

**STANLEY COUNTY**

**AUDIT REPORT**

**For the Two Years Ended December 31, 2019**

STANLEY COUNTY  
COUNTY OFFICIALS  
December 31, 2019

Board of Commissioners:

Dennis Booth  
Sonny Harrowa  
Craig Heller  
Dana Iversen  
Mike Kenzy

Auditor:  
Philena Burtch

Treasurer:  
Peggy Dougherty

State's Attorney:  
Thomas Maher

Register of Deeds:  
Bev Stoesser

Sheriff:  
Brad Rathbun

STANLEY COUNTY  
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427 SOUTH CHAPELLE  
C/O 500 EAST CAPITOL  
PIERRE, SD 57501-5070  
(605) 773-3595

RUSSELL A. OLSON  
AUDITOR GENERAL

INDEPENDENT AUDITOR'S 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*

County Commission  
Stanley County  
Fort Pierre, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the modified cash basis of accounting financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanley County, South Dakota (County), as of December 31, 2019, 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 May 11, 2021.

Our report includes a reference to other auditors who audited the financial statements of the Stanley County Law Enforcement, a discretely presented component unit, as described in our report on Stanley County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***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) to determine the 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Current Audit Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses.

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 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. We consider the deficiency described in the accompanying Schedule of Current Audit Findings as item number 2019-001 to be a material weakness.

### ***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, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 as items number 2019-002, 2019-003, 2019-004, and 2019-005.

### ***County's Response to Findings***

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

### ***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

May 11, 2021

STANLEY COUNTY  
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**Prior Audit Findings:**

Finding No. 2017-001:

Internal accounting controls over financial reporting for the years 2016 and 2017 were inadequate resulting in inaccurate information being presented to users of the annual financial report. This finding has not been resolved and is restated as current audit finding No. 2019-001.

Finding No. 2017-002:

The unassigned fund balance of the General Fund exceeded the maximum allowed by South Dakota Codified Law (SDCL) 7-21-18.1 by approximately \$869,000 as of December 31, 2017. This finding has not been resolved and is restated as current audit finding No. 2019-002.

Finding No. 2017-003:

The County did not comply with several South Dakota Codified Laws (SDCL) governing the operations of the County. This finding has not been fully resolved and is restated, in part, as current audit findings No. 2019-003, 2019-004, and 2019-005.

**SCHEDULE OF CURRENT AUDIT FINDINGS**

**Current Audit Findings:**

***Internal Control-Related Findings - Material Weakness:***

Financial Reporting Errors

Finding No. 2019-001:

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

Context:

We noted the following significant errors in the County's annual financial reports for the years ended December 31, 2018 and December 31, 2019.

- a. The 2019 Statement of Net Position contained the following significant errors:
  - Cash and Cash Equivalents was understated by \$16,555.15.
  - Net Position classification errors totaling approximately \$2,576,000 were noted.

- b. The 2019 Statement of Activities contained the following significant errors:
  - Revenue and expense classification errors totaling approximately \$389,000 were noted.
- c. The 2018 Statement of Activities contained the following significant errors:
  - Revenue and expense classification errors totaling approximately \$303,000 were noted.
- d. The 2019 Governmental Funds Balance Sheet contained the following significant errors:
  - Fund Balance classification errors totaling approximately \$1,678,000 were noted.
- e. The 2019 Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance contained the following errors:
  - Revenue and expenditure classification errors totaling approximately \$155,000 were noted.
- f. The 2018 Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance contained the following errors:
  - Revenue and expenditure classification errors totaling approximately \$50,000 were noted.
- g. The financial activity related to Stanley County Law Enforcement was not reported on the Government-Wide Statements.

Other less significant errors were also noted in the County's annual financial report.

Effect:

Inaccurate and incomplete information may be 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:

We accept the findings of the audit and are working to correct them.

***Compliance and Other Matters:***

Surplus Unassigned Fund Balance

Finding No. 2019-002:

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 \$312,000 as of December 31, 2019. This is the fifth consecutive audit to contain this finding.



Context:

Our analysis of the County General Fund indicated an excessive unassigned fund balance existed at December 31, 2019 as follows:

Total Unassigned Fund Balance at December 31, 2019		\$ 1,201,249.44
Less:		
2020 General Fund Appropriations	2,222,486.00	
Percentage of Allowable Retainage	<u>40%</u>	
Allowable Fund Balance Retainage		<u>(888,994.40)</u>
Unassigned Surplus Fund Balance at December 31, 2019 in Excess of the Amount Allowed by SDCL 7-21-18.1		<u>\$ 312,255.04</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:

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

Views of responsible officials:

We accept the findings of the audit and are working to correct them.

Annual Financial Report

Finding No. 2019-003:

Criteria:

South Dakota Codified Law (SDCL) 7-10-4 states: "The county auditor shall prepare by the first day of March of each year a report of the revenues and expenditures of the previous year and the assets, liabilities, and equity of the county as of December thirty-first of the previous year. The report shall be made in the form prescribed by the auditor-general and shall be published within thirty days in the official newspapers of the county. A copy of the publication shall be filed with the auditor-general."

Condition:

The County Auditor did not prepare, publish, or file with the Auditor General of the Department of Legislative Audit on a timely basis the annual financial reports for the years ended December 31, 2018 and December 31, 2019 as required by SDCL 7-10-4.

Context:

The annual financial report for the year ended December 31, 2018 was not filed with the Auditor General until June 4, 2019 and was not published until June 6, 2019. The annual financial report for the year ended December 31, 2019 was not filed with the Auditor General until February 19, 2021 and was not published as of the completion of this audit.

Effect:

The County is not in compliance with SDCL 7-10-4.

Cause:

The County Auditor did not file or publish the annual financial reports for the years ended December 31, 2018 and December 31, 2019 in accordance with SDCL 7-10-4.

Recommendation:

3. We recommend that the County comply with SDCL 7-10-4.

Views of responsible officials:

We accept the findings of the audit and are working to correct them.

Budgetary Noncompliance

Finding No. 2019-004:

Criteria:

South Dakota Codified Law (SDCL) SDCL 7-21-20 and 7-21-25 prohibit a County from incurring expenditures in excess of the amount specified in the appropriations ordinance.

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, 2018 and December 31, 2019:

	Year Ended 12/31/2018	Year Ended 12/31/2019
<u>General Fund:</u>		
<u>Activity:</u>		
State's Attorney		\$ 17,514.30
Predatory Animal		\$ 0.10
Exhibition Building	\$ 4,252.65	
County Fair	\$ 761.67	\$ 9,444.30
<u>Road and Bridge Fund:</u>		
<u>Activity:</u>		
Highways, Roads and Bridges	\$ 55,629.22	
<u>Other Governmental Funds:</u>		
<u>Activity:</u>		
Communications Center	\$ 5,742.15	\$ 175.44
Domestic Abuse	\$ 3,200.00	

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 consider approving budget supplements or contingency transfers.

Recommendation:

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

Views of responsible officials:

We accept the findings of the audit and are working to correct them.

Tax Account Reconciliation

Finding No. 2019-005:

Criteria:

SDCL 10-17-9 requires the auditor to reconcile the unpaid taxes shown in the tax lists that are no more than six years old to the unpaid balance of taxes in the tax list account each December thirty-first or within thirty days thereafter. This procedure had not been completed in either of the two years of the audit period.

Condition:

The unpaid taxes shown in the tax lists are not reconciled to the unpaid balance of taxes in the tax list account each December thirty-first.

Context:

We noted variances between the unpaid taxes shown in the tax lists to the unpaid balances of taxes in the tax list account.

Effect:

The County is not in compliance with SDCL 10-17-9.

Cause:

The County Auditor did not reconcile the unpaid taxes shown in the tax lists to the unpaid balance of taxes in the tax list account each December thirty-first or within thirty days thereafter, as required by SDCL 10-17-9.

