpose, object, or item set forth in the budgets of such county, for the fiscal year in which such indebtedness is attempted to be contracted or liability attempted to be created."

Condition:

The County incurred expenditures in excess of appropriations contrary to SDCL 7-21-25. This is the second consecutive audit in which a similar finding was noted.

Context:

We noted the following expenditures in excess of appropriations for the years ended December 31, 2023 and December 31, 2024:

	<u>Year Ended</u> <u>12/31/2023</u>	<u>Year Ended</u> <u>12/31/2024</u>
Road and Bridge Fund:		
<u>Activity</u>		
Highways, Roads and Bridges	\$ 931,240.49	
Emergency Management Fund:		
<u>Activity</u>		
Emergency and Disaster Services	\$ 165,606.75	
Rural Access Infrastructure Fund:		
<u>Activity</u>		
Intergovernmental Expenditures	\$ 64,493.44	\$ 197,782.60

Effect:

The County is not in compliance with SDCL 7-21-25.

Cause:

The Board of County Commissioners did not properly monitor the departmental budgets in order to make the appropriate budget supplements or contingency transfers.

Recommendation:

9. We recommend that the County comply with SDCL 7-21-25.

Views of responsible officials:

Fund transfers and expenditures were all approved by the Commission.

Purchases Made Without Competitive Bidding

Finding No. 2024-006:

Criteria:

South Dakota Codified Law 5-18A-14 (SDCL) states: If the purchasing agency intends to enter into a contract for any public improvement that involves the expenditure of one hundred thousand dollars or more, or a contract for the purchase of supplies or services, other than professional services, that involves the expenditure of fifty thousand dollars or more, the purchasing agency shall advertise for bids or proposals. The advertisement shall appear as a legal notice in the appointed legal newspaper. The advertisement shall be printed at least twice, with the first publication at least ten days before opening of bids or the deadline for the submission of proposals. The first publication shall be in each official newspaper of the purchasing agency, and the second publication may be in any legal newspaper of the state chosen by the purchasing agency. If the purchasing agency has no official newspaper, the first publication shall be made in a legal newspaper with general circulation in the jurisdiction of the purchasing agency to be selected by the purchasing agency. The advertisement shall state the time and place where the bids will be opened or the deadline for the submission of proposals. In each notice, the purchasing agency shall reserve the right to reject any or all bids or proposals.

Condition:

The County made purchases without following the competitive bid process outlined in SDCL 5-18A.

Context:

We noted that during 2023 the County entered contracts to purchase one new John Deere Motor Grader and one new Caterpillar Wheel Loader without following the competitive bid process outlined in SDCL 5-18A. We noted the following from the July 27, 2023 minutes of the Governing Board related to the new motor grader purchase:

Superintendent Cimpr discussed the purchase of a new motor grader. A motion was made by Soukup and seconded by Mushitz to purchase a new 2023 John Deere 772G Motor Grader for \$458,500 and either auction or trade-in the 2017 John Deere 772G for at least \$195,000. All in favor, motion carried.

We noted the following from the August 10, 2023 minutes of the Governing Board related to the new wheel loader purchase:

Superintendent Doug Cimpl presented quotes received for a new wheel loader.

<u>MAKE &amp; MODEL</u>	<u>CASH PRICE</u>	<u>TRADE IN VALUE</u>	<u>FINAL COST</u>
CAT950GC	\$ 307,160.21	\$ 93,000.00	\$ 214,160.21
JOHN DEERE 644P	\$ 309,000.00	\$ 78,000.00	\$ 231,000.00
Volvo L110H	\$ 275,739.00	\$ 77,000.00	\$ 198,739.00

A motion was made by Mushitz and seconded by Soukup to approve the purchase of a new CAT 950GC wheel loader at a cost of \$307,160.21. All in favor, motion carried.

The County Auditor informed us that these purchases were not bid. A search of the minutes of the Governing Board revealed no discussion of advertising for bids for these purchases, or no bid openings for these purchases.

This lack of competitive bidding resulted in a lack of assurance that the County paid the lowest responsible price for the motor grader and wheel loader.

Effect:

The County is not in compliance with the bidding requirements established in SDCL 5-18A.

Cause:

The Board of County Commissioners did not follow the bidding requirements established in SDCL 5-18A.

Recommendation:

10. We recommend that the County comply with the bidding requirements established in SDCL 5-18A.

Views of responsible officials:

The County agrees that all expenditures over \$50,000 should be advertised.

**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  
Charles Mix County  
Lake Andes, 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, each major fund, and the aggregate remaining fund information of Charles Mix County, South Dakota (County), as of December 31, 2024, 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, each major fund, and the aggregate remaining fund information of Charles Mix County as of December 31, 2024, 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 2023, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology

Arrangements; however, this implementation did not result in a restatement of the net position as of January 1, 2024. Our opinions are not modified with respect to this matter.

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

### ***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 February 19, 2026, 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

February 19, 2026

**CHARLES MIX COUNTY**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2024**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 4,247,934.83
Investments	2,558,207.40
<b>TOTAL ASSETS</b>	<b>\$ 6,806,142.23</b>
<b>NET POSITION:</b>	
Restricted For: (See Note 6)	
Rural Access infrastructure Purposes	\$ 431,595.13
Other Purposes	33,417.21
Unrestricted	6,341,129.89
<b>TOTAL NET POSITION</b>	<b>\$ 6,806,142.23</b>

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

**CHARLES MIX COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
For the Year Ended December 31, 2024

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 Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 2,276,927.10	\$ 259,141.27	\$ 355,426.03	\$	\$ (1,662,359.80)
Public Safety	2,795,894.25	427,748.95	119,082.62		(2,249,062.68)
Public Works	3,348,902.82	3,336.20	2,208,275.77	253,991.23	(883,299.62)
Health and Welfare	234,608.57	31,732.43			(202,876.14)
Culture and Recreation	37,812.34				(37,812.34)
Conservation of Natural Resources	298,504.33	31,673.42	6,692.32		(260,138.59)
Urban and Economic Development	17,795.00				(17,795.00)
Intergovernmental	254,627.37				(254,627.37)
**Interest on Long-Term Debt	33,954.28				(33,954.28)
<b>Total Primary Government</b>	<b>\$ 9,299,026.06</b>	<b>\$ 753,632.27</b>	<b>\$ 2,689,476.74</b>	<b>\$ 253,991.23</b>	<b>(5,601,925.82)</b>
<b>General Revenues:</b>					
Taxes:					
	Property Taxes				5,089,093.59
	Wheel Tax				301,550.40
	State Shared Revenues				245,235.13
	Grants and Contributions not Restricted to Specific Programs				88,804.72
	Unrestricted Investment Earnings				108,183.86
	Miscellaneous Revenue				19,730.21
	Special Item (See Note 12)				301,028.08
	Special Item - Unknown, Unexplained Variance (See Note 13)				(36,508.17)
	<b>Total General Revenues and Special Items</b>				<b>6,117,117.82</b>
	Change in Net Position				515,192.00
	Net Position - beginning, as previously reported				6,290,950.23
	<b>NET POSITION - ENDING</b>				<b>\$ 6,806,142.23</b>

\*\*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.

