

## ***REQUIRED SUPPLEMENTARY INFORMATION***

### ***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING***

The Budgetary Comparison Schedule presents comparisons of the original budget and legally revised final budget, with actual amounts for each program of the state of South Dakota on a budgetary basis. A Budget Comparison Schedule is presented for the general fund and for each special revenue fund that has a legally adopted annual budget. The only special revenue fund that fits this criterion, and where the programs and/or budgetary fund types are identifiable to a major fund, is the Social Services Federal Fund. Also included is a column that compares the variance between the final budget and actual amounts. A positive variance refers to unused budget, while a negative variance refers to an overexpended budget. For the year ended June 30, 2002, there were no budgetary programs in which expenditures exceeded appropriations.

The original budget is defined as the first complete appropriated budget, adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. Any such transaction that is authorized as legislative or executive change before the beginning of the fiscal year is included in the original budget, regardless of the effective date of the document loaded on the accounting system. The original budget also includes any actual appropriation amounts carried forward by law from prior years, including special appropriations, maintenance and repair, and carryovers. The final budget is defined as the original budget, adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes after the beginning of the fiscal year.

The Budgetary Comparison Schedule reports amounts on a budgetary basis. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Since the budget is prepared principally on a cash basis, the Budgetary Comparison Schedule includes information presented on this basis for the fiscal year. A reconciliation of the two methods for the fiscal year ended June 30, 2002 has also been included as Required Supplementary Information.