Recommendation:

5. We recommend that the County Auditor reconcile the list of unpaid taxes to the unpaid balance of taxes owing on the tax account list each December thirty-first as required by SDCL 10-17-9 and retain the workpapers documenting that the reconciliation had been completed.

Views of responsible officials:

We accept the findings of the audit and are working to correct them.



427 SOUTH CHAPELLE  
C/O 500 EAST CAPITOL  
PIERRE, SD 57501-5070  
(605) 773-3595

RUSSELL A. OLSON  
AUDITOR GENERAL

## INDEPENDENT AUDITOR'S REPORT

County Commission  
Stanley County  
Fort Pierre, South Dakota

### ***Report on the Financial Statements***

We have audited the accompanying modified cash basis of accounting financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanley County, South Dakota (County), as of December 31, 2019, 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.

### ***Management's Responsibility for the Financial Statements***

The County's management is responsible for the preparation and fair presentation of these 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Stanley County Law Enforcement, which represent 100 percent of the assets, net position, revenues, and expenses of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Stanley County Law Enforcement discretely presented component unit, is based solely on the report of other auditors. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position on a modified cash basis of accounting of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanley County as of December 31, 2019, 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 of Accounting***

We draw attention to 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.

### ***Other Matters***

#### ***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 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 listed in the Table of Contents 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the County's internal control over financial reporting and compliance.



Russell A. Olson  
Auditor General

May 11, 2021

**STANLEY COUNTY**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2019**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component</u> <u>Unit</u>
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 2,592,246.66	\$ 150,447.00
Restricted Assets:		
Cash and Cash Equivalents		23,071.00
<b>TOTAL ASSETS</b>	<u><u>\$ 2,592,246.66</u></u>	<u><u>\$ 173,518.00</u></u>
<b>NET POSITION:</b>		
Restricted For: (See Note 6)		
Courthouse Building Purposes	\$ 17,191.08	\$
24/7 Program Purposes		23,071.00
Other Purposes	38,655.59	
Unrestricted	<u>2,536,399.99</u>	<u>150,447.00</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 2,592,246.66</u></u>	<u><u>\$ 173,518.00</u></u>

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

**STANLEY COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Component Unit
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 1,230,204.69	\$ 130,491.80	\$ 15,322.40	\$ (1,084,390.49)	\$
Public Safety	474,757.91	15,256.76	32,354.35	(427,146.80)	
Public Works	1,365,001.72		886,443.81	(478,557.91)	
Health and Welfare	95,680.48	9,517.32		(86,163.16)	
Culture and Recreation	293,599.57	92,991.06		(200,608.51)	
Conservation of Natural Resources	75,540.37	15,249.63		(60,290.74)	
Urban and Economic Development	32,016.53			(32,016.53)	
*Interest on Long-Term Debt	3,648.31			(3,648.31)	
Total Primary Government	<u>\$ 3,570,449.58</u>	<u>\$ 263,506.57</u>	<u>\$ 934,120.56</u>	<u>(2,372,822.45)</u>	
<b>Component Unit:</b>					
County-Wide Law Enforcement	<u>\$ 604,593.00</u>	<u>\$ 604,802.00</u>	<u>\$ 1,588.00</u>		<u>1,797.00</u>
<b>General Revenues:</b>					
Taxes:					
Property Taxes				1,664,451.58	
Wheel Tax				92,993.59	
State Shared Revenues				55,653.58	
Grants and Contributions not Restricted to Specific Programs				262,178.79	
Unrestricted Investment Earnings				31,900.72	208.00
Miscellaneous Revenue				289,392.94	55.00
Total General Revenues				<u>2,396,571.20</u>	<u>263.00</u>
Change in Net Position				23,748.75	2,060.00
Net Position - Beginning				<u>2,568,497.91</u>	<u>171,458.00</u>
NET POSITION - ENDING				<u>\$ 2,592,246.66</u>	<u>\$ 173,518.00</u>

\* 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.

**STANLEY COUNTY**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Component Unit
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 2,150,615.49	\$ 192,731.04	\$ 5,970.06	\$ (1,951,914.39)	\$
Public Safety	544,513.13	10,323.21	22,926.02	(511,263.90)	
Public Works	1,326,977.56	4,653.82	861,917.29	(460,406.45)	
Health and Welfare	98,221.98	10,351.83		(87,870.15)	
Culture and Recreation	278,387.75	95,744.68		(182,643.07)	
Conservation of Natural Resources	62,197.59	13,572.28		(48,625.31)	
Urban and Economic Development	30,809.23			(30,809.23)	
*Interest on Long-Term Debt	6,090.29			(6,090.29)	
Total Primary Government	<u>\$ 4,497,813.02</u>	<u>\$ 327,376.86</u>	<u>\$ 890,813.37</u>	<u>(3,279,622.79)</u>	
<b>Component Unit:</b>					
County-Wide Law Enforcement	<u>\$ 578,411.00</u>	<u>\$ 586,957.00</u>	<u>\$ 1,103.00</u>		<u>9,649.00</u>
<b>General Revenues:</b>					
Taxes:					
Property Taxes				1,576,300.25	
Wheel Tax				93,479.62	
State Shared Revenues				59,401.57	
Grants and Contributions not Restricted to Specific Programs				254,494.54	
Unrestricted Investment Earnings				41,234.64	158.00
Miscellaneous Revenue				8,052.24	10.00
Total General Revenues				<u>2,032,962.86</u>	<u>168.00</u>
Change in Net Position				(1,246,659.93)	9,817.00
Net Position - Beginning				<u>3,815,157.84</u>	<u>161,641.00</u>
NET POSITION - ENDING				<u>\$ 2,568,497.91</u>	<u>\$ 171,458.00</u>

\* 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.



**STANLEY COUNTY**  
**BALANCE SHEET - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**December 31, 2019**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Courthouse Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 1,368,697.44	\$ 189,091.24	\$ 689,901.49	\$ 344,556.49	\$ 2,592,246.66
<b>TOTAL ASSETS</b>	<u>\$ 1,368,697.44</u>	<u>\$ 189,091.24</u>	<u>\$ 689,901.49</u>	<u>\$ 344,556.49</u>	<u>\$ 2,592,246.66</u>
<b>FUND BALANCES:</b> (See Note 1.j.)					
13 Restricted	\$	\$	\$ 17,191.08	\$ 38,655.59	\$ 55,846.67
Assigned	167,448.00	189,091.24	672,710.41	305,900.90	1,335,150.55
Unassigned	<u>1,201,249.44</u>	<u></u>	<u></u>	<u></u>	<u>1,201,249.44</u>
<b>TOTAL FUND BALANCES</b>	<u>\$ 1,368,697.44</u>	<u>\$ 189,091.24</u>	<u>\$ 689,901.49</u>	<u>\$ 344,556.49</u>	<u>\$ 2,592,246.66</u>

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

**STANLEY COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2019**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Courthouse Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Taxes:					
General Property Taxes--Current	\$ 1,550,974.69	\$ 16,356.31	\$ 12,051.22	\$ 71,844.09	\$ 1,651,226.31
General Property Taxes--Delinquent	8,952.48	30.23	66.76	147.18	9,196.65
Penalties and Interest	3,805.43	35.62	28.68	158.89	4,028.62
Wheel Tax		92,993.59			92,993.59
Licenses and Permits	2,195.00			140.00	2,335.00
Intergovernmental Revenue:					
Federal Payments in Lieu of Taxes	232,410.04	17,083.02	4,340.56	6,447.38	260,281.00
State Grants	10,484.20	167,910.54			178,394.74
State Shared Revenue:					
Bank Franchise	18,652.67		166.54	832.71	19,651.92
Motor Vehicle Licenses	27.00	519,963.73			519,990.73
Liquor Tax Reversion (Unincorporated Town)	6,024.00				6,024.00
State Highway Fund (former 10% game)		27,129.80			27,129.80
Court Appointed Attorney/Public Defender	4,838.20				4,838.20
Prorate License Fees		25,609.51			25,609.51
63 3/4% Mobile Home		1,777.09			1,777.09
Secondary Road Remittances		144,026.14			144,026.14
Telecommunications Gross Receipts Tax	10,840.76				10,840.76
Motor Vehicle 1/4%	2,349.50				2,349.50
911 Remittances				32,354.35	32,354.35
Liquor Tax Reversion (25%)	19,136.90				19,136.90
Other Intergovernmental Revenue	1,897.79				1,897.79
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	18,849.50				18,849.50
Register of Deeds' Fees	38,674.78			6,439.70	45,114.48
Legal Services	25,307.32			150.00	25,457.32
Clerk of Courts Fees	3,771.00				3,771.00