**CHARLES MIX COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
For the Year Ended December 31, 2023

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 Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 2,433,618.58	\$ 207,474.57	\$ 916,648.67	\$	\$ (1,309,495.34)
Public Safety	2,694,044.87	355,340.04	96,838.72		(2,241,866.11)
Public Works	5,284,544.20	274.47	2,276,107.13	242,807.85	(2,765,354.75)
Health and Welfare	222,067.30	37,748.56			(184,318.74)
Culture and Recreation	35,911.13				(35,911.13)
Conservation of Natural Resources	208,942.36	2,457.39	4,929.37		(201,555.60)
Urban and Economic Development	17,525.00				(17,525.00)
Intergovernmental	121,464.36				(121,464.36)
**Interest on Long-Term Debt	36,160.16				(36,160.16)
<b>Total Primary Government</b>	<b>\$ 11,054,277.96</b>	<b>\$ 603,295.03</b>	<b>\$ 3,294,523.89</b>	<b>\$ 242,807.85</b>	<b>(6,913,651.19)</b>
<b>General Revenues:</b>					
Taxes:					
Property Taxes					4,844,868.31
Wheel Tax					301,214.93
State Shared Revenues					484,450.35
Grants and Contributions not Restricted to Specific Programs					245,633.90
Unrestricted Investment Earnings					78,806.69
Miscellaneous Revenue					131,962.79
Special Items (See Note 12)					(305,453.73)
<b>Total General Revenues and Special Items</b>					<b>5,781,483.24</b>
Change in Net Position					(1,132,167.95)
Net Position - beginning, as previously reported					7,423,118.18
<b>NET POSITION - ENDING</b>					<b>\$ 6,290,950.23</b>

\*\*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.

**CHARLES MIX COUNTY  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
December 31, 2024**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 2,116,052.12	\$ 1,407,971.69	\$ 507,886.26	\$ 4,031,910.07
Investments	2,558,207.40			2,558,207.40
<b>TOTAL ASSETS</b>	<u><u>\$ 4,674,259.52</u></u>	<u><u>\$ 1,407,971.69</u></u>	<u><u>\$ 507,886.26</u></u>	<u><u>\$ 6,590,117.47</u></u>
<b>FUND BALANCES:</b> (See Note 1.I.)				
Restricted	\$	\$	\$ 465,012.34	\$ 465,012.34
Assigned	1,342,017.00	1,407,971.69	42,873.92	2,792,862.61
Unassigned	3,332,242.52			3,332,242.52
<b>TOTAL FUND BALANCES</b>	<u><u>\$ 4,674,259.52</u></u>	<u><u>\$ 1,407,971.69</u></u>	<u><u>\$ 507,886.26</u></u>	6,590,117.47

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Internal Service Fund is used by management to charge costs of medical deductible reimbursement activities to the individual funds. The assets and net position of the Internal Service Fund is included in the governmental activities in the Statement of Net Position.

216,024.76

Net Position - Governmental Activities

\$ 6,806,142.23

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

**CHARLES MIX COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2024**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 5,016,203.52	\$ 40,002.72	\$	\$ 5,056,206.24
General Property Taxes--Delinquent	15,021.61			15,021.61
Penalties and Interest	13,794.82	95.75		13,890.57
Wheel Tax		301,550.40		301,550.40
Tax Deed Revenue	3,975.17			3,975.17
Licenses and Permits	11,199.00		1,120.00	12,319.00
Intergovernmental Revenue:				
Federal Grants	948.49			948.49
Federal Shared Revenue	20,514.72			20,514.72
Federal Payments in Lieu of Taxes	68,290.00			68,290.00
State Grants	83,149.46	381,995.24	11,000.00	476,144.70
State Shared Revenue:				
Bank Franchise	51,277.36		2,934.05	54,211.41
Motor Vehicle Licenses		1,465,462.88		1,465,462.88
Prorate License Fees		83,604.12		83,604.12
63 3/4% Mobile Home		11,847.89		11,847.89
Secondary Road Remittances		25,519.49		25,519.49
Telecommunications Gross Receipts Tax	14,787.18			14,787.18
Motor Vehicle 1/4%	3,972.10			3,972.10
Renewable Facility Tax	124,597.49			124,597.49
Motor Fuel Tax		7,276.90		7,276.90
911 Remittances			99,332.62	99,332.62
Liquor Tax Reversion (25%)	51,639.05			51,639.05
Other State Shared Revenue			232,569.25	232,569.25
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	45,330.84			45,330.84
Register of Deeds' Fees	98,317.50		8,549.49	106,866.99
Legal Services	86,715.19			86,715.19
Clerk of Courts Fees	5,170.00		204.50	5,374.50

Public Safety:				
Law Enforcement	168,772.30		102,696.14	271,468.44
Prisoner Care	130,296.59			130,296.59
Sobriety Testing			19,280.00	19,280.00
Other			440.00	440.00
Public Works:				
Road Maintenance Contract Charges		3,336.20		3,336.20
Health and Welfare:				
Economic Assistance:				
Veterans Service Officer	3,093.75			3,093.75
Health Assistance:				
Women, Infants and Children	31,732.43			31,732.43
Conservation of Natural Resources	31,673.42			31,673.42
Fines and Forfeits:				
Costs	3,479.92			3,479.92
Forfeits	200.00			200.00
Miscellaneous Revenue:				
Investment Earnings	106,106.17	1,345.24	732.45	108,183.86
Rent	1,150.00	875.00		2,025.00
Refund of Prior Year's Expenditures	15,371.55	2,198.82	839.84	18,410.21
Other	1,320.00			1,320.00
Unknown, Unexplained Variance (See Note 13)	(36,508.17)			(36,508.17)
Total Revenues	<u>6,171,591.46</u>	<u>2,325,110.65</u>	<u>479,698.34</u>	<u>8,976,400.45</u>

**Expenditures:**

General Government:				
Legislative:				
Board of County Commissioners	112,000.45			112,000.45
Elections	92,357.37			92,357.37
Judicial System	113,676.25			113,676.25
Financial Administration:				
Auditor	270,844.80			270,844.80
Treasurer	194,697.09			194,697.09
Legal Services:				
State's Attorney	284,782.63			284,782.63
Court Appointed Attorney	271,838.97			271,838.97
Abused and Neglected Child Defense	24,158.83			24,158.83
Other General Government:				
General Government Building	158,562.58			158,562.58
Director of Equalization	288,473.24			288,473.24

**CHARLES MIX COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2024**  
**(Continued)**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Register of Deeds	172,588.33			172,588.33
Veterans Service Officer	38,412.34			38,412.34
Predatory Animal	9,720.21			9,720.21
Other	94,495.46			94,495.46
Geographic Information System	92,546.42			92,546.42
Public Safety:				
Law Enforcement:				
Sheriff	974,454.55			974,454.55
County Jail	944,455.98		45,279.46	989,735.44
Coroner	12,899.25			12,899.25
Juvenile Detention	309,380.30			309,380.30
Protective and Emergency Services:				
Emergency and Disaster Services			117,422.78	117,422.78
Communication Center			402,904.91	402,904.91
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		3,353,684.28		3,353,684.28
Health and Welfare:				
Economic Assistance:				
Support of Poor	6,079.89			6,079.89
Health Assistance:				
County Nurse	101,055.61			101,055.61
Women, Infants and Children	61,616.28			61,616.28
Mental Health Services:				
Mentally Ill	50,334.79			50,334.79
Mental Health Centers	16,157.57			16,157.57
Culture and Recreation:				
Recreation:				
Recreational Programs	10,000.00			10,000.00
County Fair	22,812.34			22,812.34
Senior Center	5,000.00			5,000.00