Public Safety:					
Prisoner Care	6,741.35				6,741.35
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	2,123.35				2,123.35
Health Assistance:					
Women, Infants and Children	7,393.97				7,393.97
Culture and Recreation	92,991.06				92,991.06
Conservation of Natural Resources	15,249.63				15,249.63
Fines and Forfeits:					
Costs	6,165.41			50.00	6,215.41
Forfeits	2,300.00				2,300.00
Miscellaneous Revenue:					
Investment Earnings	20,571.37	3,993.47	4,775.83	2,560.05	31,900.72
Rent	32,615.00				32,615.00
Refund of Prior Year's Expenditures	10,563.61	468.28			11,031.89
Other	2,170.52	47.04			2,217.56
Total Revenues	<u>2,158,076.53</u>	<u>1,017,424.37</u>	<u>21,429.59</u>	<u>121,124.35</u>	<u>3,318,054.84</u>

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## Expenditures:

### General Government:

#### Legislative:

Board of County Commissioners	79,157.61				79,157.61
Elections	1,546.40				1,546.40
Judicial System	6,604.80				6,604.80

#### Financial Administration:

Auditor	91,403.35				91,403.35
Treasurer	120,196.66				120,196.66

#### Legal Services:

State's Attorney	183,456.30				183,456.30
Court Appointed Attorney	63,326.93				63,326.93

#### Other Administration:

General Government Building	106,343.95		345,746.37		452,090.32
Director of Equalization	147,512.40				147,512.40
Register of Deeds	74,023.09			4,044.00	78,067.09
Veterans Service Officer	10,147.00				10,147.00
Predatory Animal	1,610.10				1,610.10

### Public Safety:

#### Law Enforcement:

County Jail	105,511.49				105,511.49
Coroner	771.31				771.31

**STANLEY COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2019**  
**(Continued)**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Courthouse Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
County-Wide Law Enforcement	250,881.00				250,881.00
Juvenile Detention	295.00				295.00
Protective and Emergency Services:					
Fire Protection				85,000.00	85,000.00
Emergency and Disaster Services				8,399.00	8,399.00
Communication Center				23,900.11	23,900.11
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		1,278,122.40			1,278,122.40
Health and Welfare:					
Economic Assistance:					
Support of Poor	8,478.09				8,478.09
Health Assistance:					
County Nurse	46,799.44				46,799.44
Ambulance	15,950.00				15,950.00
Women, Infants and Children	8,356.07				8,356.07
Social Services:					
Domestic Abuse				671.00	671.00
Mental Health Services:					
Mentally Ill	15,425.88				15,425.88
Culture and Recreation:					
Culture:					
Public Library	175.00				175.00
Historical Museum	3,500.00				3,500.00
Recreation:					
Recreational Programs	20,000.00				20,000.00
County Fair	269,924.57				269,924.57
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	32,932.78				32,932.78

Weed and Pest Control	42,607.59				42,607.59
Urban and Economic Development:					
Urban Development:					
Planning and Zoning	714.57				714.57
Urban and Rural Development	5,000.00				5,000.00
Other	26,301.96				26,301.96
Debt Service		90,527.63			90,527.63
Total Expenditures	<u>1,738,953.34</u>	<u>1,368,650.03</u>	<u>345,746.37</u>	<u>122,014.11</u>	<u>3,575,363.85</u>
Excess of Revenues Over (Under) Expenditures	<u>419,123.19</u>	<u>(351,225.66)</u>	<u>(324,316.78)</u>	<u>(889.76)</u>	<u>(257,309.01)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In		200,000.00	650,000.00	250,000.00	1,100,000.00
Transfers Out	(1,100,000.00)				(1,100,000.00)
Insurance Proceeds	4,914.27				4,914.27
Sale of County Property		1,853.75	274,289.74		276,143.49
Total Other Financing Sources (Uses)	<u>(1,095,085.73)</u>	<u>201,853.75</u>	<u>924,289.74</u>	<u>250,000.00</u>	<u>281,057.76</u>
Net Change in Fund Balance	(675,962.54)	(149,371.91)	599,972.96	249,110.24	23,748.75
Fund Balance - Beginning	<u>2,044,659.98</u>	<u>338,463.15</u>	<u>89,928.53</u>	<u>95,446.25</u>	<u>2,568,497.91</u>
FUND BALANCE - ENDING	<u>\$ 1,368,697.44</u>	<u>\$ 189,091.24</u>	<u>\$ 689,901.49</u>	<u>\$ 344,556.49</u>	<u>\$ 2,592,246.66</u>

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

**STANLEY COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2018**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Courthouse Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Taxes:					
General Property Taxes--Current	\$ 1,457,720.23	\$ 16,270.21	\$ 11,043.06	\$ 72,274.66	\$ 1,557,308.16
General Property Taxes--Delinquent	13,652.15	147.51	101.13	597.55	14,498.34
Penalties and Interest	4,154.42	48.18	36.39	211.20	4,450.19
Mobile Home Tax	38.65	0.72	1.25	2.94	43.56
Wheel Tax		93,479.62			93,479.62
Licenses and Permits	1,865.00			490.00	2,355.00
Intergovernmental Revenue:					
Federal Payments in Lieu of Taxes	235,538.76	8,386.29	2,130.84	3,165.11	249,221.00
State Grants	2,383.67	167,301.34			169,685.01
State Shared Revenue:					
Bank Franchise	18,939.93			841.77	19,781.70
Motor Vehicle Licenses	3.00	504,148.66			504,151.66
State Highway Fund (former 10% game)		13,564.90			13,564.90
Court Appointed Attorney/Public Defender	1,809.97				1,809.97
Prorate License Fees		23,219.45			23,219.45
63 3/4% Mobile Home		6,471.97			6,471.97
Secondary Road Remittances		147,207.97			147,207.97
Telecommunications Gross Receipts Tax	15,337.09				15,337.09
Motor Vehicle 1/4%	1,776.42				1,776.42
911 Remittances				22,926.02	22,926.02
Liquor Tax Reversion (25%)	24,282.78				24,282.78
Other Intergovernmental Revenue	246.00			5,027.54	5,273.54
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	21,627.50				21,627.50
Register of Deeds' Fees	101,532.94			6,815.68	108,348.62
Legal Services	28,825.88			75.00	28,900.88
Clerk of Courts Fees	4,348.80				4,348.80

Public Safety:					
Law Enforcement	50.00				50.00
Prisoner Care	1,877.40				1,877.40
Public Works:					
Road Maintenance Contract Charges		4,653.82			4,653.82
Health and Welfare:					
Economic Assistance:					
Poor Lien Recoveries	2,186.49				2,186.49
Health Assistance:					
Women, Infants and Children	8,165.34				8,165.34
Culture and Recreation	95,744.68				95,744.68
Conservation of Natural Resources	13,572.28				13,572.28
Fines and Forfeits:					
Fines	91.05				91.05
Costs	5,448.08			506.68	5,954.76
Forfeits	1,750.00				1,750.00
Other	600.00				600.00
Miscellaneous Revenue:					
Investment Earnings	19,523.75	6,753.49	14,305.93	651.47	41,234.64
Rent	27,150.24				27,150.24
Refund of Prior Year's Expenditures	1,214.40	185.00			1,399.40
Other	6,519.39	133.45			6,652.84
Total Revenues	<u>2,117,976.29</u>	<u>991,972.58</u>	<u>27,618.60</u>	<u>113,585.62</u>	<u>3,251,153.09</u>

**Expenditures:**

General Government:					
Legislative:					
Board of County Commissioners	90,006.70				90,006.70
Elections	17,603.01				17,603.01
Judicial System	11,684.05				11,684.05
Financial Administration:					
Auditor	112,841.00				112,841.00
Treasurer	120,582.45				120,582.45
Legal Services:					
State's Attorney	147,373.22				147,373.22
Court Appointed Attorney	64,763.65				64,763.65
Other Administration:					
General Government Building	96,048.82		1,247,512.47		1,343,561.29
Director of Equalization	154,869.46				154,869.46
Register of Deeds	73,587.19			3,381.80	76,968.99
Veterans Service Officer	9,694.00				9,694.00

**STANLEY COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2018**  
**(Continued)**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Courthouse Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Predatory Animal	1,610.10				1,610.10
Public Safety:					
Law Enforcement:					
County Jail	102,306.01				102,306.01
Coroner	2,215.18				2,215.18
County-Wide Law Enforcement	249,420.00				249,420.00
Juvenile Detention	12,752.50				12,752.50
Protective and Emergency Services:					
Fire Protection				100,899.00	100,899.00
Communication Center				76,920.44	76,920.44
Public Works:					
Highways and Bridges:					
Highways, Roads and Bridges		1,246,980.15			1,246,980.15
Health and Welfare:					
Economic Assistance:					
Support of Poor	1,807.54				1,807.54
Health Assistance:					
County Nurse	49,965.57				49,965.57
Ambulance	16,170.00				16,170.00
Women, Infants and Children	5,643.99				5,643.99
Social Services:					
Domestic Abuse				4,000.00	4,000.00
Mental Health Services:					
Mentally Ill	20,634.88				20,634.88
Culture and Recreation:					
Culture:					
Public Library	350.00				350.00
Historical Museum	3,500.00				3,500.00
Recreation:					
Recreational Programs	20,000.00				20,000.00



Exhibition Building	4,252.65				4,252.65
County Fair	250,285.10				250,285.10
Conservation of Natural Resources:					
Soil Conservation:					
County Extension	34,616.08				34,616.08
Weed and Pest Control	27,581.51				27,581.51
Urban and Economic Development:					
Urban Development:					
Planning and Zoning	1,045.67				1,045.67
Urban and Rural Development	5,000.00				5,000.00
Other	24,763.56				24,763.56
Debt Service		90,526.63			90,526.63
Total Expenditures	<u>1,732,973.89</u>	<u>1,337,506.78</u>	<u>1,247,512.47</u>	<u>185,201.24</u>	<u>4,503,194.38</u>
Excess of Revenues Over (Under) Expenditures	<u>385,002.40</u>	<u>(345,534.20)</u>	<u>(1,219,893.87)</u>	<u>(71,615.62)</u>	<u>(1,252,041.29)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers In		200,000.00		159,297.14	359,297.14
Transfers Out	(359,297.14)				(359,297.14)
Insurance Proceeds	942.43	4,438.93			5,381.36
Sale of County Property					0.00
Total Other Financing Sources (Uses)	<u>(358,354.71)</u>	<u>204,438.93</u>	<u>0.00</u>	<u>159,297.14</u>	<u>5,381.36</u>
Net Change in Fund Balance	26,647.69	(141,095.27)	(1,219,893.87)	87,681.52	(1,246,659.93)
Fund Balance - Beginning	<u>2,018,012.29</u>	<u>479,558.42</u>	<u>1,309,822.40</u>	<u>7,764.73</u>	<u>3,815,157.84</u>
FUND BALANCE - ENDING	<u>\$ 2,044,659.98</u>	<u>\$ 338,463.15</u>	<u>\$ 89,928.53</u>	<u>\$ 95,446.25</u>	<u>\$ 2,568,497.91</u>

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

**STANLEY COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS**  
**FIDUCIARY FUNDS**  
**December 31, 2019**

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and Cash Equivalents	<u>\$ 275,109.48</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 275,109.48</u></u>
<b>NET POSITION:</b>	
Restricted For:	
Individuals, Organizations, and Other Governments	<u>\$ 275,109.48</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 275,109.48</u></u>

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

STANLEY 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 Stanley County (County), consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The County is financially accountable if its County Commission appoints a voting majority of another organization's governing body and it has the ability to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the County (primary government). The County may also be financially accountable for another organization if that organization is fiscally dependent on the County.

Stanley County Law Enforcement, a separate legal entity under the administration of the Stanley County Sheriff, was formed to provide law enforcement services to the County and the Municipality of Fort Pierre. These services include enforcement of state and federal laws, as well as enforcement of county and municipal ordinances and regulations. Both the County and the Municipality of Fort Pierre contribute their member share to fund the adopted budget.

The activity of the Stanley County Law Enforcement is included in the financial statements of the County as a discretely presented component unit.

Separately issued financial statements of the Stanley County Law Enforcement audit report may be obtained from: Stanley County Law Enforcement Board, c/o: Municipality of Fort Pierre, P.O. Box 700, Fort Pierre, SD 57532.

b. Basis of Presentation:

*Government-wide Financial Statements:*

The Statement of Net Position and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities and discretely presented component units. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Discretely presented component units are legally separate organizations that meet certain criteria, as described in Note 1.a., above, and may be classified as either governmental or business-type activities. See the discussion of individual component units in Note 1.a., above.

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

*Fund Financial Statements:*

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

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

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

**Governmental Funds:**

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

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

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

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

The remaining special revenue funds are not considered major funds: 911 Service, Fire Protection, Emergency Management, Domestic Abuse, and Modernization and Preservation Relief. These funds are reported on the fund financial statements as “Other Governmental Funds.”

### **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 and component unit activities are presented using a modified cash basis of accounting.

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

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

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. All government-wide financial statements would be presented on the accrual basis of accounting.

d. Deposits and Investments:

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

e. Capital Assets:

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

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

f. Long-Term Liabilities:

Long-term liabilities include, but are not limited to, Financing (Capital Acquisition) Leases.

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

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

g. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the County's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

h. 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. Fiduciary fund equity is reported as restricted net position.

i. 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.

j. Fund Balance Classification Policies and Procedures:

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the County classifies governmental fund balances as follows:

- Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the County Commissioners.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

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

The Government *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

Courthouse Building

**Revenue Source**

Taxes, Federal and State Grants, and  
Motor Vehicle Licenses

Taxes



A schedule of fund balances is provided as follows:

**STANLEY COUNTY  
DISCLOSURE OF FUND BALANCES REPORTED ON BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Courthouse Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balances:</b>					
Restricted For:					
Courthouse Building Purposes	\$	\$	\$ 17,191.08	\$	\$ 17,191.08
911 Service Purposes				8,755.49	8,755.49
Domestic Abuse Purposes				29.26	29.26
Modernization and Preservation Relief Purposes				29,870.84	29,870.84
Assigned To:					
Applied to Next Year's Budget	167,448.00				167,448.00
Road and Bridge Purposes		189,091.24			189,091.24
Courthouse Building Purposes			672,710.41		672,710.41
Rural Fire Purposes				218,295.23	218,295.23
Emergency Management Purposes				85,056.20	85,056.20
911 Service Purposes				2,549.47	2,549.47
Unassigned	<u>1,201,249.44</u>				<u>1,201,249.44</u>
Total Fund Balances	<u>\$ 1,368,697.44</u>	<u>\$ 189,091.24</u>	<u>\$ 689,901.49</u>	<u>\$ 344,556.49</u>	<u>\$ 2,592,246.66</u>

2. 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:

		Expenditure in Excess of Appropriations	
		Year Ended 12/31/2018	Year Ended 12/31/2019
<u>General Fund:</u>			
<u>Activity:</u>			
State's Attorney			\$ 17,514.30
Predatory Animal			\$ 0.10
Exhibition Building	\$ 4,252.65		
County Fair	\$ 761.67		\$ 9,444.30
<u>Road and Bridge Fund:</u>			
<u>Activity:</u>			
Highways, Roads and Bridges	\$ 55,629.22		
<u>Other Governmental Funds:</u>			
<u>Activity:</u>			
Communications Center	\$ 5,742.15		\$ 175.44
Domestic Abuse	\$ 3,200.00		

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

We accept the findings of the audit and are working to correct them.