Conservation of Natural Resources:				
Soil Conservation:				
County Extension	72,272.96			72,272.96
Soil Conservation Districts	15,000.00			15,000.00
Weed Control	211,901.74			211,901.74
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	17,795.00			17,795.00
Intergovernmental Expenditures		56,844.77	197,782.60	254,627.37
Debt Service	98,954.28			98,954.28
Total Expenditures	<u>5,149,325.51</u>	<u>3,410,529.05</u>	<u>763,389.75</u>	<u>9,323,244.31</u>
Excess of Revenues Over (Under) Expenditures	<u>1,022,265.95</u>	<u>(1,085,418.40)</u>	<u>(283,691.41)</u>	<u>(346,843.86)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In		1,315,000.00	318,000.00	1,633,000.00
Transfers Out	(1,633,000.00)			(1,633,000.00)
Insurance Proceeds	282,798.30	253,991.23		536,789.53
Total Other Financing Sources (Uses)	<u>(1,350,201.70)</u>	<u>1,568,991.23</u>	<u>318,000.00</u>	<u>536,789.53</u>
Special Items (See Note 12)	301,028.08			301,028.08
Net Change in Fund Balance	(26,907.67)	483,572.83	34,308.59	490,973.75
Fund Balance - beginning, as previously reported	<u>4,701,167.19</u>	<u>924,398.86</u>	<u>473,577.67</u>	<u>6,099,143.72</u>
FUND BALANCE - ENDING	<u>\$ 4,674,259.52</u>	<u>\$ 1,407,971.69</u>	<u>\$ 507,886.26</u>	<u>\$ 6,590,117.47</u>
Net Change in Fund Balances - Total Governmental Funds				\$ 490,973.75
Amounts reported for Governmental Activities in the Statement of Activities are different because:				
Internal Service Fund is used by management to charge the costs of medical deductible reimbursement activities to the individual funds. The net revenue (expense) of the internal funds is reported within the Governmental Activities.				<u>24,218.25</u>
Change in Net Position of Governmental Activities				<u>\$ 515,192.00</u>

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

**CHARLES MIX COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2023**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 4,770,009.66	\$ 39,471.48	\$	\$ 4,809,481.14
General Property Taxes--Delinquent	19,302.05			19,302.05
Penalties and Interest	15,960.79	124.33		16,085.12
Wheel Tax		301,214.93		301,214.93
Licenses and Permits	11,391.00		310.00	11,701.00
Intergovernmental Revenue:				
Federal Grants	1,158,251.45	34,916.25	5,000.00	1,198,167.70
Federal Shared Revenue	181,341.90			181,341.90
Federal Payments in Lieu of Taxes	64,292.00			64,292.00
State Grants	57,335.48	364,965.72		422,301.20
State Shared Revenue:				
Bank Franchise	85,277.56		4,879.52	90,157.08
Motor Vehicle Licenses		1,471,379.72		1,471,379.72
Prorate License Fees		84,032.73		84,032.73
63 3/4% Mobile Home		3,855.60		3,855.60
Secondary Road Remittances		20,707.34		20,707.34
Telecommunications Gross Receipts Tax	16,668.27			16,668.27
Motor Vehicle 1/4%	4,061.56			4,061.56
Renewable Facility Tax	127,551.12			127,551.12
Motor Fuel Tax		7,249.77		7,249.77
911 Remittances			82,768.27	82,768.27
Liquor Tax Reversion (25%)	51,892.68			51,892.68
Other State Shared Revenue			198,181.20	198,181.20
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	47,610.14			47,610.14
Register of Deeds' Fees	80,753.50		8,032.62	88,786.12
Legal Services	49,146.98			49,146.98
Clerk of Courts Fees	3,537.00		245.83	3,782.83

Public Safety:				
Law Enforcement	169,735.38		23,626.81	193,362.19
Prisoner Care	68,059.30			68,059.30
Sobriety Testing			18,155.00	18,155.00
Other			71,949.68	71,949.68
Public Works:				
Road Maintenance Contract Charges		274.47		274.47
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	7,256.45			7,256.45
Veterans Service Officer	2,812.50			2,812.50
Health Assistance:				
Women, Infants and Children	30,492.11			30,492.11
Conservation of Natural Resources	2,457.39			2,457.39
Fines and Forfeits:				
Costs	3,813.87			3,813.87
Miscellaneous Revenue:				
Investment Earnings	71,596.15	6,855.16	355.38	78,806.69
Rent	2,760.00	875.00		3,635.00
Refund of Prior Year's Expenditures	25,568.80	14,625.41		40,194.21
Other	11,475.84		21.50	11,497.34
Total Revenues	<u>7,140,410.93</u>	<u>2,350,547.91</u>	<u>413,525.81</u>	<u>9,904,484.65</u>

**Expenditures:**

## General Government:

## Legislative:

Board of County Commissioners	113,546.84			113,546.84
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Elections	18,756.16			18,756.16
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Judicial System	80,393.69			80,393.69
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## Financial Administration:

Auditor	247,065.89			247,065.89
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Treasurer	172,139.98			172,139.98
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Other	307,381.96			307,381.96
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## Legal Services:

State's Attorney	273,645.84			273,645.84
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Court Appointed Attorney	348,763.14			348,763.14
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Abused and Neglected Child Defense	36,772.22			36,772.22
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## Other General Government:

General Government Building	245,396.67			245,396.67
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Director of Equalization	225,505.47			225,505.47
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**CHARLES MIX COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2023**  
**(Continued)**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Register of Deeds	176,788.70			176,788.70
Veterans Service Officer	34,432.62			34,432.62
Predatory Animal	13,346.10			13,346.10
Geographic Information System	83,646.58			83,646.58
Public Safety:				
Law Enforcement:				
Sheriff	929,043.37			929,043.37
County Jail	770,800.53		42,082.13	812,882.66
Coroner	48,347.57			48,347.57
Juvenile Detention	228,536.52			228,536.52
Protective and Emergency Services:				
Emergency and Disaster Services			310,606.75	310,606.75
Communication Center			378,571.90	378,571.90
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		5,290,740.49		5,290,740.49
Health and Welfare:				
Economic Assistance:				
Support of Poor	1,450.74			1,450.74
Health Assistance:				
County Nurse	101,671.65			101,671.65
Women, Infants and Children	46,690.38			46,690.38
Mental Health Services:				
Mentally Ill	57,632.17			57,632.17
Mental Health Centers	15,420.82			15,420.82
Culture and Recreation:				
Recreation:				
Recreational Programs	20,000.00			20,000.00
County Fair	15,911.13			15,911.13

Conservation of Natural Resources:				
Soil Conservation:				
County Extension	28,167.93			28,167.93
Soil Conservation Districts	15,000.00			15,000.00
Weed Control	166,601.42			166,601.42
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	17,525.00			17,525.00
Intergovernmental Expenditures		56,970.92	64,493.44	121,464.36
Debt Service	101,160.16			101,160.16
Total Expenditures	<u>4,941,541.25</u>	<u>5,347,711.41</u>	<u>795,754.22</u>	<u>11,085,006.88</u>
Excess of Revenues Over (Under) Expenditures	<u>2,198,869.68</u>	<u>(2,997,163.50)</u>	<u>(382,228.41)</u>	<u>(1,180,522.23)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In		2,297,213.12	975,000.00	3,272,213.12
Transfers Out	(3,272,213.12)			(3,272,213.12)
Insurance Proceeds		242,807.85		242,807.85
Sale of County Property	28,589.03	39,694.45	11,987.76	80,271.24
Total Other Financing Sources (Uses)	<u>(3,243,624.09)</u>	<u>2,579,715.42</u>	<u>986,987.76</u>	<u>323,079.09</u>
Special Items (See Note 12)	(305,453.73)			(305,453.73)
Net Change in Fund Balance	(1,350,208.14)	(417,448.08)	604,759.35	(1,162,896.87)
Fund Balance - beginning, as previously reported	<u>6,051,375.33</u>	<u>1,341,846.94</u>	<u>(131,181.68)</u>	<u>7,262,040.59</u>
FUND BALANCE - ENDING	<u>\$ 4,701,167.19</u>	<u>\$ 924,398.86</u>	<u>\$ 473,577.67</u>	<u>\$ 6,099,143.72</u>
Net Change in Fund Balances - Total Governmental Funds				\$ (1,162,896.87)
Amounts reported for Governmental Activities in the Statement of Activities are different because:				
Internal Service Fund is used by management to charge the costs of medical deductible reimbursement activities to the individual funds. The net revenue (expense) of the internal funds is reported within the Governmental Activities.				<u>30,728.92</u>
Change in Net Position of Governmental Activities				<u>\$ (1,132,167.95)</u>

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

**CHARLES MIX COUNTY  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
December 31, 2024**

	<u>Internal Service Funds</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	<u>\$ 216,024.76</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 216,024.76</u></u>
<b>NET POSITION:</b>	
Unrestricted	<u>\$ 216,024.76</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 216,024.76</u></u>

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

**CHARLES MIX COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2024**

	<b>Internal Service Funds</b>
<b>Operating Revenues:</b>	
Charges for Goods and Services	\$ 84,785.00
<b>Operating Expenses:</b>	
Deductible Reimbursement	60,566.75
Change in Net Position	24,218.25
Net Position - beginning, as previously reported	191,806.51
<b>NET POSITION - ENDING</b>	<b>\$ 216,024.76</b>

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

**CHARLES MIX COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2023**

	<b>Internal Service Funds</b>
<b>Operating Revenues:</b>	
Charges for Goods and Services	\$ 83,080.76
<b>Operating Expenses:</b>	
Deductible Reimbursement	52,351.84
Change in Net Position	30,728.92
Net Position - beginning, as previously reported	161,077.59
<b>NET POSITION - ENDING</b>	<b>\$ 191,806.51</b>

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

**CHARLES MIX COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**December 31, 2024**

	<b>Custodial Funds</b>
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 466,566.37
<b>TOTAL ASSETS</b>	<b>\$ 466,566.37</b>
<b>NET POSITION:</b>	
Restricted For:	
Individuals, Organizations, and Other Governments	\$ 466,566.37
<b>TOTAL NET POSITION</b>	<b>\$ 466,566.37</b>

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

**CHARLES MIX COUNTY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**For the Year Ended December 31, 2024**

	<b>Custodial Funds</b>
<b>ADDITIONS:</b>	
Property Tax Collections for Other Governments	\$ 11,766,143.91
State Shared Revenue Collections for Other Governments	3,552,911.77
Other Additions	9,749.00
Total Additions	15,328,804.68
<b>DEDUCTIONS:</b>	
Payments of Property Tax to Other Governments	11,834,224.83
Payments of State Shared Revenue to Other Governments	3,471,903.21
Other Deductions	16,052.05
Total Deductions	15,322,180.09
Change in Net Position	6,624.59
Net Position - beginning, as previously reported	459,941.78
<b>NET POSITION - ENDING</b>	<b>\$ 466,566.37</b>

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

**CHARLES MIX COUNTY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**For the Year Ended December 31, 2023**

	<b>Custodial Funds</b>
<b>ADDITIONS:</b>	
Property Tax Collections for Other Governments	\$ 10,880,858.68
State Shared Revenue Collections for Other Governments	3,552,646.39
Other Additions	49,336.00
Total Additions	14,482,841.07
<b>DEDUCTIONS:</b>	
Payments of Property Tax to Other Governments	10,861,838.95
Payments of State Shared Revenue to Other Governments	3,519,382.65
Other Deductions	9,014.00
Total Deductions	14,390,235.60
Change in Net Position	92,605.47
Net Position - beginning, as previously reported	367,336.31
<b>NET POSITION - ENDING</b>	<b>\$ 459,941.78</b>

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

CHARLES MIX 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 Charles Mix 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.

The County participates in a cooperative unit, the Southern Missouri Recycling and Waste Management District. 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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

*Fund Financial Statements:*

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

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

The funds of the County financial reporting entity are described below:

**Governmental Funds:**

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

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

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

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, and Rural Access Infrastructure. These funds are reported on the fund financial statements as “Other Governmental Funds.”

**Proprietary Funds:**

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

**Fiduciary Funds:**

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

*Custodial Funds – Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for the accumulation and distribution of property tax revenues and various pass-through funds.*

c. Measurement Focus and Basis of Accounting:

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

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, governmental 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 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. Interfund Eliminations and Reclassifications:

*Government-wide Financial Statements:*

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

1. In order to minimize the doubling-up effect 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 Internal Service 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 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 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 may 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 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 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 and Federal Grants, and Motor Vehicle Licenses

A schedule of fund balances is provided as follows:

**CHARLES MIX COUNTY  
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balances:</b>				
Restricted For:				
Domestic Abuse Purposes	\$	\$	\$ 2,815.13	\$ 2,815.13
Modernization and Preservation Relief Purposes			30,602.08	30,602.08
Rural Access Infrastructure Purposes			431,595.13	431,595.13
Assigned To:				
Applied to Next Year's Budget	342,017.00			342,017.00
County Jail Building Purposes	1,000,000.00			1,000,000.00
Road and Bridge Purposes		1,407,971.69		1,407,971.69
911 Service Purposes			108.58	108.58
Emergency Management Purposes			706.78	706.78
Domestic Abuse Purposes			3,772.23	3,772.23
Courthouse Building Purposes			33,063.62	33,063.62
24/7 Sobriety Purposes			363.95	363.95
Modernization and Preservation Relief Purposes			4,858.76	4,858.76
Unassigned	<u>3,332,242.52</u>			<u>3,332,242.52</u>
<b>Total Fund Balances</b>	<u><u>\$ 4,674,259.52</u></u>	<u><u>\$ 1,407,971.69</u></u>	<u><u>\$ 507,886.26</u></u>	<u><u>\$ 6,590,117.47</u></u>

2. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2023, 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.