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

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

Deposits – The County's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 7-20-1, 7-20-1.1, and 7-20-1.2, and may be in the form of demand or time deposits. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Investments – In general, SDCL 4-5-6 permits County funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

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

As of December 31, 2019, the County did not report any investments in the financial statements. The County did invest in SDFIT external investment pool, which is reported as a Cash and Cash Equivalent in the financial statements.

Investment	Credit Rating	Value
External Investment Pools:		
SDFIT	Unrated	\$ 6,221.54

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

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

**Interest Rate Risk** – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Assignment of Investment Income** – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The County's policy is to credit all income from investments to the fund making the investment.

#### 4. PROPERTY TAXES

Property taxes are levied on or before October 1, of the year preceding the start of the fiscal year. They attach as an enforceable lien on property and become due and payable as of the following January 1, the first day of the fiscal year. Taxes are payable in two installments on or before April 30 and October 31 of the fiscal year.

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

#### 5. OPERATING LEASES

The County entered into an agreement to lease a 772G John Deere Motor Grader. The lease calls for six (6) annual principal/interest payments of \$14,294.18 beginning in October 2019. The lease has a purchase option price of \$207,769.00 at the end of the lease term. The payments are made from the Road and Bridge Fund.

The County entered into an agreement to lease a 772G John Deere Motor Grader. The lease calls for five (5) annual payments of \$39,248.03 beginning in December 2017. The lease has a purchase option price of 240,960.09 at the end of the lease term. The payments are made from the Road and Bridge Fund.

The following are the minimum payments on existing operating leases:

Year	General Fund
2020	\$ 53,542.21
2021	53,542.21
2022	14,294.18
2023	14,294.18
2024	14,294.18
Total	<u>\$ 149,966.96</u>

#### 6. RESTRICTED NET POSITION

Restricted Net Position for the year ended December 31, 2019 was as follows:

##### Major Purposes:

Courthouse Building Purposes	<u>\$ 17,191.08</u>
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##### Other Purposes:

911 Service Purposes	8,755.49
Domestic Abuse Purposes	29.26
Modernization and Preservation Relief Purposes	<u>29,870.84</u>

Total Other Purposes	<u>38,655.59</u>
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<b>Total Restricted Net Position</b>	<b><u>\$ 55,846.67</u></b>
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These balances are restricted due to federal grant and statutory requirements.

#### 7. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2019 were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>			<u>Total</u>
	Road and Bridge Fund	Courthouse Building Fund	Other Governmental Funds	
Major Funds:				
General Fund	\$ 200,000.00	\$ 650,000.00	\$ 250,000.00	\$ 1,100,000.00

Interfund transfers for the year ended December 31, 2018 were as follows:

<u>Transfers From:</u>	<u>Transfers To:</u>		<u>Total</u>
	Road and Bridge Fund	Other Governmental Funds	
Major Funds:			
General Fund	\$ 200,000.00	\$ 159,297.14	\$ 359,297.14

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

## 8. PENSION PLAN

### **Plan Information:**

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

### **Benefits Provided:**

SDRS has three different classes of employees, Class A general members, Class B public safety and judicial members, and Class C Cement Plant Retirement Fund 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.

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.

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, 2019, 2018, and 2017, equal to the required contributions each year, were as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 75,409.44
2018	\$ 70,547.80
2017	\$ 68,937.18

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

At June 30, 2019, SDRS is 100.09% 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, 2019 are as follows:

Proportionate share of total pension liability	\$ 7,211,465.27
Less proportionate share of net position restricted for pension benefits	<u>7,217,597.56</u>
Proportionate share of net pension asset	<u>\$ (6,132.29)</u>

The net pension asset was measured as of June 30, 2019 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, 2019, the County's proportion was 0.0578667% which is an increase of 0.0009994% from its proportion measured as of June 30, 2018.

**Actuarial Assumptions:**

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded by years of service, from 6.50% at entry to 3.00% after 25 years of service
Discount Rate	6.50% net of plan investment expense
Future COLAs	1.88%

Mortality rates were based on 97% of the RP-2014 Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016, white collar rates for females and total dataset rates for males.

Mortality rates for disabled members were based on the RP-2014 Disabled Retiree Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period of July 1, 2011 to June 30, 2016.

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, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	58.0%	4.7%
Fixed Income	30.0%	1.7%
Real Estate	10.0%	4.3%
Cash	2.0%	0.9%
Total	100%	

**Discount Rate:**

The discount rate used to measure the total pension liability 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)	\$ 1,017,839.39	\$ (6,132.29)	\$ (840,484.18)

**Pension Plan Fiduciary Net Position:**

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

9. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2019, the County was not involved in any significant litigation.

10. EXPOSITION BUILDING

The Exposition Building is an undivided interest, or joint operation, between the County, Hughes County, Municipality of Pierre, and Municipality of Fort Pierre for the construction and operation of a multiple use exposition building, located at the Stanley County Fairgrounds in Fort Pierre, South Dakota. The primary use of the facility during the winter months will be for hockey with multiple uses during other times. Interest in the facility is as follows:

Stanley County	15%
Hughes County	35%
Municipality of Pierre	35%
Municipality of Fort Pierre	15%

Construction started in 1998 and was completed in 1999. The County's interest in the daily operation of the facility is reported within the General Fund.

Hughes County acted in the capacity of fiscal agent during the construction of the facility and continues as fiscal agent for the daily operation.

11. 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, 2019, the County managed its risks as follows:

Employee Health Insurance:

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

Liability Insurance:

The County joined the South Dakota Public Assurance Alliance (SDPAA), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the SDPAA is to administer and provide risk management services and risk sharing facilities to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The County's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the County. The County pays a Members' Annual Operating Contribution, to provide liability coverage detailed below, under a claims-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:

Automobile Liability,  
General Liability, and  
Property Liability



Effective January 1, 2018, the SDPAA revised the method of calculating the amount available to be refunded to a withdrawing member. Upon giving proper written notice to the SDPAA a member may withdraw. Within 120 days following withdrawal, or as soon thereafter as the next Annual Budget is completed, the SDPAA will advise the withdrawing member of its total calculated portion of contributions made to the SDPAA that shall be refunded. Refunds are calculated based on the pool's total contributions, along with the member's total contributions, current losses, unpaid losses, and loss expenses, the member's loss ratio, and number of membership years.

A member who withdraws from the SDPAA shall receive a calculated portion of their contributions refunded for unpaid casualty losses, based on the following schedule:

<u>Years</u>	<u>Percentage</u>
1	55%
2	50%
3	40%
4	35%
5	30%
6+	20%

All refunds shall be paid to the withdrawing Member over a five-year term.

As of December 31, 2019, the County's vested balance in the cumulative reserve fund available to be refunded per the SDPAA was \$95,042.00, which was an increase of \$14,527.00 from the previous year.

The County carries a \$500 deductible for the Law Enforcement coverage and \$500 deductible for the Wrongful Acts coverage.

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

#### Worker's Compensation:

The County joined the South Dakota Municipal League Worker's Compensation Fund (Fund), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop, and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The County's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The County pays an annual premium, to provide worker's compensation coverage for its employees, under a self-funded program and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first \$650,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability limit of \$2,000,000 per incident.