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

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	Year Ended 12/31/2024
Road and Bridge Fund:		
<u>Activity</u>		
Highways, Roads and Bridges	\$ 931,240.49	
Emergency Management Fund:		
<u>Activity</u>		
Emergency and Disaster Services	\$ 165,606.75	
Rural Access Infrastructure Fund:		
<u>Activity</u>		
Intergovernmental Expenditures	\$ 64,493.44	\$ 197,782.60

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

The Board of County Commissioners will direct the County Auditor to monitor the department budgets more closely and inform the Board when budget supplements or contingency transfers are necessary. The Governing Board will then make the necessary budget supplements or contingency transfers.

4. 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, 2024, 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 an investment policy that further limit its investment choices to certificates of deposit.

**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, 2024, 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 have a formal investment policy that limits investment maturities. The County only invests in certificates of deposit and staggers the 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.

## 5. 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.



the improvement of the area will likely enhance the value of all of the other real property in the tax increment district.

The county, municipal and other local general property taxes levied on all taxable property within a tax incremental district on the increase in assessed value of the taxable property is allocated to pay for the cost of improvements in the tax increment district. The tax increments are allocated until all cost of the tax increment district project has been repaid; however, it cannot exceed 20 years. The Municipality of Platte has one (1) active tax increment district. Because the general property taxes on tax increment district is allocated to the district, the taxes are not available to Charles Mix County during the life of the tax increment district.

The proportionate share of the general property taxes collected from these tax increment districts that were not available to Charles Mix County during the two years ended December 31, 2024 was \$0.00 in 2023 and \$2,589.18 in 2024.

## 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). 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. 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 3<sup>rd</sup> 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 3<sup>rd</sup> quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

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

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

**Contributions:**

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The County's share of contributions to the SDRS for the calendar years ended December 31, 2024, 2023, and 2022, equal to the required contributions each year, were as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 193,645.22
2023	\$ 176,185.43
2022	\$ 157,547.54

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

At June 30, 2024, SDRS is 100.0% funded and accordingly has a net pension asset. The proportionate share of the components of the net pension asset of South Dakota Retirement System, for the County as of this measurement period ending June 30, 2024, are as follows:

Proportionate share of total pension liability	\$ 16,159,013.32
Less proportionate share of net position restricted for pension benefits	16,163,397.97
Proportionate share of net pension asset	\$ (4,384.65)

The net pension asset was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was based on a projection of the County's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the County's proportion was 0.108317%, which is a decrease of 0.001896% from its proportion measured as of June 30, 2023.

**Actuarial Assumptions:**

The total pension asset in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	Graded by years of service, from 7.66% at entry to 3.15% after 25 years of service
Discount Rate	6.50% net of plan investment expense. This is composed of an average inflation rate of 2.50% and real returns of 4.00%.
Future COLAs	1.71%

**Mortality Rates:**

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

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

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

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

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

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

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

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

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

**Discount Rate:**

The discount rate used to measure the total pension asset was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
County's proportionate share of the net pension liability (asset)	\$ 2,228,039.36	\$ (4,384.65)	\$ (1,831,202.87)

**Pension Plan Fiduciary Net Position:**

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

10. JOINT VENTURES

The County participates in a joint venture, known as the Southern Missouri Recycling and Waste Management District, formed for the purpose of providing waste management services to its members.

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

**Municipalities:**

Armour .6%, Platte .9%,  
 Avon 1.0%, Ravinia .1%,  
 Corsica .4%, Scotland .7%,  
 Dante .1%, Springfield .6%,  
 Delmont .2%, Tabor .7%,  
 Geddes .2%, Tyndall 2.4%,  
 Lake Andes .6%, Wagner 1.1%  
 Pickstown .1%,

**Counties:**

Bon Homme 23.9%,  
 Charles Mix 32.2%,  
 Douglas 13.2%,  
 Gregory 21.0%

The joint venture's governing board is composed of representatives, who are city council members or county commissioners. The board is responsible for adopting the budget and setting service fees at a level adequate to fund the adopted budget.

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:

Southern Missouri Recycling and Waste Management District  
38053 SD Highway 50  
Lake Andes, SD 57356

At December 31, 2024, this joint venture had total assets of \$ 2,238,855.45, total liabilities of \$602,146.03, and total Net Position of \$ 1,643,056.04.

#### 11. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2024, the County was involved in 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. SPECIAL ITEMS

During 2023 and 2024 the County reported special items in the amount of (\$305,453.73) and \$301,028.08, respectively. The details of these reported special items are as follows:

During 2023, after the tax bills were prepared and sent out, the tax levies for the Platte-Geddes School District and the Avon School District were inadvertently changed within the accounting system. This caused errors in the apportionment process resulting in the Platte-Geddes School District being shorted by \$287,292.78, and the Avon School District being shorted by \$13,735.30. This error was discovered during 2023 and after this error was discovered, the County wrote the two affected schools a check for the amount the tax levies were short. The County then worked with their software company to correct the tax levies in the system. The Platte-Geddes School District and the Avon School District were made whole through the second half apportionment of property taxes, so in 2024 the School Districts returned the funds to the County.

Also, during 2023, the tax levy for Jackson Township was incorrect. The County reimbursed Jackson Township \$4,425.65 due to this incorrect tax levy.

#### 13. SPECIAL ITEM - UNKNOWN, UNEXPLAINED VARIANCE

During 2024, an unknown, unexplained variance was reported in the amount of (\$36,508.17). This adjustment was necessary as the financial statements of the County were not in balance.

#### 14. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2024, the County managed its risks as follows:

Employee Health Insurance:

The County purchases 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.

The County carries a high deductible for each employee under the Health Insurance Plan. The County will reimburse a portion of the deductible for each person participating in the Health Insurance Plan. During the years ended December 31, 2023, and December 31, 2024, the County reimbursed deductibles for its employees in the amount of \$52,351.84 and \$60,566.75, respectively.

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, Government Officials Liability, Automobile Liability, Law Enforcement Liability, and Property and Building Coverage

The County carries various deductibles for the above coverages.