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

#### Unemployment Benefits:

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

**SUPPLEMENTARY INFORMATION  
STANLEY COUNTY  
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
For the Year Ended December 31, 2019**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 1,558,971.00	\$ 1,558,971.00	\$ 1,550,974.69	\$ (7,996.31)
General Property Taxes--Delinquent	0.00	0.00	8,952.48	8,952.48
Penalties and Interest	0.00	0.00	3,805.43	3,805.43
Licenses and Permits	1,500.00	1,500.00	2,195.00	695.00
Intergovernmental Revenue:				
Federal Grants	200.00	200.00	0.00	(200.00)
Federal Shared Revenue	800.00	800.00	0.00	(800.00)
Federal Payments in Lieu of Taxes	216,500.00	216,500.00	232,410.04	15,910.04
State Grants	5,500.00	5,500.00	10,484.20	4,984.20
State Shared Revenue:				
Bank Franchise	19,000.00	19,000.00	18,652.67	(347.33)
Motor Vehicle Licenses	0.00	0.00	27.00	27.00
Liquor Tax Reversion (Unincorporated Town)	7,200.00	7,200.00	6,024.00	(1,176.00)
Court Appointed Attorney/Public Defender	3,500.00	3,500.00	4,838.20	1,338.20
Telecommunications Gross Receipts Tax	27,300.00	27,300.00	10,840.76	(16,459.24)
Motor Vehicle 1/4%	0.00	0.00	2,349.50	2,349.50
Liquor Tax Reversion (25%)	5,000.00	5,000.00	19,136.90	14,136.90
Other Intergovernmental Revenue	0.00	0.00	1,897.79	1,897.79
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	50,912.00	50,912.00	18,849.50	(32,062.50)
Register of Deeds' Fees	40,100.00	40,100.00	38,674.78	(1,425.22)
Legal Services	25,150.00	25,150.00	25,307.32	157.32
Clerk of Courts Fees	2,500.00	2,500.00	3,771.00	1,271.00
Public Safety:				
Prisoner Care	6,000.00	6,000.00	6,741.35	741.35
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	4,500.00	4,500.00	2,123.35	(2,376.65)
Health Assistance:				
Women, Infants and Children	6,838.00	6,838.00	7,393.97	555.97
Culture and Recreation	101,000.00	101,000.00	92,991.06	(8,008.94)
Conservation of Natural Resources	13,000.00	13,000.00	15,249.63	2,249.63
Fines and Forfeits:				
Costs	400.00	400.00	6,165.41	5,765.41
Forfeits	1,100.00	1,100.00	2,300.00	1,200.00
Miscellaneous Revenue:				
Investment Earnings	24,425.00	24,425.00	20,571.37	(3,853.63)
Rent	25,575.00	25,575.00	32,615.00	7,040.00
Refund of Prior Year's Expenditures	0.00	0.00	10,563.61	10,563.61
Other	5,000.00	5,000.00	2,170.52	(2,829.48)
Total Revenues	2,151,971.00	2,151,971.00	2,158,076.53	6,105.53
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	86,202.00	86,202.00	79,157.61	7,044.39
Contingency	100,000.00	100,000.00		
Amount Transferred		(43,971.00)		56,029.00
Elections	1,716.00	1,716.00	1,546.40	169.60
Judicial System	18,650.00	18,650.00	6,604.80	12,045.20
Financial Administration:				
Auditor	129,359.00	129,359.00	91,403.35	37,955.65
Treasurer	132,993.00	132,993.00	120,196.66	12,796.34

**SUPPLEMENTARY INFORMATION**  
**STANLEY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2019**  
**(Continued)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Legal Services:				
State's Attorney	165,942.00	165,942.00	183,456.30	(17,514.30)
Court Appointed Attorney	58,800.00	63,330.00	63,326.93	3.07
Other Administration:				
General Government Building	99,149.00	107,154.00	106,343.95	810.05
Director of Equalization	150,894.00	150,894.00	147,512.40	3,381.60
Register of Deeds	80,744.00	80,744.00	74,023.09	6,720.91
Veterans Service Officer	10,011.00	10,147.00	10,147.00	0.00
Predatory Animal	1,610.00	1,610.00	1,610.10	(0.10)
Public Safety:				
Law Enforcement:				
County Jail	181,000.00	181,000.00	105,511.49	75,488.51
Coroner	10,000.00	10,000.00	771.31	9,228.69
County-Wide Law Enforcement	260,142.00	260,142.00	250,881.00	9,261.00
Juvenile Detention	15,350.00	15,350.00	295.00	15,055.00
Health and Welfare:				
Economic Assistance:				
Support of Poor	16,800.00	16,800.00	8,478.09	8,321.91
Health Assistance:				
County Nurse	50,971.00	50,971.00	46,799.44	4,171.56
Ambulance	23,400.00	23,400.00	15,950.00	7,450.00
Women, Infants and Children	6,200.00	8,782.83	8,356.07	426.76
Mental Health Services:				
Mentally Ill	20,500.00	20,500.00	15,425.88	5,074.12
Culture and Recreation:				
Culture:				
Public Library	490.00	490.00	175.00	315.00
Historical Museum	3,500.00	3,500.00	3,500.00	0.00
Recreation:				
Recreational Programs	20,000.00	20,000.00	20,000.00	0.00
County Fair	225,687.00	260,480.27	269,924.57	(9,444.30)
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	37,274.00	37,274.00	32,932.78	4,341.22
Weed and Pest Control	44,900.00	51,679.65	42,607.59	9,072.06
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	1,750.00	1,750.00	714.57	1,035.43
Urban and Rural Development	5,000.00	5,000.00	5,000.00	0.00
Other	26,302.00	26,302.00	26,301.96	0.04
Total Expenditures	1,985,336.00	1,998,191.75	1,738,953.34	259,238.41
Excess of Revenues Over (Under) Expenditures	166,635.00	153,779.25	419,123.19	265,343.94
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(228,700.00)	(228,700.00)	(1,100,000.00)	(871,300.00)
Insurance Proceeds	0.00	0.00	4,914.27	4,914.27
Total Other Financing Sources (Uses)	(228,700.00)	(228,700.00)	(1,095,085.73)	(866,385.73)
Net Change in Fund Balance	(62,065.00)	(74,920.75)	(675,962.54)	(601,041.79)
Fund Balance - Beginning	2,044,659.98	2,044,659.98	2,044,659.98	0.00
FUND BALANCE - ENDING	\$ 1,982,594.98	\$ 1,969,739.23	\$ 1,368,697.44	\$ (601,041.79)

**SUPPLEMENTARY INFORMATION**  
**STANLEY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2019**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 16,251.00	\$ 16,251.00	\$ 16,356.31	\$ 105.31
General Property Taxes--Delinquent	50.00	50.00	30.23	(19.77)
Penalties and Interest	50.00	50.00	35.62	(14.38)
Mobile Home Tax	5.00	5.00	0.00	(5.00)
Wheel Tax	94,895.00	94,895.00	92,993.59	(1,901.41)
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	16,000.00	16,000.00	17,083.02	1,083.02
State Grants	155,000.00	155,000.00	167,910.54	12,910.54
State Shared Revenue:				
Motor Vehicle Licenses	527,000.00	527,000.00	519,963.73	(7,036.27)
State Highway Fund (former 10% game)	13,000.00	13,000.00	27,129.80	14,129.80
Prorate License Fees	35,000.00	35,000.00	25,609.51	(9,390.49)
63 3/4% Mobile Home	7,000.00	7,000.00	1,777.09	(5,222.91)
Secondary Road Remittances	135,000.00	135,000.00	144,026.14	9,026.14
Telecommunications Gross Receipts Tax	2,000.00	2,000.00	0.00	(2,000.00)
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	1,000.00	1,000.00	0.00	(1,000.00)
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	3,993.47	3,993.47
Refund of Prior Year's Expenditures	0.00	0.00	468.28	468.28
Other	0.00	0.00	47.04	47.04
Total Revenues	1,002,251.00	1,002,251.00	1,017,424.37	15,173.37
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	1,362,326.00	1,362,326.00	1,278,122.40	84,203.60
Debt Service	140,000.00	140,000.00	90,527.63	49,472.37
Total Expenditures	1,502,326.00	1,502,326.00	1,368,650.03	133,675.97
Excess of Revenues Over (Under) Expenditures	(500,075.00)	(500,075.00)	(351,225.66)	148,849.34
Other Financing Sources (Uses):				
Transfers In	200,000.00	200,000.00	200,000.00	0.00
Sale of County Property	0.00	0.00	1,853.75	1,853.75
Total Other Financing Sources (Uses)	200,000.00	200,000.00	201,853.75	1,853.75
Net Change in Fund Balance	(300,075.00)	(300,075.00)	(149,371.91)	150,703.09
Fund Balance - Beginning	338,463.15	338,463.15	338,463.15	0.00
FUND BALANCE - ENDING	\$ 38,388.15	\$ 38,388.15	\$ 189,091.24	\$ 150,703.09

**SUPPLEMENTARY INFORMATION**  
**STANLEY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**COURTHOUSE BUILDING FUND**  
**For the Year Ended December 31, 2019**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes:				
General Property Taxes--Current	\$ 11,066.00	\$ 11,066.00	\$ 12,051.22	\$ 985.22
General Property Taxes--Delinquent	0.00	0.00	66.76	66.76
Penalties and Interest	0.00	0.00	28.68	28.68
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	4,000.00	4,000.00	4,340.56	340.56
State Shared Revenue:				
Bank Franchise	0.00	0.00	166.54	166.54
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	4,775.83	4,775.83
Total Revenues	<u>15,066.00</u>	<u>15,066.00</u>	<u>21,429.59</u>	<u>6,363.59</u>
<b>Expenditures:</b>				
General Government:				
Other Administration:				
General Government Building	<u>250,000.00</u>	<u>350,000.00</u>	<u>345,746.37</u>	<u>4,253.63</u>
Excess of Revenues Over (Under) Expenditures	<u>(234,934.00)</u>	<u>(334,934.00)</u>	<u>(324,316.78)</u>	<u>10,617.22</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	0.00	0.00	650,000.00	650,000.00
Sale of County Property	0.00	0.00	274,289.74	274,289.74
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>924,289.74</u>	<u>924,289.74</u>
Net Change in Fund Balance	(234,934.00)	(334,934.00)	599,972.96	934,906.96
Fund Balance - Beginning	<u>89,928.53</u>	<u>89,928.53</u>	<u>89,928.53</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ (145,005.47)</u>	<u>\$ (245,005.47)</u>	<u>\$ 689,901.49</u>	<u>\$ 934,906.96</u>

**SUPPLEMENTARY INFORMATION**  
**STANLEY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 1,455,153.00	\$ 1,455,153.00	\$ 1,457,720.23	\$ 2,567.23
General Property Taxes--Delinquent	15,000.00	15,000.00	13,652.15	(1,347.85)
Penalties and Interest	4,100.00	4,100.00	4,154.42	54.42
Mobile Home Tax	0.00	0.00	38.65	38.65
Licenses and Permits	5,000.00	5,000.00	1,865.00	(3,135.00)
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	255,221.14	255,221.14	235,538.76	(19,682.38)
State Grants	2,383.67	2,383.67	2,383.67	0.00
State Shared Revenue:				
Bank Franchise	18,939.93	18,939.93	18,939.93	0.00
Motor Vehicle Licenses	3.00	3.00	3.00	0.00
Court Appointed Attorney/Public Defender	1,809.97	1,809.97	1,809.97	0.00
Telecommunications Gross Receipts Tax	15,337.09	15,337.09	15,337.09	0.00
Motor Vehicle 1/4%	1,776.42	1,776.42	1,776.42	0.00
Liquor Tax Reversion (25%)	24,282.78	24,282.78	24,282.78	0.00
Other Intergovernmental Revenue	246.00	246.00	246.00	0.00
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	21,627.50	21,627.50	21,627.50	0.00
Register of Deeds' Fees	58,309.57	58,309.57	101,532.94	43,223.37
Legal Services	28,825.88	28,825.88	28,825.88	0.00
Clerk of Courts Fees	4,348.80	4,348.80	4,348.80	0.00
Public Safety:				
Law Enforcement	50.00	50.00	50.00	0.00
Prisoner Care	1,877.40	1,877.40	1,877.40	0.00
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	2,186.49	2,186.49	2,186.49	0.00
Health Assistance:				
Women, Infants and Children	8,165.34	8,165.34	8,165.34	0.00
Culture and Recreation	91,036.74	91,036.74	95,744.68	4,707.94
Conservation of Natural Resources	13,572.28	13,572.28	13,572.28	0.00
Fines and Forfeits:				
Fines	0.00	0.00	91.05	91.05
Costs	0.00	0.00	5,448.08	5,448.08
Forfeits	0.00	0.00	1,750.00	1,750.00
Other	500.00	500.00	600.00	100.00
Miscellaneous Revenue:				
Investment Earnings	20,115.97	20,115.97	19,523.75	(592.22)
Rent	27,150.24	27,150.24	27,150.24	0.00
Refund of Prior Year's Expenditures	1,214.40	1,214.40	1,214.40	0.00
Other	6,519.39	6,519.39	6,519.39	0.00
Total Revenues	2,084,753.00	2,084,753.00	2,117,976.29	33,223.29
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	85,499.00	90,019.00	90,006.70	12.30
Contingency	100,000.00	100,000.00		
Amount Transferred		(22,619.00)		77,381.00
Elections	18,576.00	20,574.93	17,603.01	2,971.92
Judicial System	13,650.00	13,650.00	11,684.05	1,965.95
Financial Administration:				
Auditor	124,814.00	124,814.00	112,841.00	11,973.00
Treasurer	129,486.00	129,486.00	120,582.45	8,903.55

**SUPPLEMENTARY INFORMATION**  
**STANLEY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2018**  
**(Continued)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Legal Services:				
State's Attorney	162,001.00	162,001.00	147,373.22	14,627.78
Court Appointed Attorney	58,800.00	64,764.00	64,763.65	0.35
Other Administration:				
General Government Building	96,951.00	96,951.00	96,048.82	902.18
Director of Equalization	176,926.00	176,926.00	154,869.46	22,056.54
Register of Deeds	79,091.00	79,091.00	73,587.19	5,503.81
Veterans Service Officer	9,694.00	9,694.00	9,694.00	0.00
Predatory Animal	1,800.00	1,800.00	1,610.10	189.90
Public Safety:				
Law Enforcement:				
County Jail	181,000.00	181,000.00	102,306.01	78,693.99
Coroner	10,000.00	10,000.00	2,215.18	7,784.82
County-Wide Law Enforcement	267,420.00	267,420.00	249,420.00	18,000.00
Juvenile Detention	15,350.00	15,350.00	12,752.50	2,597.50
Health and Welfare:				
Economic Assistance:				
Support of Poor	18,100.00	18,100.00	1,807.54	16,292.46
Health Assistance:				
County Nurse	50,164.00	50,164.00	49,965.57	198.43
Ambulance	22,800.00	22,800.00	16,170.00	6,630.00
Women, Infants and Children	5,967.00	5,967.00	5,643.99	323.01
Mental Health Services:				
Mentally Ill	20,500.00	20,635.00	20,634.88	0.12
Culture and Recreation:				
Culture:				
Public Library	490.00	490.00	350.00	140.00
Historical Museum	3,500.00	3,500.00	3,500.00	0.00
Recreation:				
Recreational Programs	20,000.00	20,000.00	20,000.00	0.00
Exhibition Building	0.00	0.00	4,252.65	(4,252.65)
County Fair	234,078.00	249,523.43	250,285.10	(761.67)
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	39,417.00	39,417.00	34,616.08	4,800.92
Weed and Pest Control	44,750.00	44,750.00	27,581.51	17,168.49
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	2,170.00	2,170.00	1,045.67	1,124.33
Urban and Rural Development	5,000.00	5,000.00	5,000.00	0.00
Other	24,764.00	24,764.00	24,763.56	0.44
Total Expenditures	<u>2,022,758.00</u>	<u>2,028,202.36</u>	<u>1,732,973.89</u>	<u>295,228.47</u>
Excess of Revenues Over (Under) Expenditures	<u>61,995.00</u>	<u>56,550.64</u>	<u>385,002.40</u>	<u>328,451.76</u>
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(200,000.00)	(200,000.00)	(359,297.14)	(159,297.14)
Insurance Proceeds	0.00	0.00	942.43	942.43
Total Other Financing Sources (Uses)	<u>(200,000.00)</u>	<u>(200,000.00)</u>	<u>(358,354.71)</u>	<u>(158,354.71)</u>
Net Change in Fund Balance	(138,005.00)	(143,449.36)	26,647.69	170,097.05
Fund Balance - Beginning	<u>2,018,012.29</u>	<u>2,018,012.29</u>	<u>2,018,012.29</u>	<u>0.00</u>
FUND BALANCE - ENDING	<u>\$ 1,880,007.29</u>	<u>\$ 1,874,562.93</u>	<u>\$ 2,044,659.98</u>	<u>\$ 170,097.05</u>