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**  
**CHARLES MIX COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 5,046,386.00	\$ 5,046,386.00	\$ 5,016,203.52	\$ (30,182.48)
General Property Taxes--Delinquent	0.00	0.00	15,021.61	15,021.61
Penalties and Interest	10,000.00	10,000.00	13,794.82	3,794.82
Tax Deed Revenue	0.00	0.00	3,975.17	3,975.17
Licenses and Permits	10,700.00	10,700.00	11,199.00	499.00
Intergovernmental Revenue:				
Federal Grants	10,000.00	10,000.00	948.49	(9,051.51)
Federal Shared Revenue	6,100.00	6,100.00	20,514.72	14,414.72
Federal Payments in Lieu of Taxes	60,000.00	60,000.00	68,290.00	8,290.00
State Grants	29,000.00	29,000.00	83,149.46	54,149.46
State Shared Revenue:				
Bank Franchise	65,000.00	65,000.00	51,277.36	(13,722.64)
Telecommunications Gross Receipts Tax	15,000.00	15,000.00	14,787.18	(212.82)
Motor Vehicle 1/4%	1,500.00	1,500.00	3,972.10	2,472.10
Renewable Facility Tax	125,000.00	125,000.00	124,597.49	(402.51)
Liquor Tax Reversion (25%)	51,000.00	51,000.00	51,639.05	639.05
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	45,500.00	45,500.00	45,330.84	(169.16)
Register of Deeds' Fees	100,500.00	100,500.00	98,317.50	(2,182.50)
Legal Services	40,000.00	40,000.00	86,715.19	46,715.19
Clerk of Courts Fees	4,000.00	4,000.00	5,170.00	1,170.00
Public Safety:				
Law Enforcement	145,000.00	145,000.00	168,772.30	23,772.30
Prisoner Care	25,000.00	25,000.00	130,296.59	105,296.59
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	6,000.00	6,000.00	0.00	(6,000.00)
Veterans Service Officer	2,500.00	2,500.00	3,093.75	593.75
Health Assistance:				
Women, Infants and Children	25,000.00	25,000.00	31,732.43	6,732.43
Conservation of Natural Resources	5,000.00	5,000.00	31,673.42	26,673.42
Fines and Forfeits:				
Costs	4,000.00	4,000.00	3,479.92	(520.08)
Forfeits	0.00	0.00	200.00	200.00
Miscellaneous Revenue:				
Investment Earnings	3,000.00	30,000.00	106,106.17	76,106.17
Rent	1,100.00	1,100.00	1,150.00	50.00
Special Assessments	1,000.00	1,000.00	0.00	(1,000.00)
Refund of Prior Year's Expenditures	10,000.00	10,000.00	15,371.55	5,371.55
Other	10,000.00	10,000.00	1,320.00	(8,680.00)
Unknown, Unexplained Variance	0.00	0.00	(36,508.17)	(36,508.17)
<b>Total Revenues</b>	<b>5,857,286.00</b>	<b>5,884,286.00</b>	<b>6,171,591.46</b>	<b>287,305.46</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	129,000.00	129,000.00	112,000.45	16,999.55
Contingency	150,000.00	150,000.00		
Amount Transferred		(149,000.00)		1,000.00
Elections	80,000.00	93,000.00	92,357.37	642.63
Judicial System	128,000.00	128,000.00	113,676.25	14,323.75
Financial Administration:				
Auditor	274,000.00	274,000.00	270,844.80	3,155.20
Treasurer	198,000.00	198,000.00	194,697.09	3,302.91

**SUPPLEMENTARY INFORMATION**  
**CHARLES MIX COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2024**  
**(Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal Services:				
State's Attorney	304,500.00	304,500.00	284,782.63	19,717.37
Court Appointed Attorney	450,000.00	450,000.00	271,838.97	178,161.03
Abused and Neglected Child Defense	63,000.00	63,000.00	24,158.83	38,841.17
Other General Government:				
General Government Building	386,000.00	386,000.00	158,562.58	227,437.42
Director of Equalization	239,000.00	289,000.00	288,473.24	526.76
Register of Deeds	197,000.00	197,000.00	172,588.33	24,411.67
Veterans Service Officer	32,000.00	39,000.00	38,412.34	587.66
Predatory Animal	10,000.00	10,000.00	9,720.21	279.79
Other	150,000.00	150,000.00	94,495.46	55,504.54
Geographic Information System	114,000.00	114,000.00	92,546.42	21,453.58
Public Safety:				
Law Enforcement:				
Sheriff	1,068,000.00	1,058,000.00	974,454.55	83,545.45
County Jail	1,027,000.00	1,027,000.00	944,455.98	82,544.02
Coroner	26,000.00	26,000.00	12,899.25	13,100.75
Juvenile Detention	276,000.00	310,000.00	309,380.30	619.70
Health and Welfare:				
Economic Assistance:				
Support of Poor	2,500.00	6,500.00	6,079.89	420.11
Health Assistance:				
County Nurse	125,000.00	125,000.00	101,055.61	23,944.39
Women, Infants and Children	44,000.00	62,000.00	61,616.28	383.72
Mental Health Services:				
Mentally Ill	87,000.00	87,000.00	50,334.79	36,665.21
Mental Health Centers	40,000.00	40,000.00	16,157.57	23,842.43
Culture and Recreation:				
Recreation:				
Recreational Programs	10,000.00	10,000.00	10,000.00	0.00
County Fair	26,000.00	26,000.00	22,812.34	3,187.66
Senior Center	11,000.00	11,000.00	5,000.00	6,000.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	102,000.00	102,000.00	72,272.96	29,727.04
Soil Conservation Districts	15,000.00	15,000.00	15,000.00	0.00
Weed Control	189,000.00	212,000.00	211,901.74	98.26
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	19,000.00	19,000.00	17,795.00	1,205.00
Debt Service	100,000.00	100,000.00	98,954.28	1,045.72
Total Expenditures	<u>6,072,000.00</u>	<u>6,062,000.00</u>	<u>5,149,325.51</u>	<u>912,674.49</u>
Excess of Revenues Over (Under) Expenditures	<u>(214,714.00)</u>	<u>(177,714.00)</u>	<u>1,022,265.95</u>	<u>1,199,979.95</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	0.00	0.00	(1,633,000.00)	(1,633,000.00)
Insurance Proceeds	45,000.00	45,000.00	282,798.30	237,798.30
Total Other Financing Sources (Uses)	<u>45,000.00</u>	<u>45,000.00</u>	<u>(1,350,201.70)</u>	<u>(1,395,201.70)</u>
Special Items	0.00	0.00	301,028.08	301,028.08
Net Change in Fund Balance	(169,714.00)	(132,714.00)	(26,907.67)	105,806.33
Fund Balance - beginning, as previously reported	4,701,167.19	4,701,167.19	4,701,167.19	0.00
<b>FUND BALANCE - ENDING</b>	<u>\$ 4,531,453.19</u>	<u>\$ 4,568,453.19</u>	<u>\$ 4,674,259.52</u>	<u>\$ 105,806.33</u>

**SUPPLEMENTARY INFORMATION**  
**CHARLES MIX COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 40,043.00	\$ 40,043.00	\$ 40,002.72	\$ (40.28)
Penalties and Interest	100.00	100.00	95.75	(4.25)
Wheel Tax	300,000.00	300,000.00	301,550.40	1,550.40
Intergovernmental Revenue:				
State Grants	350,000.00	350,000.00	381,995.24	31,995.24
State Shared Revenue:				
Motor Vehicle Licenses	1,100,000.00	1,100,000.00	1,465,462.88	365,462.88
Prorate License Fees	70,000.00	70,000.00	83,604.12	13,604.12
63 3/4% Mobile Home	0.00	0.00	11,847.89	11,847.89
Secondary Road Remittances	18,000.00	18,000.00	25,519.49	7,519.49
Motor Fuel Tax	7,000.00	7,000.00	7,276.90	276.90
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	1,000.00	1,000.00	3,336.20	2,336.20
Miscellaneous Revenue:				
Investment Earnings	10,000.00	10,000.00	1,345.24	(8,654.76)
Rent	500.00	500.00	875.00	375.00
Refund of Prior Year's Expenditures	0.00	0.00	2,198.82	2,198.82
<b>Total Revenues</b>	<u>1,896,643.00</u>	<u>1,896,643.00</u>	<u>2,325,110.65</u>	<u>428,467.65</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	3,945,000.00	3,945,000.00	3,353,684.28	591,315.72
Intergovernmental Expenditures	57,000.00	57,000.00	56,844.77	155.23
<b>Total Expenditures</b>	<u>4,002,000.00</u>	<u>4,002,000.00</u>	<u>3,410,529.05</u>	<u>591,470.95</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(2,105,357.00)</u>	<u>(2,105,357.00)</u>	<u>(1,085,418.40)</u>	<u>1,019,938.60</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	200,000.00	200,000.00	1,315,000.00	1,115,000.00
Insurance Proceeds	235,000.00	235,000.00	253,991.23	18,991.23
<b>Total Other Financing Sources (Uses)</b>	<u>435,000.00</u>	<u>435,000.00</u>	<u>1,568,991.23</u>	<u>1,133,991.23</u>
<b>Net Change in Fund Balance</b>	<u>(1,670,357.00)</u>	<u>(1,670,357.00)</u>	<u>483,572.83</u>	<u>2,153,929.83</u>
<b>Fund Balance - beginning, as previously reported</b>	<u>924,398.86</u>	<u>924,398.86</u>	<u>924,398.86</u>	<u>0.00</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ (745,958.14)</u>	<u>\$ (745,958.14)</u>	<u>\$ 1,407,971.69</u>	<u>\$ 2,153,929.83</u>