**SUPPLEMENTARY INFORMATION**  
**STANLEY COUNTY**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**ROAD AND BRIDGE FUND**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 16,284.00	\$ 16,284.00	\$ 16,270.21	\$ (13.79)
General Property Taxes--Delinquent	6,471.48	6,471.48	147.51	(6,323.97)
Penalties and Interest	48.18	48.18	48.18	0.00
Mobile Home Tax	0.72	0.72	0.72	0.00
Wheel Tax	93,479.62	93,479.62	93,479.62	0.00
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	38,085.71	38,085.71	8,386.29	(29,699.42)
State Grants	167,301.34	167,301.34	167,301.34	0.00
State Shared Revenue:				
Motor Vehicle Licenses	504,148.66	504,148.66	504,148.66	0.00
State Highway Fund (former 10% game)	13,564.90	13,564.90	13,564.90	0.00
Prorate License Fees	23,219.45	23,219.45	23,219.45	0.00
63 3/4% Mobile Home	6,471.97	6,471.97	6,471.97	0.00
Secondary Road Remittances	147,207.97	147,207.97	147,207.97	0.00
Charges for Goods and Services:				
Public Works:				
Road Maintenance Contract Charges	600.00	600.00	4,653.82	4,053.82
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	6,753.49	6,753.49
Refund of Prior Year's Expenditures	0.00	0.00	185.00	185.00
Other	0.00	0.00	133.45	133.45
Total Revenues	1,016,884.00	1,016,884.00	991,972.58	(24,911.42)
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	1,186,912.00	1,191,350.93	1,246,980.15	(55,629.22)
Debt Service	115,426.00	115,426.00	90,526.63	24,899.37
Total Expenditures	1,302,338.00	1,306,776.93	1,337,506.78	(30,729.85)
Excess of Revenues Over (Under) Expenditures	(285,454.00)	(289,892.93)	(345,534.20)	(55,641.27)
Other Financing Sources (Uses):				
Transfers In	200,000.00	200,000.00	200,000.00	0.00
Insurance Proceeds	0.00	0.00	4,438.93	4,438.93
Total Other Financing Sources (Uses)	200,000.00	200,000.00	204,438.93	4,438.93
Net Change in Fund Balance	(85,454.00)	(89,892.93)	(141,095.27)	(51,202.34)
Fund Balance - Beginning	479,558.42	479,558.42	479,558.42	0.00
FUND BALANCE - ENDING	\$ 394,104.42	\$ 389,665.49	\$ 338,463.15	\$ (51,202.34)



**SUPPLEMENTARY INFORMATION  
STANLEY COUNTY  
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
COURTHOUSE BUILDING FUND  
For the Year Ended December 31, 2018**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes--Current	\$ 11,000.00	\$ 11,000.00	\$ 11,043.06	\$ 43.06
General Property Taxes--Delinquent	562.36	562.36	101.13	(461.23)
Penalties and Interest	36.39	36.39	36.39	0.00
Mobile Home Tax	1.25	1.25	1.25	0.00
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	4,400.00	4,400.00	2,130.84	(2,269.16)
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	14,305.93	14,305.93
Total Revenues	16,000.00	16,000.00	27,618.60	11,618.60
Expenditures:				
General Government:				
Other Administration:				
General Government Building	400,000.00	1,260,000.00	1,247,512.47	12,487.53
Net Change in Fund Balance	(384,000.00)	(1,244,000.00)	(1,219,893.87)	24,106.13
Fund Balance - Beginning	1,309,822.40	1,309,822.40	1,309,822.40	0.00
FUND BALANCE - ENDING	\$ 925,822.40	\$ 65,822.40	\$ 89,928.53	\$ 24,106.13

STANLEY 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**  
**STANLEY COUNTY**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**

**South Dakota Retirement System**

\*Last 10 Years

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.0578667%	0.0568673%	0.0580989%	0.0587923%	0.0538793%	0.0530253%
County's proportionate share of net pension liability (asset)	\$ (6,132.29)	\$ (1,326.28)	\$ (5,272.54)	\$ 198,594.61	\$ (228,517.51)	\$ (382,026.00)
County's covered employee payroll	\$ 1,155,723.90	\$ 1,093,287.03	\$ 1,114,450.52	\$ 978,837.46	\$ 922,221.77	\$ 869,707.96
County's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	0.53%	0.12%	0.47%	20.29%	24.78%	43.93%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.09%	100.02%	100.1%	96.89%	104.10%	107.03%

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

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

**Changes of benefit terms:**

No significant changes.

**Changes of assumptions:**

Legislation enacted in 2017 modified the SDRS COLA. For COLAs first applicable in 2018, the SDRS COLA will equal the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0.5% 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%. That condition existed as of June 30, 2018 and exists again this year as of June 30, 2019. Future COLAs are assumed to equal the current restricted maximum COLA which was 2.03% as of June 30, 2018 and is 1.88% as of June 30, 2019.

The changes in actuarial assumptions decreased the Actuarial Accrued Liability by 1.5% of the Actuarial Accrued Liability based on the 2.03% COLA, reflecting the current and assumed future restricted maximum COLA of 1.88%.

Actuarial assumptions are reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2022 Actuarial Valuation and any recommended changes anticipated to be first implemented in the June 30, 2022 Actuarial Valuation.

**SUPPLEMENTARY INFORMATION**  
**STANLEY COUNTY**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
**For the Two Years Ended December 31, 2019**

<b>Indebtedness</b>	<b>Long-Term Debt January 1, 2018</b>	<b>Add New Debt</b>	<b>Less Debt Retired</b>	<b>Long-Term Debt December 31, 2019</b>
<b>Governmental Long-Term Debt:</b>				
Financing (Capital Acquisition) Leases	\$ 209,418.34	\$ 102,895.60	\$ 171,315.66	\$ 140,998.28

Note 1 - Long-Term Debt:

Debt payable at December 31, 2019 is comprised of the following:

Financing (Capital Acquisition) Leases:

2015 Caterpillar 140M3 Motor Grader Financing Capital Acquisition Lease, Final Maturity - August 2020, Interest Rate - 2.85%, Paid from the Road and Bridge Fund	\$ 38,102.68
2019 Snowblast Commercial Snowblower Financing Capital Acquisition Lease, Final Maturity - December 2024, Interest Rate - 3.49%, Paid from the Road and Bridge Fund	\$ 102,895.60