**SUPPLEMENTARY INFORMATION**  
**CHARLES MIX COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 4,811,188.00	\$ 4,811,188.00	\$ 4,770,009.66	\$ (41,178.34)
General Property Taxes--Delinquent	0.00	0.00	19,302.05	19,302.05
Penalties and Interest	5,000.00	5,000.00	15,960.79	10,960.79
Tax Deed Revenue	3,000.00	3,000.00	0.00	(3,000.00)
Licenses and Permits	9,200.00	9,200.00	11,391.00	2,191.00
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	1,158,251.45	1,158,251.45
Federal Shared Revenue	6,100.00	6,100.00	181,341.90	175,241.90
Federal Payments in Lieu of Taxes	55,000.00	55,000.00	64,292.00	9,292.00
State Grants	15,100.00	15,100.00	57,335.48	42,235.48
State Shared Revenue:				
Bank Franchise	69,000.00	69,000.00	85,277.56	16,277.56
Telecommunications Gross Receipts Tax	10,000.00	10,000.00	16,668.27	6,668.27
Motor Vehicle 1/4%	0.00	0.00	4,061.56	4,061.56
Renewable Facility Tax	125,000.00	125,000.00	127,551.12	2,551.12
Liquor Tax Reversion (25%)	51,000.00	51,000.00	51,892.68	892.68
Other State Shared Revenue	3,000.00	3,000.00	0.00	(3,000.00)
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	46,700.00	46,700.00	47,610.14	910.14
Register of Deeds' Fees	110,200.00	110,200.00	80,753.50	(29,446.50)
Legal Services	30,000.00	30,000.00	49,146.98	19,146.98
Clerk of Courts Fees	3,100.00	3,100.00	3,537.00	437.00
Public Safety:				
Law Enforcement	176,100.00	176,100.00	169,735.38	(6,364.62)
Prisoner Care	0.00	0.00	68,059.30	68,059.30
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	5,000.00	5,000.00	7,256.45	2,256.45
Veterans Service Officer	2,800.00	2,800.00	2,812.50	12.50
Health Assistance:				
Women, Infants and Children	27,000.00	27,000.00	30,492.11	3,492.11
Conservation of Natural Resources	11,000.00	11,000.00	2,457.39	(8,542.61)
Fines and Forfeits:				
Costs	3,000.00	3,000.00	3,813.87	813.87
Miscellaneous Revenue:				
Investment Earnings	3,000.00	3,000.00	71,596.15	68,596.15
Rent	1,000.00	1,000.00	2,760.00	1,760.00
Refund of Prior Year's Expenditures	0.00	0.00	25,568.80	25,568.80
Other	26,100.00	26,100.00	11,475.84	(14,624.16)
<b>Total Revenues</b>	<b>5,607,588.00</b>	<b>5,607,588.00</b>	<b>7,140,410.93</b>	<b>1,532,822.93</b>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Board of County Commissioners	120,500.00	120,500.00	113,546.84	6,953.16
Contingency	150,000.00	150,000.00		
Amount Transferred		0.00		150,000.00
Elections	20,000.00	20,000.00	18,756.16	1,243.84
Judicial System	152,000.00	152,000.00	80,393.69	71,606.31
Financial Administration:				
Auditor	271,000.00	271,000.00	247,065.89	23,934.11
Treasurer	179,500.00	179,500.00	172,139.98	7,360.02
Other	150,000.00	308,000.00	307,381.96	618.04

**SUPPLEMENTARY INFORMATION**  
**CHARLES MIX COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2023**  
**(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Legal Services:				
State's Attorney	299,500.00	299,500.00	273,645.84	25,854.16
Court Appointed Attorney	350,000.00	350,000.00	348,763.14	1,236.86
Abused and Neglected Child Defense	62,000.00	62,000.00	36,772.22	25,227.78
Other General Government:				
General Government Building	428,500.00	413,500.00	245,396.67	168,103.33
Director of Equalization	256,500.00	256,500.00	225,505.47	30,994.53
Register of Deeds	167,500.00	175,500.00	176,788.70	(1,288.70)
Veterans Service Officer	69,500.00	69,500.00	34,432.62	35,067.38
Predatory Animal	9,500.00	13,500.00	13,346.10	153.90
Geographic Information System	106,500.00	106,500.00	83,646.58	22,853.42
Public Safety:				
Law Enforcement:				
Sheriff	996,000.00	996,000.00	929,043.37	66,956.63
County Jail	965,500.00	895,500.00	770,800.53	124,699.47
Coroner	28,500.00	48,500.00	48,347.57	152.43
Juvenile Detention	128,000.00	233,000.00	228,536.52	4,463.48
Health and Welfare:				
Economic Assistance:				
Support of Poor	225,000.00	5,000.00	1,450.74	3,549.26
Health Assistance:				
County Nurse	129,000.00	109,000.00	101,671.65	7,328.35
Women, Infants and Children	32,000.00	52,000.00	46,690.38	5,309.62
Mental Health Services:				
Mentally Ill	62,000.00	62,000.00	57,632.17	4,367.83
Mental Health Centers	40,000.00	40,000.00	15,420.82	24,579.18
Culture and Recreation:				
Recreation:				
Recreational Programs	10,000.00	20,000.00	20,000.00	0.00
County Fair	35,000.00	35,000.00	15,911.13	19,088.87
Senior Center	11,500.00	11,500.00	0.00	11,500.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	64,500.00	64,500.00	28,167.93	36,332.07
Soil Conservation Districts	15,000.00	15,000.00	15,000.00	0.00
Weed Control	185,500.00	185,500.00	166,601.42	18,898.58
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	19,000.00	19,000.00	17,525.00	1,475.00
Debt Service	101,500.00	101,500.00	101,160.16	339.84
Total Expenditures	<u>5,840,500.00</u>	<u>5,840,500.00</u>	<u>4,941,541.25</u>	<u>898,958.75</u>
Excess of Revenues Over (Under) Expenditures	<u>(232,912.00)</u>	<u>(232,912.00)</u>	<u>2,198,869.68</u>	<u>2,431,781.68</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	0.00	0.00	(3,272,213.12)	(3,272,213.12)
Insurance Proceeds	15,000.00	15,000.00	0.00	(15,000.00)
Sale of County Property	15,100.00	15,100.00	28,589.03	13,489.03
Total Other Financing Sources (Uses)	<u>30,100.00</u>	<u>30,100.00</u>	<u>(3,243,624.09)</u>	<u>(3,273,724.09)</u>
Special Items	0.00	0.00	(305,453.73)	(305,453.73)
Net Change in Fund Balance	(202,812.00)	(202,812.00)	(1,350,208.14)	(1,147,396.14)
Fund Balance - beginning, as previously reported	6,051,375.33	6,051,375.33	6,051,375.33	0.00
<b>FUND BALANCE - ENDING</b>	<u>\$ 5,848,563.33</u>	<u>\$ 5,848,563.33</u>	<u>\$ 4,701,167.19</u>	<u>\$ (1,147,396.14)</u>

**SUPPLEMENTARY INFORMATION**  
**CHARLES MIX COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 48,000.00	\$ 48,000.00	\$ 39,471.48	\$ (8,528.52)
Penalties and Interest	100.00	100.00	124.33	24.33
Wheel Tax	300,000.00	300,000.00	301,214.93	1,214.93
Intergovernmental Revenue:				
Federal Grants	0.00	0.00	34,916.25	34,916.25
State Grants	550,000.00	550,000.00	364,965.72	(185,034.28)
State Shared Revenue:				
Motor Vehicle Licenses	1,207,000.00	1,207,000.00	1,471,379.72	264,379.72
Prorate License Fees	66,000.00	66,000.00	84,032.73	18,032.73
63 3/4% Mobile Home	0.00	0.00	3,855.60	3,855.60
Secondary Road Remittances	18,000.00	18,000.00	20,707.34	2,707.34
Motor Fuel Tax	7,000.00	7,000.00	7,249.77	249.77
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	500.00	500.00	274.47	(225.53)
Miscellaneous Revenue:				
Investment Earnings	1,000.00	1,000.00	6,855.16	5,855.16
Rent	8,000.00	800.00	875.00	75.00
Refund of Prior Year's Expenditures	0.00	0.00	14,625.41	14,625.41
<b>Total Revenues</b>	<u>2,205,600.00</u>	<u>2,198,400.00</u>	<u>2,350,547.91</u>	<u>152,147.91</u>
<b>Expenditures:</b>				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	4,359,500.00	4,359,500.00	5,290,740.49	(931,240.49)
Intergovernmental Expenditures	65,000.00	65,000.00	56,970.92	8,029.08
<b>Total Expenditures</b>	<u>4,424,500.00</u>	<u>4,424,500.00</u>	<u>5,347,711.41</u>	<u>(923,211.41)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(2,218,900.00)</u>	<u>(2,226,100.00)</u>	<u>(2,997,163.50)</u>	<u>(771,063.50)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	0.00	0.00	2,297,213.12	2,297,213.12
Insurance Proceeds	100,000.00	100,000.00	242,807.85	142,807.85
Sale of County Property	1,600.00	1,600.00	39,694.45	38,094.45
<b>Total Other Financing Sources (Uses)</b>	<u>101,600.00</u>	<u>101,600.00</u>	<u>2,579,715.42</u>	<u>2,478,115.42</u>
<b>Net Change in Fund Balance</b>	<u>(2,117,300.00)</u>	<u>(2,124,500.00)</u>	<u>(417,448.08)</u>	<u>1,707,051.92</u>
Fund Balance - beginning, as previously reported	1,341,846.94	1,341,846.94	1,341,846.94	0.00
<b>FUND BALANCE - ENDING</b>	<u>\$ (775,453.06)</u>	<u>\$ (782,653.06)</u>	<u>\$ 924,398.86</u>	<u>\$ 1,707,051.92</u>

CHARLES MIX 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  
CHARLES MIX COUNTY  
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
South Dakota Retirement System**

\*Last 10 Years

<b>Calendar Year</b>	<b>County's Proportion of the Net Pension Liability/Asset</b>	<b>County's Proportionate Share of the Net Pension Liability/Asset</b>	<b>County's Covered Payroll</b>	<b>County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</b>
2024	0.108317%	\$ (4,385)	\$ 2,806,316	0.16%	100.00%
2023	0.110213%	\$ (10,757)	\$ 2,658,123	0.40%	100.10%
2022	0.106280%	\$ (10,044)	\$ 2,411,579	0.42%	100.10%
2021	0.097068%	\$ (743,375)	\$ 2,095,607	35.47%	105.52%
2020	0.105720%	\$ (4,591)	\$ 2,212,027	0.21%	100.04%
2019	0.106578%	\$ (11,294)	\$ 2,169,363	0.52%	100.09%
2018	0.105616%	\$ (2,463)	\$ 2,100,568	0.12%	100.02%
2017	0.104318%	\$ (9,467)	\$ 2,018,777	0.47%	100.10%
2016	0.101636%	\$ 343,317	\$ 1,844,846	18.61%	96.89%
2015	0.104626%	\$ (443,747)	\$ 1,834,205	24.19%	104.10%

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

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

**Changes from Prior Valuation**

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

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

**Benefit Provision Changes**

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

**Actuarial Method Changes**

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

**Actuarial Assumption Changes**

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

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

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

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

**SUPPLEMENTARY INFORMATION**  
**CHARLES MIX COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Two Years Ended December 31, 2024**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal Expenditures 2023	Total Federal Expenditures 2024
US Department of Interior - Direct Programs: Bureau of Land Management, Payments in Lieu of Taxes (Note 3)	15.226		\$	\$ 64,292.00	\$ 68,290.00
<b>Total US Department of the Interior</b>			<b>0.00</b>	<b>64,292.00</b>	<b>68,290.00</b>
US Department of Justice - Pass-Through Programs: SD Department of Corrections, Juvenile Justice and Delinquency Prevention	16.540			7,505.67	5,207.40
<b>Total US Department of Justice</b>			<b>0.00</b>	<b>7,505.67</b>	<b>5,207.40</b>
US Department of Treasury - Direct Programs: COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Note 4)	21.027	J9PZD2MW2JG1		1,804,862.00	
<b>Total US Department of Treasury</b>			<b>0.00</b>	<b>1,804,862.00</b>	<b>0.00</b>
US Department of Homeland Security - Pass-Through Programs: SD Department of Public Safety - Office of Emergency Management, Homeland Security Grant Program	97.067				11,000.00
<b>Total US Department of Homeland Security</b>			<b>0.00</b>	<b>0.00</b>	<b>11,000.00</b>
<b>GRAND TOTAL</b>			<b>\$ 0.00</b>	<b>\$ 1,876,659.67</b>	<b>\$ 84,497.40</b>

**Note 1: Basis of Presentation**

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

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the 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 to not 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  
CHARLES MIX COUNTY  
SCHEDULE OF CHANGES IN LONG-TERM DEBT  
For the Two Years Ended December 31, 2024**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2023</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2024</u>
<b>Governmental Long-Term Debt:</b>				
Certificates of Participation	\$ 1,190,000.00	\$	\$ (130,000.00)	\$ 1,060,000.00

Note 1 - Long-Term Debt:

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

Certificates of Participation:

Certificates of Participation, Series 2017 (Limited Tax General Obligation Certificates), annual payments of principle and interest rates ranging from 1.7% to 4.0%. Payments made from the General Fund. These payments began in June 2018 and will continue until June 2037.

\$ 1,060,000.00